

Department of **Corporate and Digital Development**

ANNUAL REPORT
2021-22

PUBLISHED BY THE DEPARTMENT OF CORPORATE AND DIGITAL DEVELOPMENT

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Letter of Representation to the Minister

The Hon Ngaree Ah Kit MLA
Minister for Corporate and Digital Development
Parliament House
Darwin NT 0800

Dear Minister

In accordance with section 28 of the *Public Sector Employment and Management Act 1993*, I am pleased to submit the Department of Corporate and Digital Development (DCDD) 2021-22 Annual Report setting out the activities and achievements of the department.

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

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

Yours sincerely



Chris Hosking
A/Chief Executive

21 September 2022

Purpose of the report

The Department of Corporate and Digital Development 2021-22 Annual Report provides a record of the department's functions, performance and progress towards our strategic goals and priorities. The report also formally acknowledges the achievements of our people.

The report is tabled by the Minister in the Northern Territory Legislative Assembly, primarily as an accounting and reporting mechanism for the department's income and financial expenditure for the year ending 30 June 2022.

The report complies with annual reporting requirements in the *Public Sector Employment and Management Act 1993*, the *Financial Management Act 1995* and the *Information Act 2002*.

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

Related reporting

The Department of Corporate and Digital Development includes two Government Business Divisions (GBDs), NT Fleet and Data Centre Services, established under the *Financial Management Act 1995* (FMA) and determined by the Treasurer. Under the FMA, Financial Statements must be separately prepared, based on commercial accounting principles, audited by the Auditor-General and then released to the Minister for tabling in the Legislative Assembly. These Financial Statements, along with the department's Financial Statements, can be found at Section 6 of the report. In all other aspects data, such as staffing data, provided throughout this report includes the staff in those GBDs, unless otherwise noted.

Our audience

The DCDD annual report provides information to members of the Northern Territory Legislative Assembly, the community, other government agencies, DCDD staff and other stakeholders about the department's purpose and achievements during the year.

Acknowledgement of Country

The Northern Territory Government respectfully acknowledges Aboriginal and Torres Strait Islander peoples as the First Nations people of this country. We acknowledge the continuing connection to lands, waters and communities, and the evolving cultures of all our First Nations peoples. We pay our deepest respects to all Aboriginal and Torres Strait Islander cultures, and to their leaders - past, present and emerging.

While this report uses the term 'Aboriginal', we respectfully acknowledge that Torres Strait Islander peoples are First Nations people living in the Territory. Therefore, strategies, services and outcomes relating to 'Aboriginal' Territorians should be read to include both Aboriginal and Torres Strait Islander Territorians.

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The agency

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Chief Executive foreword

It is my absolute pleasure to deliver the annual report of the Department of Corporate and Digital Development (DCDD) for the year ending 30 June 2022.

Much has happened over this past year, all of which is highlighted later in this report, however I would like to start by noting several key changes and achievements not specifically covered elsewhere.

First and foremost I would like to acknowledge Kathleen Robinson, the Chief Executive of DCDD for most of this reporting period. In June 2022, Kathleen accepted an invitation from the Chief Minister to step into the pivotal NTPS leadership role of Chief Executive at the Department of Chief Minister and Cabinet. A great accolade by any measure, Kathleen was also the recipient of two public sector meritorious awards this year, receiving the Chief Minister's Public Sector Medal in 2021 and named on the 2022 Australia Day Honours List receiving the Public Service Medal for outstanding public service to the NTPS.

I have worked side by side with Kathleen for over 15 years, and her move to the new role as 'head of service' in the NTPS is richly deserved and recognises her contribution of more than 40 years serving the Northern Territory. This has resulted in several changes within DCDD and it is a tremendous honour for me to take on the leadership of DCDD during this interim period.

Whilst this report does not focus specifically on COVID-19, the 2021-22 year was still dominated by the pandemic as it continued doing its best to disrupt. COVID required our people to innovate, adjust, re-prioritise and pivot to meet new and emerging challenges. It stretched our resources, forced us to 'think outside the square' and saw our people achieve new levels of drive and resilience.

Where we had previously taken months (and sometimes years) to deliver solutions, we did it in days and weeks.



Our corporate and digital innovators became first responders. COVID has shown us what we are truly capable of when we apply our talent and empower our people to get on and deliver.

DCDD's role in the pandemic response focussed heavily on digital solutions to help both the Territory community and client agencies and support services, in particular frontline staff in agencies. The department has worked behind the scenes to support government's public health, community safety and economic rebound priorities.

We operated through lockdowns, never wavering in our commitment to our clients. All of our staff worked from home at least some of the time with many teams running rosters and split workforce arrangements, all whilst maintaining business continuity. Not only did DCDD staff lend a hand to other DCDD teams and agencies, they also put their hands up to volunteer and help out in the community. Some as contact tracers, some assisting Department of Health to staff the COVID hotline, others working at testing clinics both in Darwin and Alice Springs. Many of our people were drawn upon to assist with the response to outbreaks in Katherine and surrounding communities. We rostered our people to work within the Emergency Operations Centre, and our web team kept the coronavirus website updated 24 hours per day.

A wide range of COVID-19 support activities were undertaken across DCDD to help our client agencies and throughout the year our people consistently proved their professionalism, dedication and commitment to customer service. A particular standout is the Workforce Services teams that managed the compliance effort around mandatory vaccination status. This was one of the most challenging, time pressured and highly sensitive processes to manage on behalf of agencies and I am immensely grateful to everyone that played a part.

One thing the COVID response has highlighted beyond doubt is the benefit to government of the OneNTG model with central support services provided by DCDD. Centralisation has proven its value by enabling fast, consistent and reliable support right across the NT Government. Some of the toughest challenges presented by the COVID pandemic were able to be addressed quickly and efficiently as a direct result of the central support model anchored within DCDD.

The Territory's posture in terms of COVID continues to evolve. Traveller checks at airports and road borders have relaxed, the use of border entry forms has been withdrawn and our Australian borders have re-opened to international arrivals. These changes along with the relaxing of mandatory vaccination rules have continued to require our digital teams to pivot quickly in terms of the systems and processes that support these functions.

COVID-19 has also thrown us some curve balls in terms of our major digital projects, in particular the Acacia digital health solution. The initial rollout of this new system to the Katherine Hospital in November 2021 was severely disrupted by the COVID outbreak that originated in Katherine with only days to go before the planned launch date. The resolve and determination shown by our Acacia collective which includes the project team, our clinical stakeholders in NT Health and our software partners InterSystems, was incredible. We all pulled together, and when things got challenging we doubled down on our efforts. As a result we will be launching Acacia at Katherine in July 2022.

DCDD had four projects that made the honours list as finalists at the 2021 Chief Minister's Awards, the Tiwi Islands Telecommunications Upgrade, Territory Check-In App, Corporate Services Reform (CSR3) and the Can-Do Territory digital platform. I am thrilled to say that the first three were all winners in their respective categories.

We invested heavily in progressing our People Matter Survey Action Plan for 2021-2022 to improve engagement and employee experience and make DCDD a better place to work. With this in mind, many of our major internal activities have focussed on employee engagement. The new DCDD Strategic Plan 2022-2024 was developed with broad employee consultation and launched via a digital mode of delivery complete with a live Q and A session for staff to engage with the senior leadership team on all sorts of topics. This received great feedback from across the agency and was attended by over 90% of our people.

We continued to focus strongly on our customers striving to deliver an exceptional customer experience and service that is responsive, reliable and professional. We launched the DCDD Customer Charter, developed with input from our customers and staff, aligned to the NTG Customer Focus Framework and setting out our commitments to our customers and OneNTG objectives.

Our people have adapted and responded brilliantly during a particularly challenging year, coming together and forging new bonds, while continuing to deliver quality services to our customers. The department strives at all times to provide a supportive environment, committed to building a great workplace culture and being a terrific place to work.

I could not be more proud of the work we have done together and what we achieved to support our clients and the Territory community. This only happens as the result of a concerted team effort from all of us. When we all pull together we can achieve amazing things and I am immensely grateful to all our people for the contribution that they make each and every day.

I look forward to continuing to work with our people right across DCDD as we work together to steer our agency. We have an enormous year ahead of us and our future is bright as we continue to grow and go from strength to strength as a high performing organisation.

Chris Hosking
Acting Chief Executive

The department

Vision

Our vision is to improve customer experience through exceptional services and solutions.

Role

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

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

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

Values

The DCDD core values are a key driver in shaping our purpose and commitment to the way we conduct our operations. They provide a shared understanding of appropriate behaviours in the workplace and how we should interact with others in our everyday work.

These values underpin how we work in delivering our services, promote collaboration and professionalism, and guide us in achieving our best performance and setting common expectations across the department. DCDD works to embed a culture of continuous improvement that reflects our values:

Honest: we tell the truth

Professional: we work to a high standard

Respectful: we are considerate in our interactions

Accountable: we take responsibility for our actions

Innovative: we commit to improving

Financial position

DCDD's final budget for 2021-22 was \$401.5 million (excluding the GBDs which are separate budget entities). DCDD's expenditure of \$374.2 million was well within the department's budget. Timing changes in the delivery of major digital transformation projects and telecommunications grants due to external factors, lower

property leasing costs due to market conditions and challenges sourcing resource capability were the primary drivers of lower spending in 2021-22. The financial section provides a comprehensive overview of all three Financial Statements.

Cost allocation model

The cost to deliver our services is passed on to agencies via a cost allocation model, refer to Appendix A. The model calculates and distributes costs related to service delivery equitability across DCDD service lines. Service usage information for each client, such as transactional volume data, is extracted from business systems with unit costs applied to determine client service charges.

Agencies are notionally charged for the value of DCDD services they received with fees recorded in agency budgets and ledgers. DCDD services are provided on a cost recovery basis to GBDs and other non-budget entities. The cost allocation model continues to be refined and is reviewed annually for inclusion in agency/GBD budget forecasts.

Organisational construct

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

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

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

Diagram 1 reflects the organisational model.

Corporate Services

Corporate Services deliver enterprise corporate services and solutions that support standardised and centralised business support services for the people, finances, records and other corporate resources of clients.

Digital Services

Digital Services works to improve government service delivery through an outcome driven, digital-first approach and accelerate digital opportunities to connect, enable and service the Territory through transformative digital solutions and effectively manage the NTG's ICT environment.

Office of Digital Government

DCDD has a digital leadership role to advance digital initiatives that support government and agencies. Office of Digital Government (ODG) is the department's strategic and policy area with a focus on digital, data and telecommunications advocacy to support government in advancing digital transformation to improve services and foster innovation and economic development.

Telecommunications is essential to underpin digital initiatives. The Australian Government has responsibility for telecommunications services and carriers have responsibility for service delivery, DCDD plays a critical strategic role to advocate for telecommunications services across the NT.

Through co-investment programs we also actively support our remote areas to ensure Territorians can have access to necessary telecommunications and infrastructure.

Data Centre Services

Data Centre Services (DCS) is the central computing hub of the NT Government's complex digital ecosystem. All NTG computing, network activity and telephony rely on the data centre.

DCS operates 24 hours per day, 365 days per year and provides first line response to interruption of ICT services.

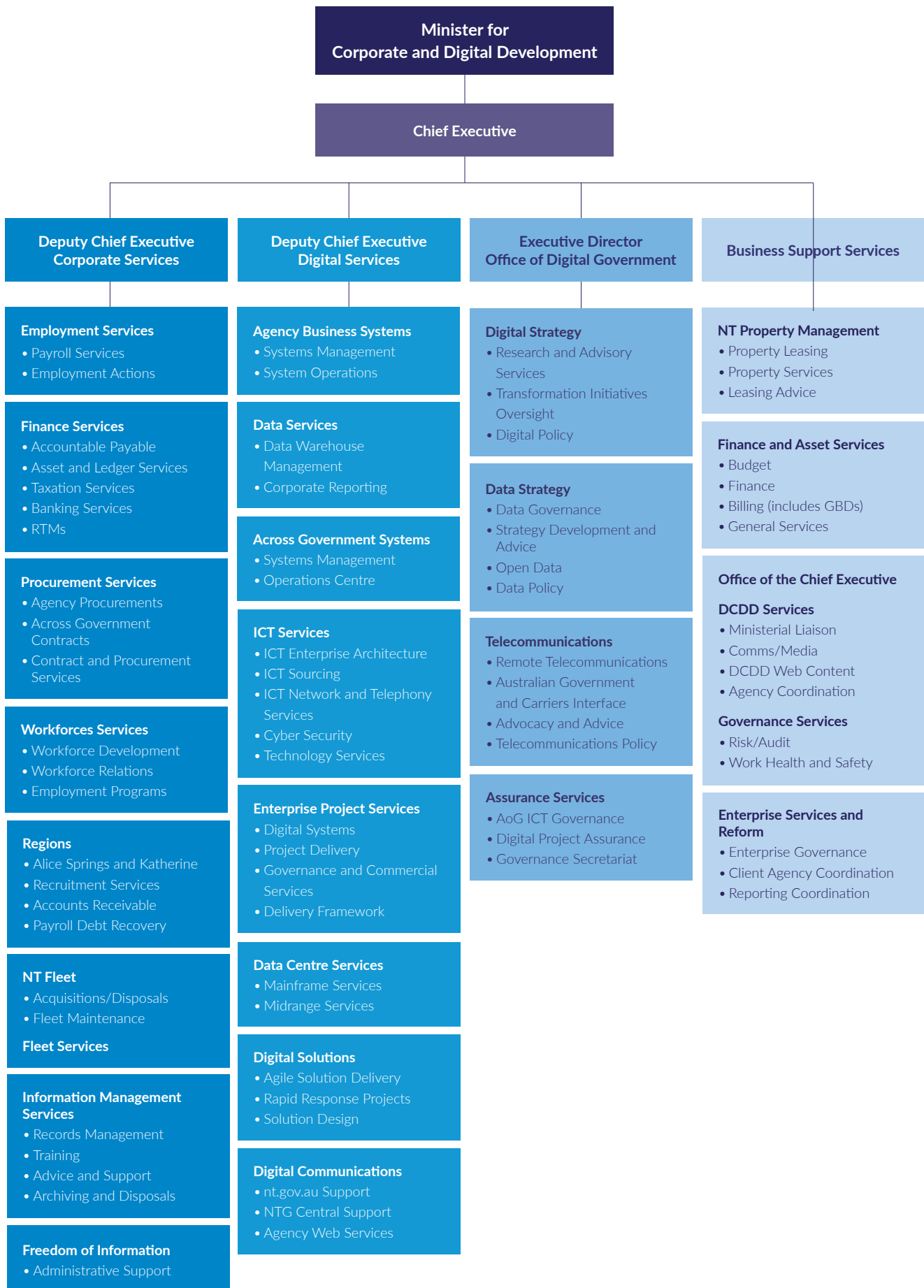
NT Fleet

NT Fleet provides low cost, efficient, fit-for-purpose vehicles to support agencies business requirements, encompassing light and heavy vehicles and plant and equipment, excluding NTPFES vehicles.

Our locations

Our offices are based in Darwin, Katherine and Alice Springs. Regional corporate services are provided in Alice Springs and Katherine, with services for all agencies related to recruitment, accounts receivable and payroll debt recovery provided entirely through the Alice Springs office.

Diagram 1: DCDD organisational structure



Legislation administered

The department is responsible for administering the *Information Act 1995* Part 9 (except Archives Management) as it relates to NT Government records management.

DCDD Strategic Plan 2022-2024

The DCDD Strategic Plan 2022-2024 was launched in January 2022 and sets out what the department will be working towards over the next three years.

The plan was developed after an extensive stakeholder consultation period which included staff surveys, discussion forums and providing feedback opportunities throughout the development process. A staff advisory group, together with Executive Management Board, provided essential input into the development of the plan.

The plan focuses on responsive and adaptable solutions that are underpinned by our Corporate Statement.

The plan contains three strategic drivers, with each drivers supported by six priority areas. The priority areas are a combination of aspirational and practical directions that the department will be working on over the life of the plan. They guide DCDD projects and business plans and filter throughout the department to work areas and individual goals through agency My Plans.

The full DCDD Strategic Plan 2022-2024 can be found on the department's website.

Diagram 2: DCDD strategic drivers



Corporate statement

DCDD's Corporate Statement is a key driver in shaping our purpose and commitment to the way we conduct our operations. The Corporate Statement is embedded in the DCDD Strategic Plan 2022-2024 and links our purpose,

values and commitment to our customers to influence how the department works together, interacts with clients and engages within the broader NT Government environment.

Stakeholders

The department interacts with a range of stakeholders, including:

- all NTG agencies and government Ministers
- governance groups – such as Jobs Standing Committee, Fiscal Repair Standing Committee
- oversight authorities – such as the NT Auditor-General, Independent Commissioner Against Corruption, Ombudsman, NT WorkSafe
- local industry sectors – particularly the digital industry, commercial property industry and motor vehicle industry
- professional bodies – including digital, data, cyber, accounting, human resource management, procurement and information management professions
- academia – particularly Charles Darwin University through skills development, scholarships and collaborative projects
- governments in other Australian jurisdictions – particularly in relation to digital and data initiatives, with interactions also across shared services, procurement and fleet management.

Data and digital Minister's meeting

At a national level, DCDD actively works with stakeholders from other jurisdictions through the Data and Digital Ministers Meeting. The purpose is on improving outcomes for customers by driving cross-government collaboration on data and digital transformation to drive smarter service delivery and improved policy outcomes. The priority focus in 2022 has been on:

- moving towards a seamless digital identity and verifiable credential experience for citizens

- reforming cross-jurisdictional data and digital platforms, services and protocols
- transforming government services around life events.

DCDD is contributing on a national stage and represents the Minister and NT Government on a number of national data and digital working groups focusing on the above priority issues, as well as digital inclusion, cyber security, data and analytics.

Community support

DCDD is largely an internally focussed operational agency there to support government entities and as such does not have a large external community focus. We do however support the community and non-government sector through the following:

- **NT Fleet vehicle short term loan program**

This program, run through the Community Service Obligations (CSO), is managed out of the NT Government's light vehicle fleet. The program allows community and not-for-profit organisations to hire vehicles on short-term loan arrangements. Vehicles loaned are surplus to government requirements, generally include vehicles waiting sale at auction and are from the light vehicle fleet. Details can be found at Appendix B.

- **Gifted vehicle**

On occasion, the NT Government will gift a vehicle to a not-for-profit organisation. Gifted vehicles are approved by the Treasurer and reported at its written down value. Details can be found at Appendix B.

- **Grants and sponsorships**

The NT Government has invested in telecommunications infrastructure, through co-investment programs, to address telecommunications shortfall in remote Territory areas. Co-investment opportunities with service providers enables NT Government to enhance and expand mobile and broadband coverage in areas that would otherwise be difficult to justify on economic grounds. Appendix C provides an overview of DCDD's sponsorships and grants paid in 2021-22.

- **Accommodation costs for non-government organisations**

DCDD manages and administers lease agreements on behalf of NT Government agencies in support of non-government organisations. Appendix D provides an overview of the value of rental paid by DCDD for the premises.

Sustainability

The NT Government's Climate Change Response – towards 2050 is working towards a target of net zero emissions by 2050. DCDD is committed to responsible business practices which are environmentally and economically sustainable and we continue to evaluate and improve efficiency through a diverse range of measures to contribute to this target.

The NT Government intends to commence its achievement of carbon neutrality and emissions reductions objectives through a three year action plan designed to reduce greenhouse gas (GHG) emissions associated with NT Government operations and services with a range of specific measures which include developing a whole of government Emissions Reporting Framework.

As a central provider of wide ranging services to the NTPS, DCDD has a shared responsibility to engage with other NTPS agencies and The Office of Climate Change to ensure that NTPS assets, infrastructure and services are protected and planned for in light of changes to climate change risks and impacts.

DCDD has joined the NT Government climate change working groups and commenced the scoping and development of its emissions inventory in accordance with the guidance materials provided through the NT Office of Climate Change. A baseline inventory will be available in 2022-23 which shall inform the development of a DCDD - specific emission reduction action plan.

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

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

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Our customers

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Overview

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

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

Customer profile

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

DCDD's customers include:

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

Guiding frameworks

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

NTG customer focus framework

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

The NTG Customer Focus Framework is premised on:

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

OneNTG model

Represents a collective view of government where all agencies and employees work collaboratively to a common goal and a consistent focus on quality customer service.

This reflects a significant change in service delivery mindset from agency-based to a single-government focus, where services are delivered for the benefit of the NT Government and by extension the community.

Principles of OneNTG:

- Support:** Responsive and reliable services for customers.
- Partner:** Collaboration and respect between agencies and stakeholders.
- Integrate:** Unified and standardised services effectively leveraging scale.
- Improve :** Better solutions, quality performance and innovation.

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

DCDD enterprise services framework

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

The Framework, based on the OneNTG principles, outlines how we will engage with our customers, and guides and informs decisions, addressing both strategic and

operational requirements, to meet government policy and agency business requirements.

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

DCDD customer charter

In March 2022, DCDD released its Customer Charter (the Charter). The Charter aligns with the department's Strategic Plan 2022-2024 and is our commitment to customers and clients about how we will engage with them to develop and deliver quality services and contemporary solutions.

The Charter was developed through a rigorous process to ensure it aligns with the Enterprise Services Framework and Customer Experience (CX) principles and is supported

by a Staff Behaviours Framework as well as Team and Agency Action Plans to ensure it is operationalised and embedded in the department's culture.

The Charter was informed by feedback from clients, sourced from a Client Workshop held in late 2021. Client feedback, suggestions and input which were incorporated into the Customer Commitments and Staff Behaviours Framework.

Our commitments

The charter describes the type of experience clients can expect when working with any area of DCDD:

Deliver reliable services

We will provide a reliable, responsive service using our professional expertise to connect and deliver what you need.

Listen to customers

We will listen to your business needs, ask for your views and provide well considered advice that supports decision-making.

Respect customer needs

We will make dealing with us simple, keep you informed and see things through.

Create better experiences

We will partner to proactively develop innovative solutions that improve customer experience.

Staff behaviours framework

The charter is supported by a Staff Behaviours Framework which describes the behaviours individual staff members are asked to demonstrate in their day to day work. These behaviours describe the experience customers can

expect when dealing with any area of the department and explain how DCDD intends to deliver on our customer commitments.

Action plans

An agency plan is being developed that outlines the actions required to implement the Customer Charter across the agency and build a customer-centric culture.

Our Agency Customer Charter Action Plan will be informed by each work area's team action plans detailing at a team level how the Customer Charter will be delivered to their clients and customers.

Digital transformation

DCDD has led the development of the NT Government Digital Transformation Plan to guide enhancing the delivery and accessibility of government services through technology. The plan outlines five key transformation priorities for government, including:

- an online service portal that will act as a single digital entry point to access government services
- individual digital identities for Territory citizens and businesses, making it faster for customers to access their records and prepopulate online government forms
- improving how government captures, stores, shares and analyses NT Government data
- modernising current digital government platforms to make them easier to use
- increasing staff confidence with digital services through training opportunities.

The Digital Transformation Plan will ensure that businesses and individuals have convenient online access in a secure environment that will make it easier to do business with Government, and to connect to and use services.

This will deliver economic and lifestyle benefits through efficiencies, ease of access and time savings.

Customer experience

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

The department has been a key participant in a NTG Steering Committee on Customer Focus and a NTPS CX Working Group, with the aim of building and sharing knowledge across the sector.

Through these groups the concept of human centred design is being explored and adopted, which includes CX as a fundamental principle.

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

CX by design

We are continuing to concentrate on CX and human centred design principles for creating new solutions, particularly digital solutions, and reshaping or refining existing solutions as they are identified and prioritised for consideration. This requires CX expertise with a strong focus on thinking how customers will use the system and making forms and processes as simple and clear as

possible. We acknowledge this is a work in progress and we will continue to improve.

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

CX by practice

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

Over this reporting period we have strengthened this focus by reinforcing expectations, active promotion of CX with our staff, and ongoing review of our documentation to ensure messages are clear and polite. Future activities include professional development for staff in CX and human centred design.

Complaints and resolutions

As part of our CX focus, DCDD customers are welcome to provide feedback to help us improve our service delivery.

Customers have multiple channels to provide feedback about our services, including via our website, through various online service management portals, by email, phone or through Ministerial correspondence. There were 58 instances of feedback and/or complaints being submitted through these channels in 2021-22, with all resolved in the reporting period. A bi-annual report is provided to the Executive Management Board, with a detailed overview of the feedback/complaints.

Our staff have the right to make a complaint if they are aggrieved by matters relating to employment. Where employees make a complaint, they are contacted personally to discuss matters and where required, are provided a formal response through written correspondence. Complaints can also be lodged through external reporting agencies and are considered impartially with a focus on resolution and learning.

Ombudsman

In 2021-22 the Ombudsman received three enquiries in relation to the department. These enquiries were addressed by the Ombudsman's Office and finalised without requiring formal notification.

Buy local industry advocate

The Buy Local Industry Advocate is an independent link between local business and the Northern Territory Government in respect to government procurement. The advocate investigates complaints from industry and conducts audits on the awarding and implementation of contracts.

There was one complaint lodged with the Buy Local Industry Advocate for DCDD procurements in 2021-22, the matter was still under review at the completion of the reporting period.

Fair work commission

The Fair Work Commission is Australia's national workplace relations tribunal. It is an independent body with power to carry out a range of functions under the *Fair Work Act 2009*, to ensure a safe environment is maintained.

There were two disputes of actions for DCDD staff made to Fair Work Commission in this reporting period.

Anti-discrimination

If employees experience discrimination in the workplace they can lodge a complaint to the NT Anti-Discrimination Commission, who will assess the complaint. The *Northern Territory Anti-Discrimination Act 1992* outlines discrimination and conduct, and the process for resolution of complaints of alleged acts of discrimination.

There were no complaints made to the Anti-Discrimination Commission in this reporting period.

NT WorkSafe

DCDD is committed to provide a safe, healthy and secure learning and working environment for all employees, contractors and visitors.

NT WorkSafe is the NT Government's WHS watchdog, responsible for helping businesses and workers within the Northern Territory to understand their obligations under work health and safety.

There were no complaints made to NT WorkSafe in this period.

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Performance and achievements

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Output group – Corporate support development

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

Workforce services

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

Budget movement and expenses	2021-22 Published Budget \$000	2021-22 Final Budget \$000	2021-22 Actuals \$000
Workforce services	26 874	26 804	25 247

The business functions supporting this output through enterprise-wide human resource service delivery models and advice are: Workforce Development and Workforce Relations, being the two primary human resource (HR) services categories.

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Human resources cases resolved for agencies ¹	480	515	400
Client participants at training programs	6 500	6 785	10 500

Note 1: Workforce Relations case management teams undertook an extensive review and resolution of historical cases in May 2022.

Key achievements in 2021-22	
Progressed the project to develop the Online Orientation with core modules to be introduced in Q4 2022.	Delivered interim Workforce Dashboards to provide key workforce data via an easy-to-access, intuitive digital solution.
Launched the enterprise-wide digital myLearning training solution.	Centralised the Early in Careers model to better support agencies to access early careers programs.
Worked with OCPE to develop standardised workforce metrics to inform development of an enterprise workforce reporting digital solution.	Embedded a Human Resource Business Partner (HRBP) model to support agencies' HR needs, with a team of six HRBPs supporting client agencies.
Developed and delivered an online Appropriate Workplace Behaviour module.	Developed the initial NT Gender Equity Framework action plan for DCDD identifying whole of enterprise opportunities.
Developed the OneNTG Essential Training Matrix to codify essential corporate training for NT Public Service employees.	In partnership with agencies, managed employee compliance with mandatory COVID-19 vaccination obligations as per Chief Health Officer Directions.
Supported the NTPS Aboriginal Employment Strategy through: <ul style="list-style-type: none"> coordinating the Aboriginal Employment Program supporting agencies to develop agency action plans partnering with OCPE to deliver the NTPS Aboriginal Employee Stay Survey. 	Expanded options to standardise online training for middle managers and commenced development of the: <ul style="list-style-type: none"> Leaders Playbook learning solution to assist leaders with coaching conversations Manager's Essential Toolkit.

Employment services

Deliver end-to-end enterprise employment operations and advisory services that support the employment of staff across government.

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Employment services	18 321	20 148	19 616

The business functions supporting this output through enterprise-wide employment service delivery models and advice are: Payroll Services; Employment Actions; and Employee Benefits.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Payroll transactions processed ¹	1.42M	1.50M	1.35M
Client queries resolved on first contact ²	70%	61%	≥75%
Days to activate new employees on payroll system (average)	4	3	4

Note 1: Increased transactions related to supporting the NTG's COVID-19 response (eg. increased timesheets and COVID-19 queries), machinery of government changes and processing of Enterprise Agreements.

Note 2: myHR system developments have increased system generated service requests that trigger a manual process as the new enhancement features are not automated directly to PIPS resulting in a two-step process which impacts the KPI.

Key achievements in 2021-22

Established an Assurance and Process Improvement team to uplift governance, quality controls and training across key processing functions.

Completed the final phase of myCommencements digital solution to streamline and improve the on-boarding of new employees to government.

Working with OCPE and DTF, continued to finalise action to respond to the Auditor-General's recommendations on payment of Superannuation Guarantee.

Implemented a range of changes to entitlements resulting from the *General NTPS 2021-2025 Enterprise Agreement* including Christmas closedown and payment of the lump sum salary bonus.

Procurement services

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

Budget movement and expenses	2021-22 Published Budget \$000	2021-22 Final Budget \$000	2021-22 Actuals \$000
Procurement services	8 836	8 995	8 464

The business functions supporting this output through enterprise-wide service delivery models and advice are: Agency Procurement Services; Across Government Contracts; and Contracts and Procurement Services.

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Across-government contractors managed	260	253	280
Client procurements facilitated	680	678	670
Days to process tender documents	3	3.2	3

Key achievements in 2021-22

Awarded new across government panel contracts for Professional Advisory Services in a broad range of categories with 39 suppliers of which 22 are Territory Enterprises.

Consulted with industry and agencies to inform planning for new across government panel contracts for freight services and security services.

Partnered with DITT to enhance government's suite of procurement systems.

Enhanced TRAX, government's centralised contract administration system, to support improved contract management practices and reporting for agencies.

Worked collaboratively with agencies to support continuous improvement of procurement practice across government.

In partnership with DITT, managed contracted supplier compliance with mandatory COVID-19 vaccination obligations as per Chief Health Officer Directions.

Finance services

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

Budget movement and expenses	2021-22 Published Budget \$000	2021-22 Final Budget \$000	2021-22 Actuals \$000
Finance services	7 679	8 103	7 904

The business functions supporting this output through enterprise-wide service delivery models and advice are: Accounts Payable; Accounts Receivable; Banking and Card Administration; Reconciliations and RTMs; Taxation Services; and Asset and Ledger Services.

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Payments processed	490 000	483 346	500 000
Processing accuracy	100%	99.93%	100%
Debts processed ¹	195 000	220 073	190 000
Days to collect debts (average)	55	57.9	55

Note 1: Increase in invoices raised for COVID-19 quarantine accommodation fees this year.

Key achievements in 2021-22

Progressed uptake of all NT Government land assets into the Government Accounting System (GAS) to ensure consistent, reliable and efficient record keeping.

Implemented improved processes for preparation of NT Government Business Activity Statement, improving record keeping and uplifting training and skills development.

Progressed design and configuration of the new NTGPay digital payment platform with initial pilot deployment planned for Q4 2022.

Continued to provide a high level of support to agencies through leveraging systems and supplier arrangements to expedite emergency support payments.

Property leasing services

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Property leasing services	109 789	109 068	105 757

The business functions supporting this output through enterprise-wide service delivery models and advice are: Property Leasing; Property Services; and Leasing Advice.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Area leased (000 square metres)	250	251	240
Average cost per square metre	\$424	\$420	\$440

Key achievements in 2021-22

Delivered the Leased Property Stimulus Scheme resulting in over \$75 million in private sector investment through 33 projects across Darwin, Alice Springs, Katherine and Tennant Creek.

Commenced planning for a government business services hub in Alice Springs based on a human centred design, to centralise government's transactional and advisory services to provide a OneNTG service experience for citizens.

Finalised the government office accommodation plan and commenced refurbishment works to repurpose the Tennant Creek Government Centre to become a Barkly business hub.

Reconfigured and upgraded the Big Rivers Government Centre in Katherine, unifying systems and services of several agencies to provide a OneNTG service experience, supporting 200 local jobs and focussing on Aboriginal employment.

Information management services

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Information management services	6 556	6 585	6 373

The business functions supporting this output through enterprise-wide service delivery models and advice are: Support Services; Operations; Records Management; and Specialist Services.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Information management datasets supported	21	21	21
New Territory Records Manager records in digital format	85%	85%	≥85%

Key achievements in 2021-22

Developed an online learning program to improve records management capability across the NTPS.

Enhanced the digital portal for Information Management Service Requests to improve client engagement, interaction and service visibility.

Completed a major upgrade to the TRM system, delivering improved communications, client engagement and support, resulting in reduced outages for clients.

Vehicle management services

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Vehicle management services	869	888	866

The business function supporting this output through enterprise-wide service delivery models and advice is Fleet Management Services, which operates alongside the government business division of NT Fleet.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Invoices reconciled for payment within standard timeframes (Agency fleet services)	90%	90%	≥90%

Key achievements in 2021-22

Worked with agencies to incentivise transition of pool vehicles to electric cars with 21 in the government fleet as at 30 June, and another 22 scheduled for delivery in early 2023.

Worked with building owners to install 50 charging stations for electric vehicles across NT Government leased/owned buildings in Alice Springs and Darwin.

Future priorities 2022-23

Implement the DCDD Customer Charter Action Plans to identify actions required to implement our four customer commitments.	Operationalise key corporate service development projects through individual action plans.	Develop a regular standard Workforce Service Report for client agencies.
Finalise implementation of the Regional Workforce Services model.	Continue to refine and mature the HR Business Partner model.	Work in partnership with OCPE and agencies to implement the 2023 People Matters Survey.
Support the upgrade of the OneNTG Learning Management System.	Develop and deliver a OneNTG Aboriginal Cross Cultural Training Program.	Launch the OneNTG Online Orientation.
Enhance arrangements for Executive Contract Officers to provide seamless end to end support to client agencies.	Continue standardising procurement templates in the Tender Documents Online system.	Improve salary overpayments reporting and analytics to agencies.
Standardise information management reporting for client agencies.	Pilot a centralised mail and courier service for supported client agencies.	Continue to review existing Across Government Contracts and identify opportunities for improvement.
Work with the Commissioner for Public Employment and agencies to develop a NTPS WHS Strategic Priorities Plan.	Establish new Across Government Contracts for freight services and security services.	Continue to mature the OneNTG Service Hub in Big Rivers Government Centre.
Work with Procurement NT to support increased uptake of TRAX as the mandatory contract management system for agencies.	Finalise the Big Rivers Government Centre and execute the new commercial leasing arrangements.	Finalise fit out design for the Alice Plaza OneNTG project.
Finalise all projects under the Leased Property Stimulus Scheme.	Continue to expand and mature the centralised FOI unit.	Develop a digital dashboard reporting solution for clients of NT Fleet.
Support the project to deliver a contemporary new digital procure to pay system.	Implement digital support tools to enhance delivery of FOI services.	Work with agencies and the government's contracted banker, to ensure compliance with Payment Card Industry requirements.
Deliver real-time digital dashboards providing status of in-progress procurement advisory and support services for agencies.	Implement the Workforce Health Management Service.	Continue to work with agencies to increase electric vehicles in the government fleet.
Continue to explore and implement reform opportunities across the NTPS Early in Careers program.	Undertake reform in Recruitment Services with the aim to implement best practice, standardisation and efficiencies.	Research and implement secondary storage optimisation for agencies.

Output group – Digital government development

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

ICT network services

Operation and oversight of government's ICT network, enterprise architecture, cyber security operations and ICT service sourcing to manage and sustain government's digital ecosystem.

Budget movement and expenses	2021-22 Published Budget \$000	2021-22 Final Budget \$000	2021-22 Actuals \$000
ICT network services	37 943	50 062	48 899

The business functions supporting this output through enterprise-wide service delivery are: ICT Enterprise Architecture; ICT Sourcing; ICT Network and Telephony Services; Cyber Security; and Technology Services.

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Laptops, workstations, tablets	23 000	23 023	24 000
ICT services provided within agreed service levels	100%	100%	100%
ICT Service Centre queries resolved on first contact	70%	70%	≥70%

Key achievements in 2021-22

Progressed tendering of major outsourcing contracts for a range of high volume commodity ICT services.	In partnership with DIPL, progressed the construction of a NT Government Cyber Security Operations Centre.
Continued to engage regularly with the local digital industry to inform industry of future tendering opportunities and inform tendering approaches.	Partnered with the Australian Cyber Security Centre to open the Darwin Joint Cyber Security Centre Outreach Service (JCSC).
Delivered a digital cyber security awareness campaign to all NTG employees.	In partnership with the Darwin JCSC, coordinated business-focussed cyber security awareness presentations for the October Business Month program.
Coordinated cyber security awareness sessions for the seniors community in Darwin, Katherine and Alice Springs, in partnership with the Council of the Ageing NT.	Delivered cyber security awareness presentations to pharmacists across the NT, the NT Government Quarterly Sports Forum, and sponsored the Australian Information Security Association conference in Darwin.
Implemented and evaluated the online training pilot for cyber security awareness. Planning is underway for all-of-government implementation.	Continued to deliver critical ICT infrastructure and services to support the COVID-19 response including vaccination sites and remote communications at NT borders.

Agency business systems and support services

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

Budget movement and expenses	2021-22 Published Budget \$000	2021-22 Final Budget \$000	2021-22 Actuals \$000
Agency business systems and support services	61 336	53 294	52 161

The business functions supporting this output through enterprise-wide service delivery are: Systems Management; and System Operations.

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Agency-business systems availability	99%	99%	≥99%
Average annual unscheduled outages per system	2	2	2

Key achievements in 2021-22

Implemented major improvements to the Banned Drinkers Register (BDR) to enhance scanning of drivers licenses and improve the customer experience at takeaway outlets.

Implemented a contemporary new support model to support the day to day operation of the new Acacia digital health solution.

Developed a new technology solution for BDR scanning based on Apple iPads for deployment in 2022-23.

Developed new support models and team structures to support new digital solutions for policing and families being delivered in 2022-23.

Across government systems and support services

Deliver systems administration and support services, improvement initiatives, digital solutions and technical advice for enterprise systems that operate across government to support the Territory public sector.

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Across government systems and support services	25 326	26 009	26 386

The business functions supporting this output through enterprise-wide service delivery are: Systems Management; and Operations Centre.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Average annual unscheduled outages per system	2	2	2
Across government systems availability	99%	99%	≥99%

Key achievements in 2021-22

Finalised implementation of the NTG Services solution, replacing the legacy ePASS system and providing a single service portal for all ICT service requests.

Upgraded the ASNEX environment to position DCDD to partner with DIPL to drive system improvements in asset management.

Progressed design and configuration of a contemporary new digital Procure to Pay solution to replace the obsolete Electronic Invoice Management System.

Continued to expand the portfolio of grants within the all-of-government GrantsNT system with the majority of NTG grants now managed in this platform.

Enhanced the TRAX contract management system to prepare for mandated use across all government contract management practices.

Developed a technology roadmap to future proof the suite of digital tools used to manage NTG procurement and associated processes.

Digital projects

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Digital projects	52 550	43 949	30 589

The business functions supporting this output through enterprise-wide service delivery are: Enterprise Project Services and Digital Solutions.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Enterprise digital programs in progress	4	4	4
Digital projects being managed	15	15	12

Key achievements in 2021-22

Progressed testing, training and implementation planning in preparation for go-live of the new Acacia digital health solution into Katherine Hospital.

Implemented Stage 1 of the Parks Online Booking System delivering digitised booking and payment processes for access to Territory parks and camping sites.

Finalised development and configuration of the new SerPro digital policing solution in preparation for go-live in late 2022.

Finalised testing and commenced pilot deployment of the SAGE whole of government budget management system.

Progressed configuration and testing of the CARE solution to support child protection and youth justice and commenced preparation for go-live in early 2023.

Completed technical design of the new Tracer system to support firearm licensing and registration across the Territory.

Delivered the myCommencements digital solution streamlining the on-boarding of new NTG employees and improving timeliness and accuracy of salary payments.

Continued to develop contemporary digital solutions to achieve regulatory and administrative reforms recommended by TERC and make the Territory the easiest place in Australia to do business.

Continued to expand and incorporate new features and digitise services within the Can-Do Territory portal including digitising the construction induction White Card.

Data services

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Data services	13 153	16 013	15 338

The business functions supporting this output through enterprise-wide service delivery are: Data Warehouse Management; Corporate Reporting; Data Governance; Open Data; and Data Policy.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Data service requests resolved	14 100	13 745	14 000
Datasets published on the open data portal	850	863	880

Key achievements in 2021-22

Completed the OneNTG Data Platform architecture with the design concept proven through implementation of the 360 Degree View of the Child project.

Developed the prototype 360 Degree View of the Child digital solution to prove this capability as part of the CARE program on behalf of Territory Families, Housing and Communities.

Established a strategic Deputy Chief Executive Data Sharing Governance Committee to support the national data sharing intergovernmental agreement and progress data sharing within NTG.

Reviewed the Open Data Portal to improve the user experience and provide data visualisation. The new-look portal is scheduled to be released in mid-2022.

Through the Data and Digital Minister's forum contributed to implementation of the national Intergovernmental Agreement on Data Sharing and delivery of national data sharing priority projects.

Established a single business intelligence reporting environment consolidating five separate technology solutions into one, and creating a more efficient operating model.

Digital communications

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Digital communications	2 479	2 504	3 186

The business functions supporting this output through enterprise-wide service delivery are: nt.gov.au support; NTG Central Support; and Agency Web Services.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Website service requests resolved	19 300	19 442	19 500

Key achievements in 2021-22

Supported the Coronavirus NTG site 24/7 to ensure the public received timely and accurate information regarding the COVID-19 public health emergency.

Delivered modern new technology tools to improve search capability within nt.gov.au and agency sites and improve user experience.

Transitioned TFHC, DCDD and DEPWS to the new intranet technology environment.

Developed web content and worked closely with other digital teams to deliver the Can-Do Territory platform supporting post-pandemic economic recovery.

Digital connectivity and strategy

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

Budget movement and expenses	2021-22	2021-22	2021-22
	Published Budget	Final Budget	Actuals
	\$000	\$000	\$000
Digital connectivity and strategy	20 608	21 387	14 960

The business functions supporting this output through enterprise-wide service delivery are: Digital Strategy; Data Strategy; Telecommunications; and Assurance Services.

Key performance indicators	2021-22	2021-22	2022-23
	Estimate	Actual	Budget
Project assurance reviews ¹	8	2	8
Digital projects overseen by the ICT Governance Board	19	20	17

Note 1: COVID-19 affecting vendors and resources, there has been increased reporting and reliance on internal reviews by the ICT Governance Board that are not reflected in these numbers.

Key achievements in 2021-22

Progressed telecommunications programs in Kakadu and Jabiru with more than 720 homes and businesses in Jabiru to receive an optic fibre connection.	Delivered a baseline assessment of Territory digital industry capability to inform development a digital industry growth strategy being led by DITT.
In partnership with agencies and local industry developed the 2022-23 Digital Territory Action Plan with 61 actions for delivery over 2022-23.	Conducted a viability assessment of digital precinct options for the Northern Territory, working with local digital industry and Charles Darwin University.
Developed the redesign and architecture for the expansion of the Can-Do Territory platform to become the Territory Services single digital shopfront for government services.	Oversaw installation works for the Groote Eylandt fibre upgrade project, with mobile phone and fixed broadband services installed to Milyakburra on Bickerton Island.
Delivered the NT Government Digital Transformation Plan and Digital Government Roadmap setting the strategic agenda for improving government services through the use of digital.	Completed the initial Arnhem fibre upgrade project, with a new project under way to increase bandwidth across the network and connecting the Arnhem space base to a terrestrial network.
Through strategic partnering, progressed delivery of Terabit Territory, with land fibre works completed and contract signed for construction of subsea cable.	Commenced the Telecommunications for Remote Aboriginal Communities (TRAC) project with a proposal for installation of a wireless network in four small NT communities approved.
Uplifted telecommunications services to 11 remote NT communities under the NTG / Telstra Remote Telecommunications Co-investment Program.	Advocated to the Australian Government and service providers to expand and improve regional and remote telecommunications with reliable connectivity.
Worked collaboratively with ICTNT to jointly develop a new cross-sector ICT traineeship program focussed on local digital jobs.	Continued to advocate for Darwin as the best landing point for new high speed internet connections to Asia and the USA.

Future priorities 2022-23

Implement the DCDD Customer Charter Action Plans to identify actions required to implement our four customer commitments.	Finalise procurement of major outsourcing contracts for commodity ICT services.	Transition client agency intranet sites to the new NTG intranet technology environment.
Upgrade myLearning to a OneNTG enterprise Learning Management System.	Continue to engage with the local digital industry to inform businesses of future tendering opportunities.	Continue to expand the open data portal and improve user experience.
Install wireless networks in four NT communities under the TRAC project.	Leverage the feasibility study into telecommunications for NT schools to develop a roadmap for long term connectivity uplift.	Complete deployment of new Microsoft Office software across government.
Deliver the first of a series of phased deployments of the new Acacia digital health solution.	Deliver Stage 2 for the Parks online booking and permit system.	Bed down and mature the pilot deployment of the SAGE budget management system and work with further agencies to on-board them.
Implement the new CARE solution to support child protection and youth justice across the Territory.	Deploy the new iPad based technology solution for the Banned Drinker Register.	Complete upgrade works to the Education ICT network.
Implement the new SerPro policing solution across the Territory.	Finalise implementation of the OneNTG data platform.	Source and deploy a digital solution to support the growing requirement for citizen identity management.
Implement a contemporary new NTGPay system for procure to pay processes across government.	Coordinate delivery of the Arnhem fibre upgrade program.	Finalise the strategy to expand the Can-Do Territory platform to become the Territory Services single digital government storefront.
Deliver the new NDIS Worker Screening digital solution.	Continue to monitor and drive delivery of the Remote Telecommunications Co-investment Program.	Consult with agencies to develop a technology roadmap for agency presence on the world wide web.
Establish an NTG digital advisory service for agencies to support digital transformation across government.	Review, refresh and publish the Digital Territory Strategy, Digital Transformation Plan and Digital Territory Strategy to maintain currency.	Continue to advocate with industry proponents that have international fibre cable projects in planning phases.
Continue working with local industry and CDU to develop pathways for Territory women and girls in the digital sector.	Continue to advocate for better telecommunications services in remote NT locations.	Establish a Cyber Security Operations Centre.
Develop a digital dashboard for procurement data to support agency procurement practices and improve analysis and reporting.	Undertake research to inform a strategy and policy framework for the use of Artificial Intelligence.	Undertake master planning of digital precincts.

Output group – Corporate and shared services

Improved organisational performance through strategic leadership and governance, and the provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services provided

Provide corporate and governance services to support functions and divisions assisted by the department, primarily NT Fleet and Data Centre Services.

Shared services received

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

Budget movement and expenses	2021-22 Published Budget \$000	2021-22 Final Budget \$000	2021-22 Actuals \$000
Corporate and governance	3 954	5 876	7 632
Shared services provided	858	858	660
Shared services received	302	314	177

The business functions supporting this output through enterprise-wide service delivery are: Finance and Asset Services; Office of the Chief Executive; DCDD Services; Governance Services; and Enterprise Services and Reform.

Key achievements in 2021-22

Launched a new face-to-face DCDD induction, with delivery via online channels being progressed.	Contributed to projects with a focus on Human Centred Design (HCD), such as the refurbishment of the Big Rivers Government Centre and Alice Plaza.
Implemented and actioned the DCDD People Matter Survey Action Plan and the supporting communications plan.	Reviewed DCDD's employment screening process with process improvements to be introduced over 2022-23.
Implemented the first tranche of the centralised model for Freedom of Information (FOI) processing with 9 agencies transitioned and further agencies planned for 2022-23.	Designed and implemented a DCDD Customer Charter consistent with the requirements of the NTG's new Customer Focus Framework.
Developed and finalised the DCDD Risk Appetite Statement.	Implemented rolling review of DCDD service statements under our Enterprise Services Framework.
Revised correspondence templates and guidelines to ensure a more consistent, user-friendly approach and improve customer experience.	Redesigned the DCDD intranet to align with the NTG's content first approach.
Embedded a stronger focus on safe workplaces through establishment of a new WHS function within DCDD.	Reviewed and analysed internal billing processes to identify areas for improvement.
Launched online Appropriate Workplace Behaviours training for all DCDD staff.	

Future priorities 2022-23

Develop a Voice of the Customer (VOC) program to gather data and assist with client sensing.	Reform DCDD business processes for agency changes and restructures to provide high quality central support and coordination.	Implement the Benefits Realisation Framework and guide for capturing and reporting on benefits and efficiencies achieved under corporate reform.
Continue to progress actions in the DCDD People Matter Survey Action Plan.	Develop and operationalise the DCDD Customer Experience Implementation Plan.	Implement and adopt the SAGE and NTGPay systems within DCDD.
Centralise employment screening across DCDD.	Implement the NTPS approved Work Health and Safety Framework within DCDD.	Develop policy statement and procedures for annual pricing review for GBD's.
Complete the review of the DCDD cost allocation model and implement revised processes.	Document an overarching contemporary Governance Framework.	Scope and develop an online governance training package.
Introduce improved climate change monitoring in DCDD.	Review and update the Enterprise Services Framework.	Enhance the enterprise and agency strategic priorities reporting process.

Government business divisions

NT Fleet

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

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Light vehicles managed	2 650	2 767	2 650
Heavy vehicles managed	880	901	860
Light vehicle meeting fuel and safety standards	100%	100%	100%
Light vehicles managed within vehicle life standards ¹	90%	71%	≥90%

Note 1: Decrease due to worldwide vehicle shortages and delivery delays.

Key achievements in 2021-22

Installed two, three-phase electric vehicle charging points at NT Fleet, providing the infrastructure to charge electric vehicles on-site.

Reviewed fleet registration processes for light vehicles, with a project commenced to automate updates to the Fleet Business System.

Worked with agencies to increase the uptake of electric vehicles across the government fleet, with 21 in the fleet and 22 on order.

Revised and updated the NTG Vehicle Policy to align to the current operating environment and policy drivers.

Data centre services

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

Key performance indicators	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Mainframe computing availability	100%	100%	100%
Virtual server computing availability	100%	99.9%	100%
Fully managed servers	1 560	1 647	1 630
Data storage area network (terabytes) ¹	6 100	7 435	7 500

Note 1: Increase requirements from projects including Odysseys, Health systems and data warehouses.

Key achievements in 2021-22

Completed independent review of viability of solar power for the Government Data Centre, with business case under development.

Expanded opportunities to improve integration between major internal and external systems within the NTG, such as SerPro and CARE to improve data integrity, data flow and reduce manual errors.

Reviewed the DCS charging model post CSR3 agency changes with revised charging model to be finalised.

Completed technology reviews for printing solutions, middleware integration and virtualisation toolsets.

Future priorities 2022-23

Support DIPL's NT Electric Vehicles Strategy and Implementation Plan 2021-2026.

Implement the findings from the review of projected sale prices and NT Fleet fees to achieve savings in fleet costs for government.

Finalise the automation of light vehicle initial registration via updates to the Fleet Business System.

Identify cost savings for client identified services within the DCS operating environment.

Finalise project to establish disaster recovery requirements for agency systems at the Backup Data Centre.

Undertake gap analysis of the Australian Government's Hosting Certification Framework as it applies to the Government Data Centre.

Complete the business case for solar power at the Government Data Centre and progress discussions with leased building owner.

4

Our people

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Our people snapshot

1,224

headcount

1,171.15

FTE

47.72%

of staff have more than 10 years government service

14.11%

of our staff are from culturally and linguistically diverse backgrounds

3.23%

of our staff identify as having a disability

7.11%

of our people identify as being Aboriginal

43.24

years average age of staff

54

people work in regional areas

46.24%

of staff work in digital roles

47.97%

of staff work in corporate roles

30%

staff supported with flexible work arrangements

1,151

people completed the OneNTG Appropriate Workplace Behaviours training

55

participants in our early career programs

4,569

attendances at professional development

78%

staff have myPlans in place

75

new DCDD staff attended the DCDD Induction Program

467

staff had flu vaccinations across the department

15

DCDD teams and

91

staff attended the OneNTG online orientation Program

366

staff have accessed flexible work arrangements

80

people participating in the Virgin Pulse Global Challenge

781

females

440

males

3

self-specified

Overview

DCDD recognises that our people are what makes DCDD a great place to work. We are committed to investing in and valuing our people, building a high performance culture to strengthen our capacity to meet our current and future business needs and opportunities.

Our people play a central role in delivering DCDD's and government's priorities, and we are focussed on building

and maintaining a workforce with strong leadership capabilities and the ability to think innovatively and engage effectively across teams, agencies, clients and stakeholders.

We strive at all times to build a collaborative, responsive and professional culture within the department.

Our workforce

DCDD saw a small increase in FTE, as a result of the following new functions introduced over 2021-22:

- FOI – corporate and shared services output - established a centralised service for handling freedom of information applications on behalf of 9 agencies, as part of DCDD's enterprise services model.
- Work Health and Safety – corporate and shared services output – established internal function to support the NTPS WHS framework and roll-out DCDD specific framework.

- Digital Solutions – digital government development output – business unit established to progress NTG services online with simpler processes as part of a key recommendation of TERC.

The table below outlines FTE classifications from June 2021 to June 2022. All other workforce data is expressed by headcount, unless stated otherwise, to provide a full reflection of our workforce.

Designation	June 2021	June 2022	Headcount June 2022
Executive Contract Officer 6	1.00	1.00	1
Executive Contract Officer 4	2.00	2.00	2
Executive Contract Officer 3	1.00	1.00	1
Executive Contract Officer 2	15.60	18.10	19
Executive Contract Officer 1	27.00	20.50	21
Executive Officer 2	0.00	2.00	2
Senior Administrative Officer 2	53.50	66.50	67
Senior Administrative Officer 1	156.80	153.56	160
Administrative Officer 7	190.00	193.59	201
Administrative Officer 6	221.40	234.77	245
Administrative Officer 5	150.80	133.30	139
Administrative Officer 4	175.90	179.14	189
Administrative Officer 3	104.20	100.43	104
Administrative Officer 2	38.20	46.36	52
Administrative Officer 1	3.00	2.00	2
Graduate	6.50	6.00	6
Technical 4	2.00	1.00	1
Technical 3	1.00	0.00	0
Technical 1	1.00	1.00	1
Professional 3	1.00	1.00	1
Professional 2	2.90	3.50	4
Apprentice	4.00	3.40	5
Other	0.00	1.00	1
Total FTE	1 158.8	1 171.15	1 224

Gender breakdown by service categories

Milestone	Female	%	Male	%	Self Specified	%	Total headcount	%
< 10 years	401	32.76	238	19.44	1	0.08	640	52.28
10-20 years	242	19.77	136	11.11	1	0.08	379	30.96
20-30 years	71	5.80	45	3.68	1	0.08	117	9.56
30-40 years	46	3.76	11	0.90	-	-	57	4.66
> 40 years	21	1.72	10	0.82	-	-	31	2.54
Total	781	63.81	440	35.95	3	0.24	1 224	100

Break down by division

	Digital Services	Corporate Services	Business Support	Office of Digital Gov	NT Fleet	Data Centre Services	Total
Headcount	502	573	70	11	19	49	1 224
FTE	482.96	542.96	67.76	10.60	18.82	48.05	1 171.15
% (FTE)	41.24	46.36	5.79	0.90	1.61	4.10	100

Headcount by region

	Big Rivers	Central Australia	Top End	Total
Headcount	10	44	1 170	1 224
%	0.82	3.59	95.59	100

Diversity and inclusion

DCDD strives to reflect a gender balanced and diverse workplace and celebrates the diversity of its staff who bring a broad range of skills, experience and opportunities for innovation and new experiences. Our employees' differences are valued and welcomed in our inclusive

culture which supports all employees to be treated equitably and afforded the same rights and obligations.

The table below shows the staff equity and diversity statistics at 30 June 2022.

People who identify as:	Headcount	% of workforce
Female	781	63.81
Male	440	35.95
Self-specified	3	0.24
Aboriginal	87	7.11
CALD	169	13.81
Disability	41	3.35

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

- DCDD Disability Action Plan to support the NTPS Employability Strategy 2018-2022
- DCDD Special Measures Plan
- Inclusion and diversity initiative
- DCDD Aboriginal Action Plan Working Group to support the NTPS Aboriginal Employment and Career Development Strategy
- DCDD Staff Advisory Group.

Recognition

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

Service milestones

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

Years	Number of staff
10	52
20	15
30	2
40	7
50	1

Retirements

The following staff retired during the year and are enjoying their well-deserved retirement. All staff have provided exceptional service to the NTPS over the years, with over 330 years of experience between them and have played

a significant role in shaping DCDD. Their contributions to the NTPS and DCDD have always been valued and we wish each of them all the best in retirement.

Joe Babbini

Karen Winstanley

Ron Saint

Gary Turnbull

Danny Buralli

Doug Cooke

Mary Pocock

Greg Moo

Duncan Lindsay

Leadership and staff development

DCDD continues to invest in, and build on, the capability of our people. Investing in our people is the number one driver in our Strategic Plan with the key focus on building a supportive, responsive and collaborative workforce.

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

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

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

Staff development

In 2020-21, DCDD staff participated in multiple internal and external training and development initiatives, with 4,569 attendees recorded (noting some staff have completed multiple training programs; 1,013 staff completed the Foundational Cross Cultural Training; and 1,151 completed the online OneNTG Appropriate Workplace Behaviours training).

In addition, other training was spread across a range of categories, including procurement, project management, HR, policy, governance, ICT, business, work health and safety, leadership and mentoring. The department supports employees in gaining relevant professional and technical skills through higher education studies.

A total of \$949,816 was invested in our people through these programs, including 34 staff who were supported to undertake tertiary study.

Leadership programs

Public Sector Management Program (PSMP)

One employee, from the Regions, commenced the PSMP, which is targeted at new and existing mid-level managers and leads to a Graduate Certificate in Business (Public Sector Management). DCDD has consistently supported our staff to undertake the PSMP and this commitment will be continued and encouraged.

Professional development

The department supported employee professional development through:

- study assistance
- professional memberships
- training opportunities
- internal development opportunities (temporary transfers and promotions).

Australian New Zealand School of Government (ANZSOG)

One employee commenced the ANZSOG Executive Fellows Program, which focuses on leadership, management and strategic capabilities for senior executives.

Executive Leadership Group (ELG)

DCDD invests in leadership development at various levels to enhance strategic leadership skills and foster succession planning opportunities. With a focus on senior management leadership and engagement resulting from the People Matter Survey, the ELG was revamped in 2022.

The switch from an operational monthly meeting to quarterly forums targeted at leadership and strategic topics. Each forum includes a guest speaker invited to share their leadership journey.

Career development

DCDD has continued to support career development and provide opportunities for career pathways, with 55 participants supported in early career programs throughout 2021-22. Progress, participation rates and mentoring updates on our programs are regularly provided to Executive Management Board.

Graduate development program

A two year program for recent university graduates providing an opportunity to rotate through DCDD based on their studies. Ten graduates with degrees / masters in Professional Practice Accounting, Information Technology, Business, Information, Accounting, and Digital Design were employed across DCDD.

Traineeship programs

Trainees in DCDD are engaged through NT Government Traineeship, Aboriginal Traineeship, and School-Based Traineeship programs, studying Certificate III and IV and Diploma of Business, Project Management, Leadership and Management.

In 2021-22 DCDD engaged 18 full time trainees, with:

- 12 Aboriginal
- 4 school-based apprentices/trainees
- 6 trainees completed their traineeship
- 1 trainee cancelled their traineeship due to securing ongoing promotion within DCDD.

International student placements

The International Student Placements provides professional internship opportunities to university students undertaking a professional practice year program. Seven students undertook a placement with DCDD in 2021-22 in the areas of information and business.

Aboriginal Employment Program (AEP)

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

Vacation employment program

This program provides professional employment opportunities to current university students during semester breaks and feeds into the Graduate Program. Fourteen vacation students in the areas of Medicine, Asian Studies, Science, International Security, Data Science, Accounting, Arts, Engineering, Information Technology, Political Science and Environmental Science were employed in the department.

People matter survey

The People Matter Survey provides an important opportunity for all NTPS employees to have a say about their workplace and contribute to making the public sector a better place to work. Following the People Matter Survey in 2021, OCPE developed an overall whole of sector response plan from data collected from the survey, with all agencies required to develop action plans in response.

The DCDD Action Plan was developed incorporating staff ideas and feedback, and focuses on senior manager

leadership and communication, appropriate workplace behaviours and employee experience. It is supplemented with action plans at a division/branch level.

DCDD remains committed to ensuring the actions against the plan are progressed and has established a working group with representatives across the department to monitor this progress and report back to Executive Management Board. Activity against the actions is communicated to staff via the department's intranet.

Occupational health and safety

Health and wellbeing

DCDD is committed to the health and wellbeing of all employees and provides staff with opportunities to balance work commitments with family, community and cultural responsibilities.

To assist with this, our Wellbeing Program promotes health and wellbeing initiatives throughout the year, including a dates and events addition to our monthly newsletter to recognise charities, days, events and causes promoted throughout the department. Employees are encouraged to champion events to celebrate the occasion/cause and share through our newsletter.

Other initiatives offered across the department, included activities and initiatives such as employee assistance program, ergonomic awareness, Virgin Pulse Go challenge, mentoring and, the DCDD Workforce Services Calendar promotes inclusion and diversity events/campaigns. DCDD also promoted seminars on topics such as superannuation and salary sacrificing and employees participated in the flu vaccination program and raised social club funds that went towards Christmas party celebrations.

Work life balance

Flexible working options are supported by the department. Our staff are supported with access to a range of flexible working arrangements, with 366 staff having accessed flexible work arrangements over 2021-22:

Type	Under 55	Over 55	Total
Averaging hours	58	22	80
Individual flexible work agreement	65	18	83
Part-time work arrangement	73	11	84
Home-based work	47	6	53
Recreation leave at half pay	44	10	54
Purchased additional leave	1	9	10
Cultural leave	2	0	2

Work health and safety

To ensure DCDD continues to provide safe working environments for staff, the newly created DCDD WHS Manager role was introduced in 2021-22. In addition, DCDD has a Work Health and Safety (WHS) Governance Committee, supplemented with 12 WHS Building Committees, relating to work locations, including two in the regions. All buildings have trained fire wardens and first aid officers and workplace assessments have confirmed the department complies with WHS requirements.

DCDD is a relatively low risk agency in respect to workplace safety with the majority of operations involving administrative duties with very limited outdoor activities occurring with the exception of some regional travel to remote communities across the Northern Territory.

Although this work environment presents a lower risk of traumatic injuries, the administrative nature of our operations creates a range of health and wellbeing challenges including occupational overuse injuries and maintaining a focus on mental health and personal wellbeing.

DCDD is addressing the inherent challenges of a sedentary workforce through the ongoing promotion of health and wellbeing challenges throughout the year including the Virgin Pulse Challenge where teams are formed and compete in an activity based competition against other business units. DCDD also maintains a focus throughout the year through its WHS calendar which includes lunch time training sessions on various WHS topics.

DCDD executives undertake scheduled WHS walkthroughs within our buildings and engage with business unit employees on safety and wellbeing issues within the workplace as a safety leadership initiative.

Workers' compensation

There were five workers compensation cases open at the beginning of the reporting period, four new claims were

Reported incidents and hazards during the year have included some trips and slips, occupational overuse injuries with no regulatory notifiable incidents or injuries occurring within in the reporting period.

DCDD has made a range of advances in its WHS arrangements throughout the year with the employment of a fulltime WHS Manager who oversees the development of the agency's WHS Management System and supports a range of health and safety committees across the agency. The role provides support to our employees, business units and regional offices to manage their WHS challenges and will implement a refreshed WHS Framework Management System to the agency. The role will also focus on ensuring that employees and managers have access to the training and support they need to safely perform their duties.

DCDD has also undertaken an extensive review on its WHS Management System with a refreshed WHS Framework to be implemented in the second half of 2022, commenced the development of a safety culture improvement program designed to promote health, safety and wellbeing as a highly visible organisational value which is embedded into everyday agency operations employee interactions.

Performance against the new WHS system and culture change initiatives will be reported through WHS Committee structures and Executive Management Board meetings and monitored by the strategic WHS governance committee.

submitted in the period and four were closed. This left five cases open at 30 June 2021.

Legislative compliance

Employment instruction reporting

Under the *Public Sector Employment and Management Act 1993* (PSEMA), Employment Instructions provide direction to agencies on human resource matters.

DCDD complied with its obligations under each Employment Instruction throughout 2021-22.

Public sector principles

Part 1A, sections 5A to 5F of PSEMA lists the general principles underlying this legislation. These principles need to be upheld by agencies, chief executive officers (CEOs) and employees of the NTPS. In 2021-22, DCDD complied with all the prescribed principles.

Administration management principle (section 5B)

DCDD provided effective, efficient and appropriate services to its clients, government and community, ensuring appropriate use of public resources while working cooperatively and responsively carrying out our functions objectively, impartially and with integrity.

Human resource management principle (section 5C)

Workplace diversity and equity is upheld and provides everyone equal opportunity to make the most of their talents and abilities in the workplace. Our workplace environment ensures our employees are treated fairly, reasonably and in a non-discriminatory way.

Merit principle (section 5D)

DCDD appointments are based on the principles of merit. Employees are capable and competent to perform their duties, having the knowledge, skills, experience and qualifications required to be successful in their role and having consideration of their potential for future development.

Equality of employment opportunity principle (section 5E)

DCDD encourages staff to continually develop and access career development opportunities, which also includes exchange, transfer and mobility.

Implementation of a special measures policy is enabling DCDD to eliminate unlawful discrimination while promoting diversity in its workforce.

Performance and conduct principle (section 5F)

DCDD champions NTPS values, treating the workforce fairly, equitably, and with proper courtesy and consideration. DCDD employees avoid actual or apparent conflicts of interest and ensure personal conduct does not adversely affect their performance or that of other public sector officers while performing their duties objectively, impartially, professionally and to the best of their ability with integrity.

5

Corporate governance

Governance model	52
Corporate governance structure	52
Controls and compliance	53
DCDD governance committees	58
Digital governance frameworks	60

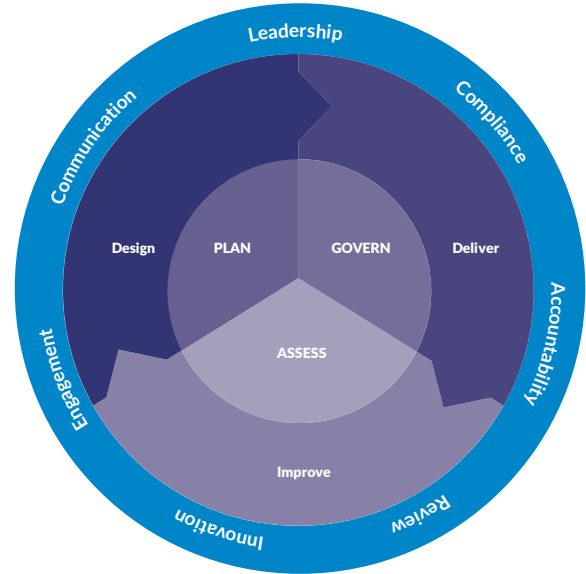
Governance model

Good governance refers to the systems that control an organisation, how it operates, and the mechanisms by which it, and its people are held to account.

The DCDD corporate governance model guides the department to deliver the expected public standards of accountability, probity and transparency in our day-to-day operations. It guides the actions of our people by providing clarity and direction about appropriate behaviour and decision making. Governance is underpinned by our accountability, planning, performance and compliance activities.

The model is underpinned by elements of the DCDD values and OneNTG principles which guide the department's decision making and operational actions.

Diagram 3: DCDD corporate governance model



Corporate governance structure

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

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

Diagram 4: Planning model



Controls and compliance

Ensuring adequate internal controls are in place and monitoring compliance with those controls.

Risk management

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

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

Risk appetite statement

To support the framework, a Risk Appetite Statement was introduced in 2021-22 and forms an integral element of the Risk Management Framework.

The statement defines the department's attitude towards risk and outlines the level of risk the department is willing to accept in order to achieve its strategic goals.

The statement:

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

Additional controls

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

Employment screening

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

Fraud

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

Improper conduct investigations and reporting

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

Whistleblowers

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

Risk assessments

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

Internal audits and reviews

In accordance with the *Financial Management Act 1995* the department has an internal audit function to assist the Accountable Officer. A strategic audit plan is managed by the internal audit function and monitored by the Audit Committee. A summary of internal audits undertaken during the 2021-22 year are below:

Audit / review	Objective	Outcome
Cabinet Information Security	Annual review of the department's Cabinet information access and handling controls, accountability and security culture.	No matters were identified.
Official travel	Assess department travel transactions for compliance with the Travel Policy Framework, legislation and policies.	No significant compliance issues were found. Opportunities for improvement were identified and have been addressed.
Value for Territory Procurement	Independent audit to assess compliance with the NTG Procurement Framework, including Value for Territory Assurance.	Acknowledged a high compliance focus with regards to the NTG Procurement Framework. Opportunities for improvement and minor matters of non-compliance are being addressed through an ongoing improvement program.
Employee Assistance Program	Independent audit to confirm contractor compliance against the key requirements of Contract D18-0205 regarding delivery of Employee Assistance Programs (EAP) to NTG.	The audit found both the NTG Contract Manager and EAP providers consulted demonstrated a sound awareness and understanding of EAP contract requirements. Eleven findings were identified and are being managed by both parties.
Petty Cash Review	To assess and investigate petty cash transactions for compliance with relevant legislation, Treasurer's Directions, policies and procedures.	No significant compliance issues were found. Opportunities to improve internal controls are being addressed.
Industry Allowance	Independent audit to determine that Industry Allowance is not paid to the NTPS employees outside of the 2018-21 Power and Water Corporation Enterprise Agreement and the 2018-22 Territory Generation Enterprise Agreement.	No matters were identified with strong controls acknowledged. Opportunities for process improvement were identified and are being addressed.

Audits by the Auditor-General

DCDD is subject to the Northern Territory Auditor-General's audit program under the powers and responsibilities established by the *Audit Act 1995*. Findings raised through this process are monitored and reported on through the Audit Committee. A summary of external and performance management system audits undertaken during the 2021-22 year are below:

Audit / review	Objective	Outcome
DCDD Shared Services End of Year Review for the year ended 30 June 2021.	To review the adequacy of selected aspects of end of financial year controls over accounting and material financial transactions performed by DCDD on the behalf of NTG agencies.	There were no significant matters arising from this audit.
DCDD End of Year Review for the year ended 30 June 2021.	To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances at DCDD, with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statements (TAFS).	Two matters were identified. These have been addressed.
DCS Financial Statement Audit for the year ended 30 June 2021.	To undertake sufficient audit procedures relating to the accounts and records of Data Centre Services for the year ended 30 June 2021.	An unmodified audit opinion was issued. One matter was identified and has been addressed.
NT Fleet Financial Statement Audit for the year ended 30 June 2021.	To undertake sufficient audit procedures relating to the accounts and records of NT Fleet for the year ended 30 June 2021.	An unqualified audit opinion was issued.
Incorrect Payment of Superannuation Follow-up.	To provide Legislative Assembly with an overview of the actions taken by DCDD and the Office of the Commissioner for Public Employment to address the recommendations arising from the prior audit of the Incorrect Payment of Superannuation (Section 14 Directive). The audit covered the period from June 2020 to February 2021.	The department has undertaken a range of actions to address the matters raised as a result of the previous audit. A number of these matters require ongoing and additional work.
Data Centre physical and environmental security.	To assess the effectiveness of the physical security controls and the environmental controls over the NTG information technology data centres used by DCDD.	DCDD's physical security controls and environmental controls over the data centres were found to have operated effectively.
DCDD Service Continuity and Resilience.	To review the alignment of Business Impact Analysis availability ratings with backup and replication frequency; test backup, high availability and recovery processes; and inspect IT Disaster Recovery and DCDD Business Continuity Planning testing cycle.	The review found DCDD's service continuity and resilience controls appear to have operated effectively. One matter was identified and is being addressed.
DCDD Performance Management System Audit, Across Government GrantsNT System.	To assess the performance management systems in place that enable management to assess whether the GrantsNT system is being supplied effectively, with regard to efficiency and economy, and in a way that will assist agencies to achieve their stated outcomes. The audit covered the period 1 July 2020 to 30 September 2021.	The audit identified that DCDD could implement improvements to the existing performance management systems. Eleven recommendations were identified and are being addressed.

Audit / review	Objective	Outcome
DCDD Performance Management System Audit – Shared Services.	To assess the performance management systems in place that enable DCDD to deliver recommendations within the report A plan for budget repair as they relate to centralising corporate services; and NTG Shared Services.	The audit identified that DCDD could implement some improvements to demonstrate the objectives are being achieved economically, efficiently and effectively. Ten recommendations were identified and are being addressed.
Agency Compliance Audit for the year ended 30 June 2022.	The audit examined selected aspects of the systems in use as required in particular by Treasurer's Direction Part 3, Section 1 and Procurement Governance Policy and Procurement Rules, with the objective of obtaining reasonable assurance that those selected requirements were being achieved.	One matter was identified and has been addressed.
Government Accounting System (GAS) Controls Audit for the year ended 30 June 2022.	To determine there is reasonable assurance that there are satisfactory internal controls for central maintenance of GAS and over the financial services provided to agencies.	The audit identified there are satisfactory internal controls of the central maintenance of GAS and over the financial services provided to agencies. Four matters were identified and have been addressed.
Personnel Information and Payroll System (PIPS) Controls Compliance Audit for the year ended 30 June 2022.	To determine if there is reasonable assurance that satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to agencies.	The audit identified there are satisfactory internal controls. Five matters were identified and are being addressed.
NT Fleet Interim Financial Statements Audit the year ended 30 June 2021.	To facilitate the end-of-financial-year audit of NT Fleet's Financial Statements required by section 10 of the <i>Financial Management Act 1995</i> .	No matters were identified.
APEX System Internal Control Audit.	To understand, risk assess and test the internal controls over the APEX application system, relating to financial audit requirements.	There were no significant matters arising from this audit.
NAB Transact Banking.	To review and test access management in place for the National Australia Bank 'NAB Transact' application, including a review of sensitive privileges.	The audit identified there are effective key information security controls. Six matters were identified, with most having been addressed.
IT Controls Environment Review.	To understand, risk assess and test the internal control structure within the service-wide IT mainframe environment with particular reference to mainframe operations for GAS, PIPS and PAPMS.	The audit identified the controls tested are operating effectively. One matter was identified and has been addressed.
Operations and Service Management.	To understand, risk assess and test the internal control structure across a number of systems, with particular focus on the monitoring of automated batch jobs relating to systems under their control with a scope emphasis on job management, monitoring and service level management.	The audit identified the controls tested are operating effectively. Three matters were identified and have been addressed.
Systems Change Control.	To review and test DCDD's framework, policy, procedure and guidelines in relation to developing and changing software / applications.	No material weaknesses found in controls tested. One matter was identified and is being addressed.

Internal controls

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

Delegations

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

Conflicts of interest

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

Gifts and benefits

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

Data breaches

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

Freedom of Information

The *Information Act 2002* allows for access to government and personal information. In 2021-22 DCDD received five Freedom of Information (FOI) applications.

Of the five applications handled during the 2021-22 financial year, there were four applications for personal information and one application for government information. Of these requests, one request was transferred to the relevant agency.

Procurement controls

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

Accounting and property manual

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

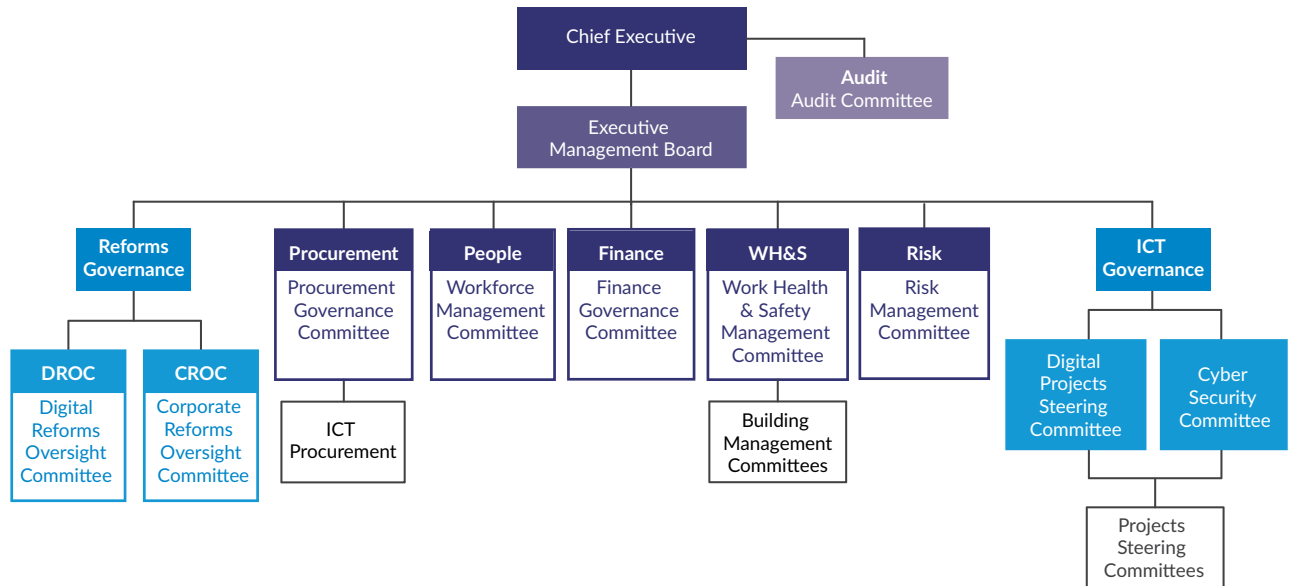
Policies and procedures

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

DCDD governance committees

Our governance committee structure consists of the Executive Management Board and its supporting committees responsible for focusing on key governance requirements within DCDD.

Diagram 5: DCDD corporate governance committee structure



Executive management board (EMB)

EMB is the senior governance and decision-making body of DCDD, providing strategic direction across the department and GBDs. The board members as at 30 June 2022 are:

Members	Role	Job title
Chris Hosking	Chair	Acting Chief Executive
Lisa Watson	Member	Deputy Chief Executive Corporate Services
Greg Connors	Member	Acting Deputy Chief Executive Digital Services
Ewan Perrin	Member	Executive Director ODG
David Bryan	Member	Senior Director NTPM
Rex Schoolmeester	Member	Chief Financial Officer
Jude Florance	Member	Director Executive Services
Jayne McAllister	Member	Director Regions
Wilasinee Cullen	Member	DCDD HR Business Partner
Kornelia Mendes	Secretariat	EA to the Chief Executive

In addition, two staff members are selected to participate on EMB quarterly to provide staff with an opportunity to broaden their experience and knowledge at a strategic level and strengthen the capability of the senior leadership team.

EMB provides a key governance oversight role by measuring and monitoring performance through quarterly reporting of Key Performance Indicators (KPIs) to ensure EMB has a well-defined insight on service performance across its span of functions; and monthly division and business support services reports.

Careful consideration is given to performance, trends and issues at board meetings.

EMB decisions and actions are conveyed through the monthly staff newsletter, at staff meetings, conducted at whole of agency and business division levels.

EMB meets monthly and met on 12 occasions in 2021-22.

Supporting governance committees

All the DCDD corporate governance committees outlined in [diagram 5](#) develop a business plan as part of DCDD's business planning process and report back through EMB on the year's achievements. Each committee has an approved Terms of Reference (ToR) which are reviewed annually. As part of this process each committee also submits a self-assessment 'health check'. In addition, some committees provide additional reporting to EMB as part of the ToR requirements.

All committees reported against their business plans and operated in line with their ToRs.

COVID-19 governance groups

Our COVID-19 governance groups established at the start of the pandemic, have remained in place to respond to emerging issues as they have arisen over the year to ensure an appropriate level of pandemic governance is maintained.

Digital governance frameworks

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

ICT governance framework

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

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

ICT governance board (IGB)

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

- applying stringent monitoring, analysis of agency major ICT investment proposals

- oversight of ICT projects from an all-of-government perspective.

The IGB considers digital policies, emerging ICT issues and risks and coordinates reporting to government, with membership comprising senior representatives across government.

Cyber security governance framework

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

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

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

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

Data governance framework

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

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

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

The inter-agency Data Sharing Governance Committee ensures an effective, contemporary culture of authorised data sharing is fostered in relation to the integration of child safety information for the new CARE system implementation. Comprising senior executives across relevant NTG agencies, the committee operationalises the national data sharing intergovernmental agreement to address data sharing issues within and across the NT Government.

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6a

DCDD
Financial Report

Financial Statement Overview

For the year ended 30 June 2022

Financial Performance (Comprehensive Operating Statement)

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

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

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

Table 1: 2021-22 Final Budget and Performance

	2021-22		
	Actual \$000	Final Budget \$000	Variation \$000
Income	379 732	382 277	(2 545)
Expenses	374 215	401 497	27 282
Surplus/(Deficit)	5 517	(19 220)	24 737
Other Comprehensive Income	-	-	-
Comprehensive Result	5 517	(19 220)	24 737

DCDD's operating financial performance for the year showed a \$5.5 million surplus compared with the final budget estimated deficit of \$19.2 million. DCDD's improved result is partly due to changed timing of expenses for delivery of major ICT projects and telecommunications grants which will be carried over and incurred in 2022-23.

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

Table 2: 2021-22 and 2020-21 Performance

	Actual \$000		Variation \$000
	2021-22	2020-21	
Income	379 732	360 380	19 352
Expenses	374 215	357 405	(16 810)
Surplus/(Deficit)	5 517	2 975	2 542
Other Comprehensive Income	-	-	-
Comprehensive Result	5 517	2 975	2 542

The improvement in operating performance from a surplus of \$3 million in 2020-21 to \$5.5 million in 2021-22 is attributed to an increase in income offset by a smaller rise in expenses.

Income

DCDD is funded through a combination of Northern Territory Government appropriation and goods and services income sourced from Government Business Divisions (GBDs) and Government Owned Corporations (GOCs). DCDD services are billed under a cost allocation model that is based on service usage, including notional charges applied to general agencies. Income received for the 2021-22 financial year was \$380 million compared to \$360 million in previous year.

Table 3: Income by Category

Year	Output Appropriation		Goods and Services		Other Income		Grants		Goods and Services received FOC		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	323 166	85.1	44 318	11.7	10 738	2.8	1 333	0.3	177	0.1	379 732	100
2020-21	277 329	77	75 085	20.8	6 664	1.8	1 130	0.3	172	0.1	360 380	100

In 2021-22 output appropriation was higher than the previous year as a result of transfer from goods and services income to output appropriation (\$29 million) for Top End and Central Australia Health Services, increased funding for improving digital connectivity in remote areas, and realignment of delivery timeframes for major ICT projects.

The decrease in goods and services income is primarily due to the above mentioned change for Health Services. The change in other income reflects higher cost recovery for projects undertaken on behalf of agencies and one-off ICT revenues. The increase in grant income relates to Commonwealth COVID-19 responses.

Expenses

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

Table 4: Expenses by Category

Year	Employee		Digital		Depreciation		Operational		Property		Grants		Other		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	133 858	35.8	109 358	29.2	86 946	23.2	8 998	2.4	13 549	3.6	11 103	3.0	10 403	2.8	374 215	100
2020-21	127 615	35.7	106 785	30.0	87 922	24.6	7 576	2.1	14 360	4.0	4 265	1.2	8 882	2.4	357 405	100

Employee expenses increased in line with the allowance paid in accordance with the NTPS Enterprise Agreement. Digital expenses increased primarily due to higher ICT input costs. Operational expenses in 2021-22 were higher than the previous year largely due to timing changes for major ICT projects. Grants expenses increased in

2021-22 due to new funding to improve mobile and fibre optic connectivity in remote areas. Other expenses, specifically interest expense for leases under AASB 16 – Leases, increased as a result of lease extensions under the leased property stimulus scheme.

2021-22 Expenses and Final Budget by Output

Expenses are reported in Budget Papers by output and output groups. DCDD's output groups include:

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

Table 5: 2021-22 Expenses and Final Budget by Output

	Actual	Final Budget	Variation
	\$000	\$000	\$000
CORPORATE SUPPORT DEVELOPMENT OUTPUT GROUP			
Workforce Services	25 247	26 804	1 557
Employment Services	19 616	20 148	532
Procurement and Contract Services	8 464	8 995	531
Information Management Services	6 373	6 585	212
Finance Services	7 904	8 103	199
Property Leasing Services	105 757	109 068	3 311
Vehicle Management Services	866	888	22
CORPORATE SUPPORT DEVELOPMENT – TOTAL	174 227	180 591	6 364
DIGITAL GOVERNMENT DEVELOPMENT OUTPUT GROUP			
ICT Network Services	48 899	50 062	1 163
Agency Business Systems and Support Services	52 161	53 294	1 133
Across-government Systems and Support Services	26 386	26 009	(377)
Digital Projects	30 589	44 589	14 000
Data Services	15 338	16 013	675
Digital Communications	3 186	2 504	(682)
Digital Connectivity and Strategy	14 960	21 387	6 427
DIGITAL GOVERNMENT DEVELOPMENT – TOTAL	191 519	213 858	22 339
CORPORATE AND SHARED SERVICES OUTPUT GROUP			
Corporate and Governance	7 632	5 876	(1 756)
Shared Services Received	177	314	137
Shared Services Provided	660	858	198
CORPORATE AND SHARED SERVICES – TOTAL	8 469	7 048	(1 421)
TOTAL	374 215	401 497	27 282

The primary output variations were:

- Workforce Services – lower than expected expenditure reflecting challenges recruiting
- Property Leasing Services – lower than anticipated rental costs mostly due to lower CPI and market rental conditions
- ICT Network Services – lower than anticipated expenditure due to supply chain impact of the global pandemic
- Agency Business Systems and Support Services – lower than anticipated expenditure due to timing of major ICT projects.
- Digital projects – revised delivery timeframes for major ICT projects, carried over to 2022-23
- Digital Connectivity and Strategy – revised timing of telecommunications grants, carried over to 2022-23
- Corporate and Shared Services – COVID-19 related expenses not factored into the budget. Costs incurred across the department are recorded centrally.

Financial Position (Balance sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of DCDD at the end of the financial year. The table below compares DCDD's financial position as at 30 June 2022 with the position at 30 June 2021.

Table 6: 2021-22 and 2020-21 Financial Position

	2021-22	2020-21	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	149 063	134 315	14 748
Non-Current Assets	798 509	739 682	58 827
TOTAL ASSETS	947 572	873 997	73 575
LIABILITIES			
Current Liabilities	128 083	115 375	(12 708)
Non-Current Liabilities	494 424	490 705	(3 719)
TOTAL LIABILITIES	622 507	606 080	(16 427)
NET ASSETS	325 065	267 917	57 148
Equity	325 065	267 917	57 148
TOTAL EQUITY	325 065	267 917	57 148

DCDD's net asset position as at the end of 2021-22 was \$325 million, an increase of \$57.1 million compared with the previous year. The increase largely relates to government investment in the delivery of major ICT digital projects. The net asset position improvement is reflected in the increase in current assets, primarily cash and deposits and non-current assets, primarily property, plant and equipment for major ICT projects offset by an increase in payables.

DCDD's major assets as at 30 June 2022 included:

Current Assets

- \$124.9 million cash and deposits
- \$15.8 million prepayments (primarily related to the property leasing portfolio)
- \$8.4 million receivables (GST, service fees and property leasing charges).

Non-Current Assets

- \$585.4 million property, plant and equipment for right-of-use (lease) assets
- \$211.3 million intangible assets
- \$1.8 million prepayments.

DCDD's major liabilities at 30 June 2022 included:

Current Liabilities

- \$73.9 million leased property liabilities
- \$22.2 million provisions for employee entitlements
- \$31.9 million accrued expenses and payables.

Non-Current Liabilities

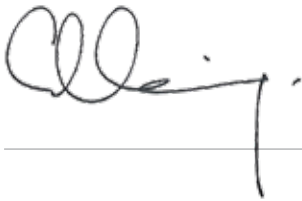
- \$494.4 million leased property liabilities.

Certification of the financial statements

We certify that the attached Financial Statements for the Department of Corporate and Digital Development have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the Financial Statements, presents fairly the financial performance and cash flows for the year ended 30 June 2022 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.



Chris Hosking
A/ Chief Executive

29 August 2022



Rex Schoolmeester
Chief Financial Officer

29 August 2022

Comprehensive Operating Statement

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
INCOME			
Grants and subsidies revenue			
Current	4a	1 333	1 130
Appropriation			
Output	4b	323 166	277 329
Sales of goods and services	4c	44 318	75 085
Interest revenue	4d	16	78
Goods and services received free of charge	5	177	172
Other income	4d	10 722	6 586
TOTAL INCOME	3	379 732	360 380
EXPENSES			
Employee expenses		133 858	127 615
Administrative expenses			
Property management		12 047	14 360
Purchases of goods and services	7	118 356	114 361
Repairs and maintenance		1 502	-
Depreciation and amortisation	16, 18	86 945	87 922
Other administrative expenses ¹		203	172
Grants and subsidies expenses			
Current	8a	255	165
Capital	8b	10 848	4 100
Interest expenses	9	10 201	8 710
TOTAL EXPENSES	3	374 215	357 405
NET SURPLUS/(DEFICIT)		5 517	2 975
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE RESULT			
		5 517	2 975

¹ Includes DIPL repairs and maintenance service charges.

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

Balance Sheet

As at 30 June 2022

	Note	2022 \$000	2021 \$000
ASSETS			
Current Assets			
Cash and deposits	11	124 930	113 352
Receivables	13	24 133	20 963
Total Current Assets		149 063	134 315
Non-Current Assets			
Receivables	13	1 792	506
Property, plant and equipment	16, 17	585 426	585 204
Intangibles	18	211 291	153 972
Total Non-Current Assets		798 509	739 682
TOTAL ASSETS		947 572	873 997
LIABILITIES			
Current Liabilities			
Deposits held	23	85	413
Payables	20	31 855	21 504
Borrowings and advances – Lease liabilities	21	73 935	72 005
Provisions	22	22 208	21 453
Other liabilities – Unearned contract revenue	23	-	-
Total Current Liabilities		128 083	115 375
Non-current liabilities			
Borrowings and advances – Lease liabilities	21	494 424	490 705
Total non-current liabilities		494 424	490 705
TOTAL LIABILITIES		622 507	606 080
NET ASSETS		325 065	267 917
EQUITY			
Capital		324 363	272 731
Reserves	25	-	-
Accumulated funds		702	(4 815)
TOTAL EQUITY		325 065	267 917

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

Statement Of Changes In Equity

For the year ended 30 June 2022

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2021-22					
Accumulated Funds					
Accumulated funds		(4 032)	5 517	-	1 485
Transfers from reserves		(783)	-	-	(783)
		(4 815)	5 517		702
Reserves	25	-	-	-	-
Capital – Transactions with Owners					
Equity injections					
Capital appropriation		228 607	-	69 727	298 334
Equity transfers in		100 600	-	3 195	103 795
Other equity injections		32 245	-	5 334	37 579
Equity withdrawals					
Capital withdrawal ^(e)		(38 264)	-	(21 947)	(60 211)
Equity transfers out		(50 457)	-	(4 677)	(55 134)
		272 731	-	51 632	324 363
TOTAL EQUITY AT END OF FINANCIAL YEAR		267 917	5 517	51 632	325 065

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2020-21					
Accumulated Funds					
Accumulated funds		(7 007)	2 975	-	(4 032)
Transfers from reserves		(783)	-	-	(783)
		(7 790)	2 975	-	(4 815)
Reserves	25	-	-	-	-
Capital – Transactions with Owners					
Equity injections					
Capital appropriation		165 573	-	63 034	228 607
Equity transfers in		91 553	-	9 048	100 600
Other equity injections		27 225	-	5 020	32 245
Equity withdrawals					
Capital withdrawal ^(e)		(38 259)	-	(5)	(38 264)
Equity transfers out		(50 457)	-	-	(50 457)
		195 635	-	77 097	272 731
TOTAL EQUITY AT END OF FINANCIAL YEAR		187 845	2 975	77 097	267 917

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

Cash Flow Statement

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and subsidies received			
Current	4a	1 333	1 130
Appropriation			
Output	4b	323 166	277 329
Commonwealth		-	-
Receipts from sales of goods and services		93 119	121 348
Interest received		-	-
Total Operating Receipts		417 618	399 807
Operating Payments			
Payments to employees		(132 664)	(126 071)
Payments for goods and services		(162 663)	(167 169)
Grants and subsidies paid			
Current		(255)	(165)
Capital		(10 848)	(4 100)
Interest paid	9	(10 201)	(8 710)
Total Operating Payments		(316 631)	(306 215)
Net Cash From/(Used in) Operating Activities	12a	100 987	93 592
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(68 064)	(58 412)
Total Investing Payments		(68 064)	(58 412)
Net Cash From/(Used in) Investing Activities		(68 064)	(58 412)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of borrowings		-	-
Deposits received		(327)	(414)
Equity injections			
Capital appropriation		69 727	63 034
Other equity injections		6 049	5 020
Total Financing Receipts		75 449	67 640
Financing Payments			
Finance lease payments		(74 847)	(73 408)
Equity withdrawals		(21 947)	(6)
Total Financing Payments		(96 794)	(73 414)
Net Cash From/(Used in) Financing Activities	12b	(21 345)	(5 774)
Net increase/(decrease) in cash held		11 578	29 406
Cash at beginning of financial year		113 352	83 946
CASH AT END OF FINANCIAL YEAR	11	124 930	113 352

The Cash Flow Statement is to be read in conjunction with the notes to the Financial Statements.

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1. Objectives and funding

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

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

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

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

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

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

2. Statement of significant accounting policies

a) Statement of Compliance

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

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

b) Basis of Accounting

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

Except where stated, the Financial Statements have been prepared in accordance with the historical cost convention.

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

Standards and interpretations effective from 2021-22

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

Standards and interpretations issued but not yet effective

No new or changed Australian accounting standards have been early adopted for 2021-22.

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

c) Reporting Entity

The Financial Statements cover the department as an individual reporting entity.

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

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

DCDD has no controlled entities.

d) DCDD and Territory items

The Financial Statements of DCDD include income, expenses, assets, liabilities and equity over which DCDD has control (DCDD items). Certain items, while managed by DCDD, are controlled and recorded by the Northern Territory rather than DCDD (Territory items).

Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

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

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

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

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

e) Comparatives

Where necessary, comparative information for the 2020-21 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There has been one change to accounting policies adopted in 2021-22 as a result of management decisions.

Commencing from 2021-22, where a new lease is commenced and an old lease for the same premises is terminated, it will be recognised as a disposal rather than a lease remeasurement. The net impact of this change will have no effect on the Comprehensive Operating Statement or the assets in the Balance Sheet as it is only included in the explanatory Note 17.

h) Accounting Judgments and Estimates

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

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

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

i) Goods and Services Tax (GST)

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

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

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

j) Contributions by and Distributions to Government

DCDD may receive contributions from government where the government is acting as the owner of DCDD. Conversely, DCDD may make distributions to government. In accordance with the *Financial Management Act 1995* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by DCDD as adjustments to equity.

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

k) Impact of COVID-19

DCDD incurred \$2.5 million in COVID-19 related expenditure. This was partially reimbursed from the Commonwealth through the Department of Health.

3. Comprehensive Operating Statement by output group

	Note	Corporate Support Development		Digital Government Development		Corporate and Shared Services		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME									
Grants and subsidies revenue									
Current	4a	-	21	483	-	850	1 109	1 333	1 130
Appropriation									
Output	4b	163 343	140 771	156 346	133 525	3 477	3 033	323 166	277 329
Sales of goods and services	4c	8 641	28 284	34 315	45 439	1 362	1 362	44 318	75 085
Goods and services received free of charge	5	-	-	-	-	177	172	177	172
Gain on lease extinguishment	4d	16	78	-	-	-	-	16	78
Other income	4d	453	143	10 049	6 207	220	236	10 722	6 586
TOTAL INCOME		172 453	169 297	201 193	185 171	6 086	5 912	379 732	360 380
EXPENSES									
Employee expenses		63 185	59 777	66 087	63 712	4 586	4 126	133 858	127 615
Administrative expenses									
Property Management		11 347	13 556	428	500	272	304	12 047	14 360
Purchases of goods and services	7	7 559	6 815	107 890	105 184	2 907	2 362	118 356	114 361
Repairs and maintenance		1 502	-	-	-	-	-	1 502	-
Depreciation and amortisation	16,18	80 413	79 125	6 005	8 767	527	30	86 945	87 922
Other administrative expenses ¹		20	-	6	-	177	172	203	172
Grants and subsidies expenses									
Current	8a	-	-	255	165	-	-	255	165
Capital	8b	-	-	10 848	4 100	-	-	10 848	4 100
Interest Expenses	9	10 201	8 710	-	-	-	-	10 201	8 710
TOTAL EXPENSES		174 227	167 983	191 519	182 428	8 469	6 994	374 215	357 405
NET SURPLUS/(DEFICIT)		(1 773)	1 314	9 675	2 743	(2 384)	(1 082)	5 517	2 975
OTHER COMPREHENSIVE INCOME									
Items that will not be reclassified to net surplus/deficit									
Changes in asset revaluation reserve		-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-	-	-	-	-	-	-
COMPREHENSIVE RESULT		(1 773)	1 314	9 675	2 743	(2 384)	(1 082)	5 517	2 975

¹ Includes DIPL repairs and maintenance service charges.

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

4. Income

Income encompasses both revenue and gains.

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

DCDD revenue for the 2021-22 financial year has been disaggregated below into categories to enable users of these Financial Statements to understand the nature,

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

DCDD provides corporate services and digital services for government agencies.

a) Grants and subsidies revenue

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Current grants	-	1 333	1 333	-	1 130	1 130
Capital grants	-	-	-	-	-	-
Total grants and subsidies revenue	-	1 333	1 333	-	1 130	1 130

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

DCDD's grant revenue for 2021-22 and 2020-21 relates to recovery of COVID-19 related expenditure from the Commonwealth through the Department of Health.

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

b) Appropriation

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output	-	323 166	323 166	-	277 329	277 329
Commonwealth	-	-	-	-	-	-
Total appropriation	-	323 166	323 166	-	277 329	277 329

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

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

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

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

c) Sales of goods and services

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Property – recovery of costs	-	5 732	5 732	-	11 021	11 021
Corporate services charges	-	8 546	8 546	-	35 746	35 746
ICT infrastructure program	-	28 949	28 949	-	27 184	27 184
Salary sacrifice administrative fee	1 091	-	1 091	1 134	-	1 134
Total sales of goods and services	1 091	43 227	44 318	1 134	73 951	75 085

Sale of goods

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

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

DCDD sale of goods revenue includes:

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

Rendering of services

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

DCDD services revenue includes:

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

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

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

Revenue from contracts with customers have been disaggregated below into categories to enable users of these Financial Statements to understand the nature, amount, timing and certainty of income and cash flows.

These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2022	2021
	\$000	\$000
TYPE OF GOOD AND SERVICE		
Regulatory services	-	-
Service delivery	1 091	1 134
Construction services	-	-
Sales of inventory	-	-
Research services	-	-
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE	1 091	1 134

TYPE OF CUSTOMER		
Australian Government entities	-	-
State and territory governments	-	-
Non-government entities	1 091	1 134
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER	1 091	1 134

TIMING OF TRANSFER OF GOODS AND SERVICES		
Over time	-	-
Point in time	1 091	1 134
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER	1 091	1 134

d) Other income

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Gain on lease extinguishment	-	16	16	-	78	78
Other recovered costs	-	10 722	10 722	-	6 586	6 586
TOTAL OTHER INCOME	-	10 738	10 738	-	6 664	6 664

DCDD pays for goods and services on behalf of other agencies and these expense recoveries primarily includes management costs for digital projects.

DCDD satisfies performance obligations when the goods or services have been completely delivered.

Subsequently, DCDD recovers the expenditure from the other agency through issuance of an invoice, with revenue recognised when payment is received.

5. Goods and services received free of charge

	2022	2021
	\$000	\$000
Repairs and maintenance – DIPL notional charges	177	172
TOTAL	177	172

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

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

6. Gain on disposal of assets

DCDD has no gain on disposal of assets in 2021-22 and 2020-21.

7. Purchases of goods and services

	2022	2021
	\$000	\$000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
GOODS AND SERVICES EXPENSES:		
Information technology charges	46 266	46 533
Information technology hardware and software	26 935	23 739
Telecommunications	2 350	1 950
Contractors and consultants ¹	37 758	37 875
Advertising ²	2	1
Marketing and promotion ³	175	87
Document production	63	65
Legal expenses ⁴	797	567
Recruitment ⁵	96	78
Training and study	860	600
Official duty fares	77	30
Travelling allowance	38	12
Equipment expenses – other	355	356
Other	2 584	2 468
TOTAL	118 356	114 361

¹ Includes IT contractors and consultants, marketing and promotion.

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

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

⁴ Includes legal fees, claim and settlement costs.

⁵ Includes recruitment-related advertising costs.

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

Property Management Expense

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

Repairs and Maintenance Expenses

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

8. Grant and subsidies expense

a) Current grant and subsidy expense

	2022	2021
	\$000	\$000
Current grant – Digital connectivity and strategy	255	165
Total current grants	255	165
Subsidy	-	-
Total subsidies	-	-
TOTAL CURRENT GRANT AND SUBSIDY EXPENSE	255	165

Current grant and subsidy expenses are recognised as an expense in the reporting period in which they are paid or payable, exclusive of the amount of GST.

b) Capital grant expense

	2022	2021
	\$000	\$000
Capital grant – Digital connectivity and strategy	10 848	4 100
TOTAL CAPITAL GRANT	10 848	4 100

Capital grant expenses are recognised in the reporting period in which they are paid or payable, exclusive of the amount of GST. Where an existing agency asset is

transferred to a recipient, the transaction is recognised when the agency transfers control of asset to the recipient.

9. Interest expense

	2022	2021
	\$000	\$000
Interest from lease liabilities ¹	10 201	8 710
TOTAL	10 201	8 710

¹ Interest expense for 2021 and 2022 relates to lease liabilities in accordance with AASB16.

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

	Agency				Territory items			
	2022 \$000	No. of Trans.	2021 \$000	No. of Trans.	2022 \$000	No. of Trans.	2021 \$000	No. of Trans.
Write-offs, postponements and waivers under the Financial Management Act 1995	-	3	1	1	-	-	-	-
Represented by:								
Amounts written off, postponed and waived by delegates								
Irrecoverable amounts payable to the Territory or an agency written off	-	1	1	1	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	6	2	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
TOTAL WRITTEN OFF, POSTPONED AND WAIVED BY DELEGATES	6	3	1	1	-	-	-	-

11. Cash and deposits

	2022 \$000	2021 \$000
Cash on hand	44	44
Cash at bank	124 886	113 308
	124 930	113 352

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

Cash at bank includes monies held in the Accountable Officer's Trust Account that are ultimately payable to the beneficial owner.

12. Cash flow reconciliation

a) Reconciliation of Cash

The total of DCDD's 'Cash and deposits' of \$124.9 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

	2022	2021
	\$000	\$000
NET SURPLUS/(DEFICIT)	5 517	2 975
NON-CASH ITEMS:		
Depreciation and amortisation	86 945	87 922
Asset write-offs/write-downs	26	-
Repairs and maintenance	1 502	-
(Gain)/Loss on lease extinguishment	(16)	(78)
CHANGES IN ASSETS AND LIABILITIES:		
Decrease/(Increase) in receivables	(4 456)	55
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	10 714	1 696
(Decrease)/Increase in provision for employee benefits	889	685
(Decrease)/Increase in other provisions	(134)	427
(Decrease)/Increase in other deferred income	-	(90)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	100 987	93 592

b) Reconciliation of liabilities arising from financing activities

2021-22

	Cash flows						Total cash flows
	1 July	Equity injection/ withdrawal	Appropriation	Deposits received	Lease liabilities repayments	Other	
	\$000	\$000	\$000	\$000	\$000	\$000	
Deposits held	413	-	-	(328)	-	-	(328)
Provisions	21 453	-	-	-	-	-	-
Lease liabilities	562 710	-	-	-	(74 846)	-	(74 846)
Equity injections/ withdrawals	272 731	(15 898)	69 727	-	-	-	53 829
TOTAL	857 307	(15 898)	69 727	(328)	(74 846)	-	(21 345)

	Other		
	Other	Total other	30 June
	\$000	\$000	\$000
Deposits held	-	-	85
Provisions	755	755	22 208
Lease liabilities	80 495	80 495	568 359
Equity injections/ withdrawals	(2 197)	(2 197)	324 363
TOTAL	79 053	79 053	915 015

2020-21

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

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

c) Non-cash financing and investing activities

Lease transactions

During the financial year, DCDD added right-of-use asset for property leases in Buildings for \$72.6 million (2021: \$231 million).

13. Receivables

	2022	2021
	\$000	\$000
CURRENT		
Accounts receivable	1 432	1 492
Less: loss allowance	-	-
	1 432	1 492
Interest receivables	-	-
GST receivables	6 747	4 277
Prepayments	15 762	14 767
Other receivables	192	427
	24 133	20 963
NON-CURRENT		
Prepayments	1 792	506
Other receivables	-	-
	1 792	506
TOTAL RECEIVABLES	25 925	21 469

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

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

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

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

Accrued contract revenue

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

DCDD has no accrued contract revenues.

Credit risk exposure of receivables

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

This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

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

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

DCDD's credit risk exposure has not materially changed due to minimal business disruption experienced as a result of COVID-19. There is no material impact on DCDD's expected credit losses due to COVID-19.

There is no loss allowance for the 2021-22 and 2020-21 financial year as the doubtful debts were written off in the same year. All other overdue receivables are deemed collectible as at 30 June 2022.

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

Loss allowance for receivables

	2022				2021			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross Receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
INTERNAL RECEIVABLES								
Not overdue	1 150	-	-	1 150	1 349	-	-	1 349
Overdue for less than 30 days	104	-	-	104	125	-	-	125
Overdue for 30 to 60 days	45	-	-	45	11	-	-	11
Overdue for more than 60 days	29	-	-	29	-	-	-	-
TOTAL INTERNAL RECEIVABLES	1 328	-	-	1 328	1 485	-	-	1 485
EXTERNAL RECEIVABLES								
Not overdue	79	-	-	79	(13)	-	-	(13)
Overdue for less than 30 days	6	-	-	6	-	-	-	-
Overdue for 30 to 60 days	6	-	-	6	-	-	-	-
Overdue for more than 60 days	13	-	-	13	20	-	-	20
TOTAL EXTERNAL RECEIVABLES	104	-	-	104	7	-	-	7

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

Reconciliation of loss allowance for receivables

DCDD recognised no loss allowance for receivables for 2021-22 and 2020-21 from the assessment of expected credit losses.

Prepayments

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

14. Advances and investments

DCDD had no advances paid, equity accounted investments and investments in shares for the 2021-22 and 2020-21 financial years.

15. Other assets

a) Agency as a lessor

DCDD is not a lessor and therefore, does not have any finance lease, operating lease or sublease arrangements. There is no lease receivables for 2021-22 and 2020-21.

b) Contract cost asset

For the 2021-22 and 2020-21 reporting period, no costs were capitalised as a contract cost asset.

16. Property, plant and equipment

Total property, plant and equipment

	2022	2021
	\$000	\$000
PLANT AND EQUIPMENT		
At cost	51 835	41 758
Less: Accumulated depreciation	(23 343)	(20 519)
	28 492	21 239
CONSTRUCTION WORKS IN PROGRESS		
At capitalised cost	-	7 037
	-	7 037
COMPUTER HARDWARE		
At cost	22 330	24 260
Less: Accumulated depreciation	(18 045)	(18 792)
	4 285	5 468
LEASED PROPERTY, PLANT AND EQUIPMENT¹		
At capitalised cost	732 732	677 597
Less: accumulated depreciation	(180 083)	(126 137)
	552 649	551 460
TOTAL PROPERTY, PLANT AND EQUIPMENT	585 426	585 204

¹ DCDD has no concessionary leases.

2022 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right of use assets is disclosed in Note 17. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2021-22 is set out below:

	Computer hardware	Plant and equipment	Construction (WIP) Infrastructure	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2021	5 468	21 239	7 037	551 460	585 204
Additions	1 466	1 700	-	72 629	75 795
Disposals	-	-	-	(13 994)	(13 994)
Depreciation expense – asset owned	(2 645)	(2 849)	-	-	(5 494)
Amortisation expense – right-of-use asset	-	-	-	(78 608)	(78 608)
Additions/disposals from administrative restructuring	-	-	-	-	-
Additions/disposals from asset transfers	(4)	8 402	(7 037)	-	1 361
Revaluation increments/(decrements)	-	-	-	21 877	21 877
Lease Incentives	-	-	-	(715)	(715)
CARRYING AMOUNT AS AT 30 JUNE 2022	4 285	28 492	-	552 649	585 426

2021 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right of use assets is disclosed in Note 17. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2020-21 is set out below:

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

Acquisitions

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

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

Complex assets

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

Subsequent additional costs

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

Construction (work in progress)

As part of the financial management framework, DIPL is responsible for managing general government capital works projects on an all-of-government basis. Therefore, appropriation for DCDD capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to DCDD.

Revaluations and Impairment

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

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

Depreciation and Amortisation Expense

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

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

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

	2022	2021
Plant and equipment	10 years	10 years
Leased plant and equipment	5 years	5 years
Right-of-use assets	Lease term	Lease term
Computer hardware	3-6 years	3-6 years

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

17. DCDD as a lessee

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

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

Potential future cash outflows of \$110 million have not been included in the lease liability because it is not reasonably certain the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension was an increase in recognised lease liabilities and right-of-use assets of \$21.9 million.

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

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 16.

	Land	Buildings	Infrastructure	Plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2021	-	551 460	-	-	551 460
Additions	-	72 629	-	-	72 629
Disposals ¹	-	(13 994)	-	-	(13 994)
Depreciation expense	-	(78 608)	-	-	(78 608)
Revaluation increments/ decrements ¹ including remeasurement	-	21 877	-	-	21 877
Impairment losses	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-
Other movements (Lease Incentives)	-	(715)	-	-	(715)
CARRYING AMOUNT AS AT 30 JUNE 2022	-	552 649	-	-	552 649

¹ Commencing from 2021-22, where a new lease is commenced and an old lease for the same premises is terminated, it will be recognised as a disposal rather than a lease remeasurement.

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

¹ 2020-21 remeasurement amounts disclosed includes disposal amount as a result of early termination of leases and replaced with new agreement

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

	2022	2021
	\$000	\$000
Depreciation expense of right-of-use assets	78 608	77 540
Interest expense on lease liabilities	10 201	8 710
Expense relating to short-term leases	4 244	5 627
Expense relating to leases of low-value assets	-	-
Variable lease payments, not included in the measurement of lease liabilities	-	-
Intergovernmental leases	379	525
Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	93 432	92 402

Recognition and measurement

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

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

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

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

Inter-governmental leases

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

18. Intangibles

	2022	2021
	\$000	\$000
Carrying amount		
Intangibles with a finite useful life	-	-
Internally generated intangibles	-	-
At cost	246 643	187 204
Less: accumulated amortisation	(35 352)	(33 233)
Written down value – 30 June	211 291	153 972
TOTAL INTANGIBLES	211 291	153 972

Intangible assets for DCDD are comprised of computer software.

DCDD recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the costs of the asset can be measured reliably. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

Intangible assets arising from configuration and customisation costs for an application software in a Software-as-a-Service (SaaS) arrangement are only recognised where the services create a separately identifiable software code from which the agency has the power to both obtain the future economic benefits and restrict others' access to those benefits.

Intangible assets are stated at historical cost less amortisation, which is deemed to equate to fair value.

Intangibles with limited useful lives are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised.

The estimated useful lives for finite intangible assets are determined in accordance with the Treasurer's Directions and are determined as follows:

	2022	2021
Computer software – general (off the shelf)	2-5 years	2-5 years
Computer software – Corporate Systems	5-10 years	5-10 years

Due to the method of valuation of DCDD intangible assets, no assessment for impairment was undertaken for the year ended 30 June 2022 and year ended 30 June 2021.

	2022	2021
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life	-	-
Internally generated intangibles	-	-
Carrying amount at 1 July	153 972	101 774
Additions	3 261	346
Disposals	-	-
Depreciation and amortisation	(2 843)	(5 144)
Additions/disposals from administrative restructuring	-	-
Additions/disposals from asset transfers	(60 452)	2 115
Other movements	117 353	54 881
CARRYING AMOUNT AS AT 30 JUNE	211 291	153 972

19. Assets held for sale

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

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell.

These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the Financial Statements as current assets.

DCDD had no assets held for sale in 2021-22 and 2020-21.

20. Payables

	2022	2021
	\$000	\$000
Accounts payable	9 114	1 807
Accrued expenses	21 593	18 185
Other payables	1 148	1 512
TOTAL PAYABLES	31 855	21 504

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to DCDD. Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

21. Lease liabilities

	2022	2021
	\$000	\$000
CURRENT		
Lease liabilities	73 935	72 005
	73 935	72 005
NON-CURRENT		
Lease liabilities	494 424	490 705
	494 424	490 705
TOTAL LEASE LIABILITIES	568 359	562 710

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

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

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

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

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

The following table presents liabilities under leases.

	2022	2021
	\$000	\$000
Balance at 1 July	562 710	445 578
Additions/remeasurements	80 496	190 540
Interest expenses	10 201	8 710
Payments	(85 048)	(82 118)
BALANCE AT 30 JUNE	568 359	562 710

DCDD had total cash outflows for leases of \$85.0 million in 2021-22 (\$82.1 million in 2020-21).

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

	2022		2021	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
Within one year	513	1 896	510	1 280
Later than one year and not later than five years	480	-	648	-
Later than five years	4	-	-	-
	997	1 896	1 158	1 280

22. Provisions

	2022	2021
	\$000	\$000
CURRENT		
Employee benefits		
Recreation leave	16 949	16 044
Leave loading	1 964	2 015
Recreation leave airfares	125	106
Other provisions	3 170	3 288
	22 208	21 453
NON-CURRENT		
Employee benefits		
Recreation leave	-	-
TOTAL PROVISIONS	22 208	21 453
RECONCILIATIONS OF OTHER PROVISIONS		
Balance as at 1 July	3 288	2 861
Additional provisions recognised	3 170	3 288
Reductions arising from payments	(3 288)	(2 861)
BALANCE AS AT 30 JUNE	3 170	3 288

DCDD employed 1 105 employees as at 30 June 2022 (1 090 employees as at 30 June 2021).

Employee benefits

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

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

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

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

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

23. Other liabilities

	2022	2021
	\$000	\$000
CURRENT		
Financial guarantee liability	-	-
Unearned revenue	-	-
Unearned capital grants	-	-
Deposits held	85	413
TOTAL OTHER LIABILITIES	85	413

Financial guarantee contracts

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

DCDD had no financial guarantee contracts for 2021-22 and 2020-21.

Superannuation

Employees' superannuation entitlements are provided through the:

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

DCDD makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and therefore not recognised in DCDD's Financial Statements.

Unearned contract revenue

There is no unearned contract revenue for 2021-22 and 2020-21.

24. Commitments

Commitments contracted represent future obligations or cash outflows that are not recognised as liabilities on the balance sheet and can be reliably measured.

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

2022		2021	
Internal	External	Internal	External
\$000	\$000	\$000	\$000

(I) CAPITAL EXPENDITURE COMMITMENTS

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

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

Within one year	-	85 239	-	126 409
Later than one year and not later than five years	-	-	-	38 425
Later than five years	-	-	-	-
Total commitments (exclusive of GST)	-	85 239	-	164 834
Plus: GST recoverable	-	8 524	-	16 483
Total commitments (inclusive of GST)	-	93 763	-	181 317

(II) OTHER EXPENDITURE COMMITMENTS

DCDD has no other expenditure commitments.

25. Reserves

DCDD has no asset revaluation surplus as at 30 June 2022 and as at 30 June 2021.

26. Fair value measurement

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

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

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

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

27. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory

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

DCDD has limited exposure to financial risks as discussed below.

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

a) Categories of financial instruments

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

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	\$000	\$000			
2021-22					
Cash and deposits	-	-	124 930	-	124 930
Receivables ¹	-	-	1 432	-	1 432
TOTAL FINANCIAL ASSETS	-	-	126 362	-	126 362
2020-21					
Deposits held ¹	-	-	85	-	85
Payables ¹	-	-	10 262	-	10 262
Lease liabilities	-	-	568 359	-	568 359
TOTAL FINANCIAL LIABILITIES	-	-	578 706	-	578 706

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

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

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

Categories of financial instruments

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

Financial assets are classified under the following categories:

- amortised cost

Financial liabilities are classified under the following categories:

- amortised cost

Financial assets at amortised cost

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

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

Financial assets at fair value through other comprehensive income

DCDD does not have any financial assets in this category.

Financial assets at fair value through profit or loss

DCDD does not have any financial assets in this category.

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

DCDD does not have any financial liabilities in this category.

Derivatives

DCDD does not trade in derivatives.

b) Credit Risk

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

DCDD has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to

government, DCDD has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

Credit risk relating to receivables is disclosed in Note 13.

c) Liquidity Risk

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

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

2022 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Deposits held	85	85	-	-	85
Payables ¹	10 262	10 262	-	-	10 262
Lease liabilities ²	568 359	83 480	276 527	258 675	618 682
TOTAL FINANCIAL LIABILITIES	578 706	93 827	276 527	258 675	629 029

¹ Total amounts disclosed exclude statutory amounts and accrued items.

² 2021-22 amounts have been amended to include all payments for leases within the first year.

2021 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Deposits held	413	413	-	-	413
Payables ¹	3 320	3 320	-	-	3 320
Lease liabilities ²	610 618	3 031	343 176	264 411	610 618
TOTAL FINANCIAL LIABILITIES	614 351	6 764	343 176	264 411	614 351

¹ Total amounts disclosed exclude statutory amounts and accrued items.

² 2020-21 amounts disclosed in less than a year only includes leases that expired within the first year rather than all leases.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

DCDD has relatively limited exposure to market risk.

(i) Interest rate risk

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

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

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

(ii) Price risk

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

(iii) Currency risk

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

28. Related parties

i) Related parties

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

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

ii) Key management personnel (KMP)

KMP of DCDD are those persons having authority and responsibility for planning, directing and controlling the activities of DCDD. These include the Minister, the Chief Executive Officer and 9 members of the Executive Management Board of DCDD as listed on page 59.

iii) Remuneration of key management personnel

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

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

	2021-22	2020-21 ¹
	\$000	\$000
Short-term benefits	2 445	1 869
Post-employment benefits	225	187
Long-term benefits	-	-
Termination benefits	-	-
TOTAL	2 670	2 056

¹ 2020-21 figures should be 2 116 including portion of four KMPs allocated to GBDs.

iv) Related party transactions

Transactions with Northern Territory Government controlled entities

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

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

2022

RELATED PARTY	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
NTG agencies	118 756	35 396	1 573	4 571

2021

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

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

Other related party transactions

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

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

29. Contingent liabilities and contingent assets

DCDD had no material contingent liabilities or contingent assets in 2021-22 and 2020-21.

30. 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.

31. Accountable Officer's trust account

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

There was no activity in the Accountable Officer's trust account in 2021-22 and 2020-21.

32. Schedule of administered Territory items

DCDD had no administered Territory items for 2021-22 and 2020-21.

33 Budgetary information

	2021-22 Actual	2021-22 Original budget	Variance	Note
	\$000	\$000	\$000	
Comprehensive Operating Statement				
INCOME				
Grants and subsidies revenue				
Current	1 333	-	1 333	1
Capital	-	-	-	
Appropriation				
Output	323 166	298 200	24 966	2
Commonwealth	-	-	-	
Sales of goods and services	44 318	78 990	(34 672)	3
Interest revenue	16	-	16	4
Goods and services received free of charge	177	310	(133)	5
Gain on disposal of assets	-	-	-	
Other income	10 722	70	10 652	6
TOTAL INCOME	379 732	377 570	2 162	
EXPENSES				
Employee expenses	133 858	137 941	4 083	
Administrative expenses				
Purchases of goods and services	130 403	148 478	18 075	7
Repairs and maintenance	1 502	-	(1 502)	8
Depreciation and amortisation	86 971	85 426	(1 545)	
Other administrative expenses	177	310	133	5
Grants and subsidies expenses				
Current	255	213	(42)	9
Capital	10 848	12 500	1 652	10
Community service obligations	-	-	-	
Interest expenses	10 201	12 552	2 351	11
TOTAL EXPENSES	374 215	397 420	23 205	
NET SURPLUS/(DEFICIT)	5 517	(19 850)	25 367	
COMPREHENSIVE RESULT	5 517	(19 850)	25 367	

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

The following note descriptions relate to variances greater than 10 per cent or where multiple significant variances have occurred.

1. One-off funding from the Commonwealth for DCDD's COVID-19 costs.
2. The \$25 million increase in output appropriation compared to the original 2021-22 Budget reflects:
 - transfers from sales of goods and services to output appropriation for Department of Health 'Better Together' reform (\$29 million) and one off adjustment for DoE - NEC Contract (\$6.5 million), plus;
 - transfers from capital to output appropriation for Client Management System Alignment (CMSA) (\$0.4 million), SerPro Program Policing System (\$1.1 million), Tracer (SAFER) project (\$0.4 million) and Technology Services DoH (\$0.5 million), plus;
 - funding allocations for NTPS bonus payments (\$2.2 million) and additional COVID-19 support measures (\$2.9 million), combined with;
 - revised timing of funding for major ICT projects, including Core Clinical Systems Renewal Program (\$9 million), Can Do Territory Portal (\$5 million), NTG Pay project (\$1.7 million), Client Management System Alignment (CMSA) program (\$2 million) and Territory Schools Connectivity Uplift-Operation Rebound (\$0.9 million).
3. The \$34.7 million decrease in sales of goods and services reflects:
 - transfers from sales of goods and services revenue to output appropriation for Department of Health 'Better Together' reform (\$29 million) and one off adjustment for DoE - NEC Contract (\$6.5 million), combined with;
 - increased ICT services demand (\$2.1 million).
4. Variance reflects gain on lease extinguishment in 2021-22.
5. The variance relates to repairs and maintenance projects deferred to 2022-23.
6. The \$10.6 million increase in other income primarily reflects higher than anticipated cost recovery for projects undertaken on behalf of agencies (\$3.3 million), recovery of COVID-19 cost from DoH (\$0.56 million) and \$6.5 million one-off ICT revenues.
7. Purchase of goods and services decreased by \$17.9 million mostly attributed to the revised timing of expenditure for major ICT projects (\$13.9 million) and property lease expenditure not committed (\$3.4 million).
8. Make good costs for property leases not included in original budget.
9. Variance is due to additional payment for the cyber security scholarship.
10. Capital grants decreased due to delays in finalisation of legal agreements for Jabiru and Kakadu mobile and NBN connectivity upgrades and delays in scheduled payments for Arnhem fibre backbone upgrade.
11. Variance is due to revised timing of commencement on a number of leases from 2021-22 to 2022-23.

	2021-22 Actual	2021-22 Original budget	Variance	Note
	\$000	\$000	\$000	
Balance Sheet				
ASSETS				
Current assets				
Cash and deposits	124 930	43 543	81 387	1
Receivables	8 371	8 411	(40)	
Prepayments	15 762	12 167	3 595	2
Total current assets	149 063	64 121	84 942	
Non-current assets				
Advances and investments				
Property, plant and equipment	585 426	684 072	(98 646)	3
Intangibles	-	-	-	
Prepayments	1 792	947	845	2
Other assets	211 291	314 517	(103 226)	4
Total non-current assets	798 509	999 536	(201 027)	
TOTAL ASSETS	947 572	1 063 657	(116 085)	
LIABILITIES				
Current liabilities				
Deposits held	85	829	744	5
Payables	31 855	18 699	(13 156)	6
Borrowings and advances	73 935	69 507	(4 428)	
Provisions	22 208	20 472	(1 736)	7
Other liabilities	-	89	89	
Total current liabilities	128 083	109 596	(18 487)	
Non-current liabilities				
Borrowings and advances	494 424	596 902	102 478	8
Total non-current liabilities	494 424	596 902	102 478	
TOTAL LIABILITIES	622 507	706 498	83 991	
NET ASSETS	325 065	357 159	(32 094)	
EQUITY				
Capital	324 363	403 589	(79 226)	
Reserves	-	-	-	
Accumulated funds	702	(46 430)	47 132	
TOTAL EQUITY	325 065	357 159	(32 094)	

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

Further, the original published budget figure has not been adjusted to reflect the actual opening balances as at 1 July 2021.

The following note descriptions relate to variances greater than 10 per cent or where multiple significant variances have occurred.

- Opening balance adjustment of \$48.5 million plus the net increase in cash of \$32.9 million.
- Variance due to opening balance adjustment of \$2.1 million and increase in software licensing prepayments.
- Decrease due to opening balance adjustment of \$45 million and reduction in right of use asset balances for property leases.
- Decrease in other assets reflects opening balance adjustment of \$23.6 million and the revised timing of capital expenditure for major ICT projects including CCSRP (\$36 million), CMSA (\$15.7 million), eMedication (\$2.7 million) and the TRACER project (\$3.4 million).
- Movement in clearing money managed on behalf of agencies.
- Opening balance adjustment of \$2.8 million combined with a net increase in creditors and accrued expenses.
- Variation due to increase in accrued recreation leave.
- The decrease in borrowings and advances reflects the movement in lease liability in line with the revaluation decrement of leased assets under AASB 16.

2021-22 Actual	2021-22 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts

Grants and subsidies received

Current	1 333	-	1 333	1
Capital	-	-	-	
Appropriation				
Output	323 166	298 200	24 966	2
Commonwealth	-	-	-	
Receipts from sales of goods and services	93 119	79 060	14 059	3
Interest received	-	-	-	
Total operating receipts	417 618	377 260	40 358	

Operating payments

Payments to employees	(132 664)	(137 941)	5 277	
Payments for goods and services	(162 663)	(148 478)	(14 185)	4
Grants and subsidies paid				
Current	(255)	(213)	(42)	5
Capital	(10 848)	(12 500)	1 652	6
Community service obligations	-	-	-	
Interest paid	(10 201)	(12 552)	2 351	7
Total operating payments	(316 631)	(311 684)	(4 947)	
Net cash from/(used in) operating activities	100 987	65 576	35 411	

2021-22 Actual	2021-22 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM INVESTING ACTIVITIES

Investing payments

Purchases of assets	(68 064)	(146 658)	78 594	8
Advances and investing payments	-	-	-	
Total investing payments	(68 064)	(146 658)	78 594	
Net cash from/(used in) investing activities	(68 064)	(146 658)	78 594	

CASH FLOWS FROM FINANCING ACTIVITIES

Financing receipts

Deposits received	(327)	-	(327)	9
Equity injections				
Capital appropriation	69 727	129 318	(59 591)	10
Commonwealth appropriation	-	-	-	
Other equity injections	6 049	893	5 156	11
Total financing receipts	75 449	130 211	(54 762)	

Financing payments

Lease liabilities payments	(74 847)	(70 447)	(4 400)	
Equity withdrawals	(21 947)	-	(21 947)	12
Total financing payments	(96 794)	(70 447)	(26 347)	
Net cash from/(used in) financing activities	(21 345)	59 764	(81 109)	
Net increase/(decrease) in cash held	11 578	(21 318)	32 896	
Cash at beginning of financial year	113 352	64 861	48 491	
CASH AT END OF FINANCIAL YEAR	124 930	43 543	81 387	

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

The following note descriptions relate to variances greater than 10 per cent or where multiple significant variances have occurred.

- One-off funding from the Commonwealth for DCDD's COVID-19 costs.
- The \$25 million increase in output appropriation compared to the original 2021-22 Budget reflects:
 - transfers from sales of goods and services to output appropriation for Department of Health 'Better Together' reform (\$29 million) and one off adjustment for DoE - NEC Contract (\$6.5 million), plus;
 - transfers from capital to output appropriation for Client Management System Alignment (CMSA) (\$0.4 million), SerPro Program Policing System (\$1.1 million), Tracer (SAFER) project (\$0.4 million) and Technology Services DoH (\$0.5 million), plus;
 - funding allocations for NTPS bonus payments (\$2.2 million) and additional COVID-19 support measures (\$2.9 million), combined with;
 - revised timing of funding for major ICT projects, including Core Clinical Systems Renewal Program (\$9 million), Can Do Territory Portal (\$5 million), NTG Pay project (\$1.7 million), Client Management System Alignment (CMSA) program (\$2 million) and Territory Schools Connectivity Uplift-Operation Rebound (\$0.9 million).

3. The variance primarily relates to GST receipts of \$31.1 million and Commonwealth paid parental leave of \$6.7 million which were not budgeted, and other income variance of \$10.6 million (refer P&L Note 6) combined with \$34.7 million decrease in sales of goods and services revenue (refer P&L Note 3).
4. Decrease for payments for goods and services predominantly due to revised timing of major ICT projects.
5. Variance is due to additional payment for the cyber security scholarship.
6. Capital grants decreased due to delays in finalisation of legal agreements for Jabiru and Kakadu mobile and NBN connectivity upgrades and delays in scheduled payments for Arnhem fibre backbone upgrade.
7. Variance is due to revised timing of commencement on a number of leases from 2021-22 to 2022-23.
8. Variation is related to realignment of the major ICT projects to outer years.
9. Paid Parental Leave clearing money not budgeted.
10. Variation is related to realignment of capital appropriation for the major ICT projects to outer years.
11. Equity injections for ICT network modernisation (\$2.1 million), City of Palmerston FibreSense technology project (\$0.5 million) and transfers from agencies to fund digital projects.
12. Equity withdrawal to CHA (\$20 million) and transfer of property lease incentives to DIPL.

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**NT Fleet
Financial Report**

Financial Statement Overview

For the year ended 30 June 2022

Financial Performance (Comprehensive Operating Statement)

NT Fleet operates the Northern Territory Government vehicle fleet, with the exception of Northern Territory Police, Fire and Emergency Service vehicles. NT Fleet provides safe, cost efficient, fit-for purpose vehicles that support agencies' business requirements.

The financial performance of NT Fleet is presented in two ways. Table 1 compares NT Fleet's 2021-22 performance

with the final budget for the year and Table 2 compares performance between the current year and previous year. More details are provided in subsequent commentary and analysis in Tables 3 and 4. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 5 and related commentary.

Table 1: 2021-22 Final Budget and Performance

	2021-22		
	Actual \$000	Final Budget \$000	Variation \$000
Income	41 792	40 574	1 218
Expenses	30 541	32 229	1 688
NET SURPLUS BEFORE TAX	11 251	8 345	2 906
Income Tax Expense	3 375	2 504	(871)
NET SURPLUS AFTER TAX	7 876	5 841	2 035
COMPREHENSIVE RESULT	7 876	5 841	2 035
Dividend (50%)	3 937	2 921	(1 017)

NT Fleet achieved an operating result for 2021-22 of \$7.9 million after tax, which was \$2.0 million improvement on the final budget estimate of \$5.8 million.

NT Fleet will pay an income tax equivalent of \$3.4 million and return a dividend of \$3.9 million to government for 2021-22.

Table 2: 2021-22 and 2020-21 Performance

	2021-22	2020-21	Variation
	\$000	\$000	\$000
Income	41 792	40 264	1 528
Expenses	30 541	31 883	1 342
NET SURPLUS BEFORE TAX	11 251	8 381	2 870
Income Tax Expense	3 375	2 514	(861)
NET SURPLUS AFTER TAX	7 876	5 867	2 009
Other Comprehensive	-	-	-
COMPREHENSIVE RESULT	7 876	5 867	2 009

NT Fleet achieved a \$2.0 million increase in net surplus after tax compared to the previous financial year as a

result of a combination of increased incomes and lower expenses.

Income

NT Fleet sources its primary income from vehicle lease charges. The vehicle lease income, classified under the income category of goods and services in Table 3 below represented 84.6 per cent of NT Fleet's total income, with the remainder made up of gain on disposal of assets, interest and other income.

Table 3: Income by Category

Year	Goods and Services		Gain on Disposal of Assets		Interest Revenue		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	35 346	84.6	6 252	14.9	71	0.2	123	0.3	41 792	100
2020-21	34 745	86.3	5 332	13.2	58	0.2	129	0.3	40 264	100

Income grew mainly due to gains on disposal of assets resulting from higher than anticipated sale prices of vehicles at auctions.

Expenses

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

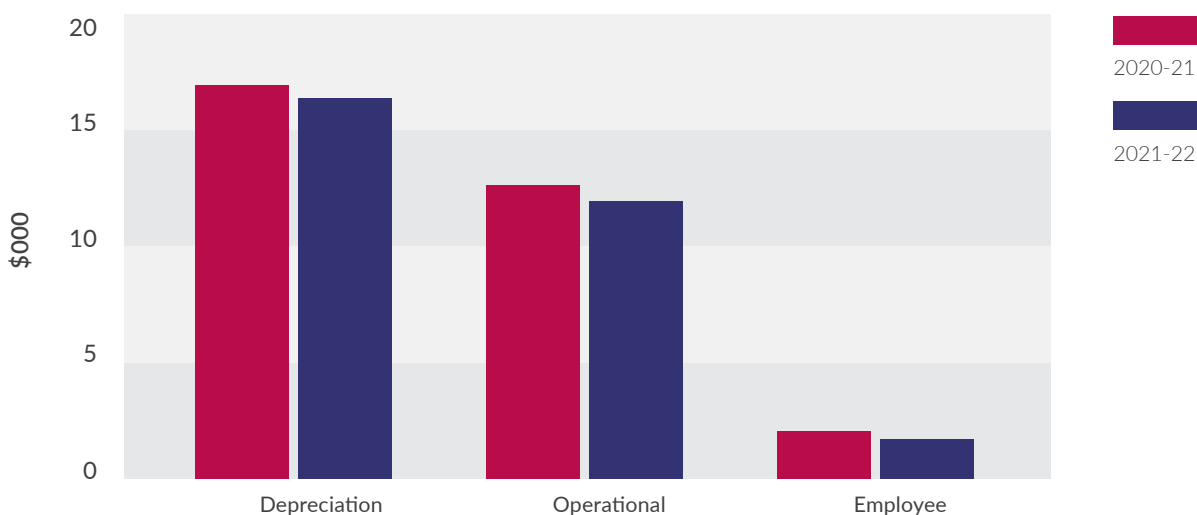
Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Interest		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	16 653	54.5	12 064	39.5	1 820	6.0	4	-	30 541	100
2020-21	17 050	53.5	12 736	39.9	2 090	6.6	7	-	31 883	100

Depreciation expenses decreased as a result of the extension of lease periods for vehicles. The decrease in operational expenses is mainly due to reduced vehicle repairs and maintenance expenses, motor vehicle registration fees and corporate service charges.

NT Fleet gained an efficiency in 2021-22 because the operating expenses have decreased by 4% although the number of light vehicles managed has increased by 3.6% compared to those at the same time last year.

Figure 1: Expenses by Category



Financial Position (Balance sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of NT Fleet at the end of the financial year. The table below compares NT Fleet's financial position as at 30 June 2022 with the position at 30 June 2021.

Table 5: 2021-22 and 2020-21 Financial Position

	2021-22	2020-21	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	19 936	41 767	(21 831)
Non-Current Assets	95 089	92 436	2 653
TOTAL ASSETS	115 025	134 203	(19 178)
LIABILITIES			
Current Liabilities	8 791	6 706	(2 085)
Non-Current Liabilities	-	200	200
TOTAL LIABILITIES	8 791	6 906	(1 885)
NET ASSETS	106 234	127 297	(21 063)
Equity	106 234	127 297	(21 063)
TOTAL EQUITY	106 234	127 297	(21 063)

NT Fleet's net asset position at the end of 2021-22 was \$106.2 million, compared with the previous year's position of \$127.3 million, a decrease of \$21.1 million.

This reduction is mainly due to a decrease in current assets, primarily cash and deposits, resulting from a special dividend payment made to Treasury. An increase of \$2.7 million in non-current assets is due to the movement of property, plant and equipment.

Major assets at 30 June 2022 included:

Current Assets

- \$16.0 million cash and deposits
- \$2.9 million receivables and prepayments
- \$1.0 million assets held for disposal

Non-Current Assets

- \$92.2 million property, plant and equipment (mainly motor vehicles).
- \$2.9 million intangibles (computer software).

Major liabilities at 30 June 2022 included:

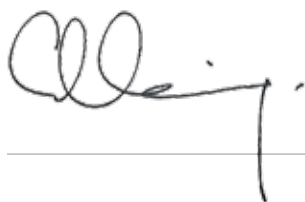
- \$1.0 million payables and accrued expenses
- \$3.4 million income tax provision
- \$0.3 million provision for employee entitlements
- \$3.9 million provision for dividends
- \$0.2 million lease liabilities.

Certification of the financial statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the Financial Statements, presents fairly the financial performance and cash flows for the year ended 30 June 2022 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.



Chris Hosking
A/ Chief Executive
29 August 2022



Rex Schoolmeester
Chief Financial Officer
29 August 2022



Auditor-General
Independent Auditor's Report
to the Minister for Corporate and Digital Development

NT Fleet
Page 1 of 2

Opinion

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2022, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Fleet as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Digital Development is responsible for the other information. The other information comprises the information included in NT Fleet's financial statement overview for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

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



Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

26 September 2022

Comprehensive Operating Statement

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
INCOME			
Sales of goods and services	3a	35 346	34 745
Interest revenue		71	58
Gain on disposal of assets	5	6 252	5 332
Other income	3b	123	129
TOTAL INCOME		41 792	40 264
EXPENSES			
Employee expenses		1 820	2 090
Administrative expenses			
Property management		127	67
Purchases of goods and services	6	11 937	12 669
Depreciation and amortisation	15,16,17	16 653	17 050
Interest expenses	7	4	7
TOTAL EXPENSES		30 541	31 883
NET SURPLUS/(DEFICIT)		11 251	8 381
SURPLUS BEFORE INCOME TAX			
Income tax expense	9	3 375	2 514
NET SURPLUS		7 876	5 867
COMPREHENSIVE RESULT		7 876	5 867

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

Balance sheet

As at 30 June 2022

	Note	2022 \$000	2021 \$000
ASSETS			
Current Assets			
Cash and deposits	10	16 025	39 406
Receivables	12	2 928	1 635
Assets held for sale	18	983	726
Total current assets		19 936	41 767
Non-Current Assets			
Property, plant and equipment	15	92 158	89 752
Intangibles	17	2 931	2 684
Total Non-Current Assets		95 089	92 436
TOTAL ASSETS		115 025	134 203
LIABILITIES			
Current Liabilities			
Payables	19	1 021	747
Income tax liabilities	21	3 375	2 514
Provisions	22	4 195	3 227
Lease liabilities	20	200	218
Total current liabilities		8 791	6 706
Non-current liabilities			
Lease liabilities	20	-	200
Total non-current liabilities		-	200
TOTAL LIABILITIES		8 791	6 906
NET ASSETS		106 234	127 297
EQUITY			
Capital	24	565	565
Accumulated funds	24	105 669	126 732
TOTAL EQUITY		106 234	127 297

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

Statement Of Changes In Equity

For the year ended 30 June 2022

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2021-22					
Accumulated funds	24	126 731	7 876	-	134 607
Dividends payable	22	-	-	(3 938)	(3 938)
Special Dividends		-	-	(25 000)	(25 000)
		126 731	7 876	(28 938)	105 669
Capital – transactions with owners		565	-	-	565
Equity injections		-	-	-	-
Equity transfers in		-	-	-	-
		565	-	-	565
TOTAL EQUITY AT END OF FINANCIAL YEAR	24	127 296	7 876	(28 938)	106 234
2020-21					
Accumulated funds		123 798	5 867	-	129 665
Dividends payable		-	-	(2 933)	(2 933)
		123 798	5 867	(2 933)	126 732
Capital – transactions with owners		565	-	-	565
Equity injections		-	-	-	-
Equity transfers in		-	-	-	-
		565	-	-	565
TOTAL EQUITY AT END OF FINANCIAL YEAR	24	124 363	5 867	(2 933)	127 297

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

Cash Flow Statement

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		35 742	34 447
GST receipts		4 784	4 799
Interest received		51	62
Total operating receipts		40 577	39 308
Operating payments			
Payments to employees		(1 851)	(2 088)
Payments for goods and services		(13 368)	(12 634)
GST payments		(4 897)	(4 898)
Interest paid		(4)	(7)
Income tax paid		(2 514)	(1 452)
Total operating payments		(22 634)	(21 079)
Net cash from/(used in) operating activities	11a	17 943	18 229
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Proceeds from asset sales	5	12 474	13 168
Total investing receipts		12 474	13 168
Investing payments			
Purchases of assets	15, 17	(25 647)	(24 838)
Total investing payments		(25 647)	(24 838)
Net cash from/(used in) investing activities		(13 173)	(11 670)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing payments			
Finance lease payments	11b	(218)	(218)
Dividends paid	11b	(27 933)	(1 694)
Total financing payments		(28 151)	(1 912)
Net cash from/(used in) financing activities		(28 151)	(1 912)
Net increase/(decrease) in cash held		(23 381)	4 647
Cash at beginning of financial year		39 406	34 759
CASH AT END OF FINANCIAL YEAR	10	16 025	39 406

The Cash Flow Statement is to be read in conjunction with the notes to the Financial Statements.

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1. Objectives and funding

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

Key functional responsibilities are:

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

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

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

2. Statement of significant accounting policies

a) Statement of compliance

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

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

b) Basis of accounting

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

Except where stated, the Financial Statements have been prepared in accordance with the historical cost convention.

The form of NT Fleet's Financial Statements is consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

Standards and interpretations effective from 2021-22

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

Standards and interpretations issued but not yet effective

No new or changed Australian accounting standards have been early adopted for 2021-22.

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

c) Reporting entity

The Financial Statements cover NT Fleet as an individual reporting entity.

NT Fleet is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act 1978* and specified in the Administrative Arrangements Order.

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

NT Fleet has no controlled entities.

d) NT Fleet and Territory Items

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

NT Fleet held no Territory items.

e) Comparatives

Where necessary, comparative information for the 2020-21 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

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

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2021-22 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in l) below.

h) Accounting judgments and estimates

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

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

Judgments and estimates that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

i) Goods and services tax (GST)

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

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

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

j) Taxation

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

k) Contributions by and distributions to government

NT Fleet may receive contributions from government where the government is acting as owner of NT Fleet. Conversely, NT Fleet may make distributions to government. In accordance with the *Financial Management Act 1995* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by NT Fleet as adjustments to equity.

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

l) Impact of COVID-19

NT Fleet has provided 12 vehicles for key agencies such as Department of Health, Northern Territory Police, Fire and Emergency Services and Department of Education to carry out required services to prevent COVID-19 impacting Northern Territory communities. There was no impact on the Financial Statements of these leases. No extra vehicles were purchased and no other impacts were identified on NT Fleet's operations.

m) Dividends

NT Fleet has provided for a dividend payable at the rate of 50 percent of net profit after tax in accordance with the Northern Territory Government's dividend policy.

3. Income

Income encompasses both revenue and gains.

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

NT Fleet revenue for the 2021-22 financial year has been disaggregated below into categories to enable users of

these Financial Statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

NT Fleet provides vehicle acquisition, vehicle leasing, repair and maintenance services and disposal services for government and non-government agencies.

a) Sales of goods and services

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Hire revenue (from vehicle leases)	-	31 089	31 089	-	31 037	31 037
Recoverable repairs and maintenance	-	4 257	4 257	-	3 708	3 708
TOTAL SALES OF GOODS AND SERVICES	-	35 346	35 346	-	34 745	34 745

Sale of goods

Revenue from sales of goods is recognised when NT Fleet satisfies a performance obligation by transferring the promised goods such as vehicles and equipment.

NT Fleet typically acquires and registers fit-for-purpose vehicles for customers/agencies.

NT Fleet satisfies its performance obligations when the control of a vehicle is transferred to a customer/agency under a lease arrangement.

NT Fleet issues monthly tax invoices to customers for lease payments which are due within 30 days. Lease rate income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature (AASB 16).

Rendering of services

Revenue from rendering of services is recognised when NT Fleet satisfies the performance obligation by completing repair and maintenance services.

NT Fleet manages various repair and maintenance services for leased vehicles throughout the lease term. Unscheduled repair and maintenance costs are recovered from agencies after vehicles have been serviced in accordance with lease terms and conditions.

Disposing of vehicles

Gain on disposal of assets comprises profits from disposing of lease vehicles after they are returned from customers. Pickles Auctions Pty Ltd (Pickles) provides auction services for NT Fleet under a disposal contract.

The contract requires Pickles to pay all proceeds of the auction sale into a trust account on the first banking day after completion of the sale and on successive days thereafter, until all proceeds are deposited pending settlement with a detailed statement of services provided within five working days from the last day of the auction sale. Successful bidders are not provided with vehicles until payments have been made in full. NT Fleet then issues the recipient-created-tax invoices to Pickles and clears the clearing account.

Sale profits/losses are then recognised as a gain or loss on disposal of assets. These transactions neither create performance obligations nor give rise to liabilities for NT Fleet as income is recognised on receipt after vehicles are sold.

NT Fleet's performance obligations are typically satisfied at the time the asset is sold.

b) Other income

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Refund for cancellation of registration	-	123	123	-	129	129
TOTAL OTHER INCOME	-	123	123	-	129	129

4. Goods and services received free of charge

NT Fleet is a government business division and does not receive goods and services free of charge.

5. Gain on disposal of assets

	2022	2021
	\$000	\$000
Net proceeds from the disposal of non-current assets	12 474	13 168
Less: Carrying value of non-current assets disposed	(6 222)	(7 836)
TOTAL GAIN ON DISPOSAL OF ASSETS	6 252	5 332

6. Purchases of goods and services

	2022	2021
	\$000	\$000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
GOODS AND SERVICES EXPENSES:		
Contractors and consultants ¹	32	40
Audit fees	45	50
Advertising ²	23	1
Legal expenses ³	-	2
Training and study	35	8
Official duty fares	1	3
Travelling allowance	1	1
Information technology charges and communications	962	1 059
Insurance premiums	1 269	1 879
Motor vehicle expenses	8 137	8 090
Other administrative expenses	1 432	1 536
TOTAL	11 937	12 669

¹ Includes IT contractors and IT consultants.

² Includes recruitment-related advertising costs.

³ Includes legal fees, claim and settlement costs.

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

7. Interest expense

	2022	2021
	\$000	\$000
Interest from lease liabilities	4	7
TOTAL	4	7

Interest expense in 2022 and 2021 relates to lease liabilities in accordance with AASB 16.

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

NT Fleet had no write-offs, postponements, waivers, and gifts or ex gratia payments for the year ended 30 June 2022 or 30 June 2021.

9. Income tax expense

	2022	2021
	\$000	\$000
Prima facie income tax expense calculated at 30% of the surplus before income tax	3 375	2 514
	3 375	2 514

10. Cash and deposits

	2022	2021
	\$000	\$000
Cash on hand	3	5
Cash at bank	16 022	39 401
	16 025	39 406

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and

cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

11. Cash flow reconciliation

a) Reconciliation of Cash

The total of NT Fleet 'Cash and deposits' of \$16 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

	2022	2021
	\$000	\$000
NET SURPLUS	7 876	5 867
NON-CASH ITEMS		
Depreciation and amortisation	16 653	17 050
(Gain)/loss on disposal of assets	(6 252)	(5 332)
CHANGES IN ASSETS AND LIABILITIES		
(Decrease)/(Increase) in receivables and prepayments	(1 293)	(558)
(Decrease)/(Increase) in payables	135	116
(Decrease)/(Increase) in provision for employee benefits	(38)	14
(Decrease)/(Increase) in other provisions	862	1 072
NET CASH FROM OPERATING ACTIVITIES	17 943	18 229

b) Reconciliation of liabilities arising from financing and investing activities

2021-22

	Cash flows				Non-Cash-flows		
	1 July	Payments	Lease liabilities repayments	Total cash flows	Other	Total Other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends paid	2 933	(2 933)	-	(2 933)	3 938	3 938	3 938
Special Dividends	-	(25 000)	-	(25 000)	-	-	(25 000)
Lease Liabilities	418	-	(218)	(218)	-	-	200
Equity injections/withdrawals	565	-	-	-	-	-	565
TOTAL	3 916	(27 933)	(218)	(28 151)	3 938	3 938	(20 297)

2020-21¹

	Cash flows						Non-Cash-flows		
	1 July	Recognised on AASB 16 adoption	Adjusted 1 July	Payments	Lease liabilities repayments	30 June Total cash flows	Other	30 June Total non-cash	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends paid	1 694	-	1 694	(1 694)	-	(1 694)	2 933	2 933	2 933
Lease Liabilities	637	-	637	-	(218)	(218)	-	-	418
Equity injections/withdrawals	565	-	565	-	-	-	-	-	565
TOTAL	2 896	-	2 896	(1 694)	(218)	(1 912)	2 935	2 935	3 916

¹ 2020-21 figures have been revised to align with 2021-22 note disclosures.

c) Non-cash financing and investing activities

Lease transactions

During the financial year, NT Fleet recorded right-of-use assets for the leased property, plant and equipment with a value of \$0.20 million. (2021: \$0.41 million).

12. Receivables

	2022	2021
	\$000	\$000
CURRENT		
Accounts receivable	235	787
Less: loss allowance	-	-
	235	787
Interest receivables	23	3
Prepayments	1 658	224
GST receivables	239	127
Other receivables	774	494
TOTAL RECEIVABLES	2 929	1 635

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

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

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables NT Fleet estimates are likely to be uncollectible and are considered doubtful. Based on the assessment, NT Fleet's accounts receivable are 100 percent collectible.

Accrued contract revenue

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

NT Fleet has no accrued contract revenue and contract receivables as NT Fleet revenue is recognised under AASB 16 leases and other revenue.

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. NT Fleet applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

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

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

NT Fleet's credit risk exposure has not materially changed due to minimal business disruption experienced as a result of COVID-19. There is no material impact on NT Fleet's expected credit losses due to COVID-19.

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

Loss allowance for receivables

	2022				2021			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross Receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
INTERNAL RECEIVABLES								
Not overdue	13	-	-	13	659	-	-	659
Overdue for less than 30 days	72	-	-	72	4	-	-	4
Overdue for 30 to 60 days	21	-	-	21	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL INTERNAL RECEIVABLES	106	-	-	106	663	-	-	663
EXTERNAL RECEIVABLES								
Not overdue	35	-	-	35	121	-	-	121
Overdue for less than 30 days	94	-	-	94	3	-	-	3
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL EXTERNAL RECEIVABLES	129	-	-	129	124	-	-	124

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

Reconciliation of Loss Allowance for Receivables

NT Fleet recognised no loss allowance for receivables in 2021-22 and 2020-21 from the assessment of expected credit losses.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period. NT Fleet's prepayments mostly comprise commercial insurance policy premiums.

13. Advances and investments

NT Fleet had no advances paid, equity accounted investments and investment in shares for the 2021-22 and 2020-21 financial years.

14. Other assets

NT Fleet as a lessor

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

Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee

(intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

Finance leases

At the lease commencement date, NT Fleet recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets at amortised cost

and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

NT Fleet has no finance leases as lessor for the 2021-22 and 2020-21 financial years.

Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating

nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NT Fleet owned vehicles and plant and equipment are leased to general government and non-government agencies under operating lease arrangements with rentals payable monthly. Lease payments include the capital cost, registration fee, administration fee, AANT fee, scheduled repairs and maintenance cost, financing rate and Community Benefit Levy.

Future minimum rentals receivable (undiscounted) under non-cancellable operating leases as at 30 June are as follows:

	2022	2021
	\$000	\$000
Not later than one year	21 194	21 903
Later than one year and not later than five years	39 472	36 165
Later than five years	1 807	2 040
TOTAL	62 473	60 108

15. Property, plant and equipment

a) Total property, plant and equipment

	2022	2021
	\$000	\$000
MOTOR VEHICLES - LIGHT		
At cost	111 034	106 424
Less: accumulated depreciation	(40 956)	(39 722)
	70 078	66 702
MOTOR VEHICLES - HEAVY		
At cost	46 801	45 986
Less: accumulated depreciation	(25 003)	(23 428)
	21 798	22 558
LEASEHOLD IMPROVEMENT		
At cost	203	181
Less: accumulated depreciation	(118)	(101)
	85	80
LEASED PROPERTY, PLANT AND EQUIPMENT		
At capitalised cost	785	852
Less: accumulated amortisation	(589)	(440)
	196	412
TOTAL PROPERTY, PLANT AND EQUIPMENT	92 158	89 752

2022 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2021-22 is set out below.

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2021	66 702	22 558	80	412	89 752
Additions	21 021	4 086	21	-	25 128
Disposals	(7 385)	(1 238)	-	-	(8 623)
Depreciation expense – asset owned	(9 275)	(3 726)	(16)	-	(13 017)
Amortisation expense – right-of-use asset	-	-	-	(216)	(216)
Asset transfers	1 635	509	-	-	2 144
Depreciation transfers	(2 619)	(391)	-	-	(3 010)
CARRYING AMOUNT AS AT 30 JUNE 2022	70 079	21 798	85	196	92 158

2021 Property, Plant and Equipment Reconciliations

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

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2020	66 246	23 247	72	633	90 198
Additions	19 103	4 314	22	-	23 439
Disposals	(9 178)	(1 880)	-	-	(11 058)
Depreciation expense – asset owned	(10 559)	(3 383)	(14)	-	(13 956)
Amortisation expense – right-of-use asset	-	-	-	(221)	(221)
Asset transfers	2 725	1 122	-	-	3 847
Depreciation transfers	(1 635)	(862)	-	-	(2 497)
CARRYING AMOUNT AS AT 30 JUNE 2021	66 702	22 558	80	412	89 752

b) Property, plant and equipment held and used by NT Fleet

A reconciliation of the carrying amount of property, plant and equipment (vehicle) held and used by NT Fleet (Director NT Fleet, Executive Contract Officer) in 2020-21 is set out below. Current Director of NT Fleet does not hold an NT Fleet vehicle in 2021-22.

	Motor vehicles light	Total
	\$000	\$000
Balance at 1 July 2021	-	-
Gross carrying amount	-	-
Accumulated depreciation/amortisation	-	-
Carrying amount as at 1 July 2021	-	-
Additions	-	-
Disposals	-	-
Depreciation/amortisation expense	-	-
CARRYING AMOUNT AS AT 30 JUNE 2022	-	-

	Motor vehicles light	Total
	\$000	\$000
Balance at 1 July 2020	29	29
Gross carrying amount	(3)	(3)
Accumulated depreciation/amortisation	-	-
Carrying amount as at 1 July 2020	26	26
Additions	-	-
Disposals	(26)	(26)
Depreciation/amortisation expense	-	-
CARRYING AMOUNT AS AT 30 JUNE 2021	-	-

c) Property, plant and equipment where entity is lessor under operating leases

A reconciliation of the carrying amount of property, plant and equipment where NT Fleet is lessor under operating leases is set out below:

	Motor vehicles light	Motor vehicles heavy	Total
	\$000	\$000	\$000
Balance at 1 July 2021			
Gross carrying amount	78 917	26 803	105 720
Accumulated depreciation/amortisation	(12 194)	(4 245)	(16 439)
Carrying amount as at 1 July 2021	66 723	22 558	89 281
Amortisation expense – right-of-use asset	(21)	-	(21)
Additions	22 656	4 595	27 251
Disposals	(7 385)	(1 238)	(8 623)
Depreciation expense – asset owned	(11 894)	(4 117)	(16 011)
CARRYING AMOUNT AS AT 30 JUNE 2022	70 079	21 798	91 877

	Motor vehicles light	Motor vehicles heavy	Total
	\$000	\$000	\$000
Balance at 1 July 2020			
Gross carrying amount	78 476	27 549	106 025
Accumulated depreciation/amortisation	(12 212)	(4 302)	(16 514)
Carrying amount as at 1 July 2020	66 264	23 247	89 511
Amortisation expense – right-of-use asset	(23)	-	(23)
Additions	21 828	5 436	27 264
Disposals	(9 152)	(1 880)	(11 032)
Depreciation expense – asset owned	(12 194)	(4 245)	(16 439)
CARRYING AMOUNT AS AT 30 JUNE 2021	66 723	22 558	89 281

Acquisitions

Property, plant and equipment are initially recognised at cost less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

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

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

Complex assets

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

Subsequent additional costs

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

Construction (work in progress)

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

Revaluations and impairment

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

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

There has been no impairment or revaluation of assets for NT Fleet.

Depreciation and amortisation expense

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

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

	2022	2021
Vehicles – light	4-5 years	4-5 years
Vehicles – heavy	5-10 years	5-10 years
Leasehold improvements	Lease term/10 years	Lease term/10 years
Right-of-use assets ¹	Lease term	Lease term

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

Assets are amortised from the date of allocation to client agencies or from the time an asset is completed and held ready for use.

16. NT Fleet as a lessee

NT Fleet leases office accommodation, with the lease contract made for a fixed period of 13 years and may have extension options. The contract is managed by the Northern Territory Government to whom NT Fleet makes monthly lease payments.

NT Fleet leases four plug-in hybrid electric vehicles for 36 months from a dealer. At the end of the lease term, the vehicles are to be returned to the lessor or the lease term can be renewed with the lessor's consent. Termination of lease before the end of the lease term attracts an early termination fee. Lease terms are negotiated on the same basis and contain the same terms and conditions. The lease agreements do not impose any covenants. NT Fleet did not provide residual value guarantees.

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

NT Fleet did not hold low value assets with a fair value of \$10 000 or less when new and not subject to a sublease arrangement.

Right-of-use assets

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

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2021	393	19	412
Additions	-	-	-
Depreciation expense	(197)	(19)	(216)
CARRYING AMOUNT AS AT 30 JUNE 2022	196	-	196

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2020	589	44	633
Additions	-	-	-
Depreciation expense	(196)	(25)	(221)
CARRYING AMOUNT AS AT 30 JUNE 2021	393	19	412

The following amounts were recognised in the comprehensive operating statement for the year in respect of leases where NT Fleet is the lessee:

	2022	2021
	\$000	\$000
Depreciation expense of right-of-use assets	(216)	(221)
Interest expense on lease liabilities	(4)	(7)
Income from subleasing right-of-use assets	24	29
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	(196)	(199)

Recognition and Measurement

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

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

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

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

	2022	2021
Building	2 to 18 years	2 to 18 years
Transport equipment	2 to 4 years	2 to 4 years

17. Intangibles

	2022	2021
	\$000	\$000
Carrying amount		
Intangibles with a finite useful life	-	-
Internally generated intangibles	-	-
At cost	4 766	4 110
Less: accumulated amortisation	(1 835)	(1 426)
Written down value – 30 June	2 931	2 684
TOTAL INTANGIBLES	2 931	2 684

NT Fleet capitalised enhancements made to Fleet Business Systems in 2021-22 and 2020-21.

Intangible assets for NT Fleet are comprised of computer software.

NT Fleet recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the costs of the asset can be measured reliably. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

Intangible assets arising from configuration and customisation costs for an application software in a Software-as-a-Service (SaaS) arrangement are only recognised where the services create a separately

identifiable software code from which the agency has the power to both obtain the future economic benefits and restrict others' access to those benefits.

Intangible assets for NT Fleet are stated at historical cost less depreciation, which is deemed to equate to fair value.

Intangibles with limited useful lives are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised.

The estimated useful lives for finite intangible assets are determined in accordance with the Treasurer's Directions and are determined as follows:

	2022	2021
Computer software	2-10 years	2-10 years

As the historical cost less amortisation is deemed to equate to fair value, no impairment was recognised for the year ended 30 June 2022.

	2022	2021
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life	-	-
Internally generated intangibles	-	-
Carrying amount at 1 July	2 684	2 320
Additions	656	740
Depreciation and amortisation	(409)	(376)
CARRYING AMOUNT AS AT 30 JUNE	2 931	2 684

18. Assets held for sale

	2022	2021
	\$000	\$000
Motor vehicles – light	879	608
Motor vehicles – heavy	104	118
TOTAL ASSETS HELD FOR SALE	983	726

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

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell.

These assets are measured at the asset's carrying amount. The carrying amounts of these financial assets and liabilities approximates their fair value. These assets are not depreciated. Non-current assets held for sale have been recognised in the Financial Statements as current assets.

19. Payables

	2022	2021
	\$000	\$000
Accounts payable	539	294
Accrued expenses	482	453
TOTAL PAYABLES	1 021	747

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to NT Fleet. Accounts payable are normally settled within 20 days from

the receipt of a valid invoice for invoices under \$1 million or 30 days for invoices over \$1 million.

20. Lease liabilities

	2022	2021
	\$000	\$000
CURRENT		
Lease liabilities	200	218
NON-CURRENT		
Lease liabilities	-	200
TOTAL LEASE LIABILITIES	200	418

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

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

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

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

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

The following table presents liabilities under leases.

	2022	2021
	\$000	\$000
Adjusted balance at 1 July	418	636
Additions/re-measurements	-	-
Interest expenses	4	7
Payments	(222)	(225)
BALANCE AT 30 JUNE	200	418

NT Fleet had total cash outflows for leases of \$222 000 in 2022 (\$225 000 in 2021).

NT Fleet had no future minimum lease payments under non-cancellable leases not recorded as liability for 2021-22 and 2020-21.

21. Income tax liabilities

	2022	2021
	\$000	\$000
Income tax liabilities	3 375	2 514
INCOME TAX LIABILITIES	3 375	2 514

22. Provisions

	2022	2021
	\$000	\$000
CURRENT		
Employee benefits		
Recreation leave	177	204
Leave loading	30	40
Other employee benefits	-	-
Other current provisions		
Provision for dividends	3 937	2 933
Provision for fringe benefits tax	2	2
Provision for superannuation	36	33
Provision for payroll tax	13	15
TOTAL PROVISIONS	4 195	3 227

RECONCILIATIONS OF PROVISION FOR DIVIDENDS

Balance as at 1 July	2 933	1 694
Additional provisions recognised	3 937	2 933
Reductions arising from payments	(2 933)	(1 694)
BALANCE AS AT 30 JUNE	3 937	2 933

NT Fleet employed 19 employees as at 30 June 2022 (20 employees as at 30 June 2021).

Employee benefits

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

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

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including NT Fleet and therefore no long service leave liability is recognised in NT Fleet's Financial Statements.

Superannuation

Employees' superannuation entitlements are provided through the:

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

NT Fleet makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and therefore not recognised in NT Fleet's Financial Statements.

23. Commitments

Commitments contracted represent future obligations or cash outflows that are not recognised as liabilities on the balance sheet and can be reliably measured.

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

2022		2021	
Internal	External	Internal	External
\$000	\$000	\$000	\$000

(I) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments are primarily related to the acquisition of fleet vehicles.

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

Within one year	-	26 761	-	14 470
Total commitments (exclusive of GST)	-	26 761	-	14 470
Plus: GST recoverable	-	2 676	-	1 447
Total commitments (inclusive of GST)	-	29 437	-	15 917

(II) OTHER EXPENDITURE COMMITMENTS

NT Fleet had no other non-cancellable expenditure commitments in 2021-22.

24. Equity

Equity represents the residual interest in the net assets of NT Fleet. The Northern Territory Government's ownership interest in NT Fleet is held in the Central Holding Authority.

	2022	2021
	\$000	\$000
Capital		
Balance as at 1 July	565	565
Balance as at 30 June	565	565
Accumulated funds		
Balance as at 1 July	126 731	123 798
Surplus for the period	7 876	5 867
Dividends payable	(28 938)	(2 933)
Balance as at 30 June	105 669	126 731
TOTAL EQUITY	106 234	127 297

25. Fair value measurement

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

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

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

NT Fleet recognises its vehicles, leasehold improvements and computer software at cost less depreciation and amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

26. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory

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

NT Fleet has limited exposure to financial risks as discussed below.

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

a) Categories of financial instruments

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

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2021-22					
Cash and deposits	-	-	16 025	-	16 025
Receivables ¹	-	-	235	-	235
TOTAL FINANCIAL ASSETS	-	-	16 260	-	16 260
Payables ¹	-	-	539	-	539
Lease liabilities	-	-	200	-	200
TOTAL FINANCIAL LIABILITIES	-	-	739	-	739

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2020-21					
Cash and deposits	-	-	39 406	-	39 406
Receivables ¹	-	-	787	-	787
TOTAL FINANCIAL ASSETS	-	-	40 193	-	40 193
Payables ¹	-	-	294	-	294
Lease liabilities	-	-	418	-	418
TOTAL FINANCIAL LIABILITIES	-	-	712	-	712

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

Categories of financial instruments

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

Financial assets are classified under the following categories:

- amortised cost

Financial liabilities are classified under the following categories:

- amortised cost

Financial assets at amortised cost

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

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

Financial liabilities at amortised cost

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

b) Credit risk

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

2022 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Payables ¹	539	539	-	-	539
Lease liabilities	200	200	-	-	200
TOTAL FINANCIAL LIABILITIES	739	739	-	-	739

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

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

Credit risk relating to receivables is disclosed in Note 12.

c) Liquidity risk

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

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

2021 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Payables ¹	294	294	-	-	294
Lease liabilities	418	218	200	-	418
TOTAL FINANCIAL LIABILITIES	712	512	200	-	712

¹ Total amounts disclosed exclude statutory amounts and accrued items.

d) Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest rate risk

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

NT Fleet has limited exposure to interest rate risk as NT Fleet's financial assets and financial liabilities, are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk.

Sensitivity analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on the NT Fleet's profit or loss and equity.

	Profit or loss and equity	
	100 basis points increase	100 basis points decrease
	\$000	\$000
30 June 2022		
Financial assets – cash at bank	160	(160)
NET SENSITIVITY	160	(160)
30 June 2021		
Financial assets – cash at bank	394	(394)
NET SENSITIVITY	394	(394)

(ii) Price risk

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

(iii) Currency risk

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

Borrowings and capital purchases

NT Fleet had no borrowings and capital purchases subject to currency risk.

27. Related parties

i) Related parties

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

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

ii) Key management personnel (KMP)

KMP of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include the Minister for Corporate and Digital Development, Chief Executive Officer of DCDD, Deputy Chief Executive Officer of DCDD, Director NT Fleet and Chief Financial Officer.

iii) Remuneration of key management personnel

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

The aggregate compensation of key management personnel of NT Fleet is set out below:

	2021-22	2020-21 ¹
	\$000	\$000
Short-term benefits	162	210
Post-employment benefits	9	32
TOTAL	171	242

¹ 2020-21 figures should be \$221 excluding portion of four KMPs allocated to GBDs.

iv) Related party transactions

Transactions with Northern Territory Government controlled entities.

NT Fleet's primary ongoing source of funding is received from the Northern Territory Government controlled entities.

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

2022

RELATED PARTY	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
NTG agencies	34 207	7 699	875	7 472

2021

RELATED PARTY	Revenue from related parties ¹	Payments to related parties ¹	Amounts owed by related parties ¹	Amounts owed to related parties ¹
	\$000	\$000	\$000	\$000
NTG agencies	33 766	8 059	1 130	5 782

¹ 2020-21 data has been revised to align with 2021-22 disclosures.

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

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

NT Fleet had no other related party transactions in excess of \$10 000.

28. Contingent liabilities and contingent assets

NT Fleet had no material contingent liabilities or contingent assets as at 30 June 2022 and 30 June 2021.

29. Events subsequent to balance date

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

30. Budgetary information

2021-22 Actual	2021-22 Original budget	Variance	Note
\$000	\$000	\$000	

Comprehensive Operating Statement

INCOME

Sales of goods and services	35 346	34 496	850	1
Interest revenue	71	76	(5)	
Gain on disposal of assets	6 252	4 500	1 752	2
Other income	123	140	(17)	
TOTAL INCOME	41 792	39 212	2 580	

EXPENSES

Employee expenses	1 820	2 000	180	
Administrative expenses	-	-	-	
Property management	127	278	151	3
Purchases of goods and services	11 937	12 666	729	4
Repairs and maintenance	-	-	-	
Depreciation and amortisation	16 653	17 222	569	5
Other administrative expenses	-	-	-	
Interest expenses	4	-	(4)	
TOTAL EXPENSES	30 541	32 166	1 625	
NET SURPLUS/(DEFICIT)	11 251	7 046	4 205	
COMPREHENSIVE RESULT	11 251	7 046	4 205	

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

Notes:

1. Increase due to higher number of vehicles managed in the reporting year.
2. Increase related to significantly higher sale prices of vehicles at auctions.
3. Decrease attributed to an adjustment in reporting of property leases under AASB 16.
4. Decrease related to a reduction in motor vehicle registration fees including third-party insurance costs resulting from a new policy having a common expiry date for light vehicles, fall in Corporate Service overheads and IT expenses.
5. Decrease due to extension of lease periods for vehicles with low usages.

	2021-22 Actual	2021-22 Original budget	Variance	Note
	\$000	\$000	\$000	
Balance Sheet				
ASSETS				
Current assets				
Cash and deposits	16 025	43 876	(27 851)	1
Receivables and prepayments	2 929	1 076	1 853	2
Assets held for sale	983	-	983	3
Total current assets	19 936	44 952	(25 015)	
Non-current assets				
Property, plant and equipment	92 158	88 282	3 876	4
Intangibles	2 931	2 639	292	5
Total non-current assets	95 089	90 921	4 168	
TOTAL ASSETS	115 025	135 873	(20 847)	
LIABILITIES				
Current liabilities				
Payables	1 021	1 289	268	6
Income tax liabilities	3 375	2 114	(1 261)	7
Provisions	4 195	2 737	(1 458)	8
Lease liabilities	200	218	18	
Total current liabilities	8 791	6 358	(2 433)	
Non-current liabilities				
Lease liabilities	-	374	374	
Total non-current liabilities	-	374	374	
TOTAL LIABILITIES	8 791	6 732	(2 059)	
NET ASSETS	106 234	129 141	(22 906)	
EQUITY				
Capital	565	565	-	
Dividends paid/payable	(28 938)	(2 466)	(26 472)	9
Accumulated funds	(126 730)	126 110	(620)	
Current year surplus	7 876	4 932	2 944	
TOTAL EQUITY	106 234	129 141	(22 906)	

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

Further, the original published budget has not been adjusted to reflect the actual opening balances as at 1 July 2021.

Notes:

1. Lower than anticipated cash at bank balance due to one-off special dividend paid to NT Treasury.
2. Increase mainly related to prepayments on motor vehicle registration fees due to light vehicles having a common expiry date.
3. Assets held for sale originally included in the non-current assets budget.
4. Higher than expected vehicle assets due to additional number of vehicles acquired.
5. Higher than expected intangible assets related to more enhancements on fleet management system.
6. Lower than expected payables due to timing of supplier payments.
7. Higher than anticipated income tax resulting from improved surplus.
8. Higher than expected provisions due to increased dividends.
9. Higher dividend payable due to improved surplus after income tax.

2021-22 Actual	2021-22 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts

Receipts from sales of goods and services	35 742	34 636	1 106	1
GST receipts	4 784	-	4 784	2
Interest received	51	76	(25)	
Total operating receipts	40 577	34 712	5 865	

Operating payments

Payments to employees	(1 851)	(2 000)	149	
Payments for goods and services	(13 368)	(12 944)	(424)	3
GST Payments	(4 897)	-	(4 897)	2
Income tax paid	(2 514)	(1 982)	(532)	4
Interest paid	(4)	-	(4)	
Total operating payments	(22 634)	(16 926)	(5 708)	
Net cash from/(used in) operating activities	17 943	17 786	157	

CASH FLOWS FROM INVESTING ACTIVITIES

Investing receipts

Proceeds from asset sales	12 474	14 500	(2 026)	5
Total investing receipts	12 474	14 500	(2 026)	

Investing payments

Purchases of assets	(25 647)	(26 000)	353	6
Total investing payments	(25 647)	(26 000)	353	
Net cash from/(used in) investing activities	(13 173)	(11 500)	(1 673)	

CASH FLOWS FROM FINANCING ACTIVITIES

Financing payments

Lease payments	(218)	(20)	(198)	7
Dividends paid	(27 933)	(2 313)	(25 620)	8
Total financing payments	(28 151)	(2 333)	(25 818)	
Net cash from/(used in) financing activities	(28 151)	(2 333)	(25 818)	
Net increase/(decrease) in cash held	(23 381)	3 953	(27 334)	
Cash at beginning of financial year	39 406	39 923	(517)	
CASH AT END OF FINANCIAL YEAR	16 025	43 876	(27 851)	

Notes:

1. Increase due to higher number of vehicles managed in the reporting year.
2. GST receipts and payments not included in original budget.
3. Increase mainly related to motor vehicle registration fees including third-party insurance costs resulting from a new policy having a common expiry date for light vehicles.
4. Increase resulted from higher than anticipated surplus.
5. Decrease is due to lower than anticipated number of vehicles disposed.
6. Decrease relates to delays in delivery of vehicles.
7. Higher than anticipated finance lease payments in relation to property leases.
8. Higher dividends due to one-off special dividend payment to NT Treasury.

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Data Centre Services
Financial Report

Financial Statement Overview

For the year ended 30 June 2022

Financial Performance (Comprehensive Operating Statement)

Data Centre Services delivers core information and communications technology (ICT) infrastructure and support services to Northern Territory Government agencies.

The financial performance of Data Centre Services (DCS) is presented in two ways. Table 1 compares DCS' 2021-22 performance with the final approved budget for the year and Table 2 compares performance between the current year and previous year. More details are provided in subsequent commentary and analysis in Tables 3 to 6. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 7 and related commentary.

Table 1: 2021-22 Final Budget and Performance

	2021-22		
	Actual \$000	Final Budget \$000	Variation \$000
Income	31 324	29 748	1 576
Expenses	27 780	27 083	(697)
Net Surplus before Tax	3 544	2 665	879
Income Tax Expense	1 063	800	(263)
Net Surplus after Tax	2 481	1 865	616
Comprehensive Result	2 481	1 865	616
Dividend (50%)	1 241	933	(308)

DCS' overall operating financial performance showed a net surplus after tax of \$2.5 million compared with a final budgeted surplus of \$1.9 million. The improvement is due to higher than expected income from an increase in demand primarily for enterprise data storage services. Increase in total expenses primarily relates to higher than expected licencing charges compared to the 2021-22 final budget.

DCS will pay an income tax equivalent of \$1.1 million and will return a dividend of \$1.2 million to government for 2021-22.

Table 2: 2021-22 and 2020-21 Performance

	2021-22	2020-21	Variation
	\$000	\$000	\$000
Income	31 324	30 098	1 226
Expenses	27 780	24 225	(3 555)
Net Surplus before Tax	3 544	5 873	(2 329)
Income Tax Expense	1 063	1 762	699
Net Surplus after Tax	2 481	4 111	(1 630)
Comprehensive Result	2 481	4 111	(1 630)

DCS produced an operating surplus of \$2.5 million for 2021-22, which is \$1.6 million lower than the previous year. This is the result of an increase in revenue offset by a higher increase in expenses.

Income

DCS' primary income source results from the provision of computing services to Northern Territory Government agencies. These services, classified under the income category of sales of goods and services, in Table 3 below represented 90 per cent of DCS' total income of \$31.3 million, with the remainder made up of interest and other income.

The reduction in sales of goods and services income is due to reclassification of \$2.2 million goods and services revenue to other income in 2021-22. Consequently, other income, which also includes one-off recoveries of software licences grew to \$3.1 million.

Table 3: Income by Category

Year	Sales of Goods and Services		Interest Revenue		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	28 183	90.0	12	-	3 129	10.0	31 324	100
2020-21	30 026	99.8	10	-	62	0.2	30 098	100

Total income is also classified across DCS' major business functions:

- Mainframe Services – hosting and managing mainframe applications
- Midrange Services – hosting and managing midrange server applications
- Enterprise Storage – managing enterprise data storage and performing data backups
- Data Centre Facility Services – hosting ICT infrastructure for agencies and contracted service providers.

Table 4: Income by Business Function

Year	Mainframe services		Midrange services		Enterprise storage and backup services		Data centre facility services		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	11 732	37.5	13 432	42.9	4 008	12.8	2 152	6.8	31 324	100
2020-21	11 654	38.7	13 432	44.6	3 045	10.1	1 967	6.6	30 098	100

Enterprise storage services and data centre facility services income increased due to demand driven growth combined with increase to one-off recoveries in enterprise storage services.

Expenses

DCS incurred the majority of its expenditure for ICT related expenses for hardware, software and specialist contractors, with employee expenses being the second largest expense.

Table 5: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		Total	
	\$000	%	Total	%	\$000	%	\$000	%	\$000	%	\$000	%
2021-22	13 961	50.2	6 993	25.2	1 506	5.4	4 524	16.3	796	2.9	27 780	100
2020-21	11 208	46.3	6 730	27.8	1 604	6.6	4 068	16.8	615	2.5	24 225	100

ICT expenditure has increased primarily due to higher hardware and software licensing charges, partially offset by lower contractor costs.

The increase in employee expenses reflects the additional lump sum bonus in accordance with Enterprise Bargaining Agreement (EBA) in 2021-22.

Increase in depreciation relates to realignment of fixed assets relating to the Data Centre Transition Project.

The increase in property management expenditure is due to increased power costs, partially offset by lease repayment adjustments.

Expenses have also been classified according to DCS' major business functions below.

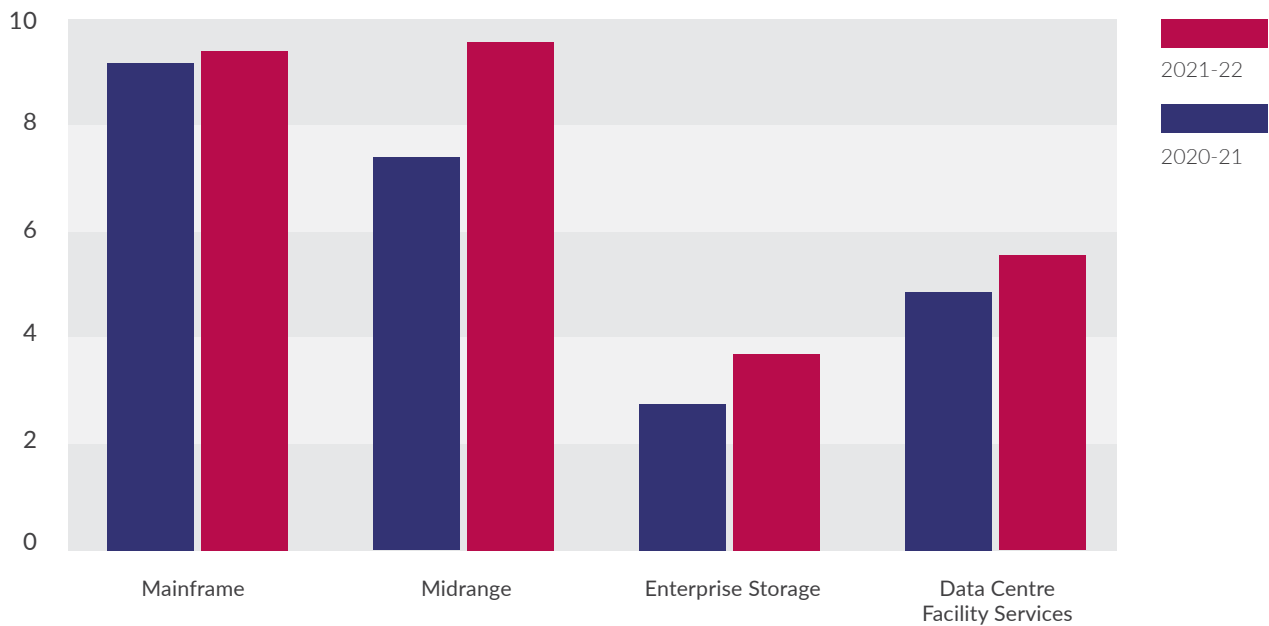
Table 6: Expenses by Business Function

Year	Mainframe services		Midrange services		Enterprise storage and backup services		Data centre facility services		Total	
	\$000	%	Total	%	\$000	%	\$000	%	\$000	%
2021-22	9 376	33.8	9 531	34.3	3 566	12.8	5 307	19.1	27 780	100
2020-21	9 180	37.9	7 369	30.4	2 794	11.5	4 882	20.2	24 225	100

Midrange and enterprise storage services expenditure increased due to higher hardware and software licencing charges combined with increase in asset costs

(depreciation). Data centre facility services increase primarily reflects the additional lump sum bonus in line with the EBA in 2021-22.

Figure 1: Expenses (\$million) by Business Function



Financial Position (Balance sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of DCS at the end of the financial year. The table below compares DCS' financial position as at 30 June 2022 with the position at 30 June 2021.

Table 7: 2021-22 and 2020-21 Financial Position

	2021-22	2020-21	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	20 607	19 187	1 420
Non-Current Assets	25 101	28 757	(3 656)
TOTAL ASSETS	45 708	47 944	(2 236)
LIABILITIES			
Current Liabilities	6 255	7 699	1 444
Non-Current Liabilities	11 537	13 570	2 033
TOTAL LIABILITIES	17 792	21 269	3 477
NET ASSETS	27 916	26 675	1 241
EQUITY	27 916	26 675	1 241
TOTAL EQUITY	27 916	26 675	1 241

DCS' net financial position at the end of 2021-22 was \$27.9 million, compared to the previous year's position of \$26.7 million, an increase of \$1.2 million.

Net assets increased by \$1.2 million primarily as a result of the net surplus before tax of \$3.5 million, offset by provision for tax (\$1.1 million) and dividends (\$1.2 million).

Major assets at 30 June 2022 included:

Current Assets

- \$8.8 million cash and deposits
- \$8.4 million prepayments (software licensing and maintenance)
- \$3.4 million receivables (outstanding service fees)

Non-Current Assets

- \$22 million property, plant and equipment (including buildings and leasehold improvements)
- \$2.7 million prepayments (software licensing and maintenance)
- \$0.5 million in software intangibles

Major liabilities at 30 June 2022 included:

Current Liabilities

- \$0.7 million payables and accrued expenses
- \$1.1 million income tax expense
- \$1.2 million provision for dividends
- \$1.2 million provision for employee entitlements
- \$1.3 million in lease liabilities
- \$0.8 million in other liabilities

Non-Current Liabilities

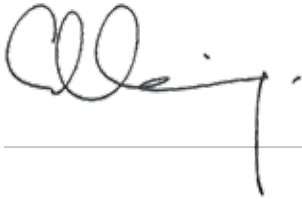
- \$10.7 million in non-current lease liabilities
- \$0.9 million in other liabilities.

Certification of the financial statements

We certify that the attached Financial Statements for Data Centre Services have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the Financial Statements, presents fairly the financial performance and cash flows for the year ended 30 June 2022 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.



Chris Hosking
A/ Chief Executive

29 August 2022



Rex Schoolmeester
Chief Financial Officer

29 August 2022



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

I have audited the accompanying financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2022, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Data Centre Services as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Digital Development is responsible for the other information. The other information comprises the information included in Data Centre Services' financial statement overview for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing the financial reporting process of Data Centre Services.



Auditor-General

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

21 September 2022

Comprehensive Operating Statement

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
INCOME			
Sales of goods and services	3a	28 183	30 026
Interest revenue		12	10
Other income	3b	3 129	62
TOTAL INCOME		31 324	30 098
EXPENSES			
Employee expenses		6 993	6 730
Administrative expenses			
Purchases of goods and services	4	15 237	12 560
Property management	4	796	615
Depreciation and amortisation	13,14,15	4 524	4 048
Impairment losses	6	-	20
Interest expenses	5	230	252
TOTAL EXPENSES		27 780	24 225
NET SURPLUS/(DEFICIT)		3 544	5 873
SURPLUS BEFORE INCOME TAX			
		3 544	5 873
Income tax expense	7	1 063	1 762
NET SURPLUS		2 481	4 111
COMPREHENSIVE RESULT		2 481	4 111

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

Balance Sheet

As at 30 June 2022

	Note	2022 \$000	2021 \$000
ASSETS			
Current Assets			
Cash and deposits	8	8 833	8 579
Receivables	10	11 774	10 608
Total current assets		20 607	19 187
Non-current assets			
Receivables	10	2 661	3 187
Property, plant and equipment	13,14	21 958	24 781
Intangibles	15	483	789
TOTAL NON-CURRENT ASSETS		25 101	28 757
TOTAL ASSETS		45 708	47 944
LIABILITIES			
Current liabilities			
Payables	16	705	1 278
Income tax liabilities	17	1 063	1 762
Provisions	19	2 426	3 128
Lease liabilities	18	1 296	1 272
Other liabilities	20	765	259
Total current liabilities		6 255	7 699
Non-current liabilities			
Lease liabilities	18	10 687	11 983
Other liabilities	20	850	1 587
TOTAL NON-CURRENT LIABILITIES		11 537	13 570
TOTAL LIABILITIES		17 792	21 269
NET ASSETS		27 916	26 675
EQUITY			
Capital	22	4 563	4 563
Accumulated funds	22	23 353	22 112
TOTAL EQUITY		27 916	26 675

The balance sheet is to be read in conjunction with the notes to the Financial Statements.

Statement Of Changes In Equity

For the year ended 30 June 2022

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2021-22					
Accumulated funds	22	22 112	2 481	-	24 593
Dividends payable	19,22	-	-	(1 241)	(1 241)
Special dividend		-	-	-	-
		22 112	2 481	(1 241)	23 353
Capital – transactions with owners		4 563	-	-	4 563
Equity injections					
Equity transfers in	22	-	-	-	-
Other equity injections	22	-	-	-	-
Equity withdrawals		-	-	-	-
Equity transfers out	22	-	-	-	-
		4 563	-	-	4 563
TOTAL EQUITY AT END OF FINANCIAL YEAR		26 675	2 481	(1 241)	27 916
2020-21					
Accumulated funds		20 057	4 111	-	24 168
Dividends payable	22	-	-	(2 056)	(2 056)
Special dividend	22	-	-	-	-
		20 057	4 111	(2 056)	22 112
Capital – transactions with owners		4 563	-	-	4 563
Equity injections					
Equity transfers in	22	-	-	-	-
Other equity injections	22	-	-	-	-
Equity withdrawals		-	-	-	-
Equity transfers out	22	-	-	-	-
		4 563	-	-	4 563
TOTAL EQUITY AT END OF FINANCIAL YEAR		24 620	4 111	(2 056)	26 675

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

Cash Flow Statement

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		30 858	29 646
GST receipts		1 875	2 318
Interest received		8	12
Total operating receipts		32 741	31 976
Operating payments			
Payments to employees		(6 865)	(6 663)
Payments for goods and services		(16 929)	(18 564)
GST payments		(1 980)	(2 287)
Income tax paid		(1 762)	(978)
Interest paid		(230)	(252)
Total operating payments		(27 766)	(28 744)
Net cash from/(used in) operating activities	9a	4 975	3 232
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Investing payments			
Purchases of assets		(1 394)	(2 634)
Total investing payments		(1 394)	(2 634)
Net cash from/(used in) investing activities		(1 394)	(2 634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Equity injections		-	-
Total financing receipts		-	-
Financing payments			
Dividends paid	9b	(2 056)	(1 141)
Finance lease payments	9b	(1 272)	(1 393)
Total financing payments		(3 328)	(2 534)
Net cash from/(used in) financing activities	9b	(3 328)	(2 534)
Net increase/(decrease) in cash held		254	(1 936)
Cash at beginning of financial year		8 579	10 515
CASH AT END OF FINANCIAL YEAR	8	8 833	8 579

The Cash Flow Statement is to be read in conjunction with the notes to the Financial Statements.

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1. Objectives and funding

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

DCS is funded through income generated by services provided to Northern Territory Government agencies. The Financial Statements encompass all funds and resources which DCS controls to undertake its functions.

2. Statement of significant accounting policies

a) Statement of compliance

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

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

b) Basis of accounting

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

Except where stated, the Financial Statements have been prepared in accordance with the historical cost convention.

The form of DCS Financial Statements is consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

Standards and interpretations effective from 2021-22

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

Standards and interpretations issued but not yet effective

No new or changed Australian accounting standards have been early adopted for 2021-22.

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

c) Reporting entity

The Financial Statements cover DCS as an individual reporting entity.

DCS is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act 1978* and specified in the Administrative Arrangements Order.

The principal place of business of the GBD is: Level 3, Darwin Plaza, Smith Street Mall, Darwin NT 0800.

DCS has no controlled entities.

d) DCS and Territory items

The Financial Statements of DCS include income, expenses, assets, liabilities and equity over which DCS has control (DCS items). Certain items, while managed by DCS, are controlled and recorded by the Northern Territory rather than DCS (Territory items). Territory items are recognised and recorded in the Central Holding Authority.

DCS held no Territory items.

e) Comparatives

Where necessary, comparative information for the 2020-21 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

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

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2021-22 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in l) below.

h) Accounting judgments and estimates

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

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

Judgments and estimates that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

i) Goods and services tax (GST)

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

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

3. Income

Income encompasses both revenue and gains.

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

DCS revenue for the 2021-22 financial year has been disaggregated below into categories to enable users of these Financial Statements to understand the nature,

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. Gross GST recoverable on commitments is disclosed separately in the commitments note.

j) Taxation

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

k) Contributions by and distributions to government

DCS may receive contributions from government where the government is acting as owner of the DCS. Conversely, DCS may make distributions to government. In accordance with the *Financial Management Act 1995* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by DCS as adjustments to equity.

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

l) Impact of COVID-19

There was no activity that affected the Financial Statements of DCS as a result of the COVID-19 pandemic.

m) Dividends

DCS has provided for a dividend payable at the rate of 50 per cent of net profit after tax in accordance with the Northern Territory Government's dividend policy.

amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

DCS delivers a range of ICT services to all Northern Territory Government agencies.

a) Sales of goods and services

	2022			2021		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Sale of mainframe services	11 471	-	11 471	11 651	-	11 651
Sale of midrange services	11 187	-	11 187	13 432	-	13 432
Sale of enterprise storage and backup services	3 385	-	3 385	2 987	-	2 987
Sale of data centre facility services	2 140	-	2 140	1 956	-	1 956
TOTAL SALES OF GOODS AND SERVICES	28 183	-	28 183	30 026	-	30 026

Rendering of services

Revenue from rendering of services is recognised when DCS satisfies the performance obligation by transferring the promised information technology services. DCS typically satisfies its performance obligations at the end of the billing period when the services or capacity consumed by the customer can be quantified.

DCS services revenue includes:

Mainframe services – provision of a mainframe operating environment and hosting of mainframe applications billed to customers through a charging model based on utilisation share. Revenue is recognised as DCS satisfies its performance obligation when the monthly provision of the operating and hosting environment is complete, with payments typically due a month after.

Midrange services – provision of management services that build upon the base hosting or cloud offering. Services include operating system, database and technical support services. Data is collected on the quantity of services consumed on a monthly basis and applied to determine customer charges. DCS satisfies its performance obligation when the monthly provision of the management services is complete, with payments typically due a month after.

Enterprise storage and backup services – provision of enterprise scale storage and backup solutions to suit customers based on a pay for use basis. Enterprise Storage service is delivered by means of a storage area network

(SAN) which is located in the Data Centre. Enterprise backup is a backup solution for customer business applications. The backup service is delivered by means of a fully managed enterprise class backup solution located in the Data Centre, with copies replicated to multiple sites for disaster recovery included in the charge. DCS satisfies its performance obligation when the monthly provision of the storage and backup services is complete, with payments typically due a month after.

Data centre facility services - The Government Data Centre (GDC) is the primary site which provides a continuous, secure and reliable facility hosting client and agency ICT equipment. Data Centre Services, as part of disaster recovery offerings, can also provide hosting options in a secondary site known as the Backup Data Centre (BDC). Data is collected on the quantity of services consumed on a monthly basis and applied to determine customer charges. DCS satisfies its performance obligation when the monthly provision of the data centre facility is complete, with payments typically due a month after.

Revenue from contracts with customers for the 2021-22 financial year has been disaggregated below into categories to enable users of these Financial Statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2022	2021
	\$000	\$000
TYPE OF GOOD AND SERVICE		
Service delivery	28 183	30 026
Total revenue from contracts with customers by good or service	28 183	30 026
TYPE OF CUSTOMER		
Australian Government entities	-	-
Northern Territory Government controlled entities	28 063	29 751
Non-government entities	120	275
Total revenue from contracts with customers by type of customer	28 183	30 026
TIMING OF TRANSFER OF GOODS AND SERVICES		
Over time	28 183	30 026
Point in time	-	-
Total revenue from contracts with customers by timing of transfer	28 183	30 026

b) Other income

	2022			2021		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Other income	3 129	-	3 129	62	-	62
TOTAL OTHER INCOME	3 129	-	3 129	62	-	62

	2022	2021
	\$000	\$000
TYPE OF GOOD AND SERVICE		
Service delivery	3 129	62
Total revenue from contracts with customers by good or service	3 129	62
TYPE OF CUSTOMER		
Northern Territory Government controlled entities	2 744	58
Non-government entities	385	4
Total revenue from contracts with customers by type of customer	3 129	62
TIMING OF TRANSFER OF GOODS AND SERVICES		
Point in time	3 129	62
Total revenue from contracts with customers by timing of transfer	3 129	62

4. Purchases of goods and services

2022	2021
\$000	\$000

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

GOODS AND SERVICES EXPENSES

Consultants ¹	4 022	4 211
Legal expenses ²	22	9
Training and study	69	4
Information technology charges and communications	9 939	6 997
Property management expenses	796	615
Insurance premiums	92	94
Agency service arrangements	1 029	1 129
Audit fees	24	33
Other ³	40	83
TOTAL	16 033	13 175

¹ Includes marketing, promotion and IT consultants.

² Includes legal fees, claim and settlement costs.

³ Includes other equipment and consumables.

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

5. Interest expense

2022	2021
\$000	\$000

Interest from lease liabilities ¹	230	252
TOTAL	230	252

¹ Interest expense in 2022 and 2021 relates to lease liabilities in accordance with AASB 16.

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

2022	Agency		2021	No. of Trans.
	\$000	No. of Trans.		

Write-offs, postponements and waivers under the <i>Financial Management Act 1995</i>	-	-	20	1
Represented by:				
Amounts written off, postponed and waived by delegates				
Public property written off	-	-	20	1
TOTAL WRITTEN OFF, POSTPONED AND WAIVED BY DELEGATES	-	-	20	1

DCS had no write-offs, postponements, waivers, and gifts or ex gratia payments for the year ended 30 June 2022.

7. Income tax expenses

	2022	2021
	\$000	\$000
Prima facie income tax expense calculated at 30% of the surplus before income tax	1 063	1 762
TOTAL	1 063	1 762

8. Cash and deposits

	2022	2021
	\$000	\$000
Cash on hand	8 833	8 579
TOTAL	8 833	8 579

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

9. Cash flow reconciliation

a) Reconciliation of Cash

The total of DCS 'Cash and deposits' of \$8.8 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of net surplus/deficit to net cash from operating activities

	2022	2021
	\$000	\$000
NET SURPLUS	2 481	4 111
NON-CASH ITEMS:		
Depreciation and amortisation	4 524	4 048
Asset write-offs/write-downs	-	20
CHANGES IN ASSETS AND LIABILITIES:		
Decrease/(Increase) in receivables	(640)	(6 086)
(Decrease)/Increase in payables	(226)	226
(Decrease)/Increase in other payables	(347)	359
(Decrease)/Increase in provision for employee benefits	116	9
(Decrease)/Increase in other provisions	(2)	(452)
(Decrease)/Increase in income tax liability	(699)	784
(Decrease)/Increase in unearned income	(232)	213
NET CASH FROM OPERATING ACTIVITIES	4 975	3 232

b) Reconciliation of liabilities arising from financing activities

2021-22

	Cash flows						Other		
	1 July	Dividends paid	Equity injection/withdrawals	Lease liabilities repayments	Other	Total cash flows	Other	Total Other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends	2 056	(2 056)	-	-	-	(2 056)	1 241	1 241	1 241
Special dividends	-	-	-	-	-	-	-	-	-
Lease liabilities	13 255	-	-	(1 272)	-	(1 272)	-	-	11 983
Equity injections/withdrawals	4 563	-	-	-	-	-	-	-	4 563
TOTAL	19 874	(2 056)	-	(1 272)	-	(3 328)	1 241	1 241	17 787

2020-21

				Cash flows					Other		
	1 July	Recognised AASB 16 adoption	Adjusted 1 July	Dividends paid	Equity injection/withdrawals	Lease liabilities repayments	Other	Total cash flows	Other	Total Other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends	1 141	-	-	(1 141)	-	-	-	(1 141)	2 056	2 056	2 056
Special dividends	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	11 903	-	-	-	-	(1 393)	-	(1 393)	2 745	2 745	13 255
Equity injections/withdrawals	4 563	-	-	-	-	-	-	-	-	-	4 563
TOTAL	17 607	-	-	(1 141)	-	(1 393)	-	(2 534)	4 801	4 801	19 874

c) Non-cash financing and investing activities

Lease transactions

During the financial year, DCS recorded no additional right-of-use assets for the lease of buildings (2021: \$6.2 million).

10. Receivables

	2022	2021
	\$000	\$000
CURRENT		
Accounts receivable	866	419
Accrued contract revenue	2 472	2 696
Interest receivables	5	1
Prepayments	8 431	7 492
	11 774	10 608
Non-Current		
Prepayments	2 661	3 187
TOTAL RECEIVABLES	14 435	13 795

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

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

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

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

Accrued contract revenue

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

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. DCS applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivable and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates.

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

DCS' credit risk exposure has not materially changed due to minimal business disruption experienced as a result of COVID-19. There is no material impact on the agency's expected credit losses due to COVID-19.

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

Loss allowance for receivables

	2022				2021			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross Receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
INTERNAL RECEIVABLES								
Not overdue	853	-	-	853	413	-	-	413
Overdue for less than 30 days	6	-	-	6	-	-	-	-
Overdue for 30 to 60 days	1	-	-	1	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL INTERNAL RECEIVABLES	860	-	-	860	413	-	-	413
EXTERNAL RECEIVABLES								
Not overdue	6	-	-	6	6	-	-	6
Overdue for less than 30 days	-	-	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL EXTERNAL RECEIVABLES	6	-	-	6	6	-	-	6

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

Reconciliation of loss allowance for receivables

DCS recognised no loss allowance for receivables for 2021-22 and 2020-21 from the assessment of expected credit losses.

Prepayments

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

DCS prepayments include software licenses and related software and hardware support services. Perpetual licenses are expensed in the year they are incurred if their expected life and future economic benefit from their usage cannot be reliably determined.

The increase in prepayments in 2021-22 is due to the timing of payment of software licenses.

11. Advances and investments

DCS had no advances paid, equity accounted investments and investments in shares for the 2021-22 and 2020-21 financial years.

12. Other assets

DCS held no lease assets as a lessor for 2021-22 and 2020-21.

13. Property, plant and equipment

Total property, plant and equipment

	2022	2021
	\$000	\$000
INFRASTRUCTURE		
At capitalised cost	27	27
Less: accumulated depreciation	(7)	(4)
	20	23
PLANT AND EQUIPMENT		
At capitalised cost	11 127	10 853
Less: accumulated depreciation	(1 654)	(1 102)
	9 473	9 751
COMPUTER HARDWARE		
At capitalised cost	8 265	7 144
Less: accumulated depreciation	(7 599)	(5 293)
	666	1 851
LEASED PROPERTY, PLANT AND EQUIPMENT		
At capitalised cost	15 399	15 399
Less: accumulated depreciation	(3 600)	(2 243)
	11 799	13 156
TOTAL PROPERTY, PLANT AND EQUIPMENT	21 958	24 781

2022 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 14. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2021-22 is set out below.

	Infrastructure	Plant and equipment	Computer hardware	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2021	23	9 751	1 851	13 156	24 781
Additions	-	273	1 121	-	1 394
Additions of right-of-use assets	-	-	-	-	-
Depreciation expense – asset owned	(3)	(552)	(2 306)	-	(2 861)
Amortisation expense – right-of-use asset	-	-	-	(1 357)	(1 357)
Additions/disposals from asset transfers	-	-	-	-	-
Revaluation Increments/Decrements	-	-	-	-	-
Impairment Losses	-	-	-	-	-
CARRYING AMOUNT AS AT 30 JUNE 2022	20	9 473	666	11 799	21 958

2021 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right of use assets is disclosed in Note 14. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2020-21 is set out below:

	Infrastructure	Plant and equipment	Computer hardware	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2020	26	9 993	1 510	11 773	23 302
Additions	-	465	2 170	-	2 635
Additions of right-of-use assets	-	-	-	6 208	6 208
Depreciation expense – asset owned	(3)	(528)	(1 829)	-	(2 360)
Amortisation expense – right-of-use asset	-	-	-	(1 360)	(1 360)
Additions/disposals from asset transfers	-	(159)	-	-	(159)
Revaluation Increments/Decrements	-	-	-	(3 465)	(3 465)
Impairment Losses	-	(20)	-	-	(20)
CARRYING AMOUNT AS AT 30 JUNE 2021	23	9 751	1 851	13 156	24 781

Acquisitions

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

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

Complex assets

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

Subsequent additional costs

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

Construction (work in progress)

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

Revaluations and impairment

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

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

There has been no impairment loss and revaluation of assets for DCS in 2021-22.

Depreciation and amortisation expense

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

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

	2022	2021
Plant and equipment	2-18 years	2-18 years
Right-of-use assets ¹	Lease term	Lease term
Computer hardware	2-10 years	2-10 years

¹ Further information on right-of-use assets is disclosed in Note 14.

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

14. DCS as a lessee

DCS leases office accommodation, vehicles and data centre facilities. Lease contracts are typically made for fixed periods of 2 to 10 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. DCS does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the DCS and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain the

leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee. During the current financial year, there was no financial effect of revising lease terms to reflect the effect of exercising extension and termination options in recognised lease liabilities and right-of-use assets.

DCS has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. DCS did not hold low value assets with a fair value of \$10 000 or less when new and not subject to a sublease arrangement.

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of leased property, plant and equipment at Note 13.

	Buildings	Leased transport equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2021	13 122	34	13 156
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	(1 348)	(9)	(1 357)
Other movements – <i>Revaluation Increments/(Decrements)</i>	-	-	-
CARRYING AMOUNT AS AT 30 JUNE 2022	11 774	25	11 799

	Buildings	Leased transport equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2020	11 766	7	11 773
Additions	6 173	35	6 208
Disposals	-	-	-
Depreciation expense	(1 352)	(8)	(1 360)
Other movements – <i>Revaluation Increments/(Decrements)</i>	(3 465)	-	(3 465)
CARRYING AMOUNT AS AT 30 JUNE 2021	13 122	34	13 156

The following amounts were recognised in the statement of comprehensive income for the year in respect of leases where DCS is the lessee:

	2022	2021
	\$000	\$000
Depreciation expense of right-of-use assets	(1 357)	(1 360)
Interest expense on lease liabilities	(230)	(252)
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	(1 587)	(1 612)

Recognition and Measurement

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

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

DCS recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available

for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date.

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

	2022	2021
Building	2-18 years	2-18 years
Transport Equipment	2-4 years	2-4 years

15. Intangibles

Carrying amount

	2022	2021
	\$000	\$000
Computer software		
At cost	2 759	2 759
Less: accumulated amortisation	(2 276)	(1 970)
Written down value – 30 June	483	789
TOTAL INTANGIBLES	483	789

Intangible assets for DCS are comprised of computer software.

DCS recognises intangible assets only if it is probable that future economic benefits will flow to DCS and the costs of the asset can be measured reliably. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

Intangible assets arising from configuration and customisation costs for an application software in a Software-as-a-Service (SaaS) arrangement are only recognised where the services create a separately identifiable software code from which the agency has the power to both obtain the future economic benefits and restrict others' access to those benefits.

Intangible assets for DCS are stated at historical cost less depreciation, which is deemed to equate to fair value.

Intangibles with limited useful lives are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised.

The estimated useful lives for finite intangible assets are determined in accordance with the Treasurer's Directions and are determined as follows:

	2022	2021
Computer software	2-10 years	2-10 years

As the historical cost less amortisation is deemed to equate to fair value, no impairment was recognised for the year ended 30 June 2022.

	2022	2021
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life	-	-
Carrying amount at 1 July	789	958
Additions	-	-
Amortisation	(306)	(328)
Additions/(disposals) from asset transfers	-	159
CARRYING AMOUNT AS AT 30 JUNE	483	789

16. Payables

	2022	2021
	\$000	\$000
Accounts payable	-	226
Accrued expenses	634	876
GST Payable	71	176
TOTAL PAYABLES	705	1 278

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

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

17. Income tax liabilities

	2022	2021
	\$000	\$000
Income tax liabilities	1 063	1 762
INCOME TAX LIABILITIES	1 063	1 762

18. Lease liabilities

	2022	2021
	\$000	\$000
CURRENT		
Lease liabilities	1 296	1 272
NON-CURRENT		
Lease liabilities	10 687	11 983
TOTAL LEASE LIABILITIES	11 983	13 255

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

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

Variable lease payments that do not depend on an index or

a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

The following table presents liabilities under leases.

	2022 \$000	2021 \$000
Balance at 1 July	13 255	11 904
Additions/remeasurements	-	2 744
Interest expenses	230	252
Payments	(1 502)	(1 645)
BALANCE AT 30 JUNE	11 983	13 255

DCS had total cash outflows for leases of \$1.5 million in 2021-22 (\$1.6 million in 2020-21).

19. Provisions

2022 \$000	2021 \$000
---------------	---------------

CURRENT

Employee benefits		
Recreation leave	910	802
Leave loading	76	74
Other employee benefits	10	4
Other current provisions		
Provision for dividends	1 241	2 056
Provision for fringe benefits tax	3	2
Provision for superannuation	125	137
Provision for payroll tax	61	53
Other provisions	-	-
	2 426	3 128
TOTAL PROVISIONS	2 426	3 128

RECONCILIATIONS OF PROVISION FOR DIVIDENDS

Balance as at 1 July	2 056	1 141
Additional provisions recognised	1 241	2 056
Reductions arising from payments	(2 056)	(1 141)
BALANCE AS AT 30 JUNE	1 241	2 056

DCS employed 48 employees as at 30 June 2022 (53 employees as at 30 June 2021).

Employee benefits

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

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

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including DCS and therefore no long service leave liability is recognised in DCS' Financial Statements.

Superannuation

Employees' superannuation entitlements are provided through the:

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

DCS makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and therefore not recognised in DCS Financial Statements.

20. Other liabilities

	2022	2021
	\$000	\$000
CURRENT		
Unearned contract revenue	765	259
NON-CURRENT		
Unearned contract revenue	850	1 587
TOTAL OTHER LIABILITIES	1 615	1 846

Financial guarantee contracts

DCS had no financial guarantee contracts as at 30 June 2022 or 30 June 2021.

Unearned contract revenue

Unearned contract revenue relates to consideration received in advance from customers in respect of Information Technology services. Unearned contract revenue balances as at 30 June 2022 is \$1.6 million (balance at 1 July 2021 was \$1.8 million). Software licensing, support and maintenance are valid for the contracted period, performance obligations are satisfied on the expiration of the validity period.

Of the amount included in the unearned contract revenue balance as at 1 July 2021, \$0.23 million has been recognised as revenue in 2021-22.

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

	2022	2021
	\$000	\$000
Not later than one year	765	259
Later than one year and not later than five years	850	1 587
TOTAL	1 615	1 846

21. Commitments

Commitments contracted represent future obligations or cash outflows that are not recognised as liabilities on the balance sheet and can be reliably measured.

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

2022		2021	
Internal	External	Internal	External
\$000	\$000	\$000	\$000

(I) CAPITAL EXPENDITURE COMMITMENTS

DCS had no capital expenditure commitments in 2021-22 and 2020-21.

(II) OTHER EXPENDITURE COMMITMENTS

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

	2022	2021
Within one year	- 3 931	- 3 931
Later than one year and not later than five years	- 3 931	- 7 862
Total commitments (exclusive of GST)	- 7 862	- 11 793
Plus: GST recoverable	- 786	- 1 179
Total commitments (inclusive of GST)	- 8 648	- 12 972

22. Equity

Equity represents the residual interest in the net assets of DCS. The Northern Territory Government's ownership interest in DCS is held in the Central Holding Authority.

	2022	2021
	\$000	\$000
Capital		
Balance as at 1 July	4 563	4 563
Equity Injections		
Equity injections	-	-
Equity transfers	-	-
Balance as at 30 June	4 563	4 563
Accumulated Funds		
Balance as at 1 July	22 112	20 057
Surplus for the period	2 481	4 111
Dividends payable	(1 241)	(2 056)
Special dividend	-	-
Balance as at 30 June	23 353	22 112
TOTAL EQUITY	27 916	26 675

23. Fair value measurement

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

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

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

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

24. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory

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

DCS has limited exposure to financial risks as discussed below.

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

a) Categories of financial instruments

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

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	\$000
2021-22					
Cash and deposits	-	-	8 833	-	8 833
Receivables ¹	-	-	871	-	871
TOTAL FINANCIAL ASSETS	-	-	9 704	-	9 704
Payables ¹	-	-	-	-	-
Lease liabilities	-	-	11 983	-	11 983
TOTAL FINANCIAL LIABILITIES	-	-	11 983	-	11 983

¹ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued items.

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	\$000	\$000	\$000	\$000	\$000
2020-21					
Cash and deposits	-	-	8 579	-	8 579
Receivables ¹	-	-	419	-	419
TOTAL FINANCIAL ASSETS	-	-	8 998	-	8 998
Payables ¹	-	-	226	-	226
Lease liabilities	-	-	13 255	-	13 255
TOTAL FINANCIAL LIABILITIES	-	-	13 481	-	13 481

¹Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued items.

Categories of financial instruments

DCS' financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost

Financial liabilities are classified under the following categories:

- amortised cost

Financial assets at amortised cost

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

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. DCS' financial assets categorised at amortised cost include receivables and advances paid.

Financial liabilities at amortised cost

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

b) Credit risk

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

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

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

Credit risk relating to receivables is disclosed in Note 10.

c) Liquidity risk

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

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

2022 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Payables	-	-	-	-	-
Lease Liabilities	11 983	1 502	5 866	5 801	13 169
TOTAL FINANCIAL LIABILITIES	11 983	1 502	5 866	5 801	13 169

2021 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Payables	226	226	-	-	226
Lease Liabilities	13 255	1 502	5 998	7 171	14 671
TOTAL FINANCIAL LIABILITIES	13 481	1 728	5 998	7 171	14 897

¹ Total amounts disclosed exclude statutory amounts and accrued items.

d) Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

e) Interest rate risk

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

DCS has limited exposure to interest rate risk as DCS' financial assets and financial liabilities are non interest bearing. Lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk.

Sensitivity analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on DCS' profit or loss and equity.

Profit or loss and equity	
100 basis points increase	100 basis points decrease
\$000	\$000

30 June 2022

Financial assets – cash at bank	88	(88)
NET SENSITIVITY	88	(88)

30 June 2021

Financial assets – cash at bank	86	(86)
NET SENSITIVITY	86	(86)

(i) Price risk

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

(ii) Currency risk

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

25. Related parties

i) Related parties

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

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of DCS directly;
- close family members of the portfolio minister or KMP including spouses, children and dependents;
- all public sector entities that are controlled and consolidated into the whole of government Financial Statements;
- any entities controlled or jointly controlled by KMPs or the portfolio minister, or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

KMP of DCS are those persons having authority and responsibility for planning, directing and controlling the activities of DCS. These include the Minister for Corporate and Digital Development, Chief Executive Officer of DCDD, Deputy Chief Executive Officer of DCDD, Senior Director Data Centre Services and Chief Financial Officer.

iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits paid/payable to the Minister as the Minister's remuneration and allowances are payable by the Department of the Legislative Assembly and disclosed within the Treasurer's Annual Financial Statements.

The aggregate compensation of key management personnel of DCS is set out below:

	2021-22	2020-21 ¹
	\$000	\$000
Short-term benefits	228	264
Post-employment benefits	25	27
TOTAL	253	291

¹ 2020-21 figures should be \$253 excluding portion of four KMP's allocated to GBDs

DCDD provides management services to DCS and the amount relating to KMP has been included in the figures above.

iv) Related party transactions

Transactions with Northern Territory Government controlled entities.

DCS' primary ongoing source of funding is received from Northern Territory Government controlled entities.

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

2022

RELATED PARTY	Revenue from related parties \$000	Payments to related parties \$000	Amounts owed by related parties \$000	Amounts owed to related parties \$000
NTG agencies	30 819	4 595	3 320	4 122

2021

RELATED PARTY	Revenue from related parties \$000	Payments to related parties \$000	Amounts owed by related parties \$000	Amounts owed to related parties \$000
NTG agencies	29 823	4 546	3 114	4 217

DCS' transactions with other government entities are not individually significant.

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

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

26. Contingent liabilities and contingent assets

DCS had no contingent liabilities or contingent assets as at 30 June 2022 or 30 June 2021.

27. Events subsequent to balance date

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

28. Budgetary information

	2021-22 Actual	2021-22 Original budget	Variance	Note
	\$000	\$000	\$000	
Comprehensive Operating Statement				
INCOME				
Sales of goods and services	28 183	28 561	(378)	
Interest revenue	12	10	2	
Other income	3 129	-	3 129	1
TOTAL INCOME	31 324	28 571	2 753	
EXPENSES				
Employee expenses	6 993	6 798	(195)	
Administrative expenses				
Purchases of goods and services	16 033	12 974	(3 059)	2
Depreciation and amortisation	4 524	3 915	(609)	3
Impairment losses	-	-	-	
Interest expenses	230	246	16	
TOTAL EXPENSES	27 780	23 933	(3 847)	
NET SURPLUS/(DEFICIT)	3 544	4 638	(1 094)	
Income Tax Expense	1 063	1 391	328	
NET SURPLUS	2 481	3 247	(766)	
COMPREHENSIVE RESULT	2 481	3 247	(766)	

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

Notes:

- Other income reflects one-off recoveries of software licenses for 2021-22.
- Purchase of goods and services increase is predominantly due to higher than expected hardware and software licenses compared to the original budget.
- Depreciation and amortisation variance reflects realignment of fixed assets relating to the Data Centre Transition Project.

2021-22 Actual	2021-22 Original budget	Variance	Note
\$000	\$000	\$000	

Balance Sheet

ASSETS

Current assets

Cash and deposits	8 833	16 656	(7 823)	1
Receivables	11 774	7 102	4 672	2
Total current assets	20 607	23 758	(3 151)	

Non-current assets

Receivables	2 661	457	2 204	3
Property, plant and equipment	21 958	23 081	(1 123)	4
Intangibles	483	476	6	
Total non-current assets	25 101	24 014	1 087	
TOTAL ASSETS	45 708	47 772	(2 064)	

LIABILITIES

Current liabilities

Payables	705	541	(164)	
Income Tax Liabilities	1 063	1 391	328	
Provisions	2 426	3 139	713	5
Lease Liabilities	1 296	1 149	(147)	6
Other liabilities	765	166	(599)	7
Total current liabilities	6 255	6 386	131	

Non-current liabilities

Lease liabilities	10 687	12 124	1 437	6
Other liabilities	850	1 468	618	7
Total non-current liabilities	11 537	13 592	2 055	
TOTAL LIABILITIES	17 792	19 978	2 186	

NET ASSETS

	27 916	27 794	122	
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EQUITY

Capital	4 563	4 563	-	
Opening Balance	22 112	21 608	504	
Current year surplus (+)/deficit (-)	2 481	3 247	(766)	
Dividends paid/payable	(1 241)	(1 624)	383	
TOTAL EQUITY	27 916	27 794	122	

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

Further, the original published budget figure has not been adjusted to reflect the actual opening balances as at 1 July 2021.

Notes:

1. Cash and deposits variance reflects an opening balance adjustment of \$4.4 million combined with a net decrease in cash of \$3.4 million.
2. Current receivables variance is largely due to increase in prepayments of \$3.6 million combined with higher than expected receivables of \$0.7 million.
3. Non-current receivables increase relates to prepayments for upfront renewals of ICT software agreements of \$2.2 million.
4. Net decrease reflects an opening adjustment of \$1.2 million relating to right-of use asset on leased property.
5. Decrease in provisions relates to lower than expected provision for dividends of \$0.4 million combined with decrease in other provisions of \$0.3 million.
6. Net lease liabilities variance is due to an opening balance adjustment of \$1.4 million relating to a leased building.
7. Other liabilities variance reflects the portion of the unearned revenue which is now classified as current.

2021-22 Actual	2021-22 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts

Receipts from sales of goods and services	30 858	28 561	2 298	1
GST receipts	1 875		1 875	2
Interest received	8	10	(2)	
Total operating receipts	32 741	28 571	4 171	

Operating payments

Payments to employees	(6 865)	(6 798)	(67)	
Payments for goods and services	(16 929)	(12 974)	(3 955)	3
GST Payments	(1 980)		(1980)	2
Income Tax Paid	(1 762)	(1 330)	(432)	
Interest paid	(230)	(246)	16	
Total operating payments	(27 766)	(21 348)	(6 418)	
Net cash from/(used in) operating activities	4 975	7 223	(2 248)	

CASH FLOWS FROM INVESTING ACTIVITIES

Investing payments

Purchases of assets	(1 394)	(770)	(624)	4
Total investing payments	(1 394)	(770)	(624)	
Net cash from/(used in) investing activities	(1 394)	(770)	(624)	

CASH FLOWS FROM FINANCING ACTIVITIES

Financing payments

Dividends paid	(2 056)	(1 552)	(504)	5
Lease liabilities payments	(1 272)	(1 235)	(37)	
Total financing payments	(3 328)	(2 787)	(541)	
Net cash from/(used in) financing activities	(3 328)	(2 787)	(541)	
Net increase/(decrease) in cash held	254	3 666	(3 412)	
Cash at beginning of financial year	8 579	12 990	(4 411)	
CASH AT END OF FINANCIAL YEAR	8 833	16 656	(7 823)	

Notes:

- Increase is due to growth in other income relating to one-off recoveries of software licenses in 2021-22.
- Variance relates to GST receipts and payments not included in the original budget.
- Increase in purchase for goods and services is due to higher than expected hardware and software licenses compared to original budget.
- Purchase of assets has increased due to higher than expected capital acquisitions mostly relating to computer hardware.
- Increase in dividends paid is in line with higher than expected profitability in 2020-21.

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Appendix A – Cost allocation model

Product name	Stats/Cost driver description	Price (\$)
Employment Services		
Entry Level Recruit	Monthly average of Admin staff (FTE)	1.55
Payroll Employees	# of paid employees	6.71
Payroll Manual Pay Transaction Records	# of pay transaction records – manual	13.70
Payroll Auto Pay Transaction Records	# of pay transaction records – auto	3.26
Payroll Commencement	# of commencements	175.32
Payroll Termination	# of terminations	186.65
Payroll Debt Recovery	# of FTE's per pay	1.21
Payroll Contacts	# of payroll contacts	12.18
Recruitment Advertising	# of advertisements	200.18
Employment Services – Temp / Nom Moves	# of temporary /nominal moves	14.64
Executive Contract Officers	# of paid Executive Contract Officer's per pay	17.26
Employment Services – RTF Processing	# of requests to fill (RTF) processed	59.04
Workers Compensation Payroll	# of WC – Payroll transaction records	35.47
Finance Services		
Interfaced payments	# of interfaced payment transactions	0.91
Internet payments	# of internet payment transactions	71.67
Manual payments	# of manual payment transactions	40.52
NTGPay payments	# of NTGPay payment transactions	9.19
PBRC/Medicare receipts	# of claims processed	0.96
AR Process Electronic Invoice	# of Accounts Receivable electronic invoices processed	14.67
Advance cheques/petty cash	# of advance cheques/petty cash	50.81
Manual Ledger Transfer	# of manual Ledger Transfers	28.47
AR RTM Receipts	# of Receiver of Territory Monies (RTM) receipts	12.43
AR Bank Accounts	# of bank accounts managed	101.61
Manual receipts	# of manual receipts	59.61
Asset Disposals	# of asset disposal transactions	78.80
Asset additions	# of asset addition transactions	25.27
Asset maintenance	# of asset maintenance transactions	1.18
Credit Cards	# of credit cards	36.55
Tax BAS/GST Return	# of Goods and Services Tax (GST) lines on Business Activity Statement (BAS)	0.71
Tax FBT Return	# of Fringe Benefit Tax (FBT) liability lines	15.62
Tax Payroll Tax Return	# of tax payroll tax lines	4.58

Product name	Stats/Cost driver description	Price (\$)
Across Government Systems		
Human Resource Systems – eRecruit	# of eRecruit RTF's	18.21
Human Resource Systems – FOILS	# of FOILS	9.46
Human Resource Systems	# of HR system transactions	6.71
Financial Systems – NTGPay	# of NTGPay invoices (EIMS invoices)	3.94
Financial Systems – ECMS	# of ECMS credit card transactions	4.27
Financial Systems – TRIPS	# of TRIPS	4.17
Financial Systems – GAS	# of GL GAS transactions	0.55
Procurement Systems	# of procurements	313.72
GrantsNT	% of \$ value of grants processed	1 008.43
Property Leasing System (PROGEN)	# of square metres of accommodation	0.08
Asset Systems (ASNEX)	% of usage	3 741.01
Contract Management Systems	# of contracts	13.75
Trim administration	Per workstation	3.33
Workforce Development		
Early Career Programs	# of FTE – AO6 (and equivalent) and below / per pay	7.56
OneNTG Leadership Offering (academy)	# of FTE – AO7 (and equivalent) and above / per pay	14.93
Workforce Capability Program	# of FTE per month	11.10
Agency Strategic analytics and insights	# of FTE per month	3.16
Agency Operational analytics and insights	# of FTE per month	1.88
Enterprise Analytics and Insights	# of FTE per month	1.28
Enterprise Project management and delivery	# of FTE per month	6.14
Workforce Relations		
Case Management	# of case management processes started per employee	7 270.41
Advice	per advice across the full suite of HR services	542.77
Service Instance	# of service requests for general HR services	130.88
Employment Actions	# of transactions processed and compliance reviews for the full suite of HR actions	168.89
Job Evaluations	Per evaluation	240.11
Benchmark	Per benchmark	140.13
HR Business Partners	% of services by agency	892.50
Specific Recruitment Services	% of services by agency	328.12

Product name	Stats/Cost driver description	Price (\$)
ICT Services		
Contract Management and Security	Per device	6.67
Web Services		
NTG Web Services	# of FTE's per pay	2.70
Web Page Updates	# of updates	104.56
Procurement Services		
Across Government Contracts	# of FTE's per pay per contract	0.13
Contract Administration	Per transaction for contract amendments (Trax data)	1 078.64
Tier 2 Quotes	Per Request for Quotation (RFQ) – (APRO data)	160.47
Non-Standard Procurement	Per non-standard procurement – (APRO data)	160.47
Tender Management	Per tender – (APRO data)	1 938.96
Tier 3 Request for Quotation (Inc. Award)	Per quote and award	2 150.39
Tier3, 4 & 5 Quotes	Per quotation or tender for PWC only	1 514.49
Procurement Advisory Services	# of FTE's per client agency	4.81
Tier 2 and Non-Standard Full Procurement	Per Tier 2 Request for Quotation or non-standard procurement	4 125.56
Tier 3 Full Procurement	Per Tier 3 Request for Quotation	8 884.54
Tenders Full Procurement	Per Request for Tender	19 238.73
Property Management		
LPM Leases Mgmt. Fees	# of square metres of accommodation	1.30
Agency Digital Services		
IT Agency Services Manager	# of Managers	19 842.37
IT Agency Services Director	# of Directors	27 445.90
Enterprise Digital *	Charged Back based on cost centre outcome	-
Data Services		
Data Services *	Charged back based on cost centre outcome	-
DCDD Data Warehouse	# of FTE's per pay	5.80
Fleet Services		
Fleet Services	# of vehicle	31.43
Information Management		
Active User	# of active user	9.82
Active Records	# of active records	0.01
Service Request	# of requests	116.70
Training	# per training	260.66
Subsidiary Services	Subsidiary services across 5 agencies	8 511.41

*Note: New services and allocation is based on agency utilisation.

Appendix B – Gifted and loaned vehicles

Gifted vehicles	\$ (GST Inc)
Nil	0
Sub Total	0

Loaned vehicles	\$ (GST Inc)
Barrumbis Kids	2 5185
Barunga Festival	528
Black AS Season 4	2 772
Bush Bands NT	4 664
Cricket 365 NT	31 680
Darwin Aboriginal Art Fair	7 112
Darwin Festival	64 565
Finke Desert Race	16 022
Freds Pass Rural Show	1 089
Freedom Day Festival 2022	1 997
NT Writers Festival	3 955
Ronde Media Outback Ringers	4 620
Run Larapinta Event April 2022	2 481
Skinny Fish Music Travel	264
Southern Ngaliya Dancers Dance Camp Program	3 328
Southern Tanami Girls Dance Camp	3 432
Street Art Festival	4 807
The Lost Flowers of Alice Hart	17 820
Tracks Dance Milpirri Festival	3 432
West Macs Monster	4 428
Total	204 181

- Gifted vehicles are approved by the Treasurer.
- A gifted vehicle is reported at its written down value.
- The cost of loaning a vehicle is reported at a daily rate times the number of days the vehicle was loaned.

Appendix C – Grants and sponsorships

The table below shows the value of DCDD's sponsorships and grants paid in 2021-22 in accordance with conditions/agreements.

Organisation	Purpose	Amount paid (GST exclusive) \$
Grants		
Charles Darwin University	Support for an Associate Professor position in Cyber Security Research	180 000
Charles Darwin University	Scholarships for two IT students	10 000
8CCC Community Radio Incorporated	Enable 8CCC to sustain its community broadcast service and operations	65 000
City of Palmerston	Smart City Fibre Sense Pilot Program	500 000
NBN Co	Rollout of broadband fibre-to-the-premises to Jabiru	2 084 000
Telstra Corporation Ltd	NTG / Telstra Remote Telecommunications Co-Investment Programs	4 000 000
Telstra Corporation Ltd	Remote Small Cell Program to provide mobile phone services to homelands	2 900 000
Telstra Corporation Ltd	Upgrade Arnhem Land fibre optic backbone	1 364 000
Sponsorships		
Charles Darwin University	IT CodeFair 2021	30 000
Charles Darwin University	Alumni Awards 2021	1 154
Australian Computer Society Inc.	'Women in Tech - the Perception Gap in the Time of Pandemic' event	2 000
DITT	October Business Month	10 000
Top End Group Training Pty Ltd	GTNT Awards 2022	1 364
Total		11 147 518

Appendix D – Accommodation costs for non-government organisations

Value of rental paid by DCDD for the premises over the reporting period.

Non-government organisation	Building	Supporting agency	Cost (\$)
Adult Mental Health Services	Civic Plaza	Department of Health	148 477
Association of Independent Schools of the Northern Territory	NAB Building	Department of Education	85 639
Association of Northern, Kimberley and Arnhem Aboriginal Artists	Harbour View Plaza	Territory Families, Housing and Communities	58 656
Artback NT	Harbour View Plaza	Territory Families, Housing and Communities	77 213
Australia Day Council	NAB Building	Department of the Chief Minister and Cabinet	60 616
Autism NT	Goyder Centre	Department of Health	88 110
Bushmob Inc	Centre for Appropriate Technology Building	Department of Health	227 465
Camp Quality/CanTeen	Unit 13, 82 Woods Street	Department of Health	40 337
Cancer Council of the Northern Territory	NT House, Alice Springs	Department of Health	35 042
Cancer Council of the Northern Territory	Casi House	Department of Health	54 996
Cancer Council of the Northern Territory	Randazzo Centre	Department of Health	16 948
CREATE Foundation	NT House, Alice Springs	Territory Families, Housing and Communities	32 824
Darwin Aboriginal Art Fair	Harbour View Plaza	Territory Families, Housing and Communities	35 365
Darwin Festival	Harbour View Plaza	Territory Families, Housing and Communities	162 090
Darwin RSL	NAB Building	Department of Corporate and Digital Development	10 303
Darwin Visual Arts Association	Harbour View Plaza	Territory Families, Housing and Communities	83 506
Girls Academy	Goyder Centre	Department of Education	4 709
Good Beginnings	Randazzo Centre	Territory Families, Housing and Communities	33 896
Industry Skills Advisory Council	The Avenue	Department of Industry, Tourism and Trade	249 642
Keep Australia Beautiful Council Northern Territory	NAB Building	Department of Infrastructure, Planning and Logistics	14 987
Life Education	Goyder Centre	Department of Education	6 593

Non-Government Organisation	Building	Supporting Agency	Cost (\$)
Multicultural Community Services of Central Australia Inc.	Youth and Community Centre	Territory Families, Housing and Communities	48 391
Multicultural Council of the Northern Territory Inc. and Multilingual Broadcasting Council Northern Territory Inc.	Malak Shopping Centre	Territory Families, Housing and Communities	106 596
Music NT	Harbour View Plaza	Territory Families, Housing and Communities	63 656
Northern Territory Badminton Association Inc	Lot 1718/1719 Albatross Street	Territory Families, Housing and Communities	165 361
NT Writers	Harbour View Plaza	Territory Families, Housing and Communities	25 346
Off the Leash	Harbour View Plaza	Territory Families, Housing and Communities	28 295
Pensioners Workshop Association Inc.	48 Albatross Street Winnellie	Territory Families, Housing and Communities	36 280
Red Cross	Tennant Creek Government Centre	Department of Infrastructure, Planning & Logistics	0
Teacher's Registration Board	22 Harry Chan Avenue	Department of Education	84 044
The Duke of Edinburgh's International Award – Australia (NT Division)	Goyder Centre	Department of Education	9 889
Top End Women's Legal Service Inc.	17 Lindsay Street	Department of the Attorney-General and Justice	67 638
Total Recreation	Casuarina Health Services Complex	Department of Health	53 777
Tracks Dance Company	Harbour View Plaza	Territory Families, Housing and Communities	120 163
Victims of Crime NT Inc.	NAB Building	Department of Attorney General and Justice	96 344
YMCA of the Top End	Satepak House	Territory Families, Housing and Communities	123 811
Youth Drop-in Centre	Palmerston Leisure Centre	Territory Families, Housing and Communities	1
Total expenditure			2 557 005

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