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Reference: annual report



DEPARTMENT OF CORPORATE
AND INFORMATION SERVICES
Service is Our Business

Chief Executive

The Hon. Chris Burns MLA
Minister for Corporate and Information Services
Parliament House
DARWIN NT 0800

Dear Minister

It is with pleasure that I present the Department of Corporate and Information Services' annual report for the year ending 30 June 2005, in accordance with the provisions of Section 28 of the *Public Sector Employment and Management Act*.

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

- a) proper records of all transactions affecting the Department are kept and the employees under my control observe the provisions of the *Financial Management Act*, the *Financial Management Regulations* and the *Treasurer's Directions*;
- b) in the interests of all Government agencies the Department, in accordance with the requirements of the *Financial Management Act*, has progressively enhanced internal control procedures and further developed its Accounting and Property Manual;
- c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records;
- d) in accordance with *Section 15* of the *Financial Management Act*, the internal audit capacity available to the Agency is adequate;
- e) the financial statements included in the annual report have been prepared in accordance with *Part 2 Section 5* and *Part 2 Section 6* of the *Treasurer's Directions* where appropriate;
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied; and
- g) In respect of my responsibilities pursuant to *Section 131* of the *Information Act*, I advise that to the best of my knowledge and belief, the agency has implemented processes to achieve compliance with the archives and records management provisions as prescribed in *Part 9* of the *Information Act*

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Galton', is positioned above the printed name.

Richard Galton
Chief Executive

30 September 2005



Northern Territory Government
Department of Corporate and Information Services

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<http://www.nt.gov.au/dcis>



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CHIEF EXECUTIVE'S REVIEW

The last year has been one of challenge and continued growth for the Department of Corporate and Information Services (DCIS). We have secured significant achievements in the telecommunications field with a new contract in place, provided strategic engagement with industry over future information and communication contracts, continued to support agencies through administrative and structural changes, enhanced a number of systems and processes, and revisited our own strategic direction.

Last year was my first year as Chief Executive (CE) at DCIS. I have had numerous opportunities to work closely with our Minister, consult with staff, and build strong relationships with our customers. We have taken the opportunity to review our strategic directions and through a consultative approach with customers, staff and stakeholders have agreed to the following vision for the next three years: 'Do whatever it takes'.

This is supported by a mission focusing on how we assist our customers with their business and places a significant emphasis on strengthening professional relationships, building the capabilities of our people, and continuing to improve the efficiency and effectiveness of our processes. Our relationships are our critical driver with our people and processes crucial to supporting this.

The 2004-2005 Annual Report highlights major achievements of the department over the last year clearly linked to this direction. We have focused our reporting on achievements in our services in 2004-2005 and what we have done to assist our customers, stakeholders, and staff to fully utilise our services to support their business.

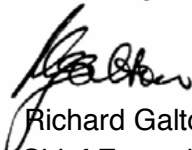
Of significance in the last year, DCIS has achieved the following in advancing our services and contributing to the Territory:

- addressed the decision of our service provider to cease maintaining the Payroll and Payment Management Services System (PAPMS) by successfully migrating it to the Northern Territory Government mainframe from 30 June 2005, refer to page 39;
- continued to bring down costs on a number of our services while maintaining pricing on others. DCIS has achieved savings in credit card management, information communications technology (ICT) policy and strategy, tendering and some aspects of short courses and payroll;
- successfully sought, evaluated, and then established the new NTG whole of government telecommunications contract. This Telstra contract is delivering an eight fold increase in data bandwidth and promises \$65m of industry development initiatives over five years, which includes 170 new jobs for the NT at no cost to government and provides a minimum of a 20% revenue share to local ICT small and medium enterprises, refer to page 45;
- assisted with the successful implementation of a 30-day payment policy with self-imposed interest penalties, where an undisputed invoice is proven to be paid late. Of the 440 000 invoices paid in 2004-2005 through DCIS, only three legitimate claims attracted the penalty – a great result, refer to page 31;

- successfully implemented an online billing system, which automatically bills and transfers payments to DCIS, NT Fleet and Data Centre Services from their internal customers. DCIS also now provides agencies with a procurement profile of all their payments every six months, refer to page 30;
- participated in the Government's Indigenous Employment Career Development, Remote Workforce Development, and Willing and Able strategies and enhanced systems to improve monitoring of these initiatives, refer to pages 36, 37, 41;
- developed and implemented an electronic access system (ePass) to allow a single password access to many NTG systems, refer to page 44; and
- commenced the Government Accounting System upgrade to improve functionality and ease of use with a go live date targeted for 6 March 2006, refer to page 32.

Over the coming year DCIS will address the following challenges:

- ensure the transition of procurement policy occurs smoothly and momentum is maintained on current policy initiatives, refer to page 57;
- finalise the new Procurement Directions designed to replace government's existing procurement guidelines. The new directions will be implemented during 2005-2006, refer to pages 57;
- implement approved strategies to address findings from the review of the procurement policy and processes for leased office accommodation undertaken during the year, refer to page 48;
- commence an internal Business Process Improvement (BPI) project to achieve a more efficient and effective service delivery model to agencies. The first stage of the project will focus on recruitment services;
- conclude the first round of Desktop outsourcing in June 2006 to address the expiry of the existing agreement between the NTG and Computer Science Corporation (CSC). In defining the requirements for the new tender, we have included two critical initiatives: the Business Improvement Centre (BIC) and the Service Management Hub (SMH). The BIC will assist government in the effective use of ICT to improve business outcomes whilst the SMH will increase efficiencies and reduce complexities for the users of the ICT services, refer to page 43;
- rollout to agencies a number of business systems, which allow online processing of administrative tasks. These systems are the Travel Requisition Information Processing System (TRIPS), Agency Procurement Requisitions Online (APRO), Agency Recruitment Management System (ARMS) and Customer Access and Reporting System (CARS), refer to pages 16, 33, 36, 52, 56 ; and
- undertake the back office aspect of the recent agency restructure involving, on behalf of agencies, ledger restructure, payroll and major billing system changes.



Richard Galton
Chief Executive



CORPORATE OVERVIEW

Our Organisation

The Department of Corporate and Information Services (DCIS) is a trusted provider of services to all NTG agencies including accounting, property, tendering, records management, fleet, human resource, printing and information technology services (refer page 29-57 for a more detailed overview of these services.) The department has progressed, and is continuing to progress a range of initiatives designed to provide a cost effective service that addresses our customers' needs and supports not only NTG agencies but also facilitates industry development in key areas such as information technology.

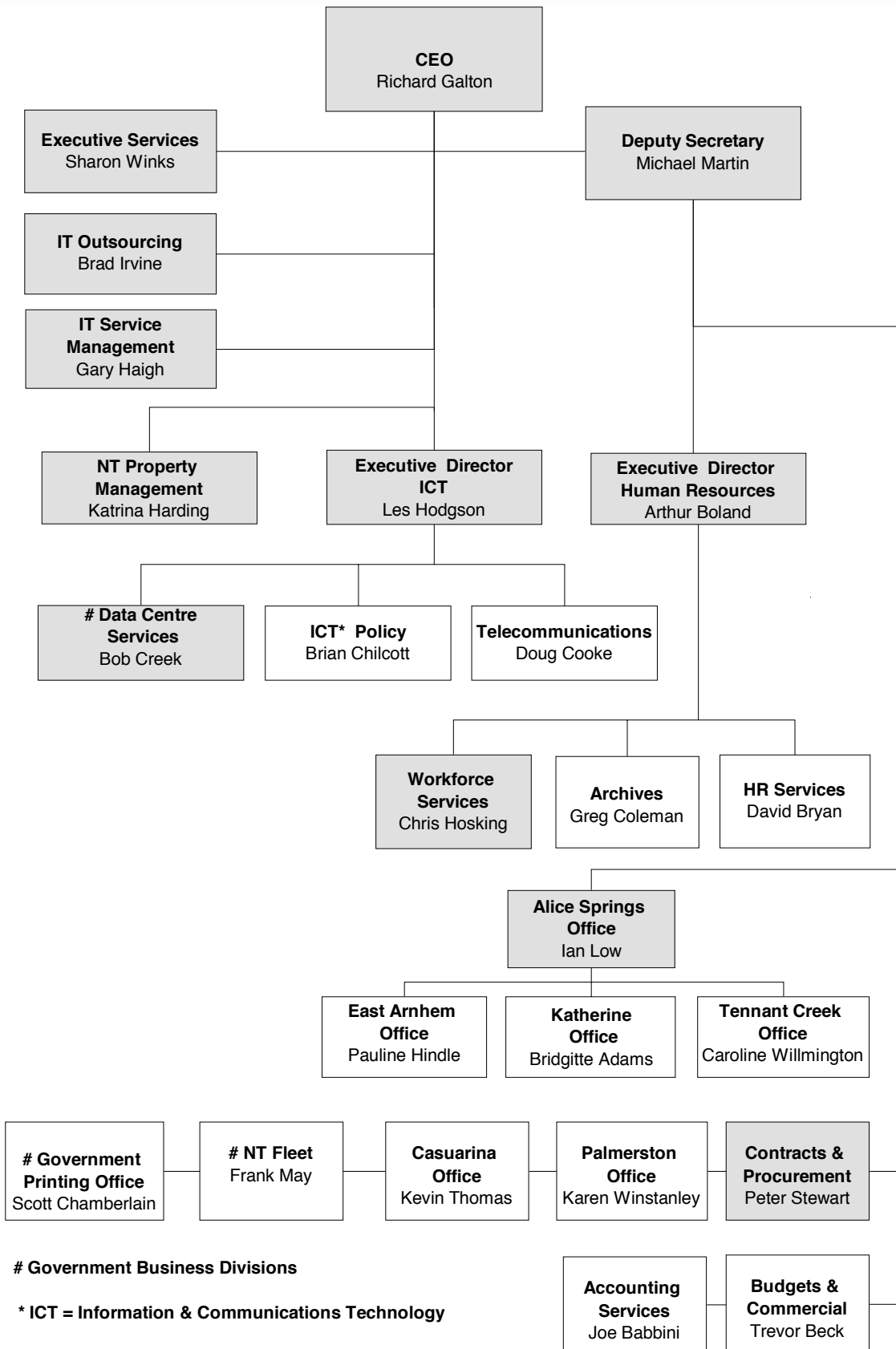
We are a key link in:

- the recruitment and employment of staff within the public sector;
- supporting programs designed to facilitate staff development across the NTPS; and
- the procurement and payment of goods and services.

The Agency has over 700 staff delivering these services from offices in Alice Springs, Katherine, Nhulunbuy, Tennant Creek, Palmerston, Casuarina, and Darwin. Establishment of these offices confirms our commitment to development of the regional centres in the Territory. Our total budget for 2005-2006 is just over \$100 million (refer to page 11 for a breakdown across regions and services).

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

The following diagram represents a high-level view of the organisation's structure.



Government Business Divisions

* ICT = Information & Communications Technology

█ Represents Executive Management Team

Our Vision and Mission

During 2004-2005 DCIS began positioning itself to increase our focus on our relationships with customers and stakeholders, strengthen the capabilities of our people, and continue to improve systems and processes through innovative and creative solutions to business needs. The positioning exercise has resulted in the *DCIS Corporate Plan 2005-2008*. This document has brought forward a new vision, mission, and objectives, enabling future focus on:

Our Vision	Our Mission	Our Objectives
<ul style="list-style-type: none"> Do whatever it takes. 	<ul style="list-style-type: none"> Providing agencies with improved solutions for better business outcomes. 	<ul style="list-style-type: none"> Professional relationships with our customers, suppliers, and stakeholders. Capable and committed people that contribute to the achievement of outcomes. Effective and efficient business processes and systems that deliver value for money.

Refer to pages 13-16 for a more complete overview of the *DCIS Corporate Plan*.

Our Services

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

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



Through its GBDs DCIS also provides printing services, fleet management and mainframe services to agencies.

Our service prices are reviewed biannually and adjusted to reflect costs. Continuous improvement is a focus of DCIS and a key driver in ensuring we deliver cost effective corporate support services to our customers.

Since charging for our services in 2001-2002, the prices of the majority of services have reduced or stayed the same, whilst only a small number have increased. This result is testimony to our continued effort to ensure price increases to our customers are kept to a minimum.

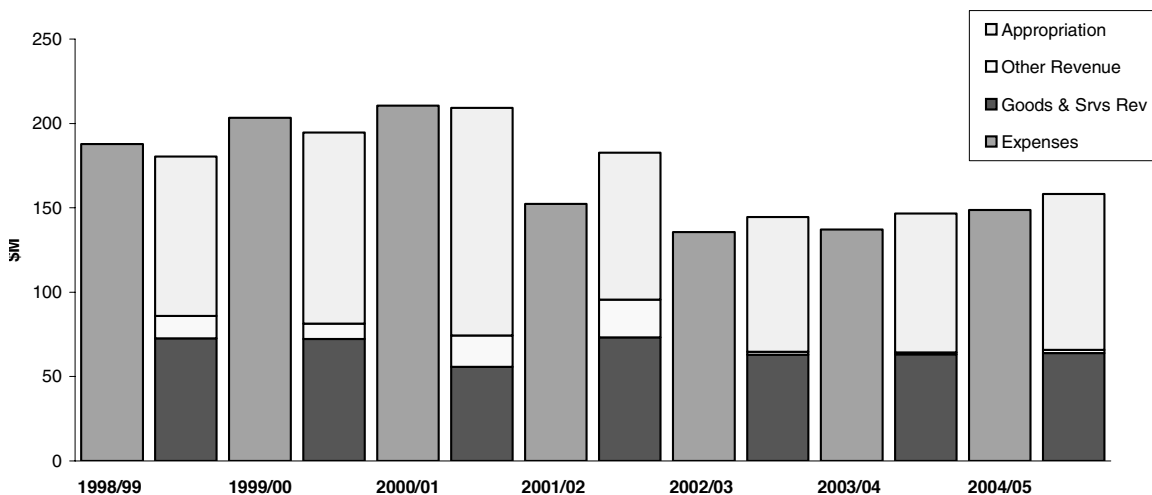
Our services are further explained in the diagram on the following page. Details of our performance highlights for 2004-2005 and planned initiatives for these services can be seen on pages 29 to 57.

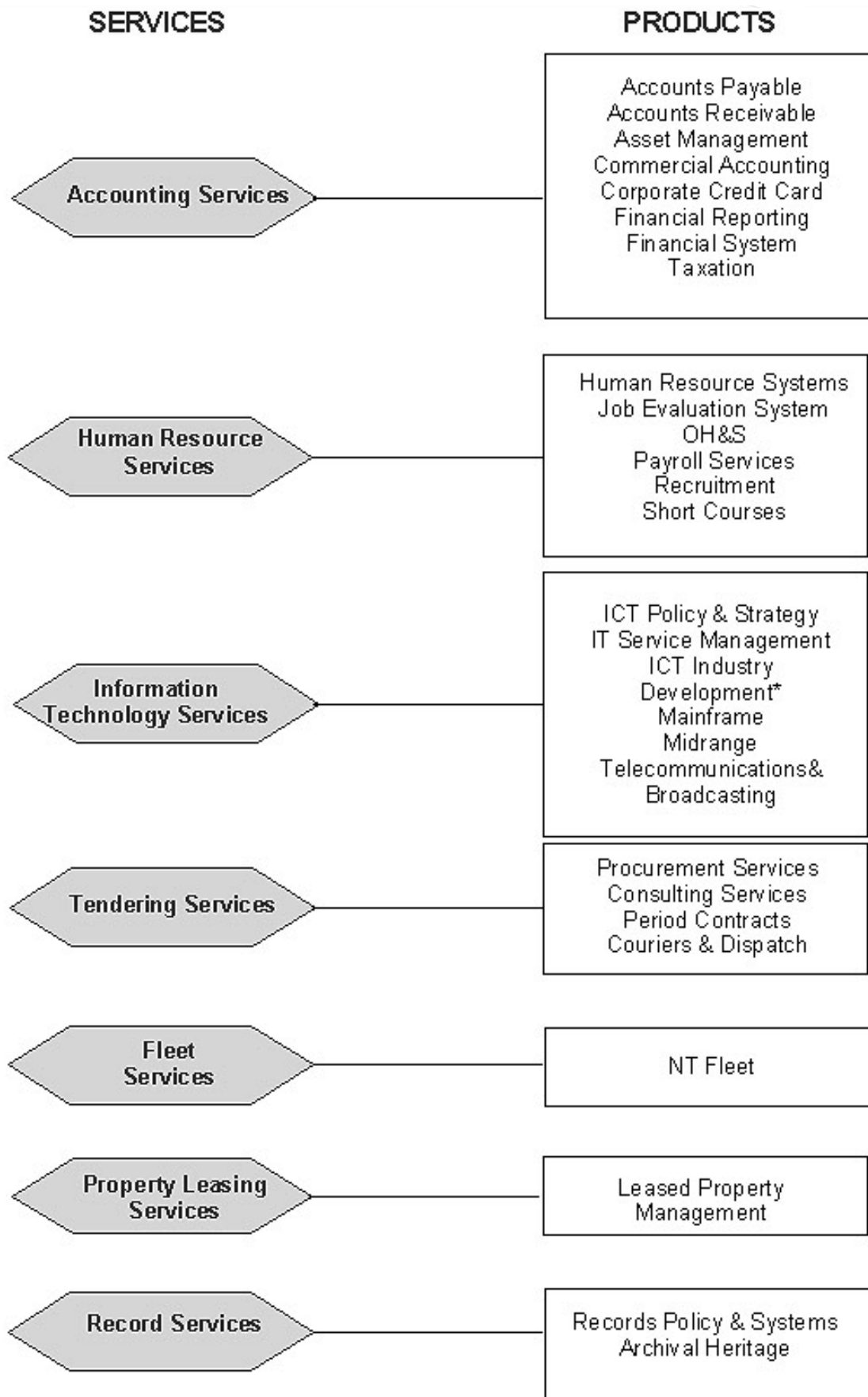
Our Budget

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

Over the past seven years, the department has been involved in major outsourcing projects as well as implementing efficiencies through continued improvement in processes.

The group generally earns between 40% and 45% of its revenue from charges for services provided to agencies and government business divisions. It receives between 55% and 60% of its revenue as appropriation or output revenue from the Central Holding Authority for providing financial, human resources and IT services to general government.





*for budget purposes included in Information Technology Services
 E = Expenditure R= Revenue

Our Customers

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

Throughout 2004-2005 DCIS Executive met on a regular basis with customer CEs and other executives to gain feedback on the services provided and how effectively they met agency needs. While the responses were positive, the feedback did in some areas highlight a need to better engage with our customers, to listen to their concerns as they relate to their business, and to also work more closely in partnering on corporate services to support their business. These comments were instrumental in influencing our corporate plan and vision, mission, values and objectives for 2005 and the next three years.

During 2004-2005, seven value workshops were held between agency managers and DCIS ICT managers to explore collaborative ICT initiatives to enhance agencies service delivery to their customers. The results of these workshops were used to agree a program of initiatives with the agency's CE. Key initiatives impacting all agencies are informing the priority needs of the Northern Territory Information Management Committee (NTIMC) and the work of DCIS. This is discussed further at page 13.

In addition, regular stakeholder forums in the financial, human resources, and general services areas, including regional offices have been held over the last year to share information and set directions. The forums have been very successful and well received by customers. They will continue throughout the next financial year.

Our People

The development and dissemination of our new corporate plan, *DCIS Corporate Plan 2005-2008* has increased the focus on our people in 2004-2005 and the role they play in underpinning our professional relationships. There have been significant achievements in the development of alternative processes for engaging with DCIS staff, an increased focus on our own human resource development, and a closer linking of *Our People* with our customers.

The staff survey was once again conducted in November 2004 and showed further improvements in the level of staff satisfaction. The feedback did however highlight opportunities for further assistance and support to staff. This feedback and further consultation with DCIS staff enabled the development of action plans. The feedback was also instrumental in developing our new corporate direction. Achievements in regard to our people are discussed in more detail at page 23.

Service Highlights

Over the last year, DCIS has continued to develop and implement enhanced NTG wide systems and processes for providing corporate services including:

- increasing CDMA mobile telephone coverage to communities throughout the Territory in partnership with Telstra and 'Networking the Nation' and the 'Mobiles for the Territory' project. Refer to page 45;
- coordinating the implementation and reporting of eGovernment initiatives, and progressing a number including pay-online and e-recruitment. Refer to page 16;
- upgrading the automated tape library within Data Centre Service to cater for growth in demand for storage management.
- offering advice on how the Government Printing Office might provide savings (core business) to agencies; launching an electronic copying service, Copy Link, and provision of the NT Gazette online. Refer to page 50;
- implementing an electronic management system for corporate credit cards, which has significantly improved the reconciliation process for the 850 credit card holders. It also sets a platform for greater use of corporate credit cards. Refer to page 30;
- implementing an agency recruitment management system, which will provide a timely online approval process for recruitment. Refer to page 36;
- establishing and trialling a central entry-level recruitment service covering automatic recruitment to temporary AO1 and AO2 positions across all agencies. Refer to page 36;
- continuing the significant role in identifying and promoting ways to improve the telecommunications facilities available to remote areas of the Territory including assisting agencies to access adequate bandwidth to meet their business needs. Refer to page 45; and
- transitioning the Payroll & Payment Management Services System (PAPMS) to the NT mainframe. Refer to page 39.

Our Future Initiatives

In 2005-2006 DCIS has committed to the following initiatives in pursuit of improved relationships with our customers, enhanced capacity of our people and more efficient and effective processes:

- implementing a major upgrade of the GAS finance system in March 2006. This will include improved features, access via the web and additional modules;
- upgrading Government's records management system and plan for Government to manage electronic documents and records;
- rolling out the agency-based tender request, tracking and management system (APRO). This electronic system will provide agencies with an online approval process as well as improved visibility of their tenders until a contract is awarded;



- finalising the eGovernment Masterplan for 2006. The Masterplan will promote a self services portal for improved internal Government service delivery;
- completing in consultation a Northern Territory ICT industry strategic plan designed to deliver growth to the industry together with employment, investment and service benefits to the Territory;
- replacing the NTG mainframe with a scalable super server where costs are based on usage not capacity;
- implementing customer relationship management within the print management system to deliver better service to customers including emailing quotations, proofs and approvals; and
- expanding the electronic service delivery model for fleet, allowing customers easier access to their fleet information.

Regional Highlights for 2004-2005

Of particular note in the regions have been the following:

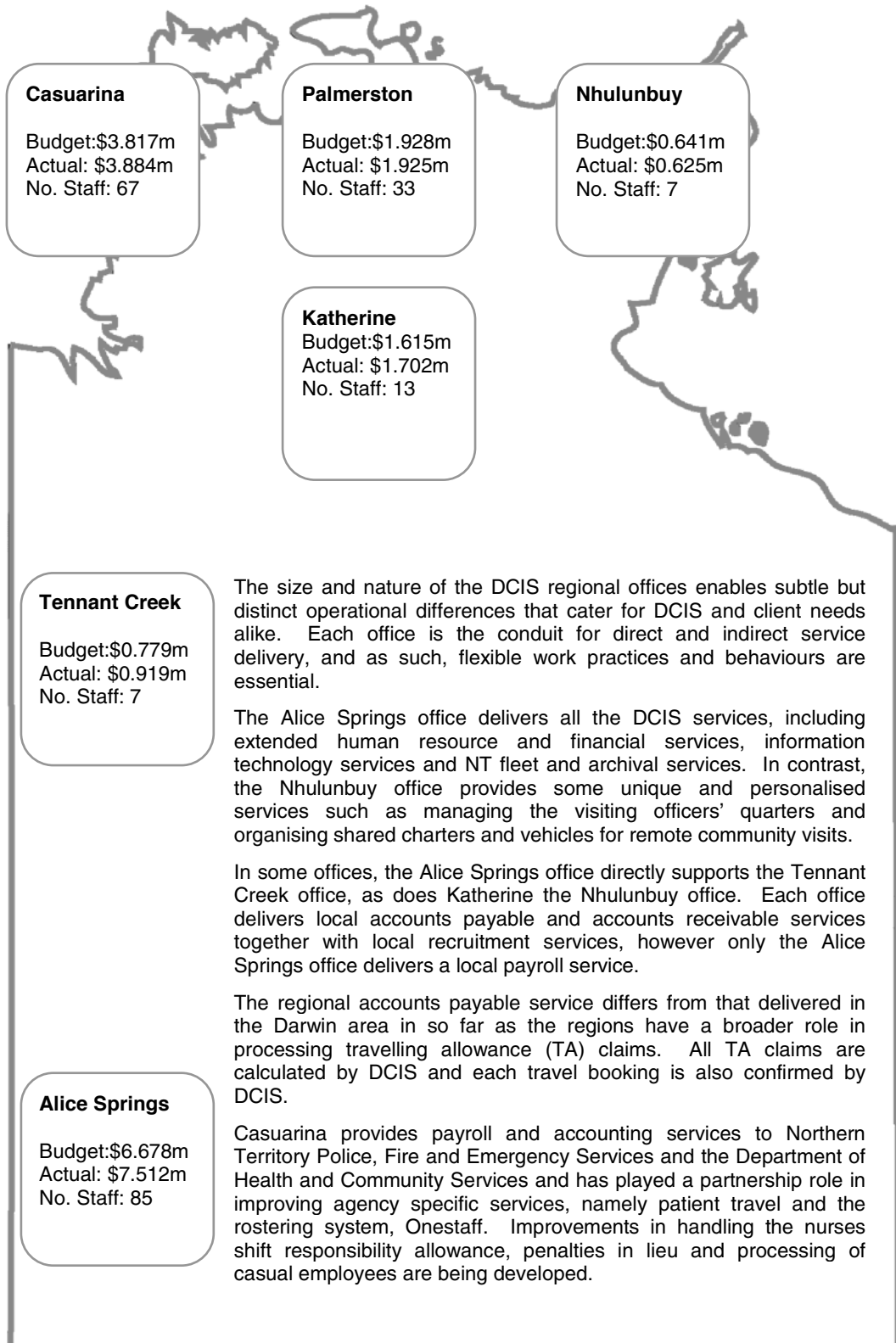
- significant IT service management in staging NT Parliament in Alice Springs;
- considerable staff and resource involvement in the staging of the Masters Games, the Finke Desert Race and Central Australian Bike Challenge;
- the rollout of the Centralised Entry Level Recruitment process to the Katherine and Alice Springs Offices;
- extensive involvement of the Casuarina Office in the implementation of the Northern Territory Police, Fire and Emergency Services and the Department of Health and Community Services Enterprise Bargaining Arrangements, and similar involvement in the enhancement of patient travel processes and the PIPS/Onestaff issues.

Regional Initiatives 2005-2006

In the coming year the regions will be focusing on the following in addition to supporting the many initiatives to be undertaken across all our services:

- the establishment of a Regional Staff Support and Development Committee to cater for local staff resourcing, training and development needs;
- capacity building and skills development in order to absorb new functions such as debt management, period contracts and other procurement related activities, and specific skills development in the area of records management;
- a detailed review of the processing relationship between payroll and recruitment;
- the establishment and maintenance of effective working partnerships and potential staff sharing, with a particular focus on DHCS and the hospitals; and
- intervention at the Regional Co-ord level and at the agency operational level to support the rollout and implementation of DCIS corporate systems and processes.

Our Regional Offices



OUR STRATEGY

Corporate Plan 2005–2008

As part of the process for developing a new *Corporate Plan 2005-2008* and more importantly establishing a long-term view focused on relationships, people and processes DCIS undertook the following in 2004-2005:

- extensive consultation with customers and stakeholders on their view of DCIS and ongoing business needs;
- comprehensive consultation with DCIS executive and staff on what they see as the challenges facing DCIS as well as the opportunities;
- development of a draft corporate plan with objectives and strategies;
- testing of the draft plan within the department and with stakeholders to ensure it addresses their needs; and
- launching the new corporate plan through a road show approach, which included CE and executive face-to-face contact with all offices and staff.

Business Plans

The *DCIS Corporate Plan 2005-2008* provides the overarching strategies and direction for the Department. It is supported by individual service business plans that provide practical tasks and projects to be completed in the coming year that contribute to the overall departmental objectives. These business plans were developed in consultation with staff and stakeholders and reported to the Executive Board of Management.



Our Relationships

‘Professional relationships with our customers, suppliers and stakeholders’

Customer Feedback

Throughout 2004-2005 DCIS executive met on a regular basis with customer CEs and other executives to gain feedback on the services provided and how effectively those services meet agency needs.

Feedback highlighted a need to better engage with our customers, to listen to their concerns as they relate to their business and to also work more closely in partnering on corporate services to support their business. These comments were instrumental in influencing our corporate plan, vision, mission, values and objectives for 2005 and the next three years.

ICT Value Workshops

During 2004-2005, seven value workshops were held between agency managers and DCIS ICT managers to explore collaborative ICT initiatives to enhance agencies service delivery to their customers. The results of these workshops were tabled at the respective agency CE meeting with the CE DCIS and a program of initiatives was agreed.

A number of common themes surfaced which are being addressed, including:

- the need to manipulate financial and HR information to assist agency performance measurement and reporting;
- the need for higher levels of business system continuity, requiring higher levels of protection from both malicious and system infrastructure failures; and
- the need for agencies to encourage both customers and employees to have self-service access for many routine needs enabling a greater focus on responding to more complex client need.

Stakeholder Forums

Regular stakeholder forums were held in 2004-2005 in all our service areas. Client agency representatives were invited to attend and were provided with specific DCIS operational information as well as strategic information in relation to future initiatives. This year the forums were particularly well attended in each regional centre, and the local feedback was excellent.

The regular forums have been further supported in 2004-2005 by such new initiatives as a specific Data Centre Services forum for mainframe users. These have been well attended providing agency representatives and business system owners with advice and news on developments in the mainframe area and ways in which they can modernise their applications and extend the value of their considerable investment.

In addition, this year DCIS:

- convened the National OHS and Injury Management Forum in Darwin, specifically for the public sector. The forum enabled senior agency representatives to engage with national and state leaders in OHS and injury management and to share initiatives that have proved successful in other states and Territories;
- provided regular plant tours of our printing services giving customers an insight into the printing technology utilised to fulfil their various print orders;
- established the consulting services unit within tendering services, which offers specialised advice on all procurement matters, regular scheduled client meetings, and procurement awareness presentations. The CAPS Assist help line (89991919) is promoted widely as a single point of contact for agencies requiring assistance with any procurement related issue;
- administered the Aboriginal advisory group through the NT Archives Services, which supports a pragmatic, efficient and helpful means for Aboriginal people, who were separated from their families to seek family information from NTG records; and

- facilitated a smooth transition of fuel cards to the new supplier of fuel and oil products for all Government agencies including agency information sessions in partnership with the new contractor.

Surveys

In recent years, DCIS has used comprehensive staff and customer surveys provided electronically to gain an insight into the satisfaction of both of these key stakeholders. Previous annual reports have provided detailed information on the results of these and action taken to address concerns identified.

In 2004-2005 DCIS undertook its final staff survey using a computer based approach.

Having now significantly matured as an organisation the survey methodology was reviewed with the aim of increasing engagement with customers and staff. As a result, DCIS began a process of staff sensing in 2004-2005. This has involved up skilling key in-house resources as facilitators for conducting focus groups. These are designed to seek greater qualitative feedback on our performance as seen by our staff. This will provide a number of significant advantages including:

- development of in-house skills;
- demonstration of key behaviours around engaging;
- improved qualitative information on key staff concerns; and
- ongoing engagement of staff and reporting to the executive rather than as a one-off affair each year.

The customer survey is also being reviewed and was not conducted in 2004-2005. Instead, the executive led by the CE met with agencies to explore their concerns and their future needs in a face-to-face approach that is designed to build key relationships. These meetings have been supported by a range of feedback tools discussed in more detail above.

Our People

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

During 2004-2005, DCIS achieved a number of significant improvements in relation to development of *Our People*. Given the significance of this to our performance, further detail on our people is provided at page 23.

Our Processes

‘Effective and efficient business processes and systems that deliver value for money’

A key support to our relationships and people are our processes. As we provide a number of services to agencies in the NTG, deal with industry and the public, the range

of processes we have are significant. They operate often at a whole of government level increasing the complexity of their management.

Over the last five years, DCIS has focused on reducing the costs of our services through the refinement of our systems and processes. In 2004-2005, this focus on cost reduction was supplemented with a focus on improving the quality of our service delivery and enhancing our systems and processes to better address the needs of our customers and stakeholders. Some significant achievements in advancing efficient and effective processes include the following:

- a new five year contract for communications services with Telstra, including a major upgrading of the NTG network and related services, an increase in bandwidth capacity and improved configuration of networks for improved availability and security;
- a major upgrade to the NTG web site including improved cataloguing of online information, improved accessibility and the ability to find government services;
- completion of the Electronic Outback Project (EOP) contract with Optus. The EOP communities were given the opportunity to take up alternative infrastructure for the continuation of services with no requests being received by DCIS;
- introduction of ePASS, changing how ICT services are requested, authorised and activated. The system also provides identity validation so that system passwords can be re-set with the assurance that the person requesting the re-set can be positively identified;
- development of a web based workflow system known as Agency Procurement Requisitions Online (APRO). Agencies can now enter their tender requisitions via the Intranet giving ease of use, tracking and reporting of requisitions leading to reduced timeframes for the award of contracts;
- web enablement of selected fleet processes which has the potential to save a considerable amount of processing time by fleet service staff and customers;
- implementation of a web-based Electronic Card Management System (ECMS), which has significantly improved the administration of cards by reducing manual processing thereby strengthening data integrity; and
- significant improvements in dealing with industry regarding leased services resulting in positive feedback in recent months on how we are now interfacing with industry.



CORPORATE GOVERNANCE

Annual Report

The 2003-2004 DCIS Annual Report received an 'award of excellence' and 'best reporting of financial information' award from the Public Sector Accounting Groups, Annual Report Awards. The department was also nominated in a number of other categories.

The 2004-2005 Annual Report has been prepared with a focus on communication with our key stakeholders including our Minister, the Government, our customers, our staff and industry. This year's Annual Report builds on previous successes in reporting and strengthens our alignment with our new corporate direction and strategies. It provides a historical update on the previous year as well as a road map for the year ahead.

Key Performance Indicators

This year has seen a revision of some KPIs in line with organisational maturity and the need for different business drivers. Throughout the last year, DCIS has been assessing the value of KPIs and current reporting to assist DCIS management with effective ongoing day-to-day and long-term management of services.

As a result, DCIS Executive has been spending time assessing the ability of KPIs to provide the type of qualitative feedback we so desire from customers and staff. This has led to some significant changes with our staff and customer surveys discussed in more detail at page 15.

Our KPIs in this Annual Report have been changed to ensure they can be used to effectively guide organisational performance.

Our internal monthly reporting has also been further refined to address the key objectives and measures in our Corporate Plan and as stated in our annual business plans. Reporting to the Executive Board of Management on a monthly basis has been tailored to highlight those areas of significant activity, performance concerns, and corresponding corrective action. This has assisted the executive in maintaining a close eye on efficiencies and to seek opportunities to tie this in with more effective service outcomes.

KPIs comparing actual against target for the 2004-2005 year are reported extensively in service performance reporting beginning on page 29.

Benchmarking

DCIS has commenced a project on benchmarking in collaboration with Charles Darwin University. DCIS has funded a doctorate student for \$25 000, who will undertake a benchmarking exercise that will endeavour to compare the unit cost of a number of our products with some interstate jurisdictions. At this stage, it is proposed to compare four to six services with Western Australia, Queensland, and New South Wales. The exercise commenced in May 2005 and is expected to take 18 months.

Financial Statements

Financial statements for each of the four budget entities are included in this report commencing page 59. The audited statements for the three government business divisions were unqualified.

Monthly Reports

Monthly reporting and annual reviews ensure the department does not lose sight of the progress desired in key areas and services are able to take appropriate corrective action in a timely manner. The annual business planning process provides the building blocks for change and sets a realistic timeframe and priority for actions.

Executive Board of Management

The Executive Board of Management provides leadership to DCIS in achieving the objectives and strategies outlined in *DCIS Corporate Directions 2003-2005*, and the newly developed *DCIS Corporate Plan 2005-2008*. The Board also assists the CE to meet statutory responsibilities under the *Public Sector Employment and Management Act*, *Financial Management Act*, and Section 9 of the *Information Act*.

The Executive Board of Management is chaired by the CE and is comprised of the Deputy Secretary, Executive Director ICT, and Executive Director Human Resources. The Board also includes Directors of Contracts and Procurement, Property, Data Centre Services, Workforce Planning, IT Service Management, IT Projects, Executive Support and our Regional Manager.

The Executive Board of Management meets monthly to facilitate a co-operative approach to the delivery of organisational strategies and to monitor and review all aspects of agency performance. At least one of these meetings was hosted in a regional office this year. They have been instrumental in reviewing the *DCIS Corporate Directions 2003-2005* and in developing, consulting on and now implementing the *DCIS Corporate Plan 2005-2008*.

The minutes of our monthly meetings are made available to all Branch Heads for discussion at team meetings with staff. Members are profiled in Appendix F.

Information Management Committee

The Information Management Committee (IMC) is chaired by the Executive Director ICT and comprises the CE, Deputy Secretary, Executive Director Human Resources, Director Workforce Planning, Director Executive Support, Chief Finance Officer, and the Directors of the three IT business units. The Committee is responsible for setting the ICT direction for the department and is the decision making body in relation to all DCIS ICT investments. It met monthly throughout the year.

The DCIS IMC oversaw the development and introduction of a number of new systems in 2004-2005 enabling faster online response to customers using DCIS services for example credit card payments, tendering and recruitment.



Audit Committee

The internal Audit Committee is chaired by the Deputy Secretary and has the following membership:

Member	CE
Member	Executive Director Human Resources
Member	Risk Management Services, Dept of Chief Minister
Secretary	DCIS
Observer	Auditor General's Office

The Audit Committee determines and monitors the internal audit program. The program is developed from recommendations arising from a risk assessment program and general operational reviews of overall internal controls. The Committee meets every quarter.

The Audit Committee examine all recommendations from both external and internal audits and reviews. The Committee monitors progress against each recommendation until they have been implemented or addressed. The Audit Committee has also oversighted the reviews, which are required under the conditions of the ICT outsourcing contracts.

Risk Management Plan

A risk management workshop, facilitated by Risk Management Services using their propriety Risk Mat© methodology, resulted in the identification of a number of organisational risks. The workshop was conducted in February 2005 and identified the inherent risks for the organisation. The level of risk was assessed as minor to medium when the action plan against each risk was taken into consideration.

The identification of these risks is critical to the establishment of the internal audit plan and the ongoing monitoring activities of the Audit Committee.

A strategic risk assessment as well as a business risk assessment was also undertaken of the Government Accounting System Upgrade project. This project is one of DCIS' major tasks at present. Key risks identified and associated action plans were reported to the Steering Committee overseeing the project.

Budget

The budget process within DCIS is undertaken within the parameters set by NT Treasury. These cover changes in outputs as well as inflation and efficiency factors. Within this environment, managers are asked to review their staffing requirements considering both anticipated transaction volumes and productivity targets within their services. The budget is developed using the staffing numbers and levels advised by the managers.

Our overall aim is to provide services at competitive prices. Product managers report monthly their earnings against total costs, inclusive of corporate overheads. Pricing is reviewed six monthly by the CE and Chief Finance Officer in conjunction with product managers. The latest price list can be viewed at Appendix G.

Delegations

Financial, human resource and procurement delegations were all reviewed during the year and made available to staff through the intranet.

Policy and Standard Operating Procedures

A comprehensive list of standard operating procedures have been developed and are constantly reviewed and updated as improvements are made to policy, processes, procedures, and systems.

Accounting and Property Manual

The Accounting and Property Manual (APM) was reviewed and updated in line with changes to relevant Acts, audit recommendations, and improvements to processes. Over the last 12 months, all sections of the Accounting and Property Manual have been reviewed and updated to align with current policy and procedures. In particular, sections 5 to 14, where significant procedural and system changes have occurred over the last 12 months. The preferred method of accessing the APM is through the DCIS web site due to the many links to other legislative and policy documents e.g. the Treasurers' Directions, *Public Sector Employment and Management Act* and user guides.

Information and Knowledge Sharing

Senior Officer Forums

During 2004-2005, DCIS continued to host Senior Officer Forums involving approximately 50 executives and senior managers within the department. The Forums are an outstanding success. They provide the opportunity for:

- reinforcement of a shared vision for the strategic direction of DCIS;
- developing a unified approach to the new corporate values and objectives;
- networking between Darwin and regional based staff; and
- demonstrating the corporate values of friendly and professional behaviour and opportunities for creativity and innovation.

These Senior Officer Forums are conducted on a biannual basis and will continue to pursue a shared approach to doing business within DCIS and reinforcing the key objectives of professional relationships, capable people and effective and efficient processes.

Katherine Regional Forum

On 24-25 May 2005, the department held a Regional Communications Forum in Katherine. Representatives from all regional offices and the Darwin head office met to consider communication needs and strategies in light of the then recent departmental organisational and reporting changes.

With the theme 'Working in a Matrix' the forum discussed the many communication issues associated with working with a mix of organisational and program management practices. Strategies and templates were developed for a range of matters such as the rollout of corporate systems, financial reporting, activity and productivity based reporting and general information flow within DCIS and client agencies.

Statutory Accountability

DCIS is required to comply with the *Financial Management Act*, *Superannuation Act*, *Public Sector Employment and Management Act* and other employment related legislation such as the *Anti-Discrimination Act* and *Work Health Act*. Through DCIS *Corporate Directions 2003-2005* and *DCIS Corporate Plan 2005-2008* our staff are made aware of DCIS' corporate governance system and the relevant statutes, and training in these matters is included in the department's staff development plan.

Information Act

DCIS has a whole of government responsibility for *Section 9* of the *Information Act*. A post implementation review of the *Information Act* in DCIS was conducted during the year and processes are being implemented to achieve compliance with the records and archives provisions as prescribed in *Part 9* of the *Information Act*. *Freedom of Information (FOI)* activity has been reported to the Information Commissioner and this information is incorporated in the Commissioner's Annual Report. It also reports on the responsibilities exercised by the Archive's Service in accordance with the records and archives provisions of *Part 9* of the *Information Act*.

OUR PEOPLE

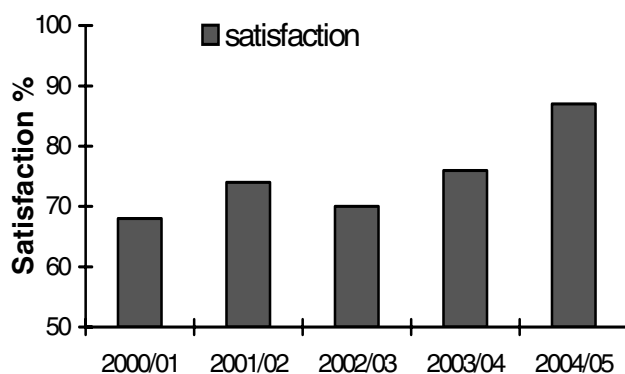
The development and dissemination of our *DCIS Corporate Plan 2005-2008* has increased the focus on our people in 2004-2005 and the role they play in underpinning our professional relationships and improving our business processes. The last year has seen an increase in staff satisfaction and further developments to support a capable and committed workforce. These are discussed in more detail below.



Key Performance Indicators	2004/05	2003/04	2002/03	2001/02
Staff satisfaction	87%	76%	70%	74%
Personal development plans completed	78%	74%	71%	88%
Staff turnover	36%	35%	33%	-
New workers compensation claims	3	10	10	9
Sick leave days per person:		9.1	11.4	11.7
With a certificate	7.7			
Without a certificate	2.6			
Recreation leave days per person	24.7	24.5	27.5	27.4
Long service leave days per person	4.8	4.3	5.1	5.7

Staff Feedback

The staff survey was conducted in November 2004 and once again demonstrated an improvement on a number of key indicators, including staff satisfaction.



The graph shows the results of the annual staff survey and a satisfaction rating of 87%.

Although the increase in satisfaction of staff was pleasing to see, DCIS executive considered it was an opportune time to explore opportunities for further gaining qualitative feedback from staff and increasing engagement at all levels.

A new staff sensing model was therefore developed in 2004-2005 and DCIS staff identified and trained as focus group facilitators.

DCIS executive spent considerable time working with staff to promote the importance of this changed approach to gaining staff feedback. In line with other initiatives it is about more qualitative feedback and the establishment of ongoing feedback not just as a once a year event. The new staff sensing approach promotes a closer engagement with our staff, provides for the ongoing development of our own staff, and ensures that ownership of the process sits fully with our people.

In 2005, DCIS also participated in a pilot program to identify organisational barriers to women in management and leadership positions. The pilot involved focus group interviews with staff at all levels in Accounting Services and the Data Centre. Selected Executives were also interviewed. The results of the focus groups have been reported to the DCIS Executive and the Office of the Commissioner for Public Employment.

Staff Development

Our human resource and organisational development team have developed and implemented a number of strategies, which provide an enabling environment for staff to contribute. An important part of our environment is encouragement given to staff to take responsibility for their own career development and participation in business planning and process improvement. DCIS has been working on the provision of increased opportunities for staff mobility and succession planning.

During the 2004-2005 year, DCIS staff attended a range of training courses aimed at the diverse needs of our staff. Courses included for example Public Sector Management Program, Diploma in Frontline Management, DCIS orientation sessions, GAS system courses and refreshers, and a variety of self development courses such as Presentation Skills, Winning the Job, Managing Employee Performance, Staff Selection, and International Computer Driving Licence.

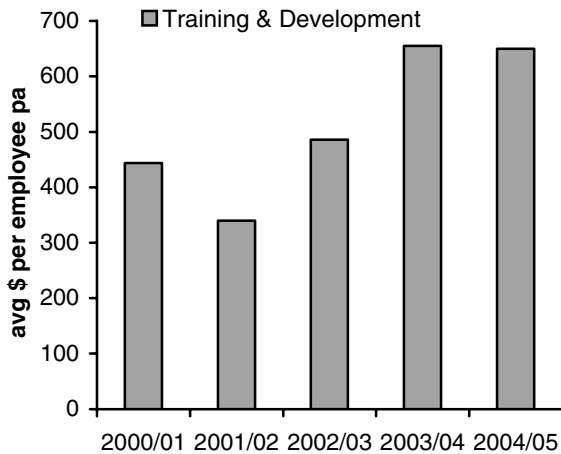




DCIS has a strong commitment to ensuring that our staff gain appropriate qualifications in order to provide a professional service to our customers. For example in our tendering service team during 2004-2005, three staff commenced accredited procurement training. Nine staff members are now accredited with Certificate IV in Government Procurement. Four of these have advanced to Certificate VI (Advanced Diploma) in Contract Management.

From our printing service, several key staff attended PacPrint 2005, the largest Asia-Pacific Print Exhibition in the region where all major manufacturers exhibit their latest technology. These staff members were able to assess relevant machinery, which will be acquired in 2005-2006.

In our fleet service, four staff members are currently undertaking undergraduate courses through Charles Darwin University and one staff member is undertaking a postgraduate course in Public Sector Management.



The graph shows the average \$ spent on training for each employee for each year over the past five years and shows an increasing trend in our commitment to our people. DCIS also supported this with other options such as cross skilling and rotations to provide comprehensive knowledge and skill development.

Graduates and Trainees

In 2004-2005 DCIS employed six recent university graduates to participate in a two year information technology training program. The graduates rotate through DCIS' ICT related business areas, learning about and working with ICT strategy, ICT contracts, and Data Centre operations and systems support.

The graduate trainees are also out-posted to work with DCIS IT management staff based in a customer agency. The trainees learn customer service and business skills as well as gain broad experience in information technology and provide new thinking to address a range of NT ICT issues.

During 2004-2005, we continued to support entry-level positions in the NTPS and employed two trade apprentices, a printing machinist apprentice to complement the experienced pressroom team and an automotive heavy vehicle road transport apprentice.

In addition, three trainee apprenticeships in IT and administration have been undertaken providing young people entering the workforce with an opportunity to gain experience and skill in a particular discipline.

Cross Skilling

With a diversity of services on offer and the different needs of customers driving our business, DCIS has further promoted the need for cross skilling in all our business services. Some key examples of progress in this regard in 2004-2005 include:

- the introduction of a formalised rotation/transfer initiative in Accounting Services facilitated 34 moves of staff, providing opportunities for personal development and contributing to a mobile, multi-skilled workforce. This has also resulted in an increase in HDA opportunities;
- all production positions and work values in our printing services were assessed and staff transferred to the more appropriate technical stream classifications. This allowed for more flexibility and to adequately accommodate the technological nature of the production environment;
- regional staff working across products during peak workload periods or for relief purposes and in some instances, carrying two distinct workloads. For example, the tendering service in Tennant Creek is shared between recruitment and fleet, whereas fleet is combined with entry-level programs in Katherine; and
- rotation of staff between service contracts and delivery, ICT strategy and policy and the data centre, together with key staff attending market leading forums on such issues as eGovernment and security have helped DCIS staff address the dynamically changing environment of ICT and develop the skills to operate ICT services to help agencies with their service delivery.

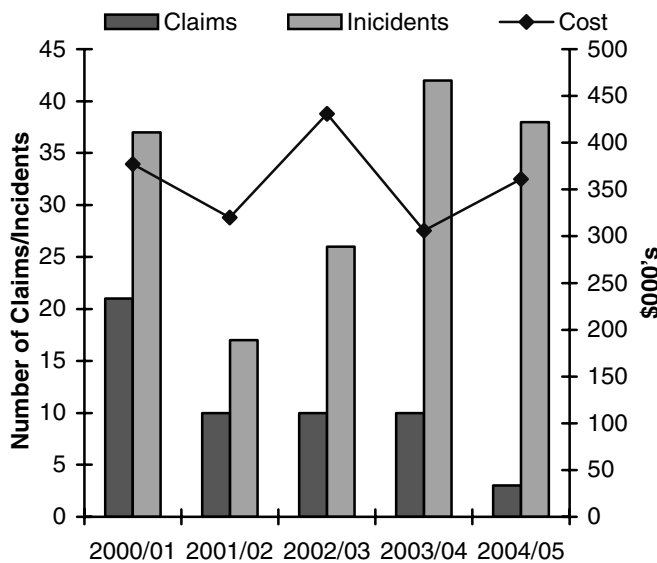
Occupational Health and Safety

Occupational health and safety is managed by means of the DCIS OHS Management System (OHSMS) the performance of which is monitored by an OHS Steering Committee chaired by the Executive Director Human Resources. The OHS Steering Committee convened three times during the year to review the performance of a network of OHS committees, representing all workplaces. Workplace managers conduct inspections regularly and OHS issues are an agenda item in management meetings.

OHS performance features for 2004-2005 include:

- DCIS experiencing its lowest number of workers compensation claims (three) in five years;
- employees from locations throughout the department have been trained as risk assessors, with responsibility to match new staff to their work environment and monitor changes that may affect the health and safety of staff;

- OHS is a feature of induction training for all staff;
- early intervention is implemented as soon as employees manifest signs of injury. Treatment may include workplace or job modifications and referral to medical or allied health professionals including EAS; and
- three new workers compensation injuries, contributing to a total of nine open claims at the end of June.



The graph shows the number of claims, number of reported incidents and value of claims. Over five years, the number of existing work related injuries has been reduced by 59%. Costs increased marginally this year, a result of the commercial settlement of a complex long-term claim. This initiative will result in reduced costs in future years.

Grievance/Promotion Appeals

Six grievance reviews were lodged during the reporting period 2004-2005. In three of the cases, our action was confirmed. In two of the cases, DCIS was directed to take action. One case was declined to be reviewed.

During the same reporting period, there were five promotional appeals lodged. Four appeals were against permanent promotions of which one was withdrawn, two were disallowed, and one has not yet been finalised. One appeal was against a temporary promotion and was disallowed.

The Office for the Commissioner for Public Employment released the new *Section 59 Review of Treatment in Employment Mediation Framework* in March 2005. This framework outlines new protocols for the *Section 59 Review* process, which includes mediation as an integral first step in the review.

The DCIS *Procedures for the Resolution of Grievances* have been updated to reflect these changes.

Planned Initiatives for Our People

With a focus on people as one of our key objectives in the coming years, the following are critical to demonstrating our support for our staff and developing a committed and capable workforce within DCIS:

- continuing to focus on mentoring and encouraging staff at all levels to participate. In particular, continue the mentoring pilot program, which provides mentoring to graduates, apprentices, Indigenous cadets and also some staff who have been nominated to participate in the program. The program will run for approximately six months with an assessment and evaluation of the program in February 2006;
- implementation of the succession planning strategic framework and succession planning toolkit for managers to enable managers to identify strategies that are specifically suited to the particular needs of their business unit to ensure succession of key positions;
- use the information collected from the 2005 Women in Leadership and Management pilot project to develop and implement strategies to address the barriers to women in senior roles;
- continuing the support network for new supervisors as an informal interactive information sharing and networking opportunity for staff within DCIS who are new supervisors or staff who have aspirations to supervise or manage staff;
- continuing to demonstrate engagement with staff at all levels through the implementation of staff sensing to evaluate the health of DCIS using facilitative sessions to gain feedback from staff. This is consistent with the move to a greater focus on customer relationships and internal relationships within DCIS; and
- assisting staff to realise their potential to develop through job rotations and continuing to incorporate this model into our operations through development and dissemination of a set of guiding principles for DCIS staff with support from our human resource area.

DCIS SERVICE PERFORMANCE REPORTING

Introduction

DCIS reports against a range of indicators as they have been presented in the budget papers and that we use to manage and monitor our day-to-day activities. Our DCIS services, their key roles and responsibilities, performance highlights and initiatives for the forthcoming year are discussed in more detail below.

In looking at the performance results for 2004-2005, it should be noted that some indicators have changed, services have been presented in more general clusters, and the formal customer survey was not conducted in 2004-2005 due to the burden it placed on our customers so there is no figures for this performance measure.

Accounting Services

Accounting Services encompasses:

Accounts Payable

- Pay supplier invoices
- Manage corporate credit cards
- Maintain a common vendor file
- Ensure GST compliancy

Accounts Receivable

- Raise invoices
- Debtor manage
- Bank account reconciliations
- Receiver of Territory Monies
- Bank services

Asset Management

- Register/record assets
- Register financial and operational leases
- Periodic stock-takes
- Co-ordinate the process of major and minor asset disposal
- Schedule and post monthly depreciation

Taxation Services

- Payroll tax
- GST/BAS returns and compliance
- Fringe benefits tax
- NABN/VA withholding's

Financial Reporting & Commercial

- Electronic provision of financial reporting, provision of data to assist in analysis and exception reporting between subsidiary and general ledger
- Commercial accounting services to some government business divisions and general agencies

Financial Systems

- Manage and maintain a fully integrated accounting system (GAS)
- Provide a system to report on business activity statements and agency financial data
- System and security administration along with technical and user support
- Maintenance of operational general ledgers



Accounting Services Performance Indicators

Performance Measures		2004/05 Estimate	2004/05 Actual
<i>Quantity</i>	Creditor invoices processed	440 000	448 144
	Debtor invoices processed	31 900	33 421
	Assets recorded	18 800	20 096
	Financial system cost	\$7.3m	\$7.02m
<i>Quality</i>	Customer satisfaction	>82%	Not assessed
	Processing error rate	<0.5%	<0.06%
<i>Timeliness</i>	Average days to process invoices	7	5
	Average days to record assets	10	10
	System availability	99%	99%

During 2004-2005, accounting services has worked in a number of key areas to enhance systems and processes to provide more effective services to customers including:

- significant reduction in the time taken to process invoices to an average of five days rather than the permissible eight days from the DCIS receipt date;
- providing centralised system support including Electronic Card Management System (ECMS), Online Billing Information Payment System (OBIPS), Receipts Processing System (RePS), and ConnectNT which has led to significant automation of previously manually intensive tasks, ensuring a faster service whilst strengthening data integrity;
- expansion of the use of FormTrap (document production tool), to include the localised printing of accounts receivable delinquency notices in all DCIS regions facilitating greater control of debtors in the regions;
- improving understanding and accuracy in processing through the conduct of GAS training courses in Darwin, Alice Springs, Tennant Creek, and Katherine with over 700 customers and DCIS staff attending;
- review of GAS performance on the mainframe, which led to a number of improvements, resulting in a significant reduction of CPU usage and a decrease in GAS mainframe charges;
- Crystal reports being used to assist business units within DCIS to concentrate on their major tasks by eliminating manual reporting and data analysis; and
- commercial accounting services, gaining the Aboriginal Areas Protection Authority and NT Land Corporation for whom we now process end of month and end of year accruals and ensure the integrity of the financial data in the general ledger.

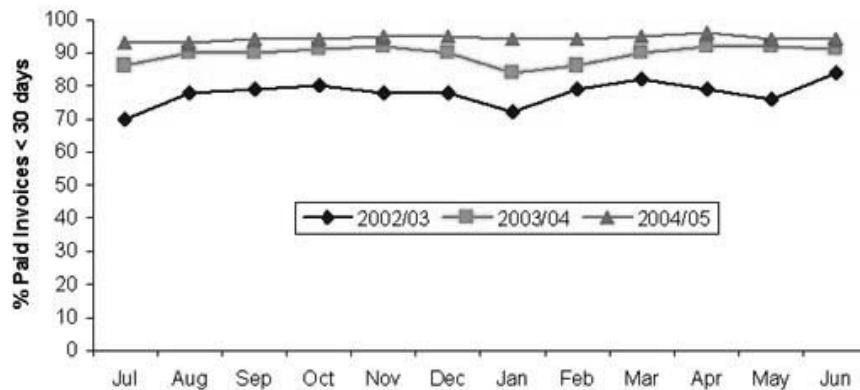
Audits/Reviews

A number of audits/reviews were undertaken in 2004-2005. A favourable post implementation review of the ECMS was undertaken and found that the objectives and benefits of the business case were achieved and that the project was well managed. A promotional opportunities review was conducted in May 2004 by an independent consultant to address the perception that the generic recruitment process in accounting services could be more equitable and time efficient. Because of this review, a facilitated workshop was conducted where staff identified five practical solutions to address concerns. Throughout the year, accounts payable has implemented their suggestions with initiatives such as the job rotation register along with the abolition of generic advertising.

Performance Indicators

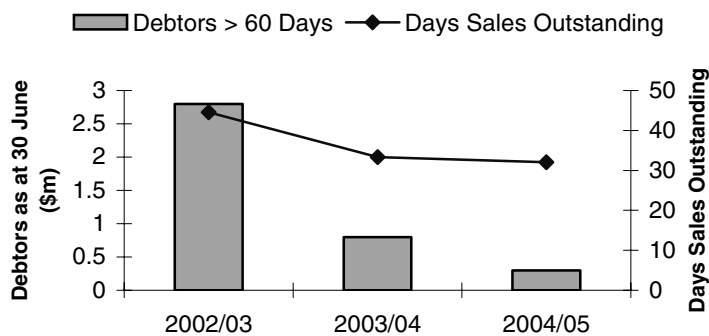
Over the last few years accounting services has continued to reduce costs through the introduction of more efficient processes such as interfacing directly to accounts payable, accounts receivable and fixed assets modules.

The monthly average number of creditor accounts processed has increased by 12% from 2002-2003 to 2004-2005, whilst turnaround times have reduced to five days through processing efficiencies.



This graph shows the % of non-disputed accounts that have been paid within 30 days from an agency’s receipt date. The increase in the number of accounts paid within the 30 days is attributed to agencies’ efforts to comply with Government procurement reforms.

Over the last year, DCIS has increased the number of invoices processed per person as a result of greater usage of the Accounts Receivable Wizard Requisition and direct interfaces from client systems.



The year ending 2004-2005 has seen a continued decline in long-term outstanding debtors and Days Sales Outstanding (DSO), which can be attributed to the establishment of formal credit policies between client agencies and DCIS. The DSO is below recognised industry standards of 40 to 45 days.

There has been a steady growth in the number of receipts processed during the last three years as a result of the continuing focus towards collection of outstanding monies owed to NTG. Significant increase in receipts processed per person has resulted from the reduction in the number of Receiver of Territory Monies positions. The implementation of the automated receipts processing system (RePS) and the usage of the Pay Online facility (which has increased by 10% on the previous financial year) have offset the increase in workload.

There has been an increase in the number of assets reported in the last three years. This increase resulted from a revaluation exercise that brought to account infrastructure assets such as roads and bridges as well as additional buildings. This was due to the implementation of accrual accounting and figures now more accurately portray the NTG's financial position.

Planned Initiatives 2005-2006

The GAS upgrade project was a major undertaking in 2004-2005 and will continue until the expected launch date of March 2006. Project tasks include:

- assisting agencies with the modification of their interfacing systems;
- evaluating and potentially rewriting data extraction scripts and reports;
- developing user guides and training manuals;
- conducting training in all regions;
- production installation and data conversion;
- identifying additional modules to be modified in GAS; and
- communicating progress with all agencies in conjunction with the GAS upgrade project.

In addition accounting services is planning the following for 2005-2006:

- implement web-based online requisitions using workflow;
- web-enable the current Travel Requisition Information Processing System (TRIPS);
- explore the feasibility of providing “self-service” terminals at Receiver of Territory Monies offices to access pay online facilities;
- provide additional invoice payment methods through the implementation of an Interactive Voice Recognition (IVR) phone system;
- implement a new barcode system, aimed at reducing the time and effort involved in stocktaking assets. It is expected that the current cost of this activity will reduce by over 50% after successful implementation;
- implement a surplus asset register on the DCIS web site for common office equipment that is no longer required by agencies. The intention of the register is to allow agencies to look for equipment that may be surplus in other agencies before purchasing, therefore maximising efficiency of asset allocation and reducing costs to government;
- partner with NT Treasury and a nominated client agency to address specific tax administration requirements;
- explore feasibility of providing interactive GAS training tutorial via the web; and
- upgrade reporting to Business Objects XI, which includes Crystal XI. This will enable continued improvements in the provision of reporting and data to agencies to assist in decision-making and to allow them to concentrate on core business.

Human Resource Services

Human Resource Services encompasses:

Payroll Services

- An administrative function for the payment and maintenance of salary and related entitlements including the maintenance of personnel records

Recruitment Services

- An administrative function for processing job vacancies, issuing contracts and offers of employment
- Staffing related processing such as higher duties and transfers

Occupational Health and Safety

- Provides integrated OHS and workers compensation services in partnership with client agencies. The OHS unit provides technical expertise and training, together with assistance in the development and implementation of OHS management systems that identify and treat OHS risks

Training and Employment Programs

- Centralised delivery of training and development opportunities and venue management. Sector-wide coordination of NTG employment programs ¹

Salary Packaging

- Management of executive contract employment and salary packaging within the NT Public Sector

Workplace Injury Solutions

- Integrated workers compensation and injury management services in partnership with client agencies and TIO. WIS provides a holistic service, embracing claims administration, the provision of rehabilitation, and return to work programs, together with training and information for managers

HR Systems

- Management of the integrated personnel information and payroll system (PIPS), the myHR interface and the payment disbursement system (PAPMS). Includes system administration, technical and user support, reporting and training

Job Evaluation System

- Operational management, consultancy advice, coordination and transaction processing services for positions subject to evaluation under the NT Government's Job Evaluation System (JES)

¹ Employment programs for NTG includes apprenticeships, graduate development programs, national Indigenous cadetship programs, and vocational employment programs for university students.

Human Resource Services Performance Indicators

Performance Measures		2004/05 Estimate	2004/05 Actual
<i>Quantity</i>	Employees paid	16 500	17 370
	Commencements and terminations processed	13 000	10 907
	Pay variations processed:		
	- automatic	490 000	449 000
	- manual	270 000	289 000
	Human resource system cost	\$6.0m	\$5.4m
<i>Quality</i>	Customer satisfaction	>84%	Not Assessed
	Processing error rate	<0.4%	0.01%
<i>Timeliness</i>	Electronic variations processed in applicable pay period	98%	98%

Key Performance Indicators	2004/05	2003/04	2002/03
Quantity of new starters	6243	5603	5040
Number of temporary and nominal moves	37 090	33 088	28 600
PIPS availability	99.9%	99.9%	99.8%
Transaction response time	99.6%	99.3%	98.9%
PIPS system cost	\$5.70m	\$5.63m	\$5.40m
Price of system per employee	\$350	\$348	\$393
Number of half training days	4379	6615	5040
Number of jobs evaluated	1384	1064	933
Timeliness (turnaround time for JES Evaluation)	8 days	6.6 days	5.5 days

Payroll Services Performance Highlights

There have been a number of projects targeted at improving service delivery by reducing the risk of payroll errors and improving the timeliness of employee payments. Several process and system enhancement projects commenced in 2004-2005 including changing the way Penalty in Lieu (PIL) payments to shift workers are processed, casual staff are paid and Shift Responsibility Allowance (SRA) for nursing staff is calculated and processed. It is expected that these projects will conclude in 2005-2006.

Induction training for new payroll staff has been expanded from three days to one week in 2004-2005. Induction training is provided in-house and includes more in-depth training in basic payroll processing as well as contextual training on the payroll system

and the HR services branch. This has provided payroll teams with new staff that are better equipped to deliver efficient payroll services to our customers as well as improving the retention rates of staff.

Payroll services, Darwin undertook a significant relocation activity to consolidate the key service delivery teams which has resulted in greater flexibility with people management and improved service delivery to customers.



Salary packaging unit provided many awareness sessions throughout the Northern Territory particularly targeting new recruits to the Department of Health and Community Services as well as regional employees. In addition, in 2004-2005 the salary packaging unit managed 431 executive contracts, 1311 employees' salary packaging to non-cash benefits, and 1866 employees' salary packaging to superannuation.

The list of non-cash items available via salary package is constantly being reviewed. This year new items available to NTPS employees include credit card payments, gym membership (only on employer's premise), compulsory uniforms, tools of trade, professional fees, and union fees.

Recruitment Services Performance Highlights

During 2004-2005, recruitment services piloted a web based agency recruitment management system (ARMS) within DCIS and Department of Chief Minister. ARMS enables the workflows around the processing, advertising and filling of vacancies thereby increasing efficiencies in processing time and effort. The implementation of this system will significantly improve the recruitment process for agencies, reducing the time to recruitment and enhance reporting for agencies. It is anticipated this system will be rolled out to all agencies in 2005-2006.

In 2004-2005 recruit services implemented a more streamlined base grade (AO1 and AO2) recruitment process called Entry Level Recruitment (ELR), designed specifically to help agencies fill base grade positions within the shortest possible time. ELR (restricted to the administrative employment stream at this time) has been rolled out to all major regional centres as of 1 June 2005. ELR staff preselect, short list and match applicant's details with agency requirements before referring suitable candidates to agencies. This innovation has significantly reduced the amount of time taken to recruit base grade employees into the NTPS with around 40-45 applicants placed across the Territory each month.

Recruitment services piloted an Indigenous employment services program to assist Indigenous people gain entry to the NTPS, and to provide mentoring support for those within the NTPS. This service, provided by Mission Australia, was a four month trial to



examine various recruitment/retention strategies aimed at increasing the number of Indigenous employees in the NTPS. During the pilot 89 applicants registered with the program, 79 applicants responded to advertised vacancies, and six people gained temporary contracts.

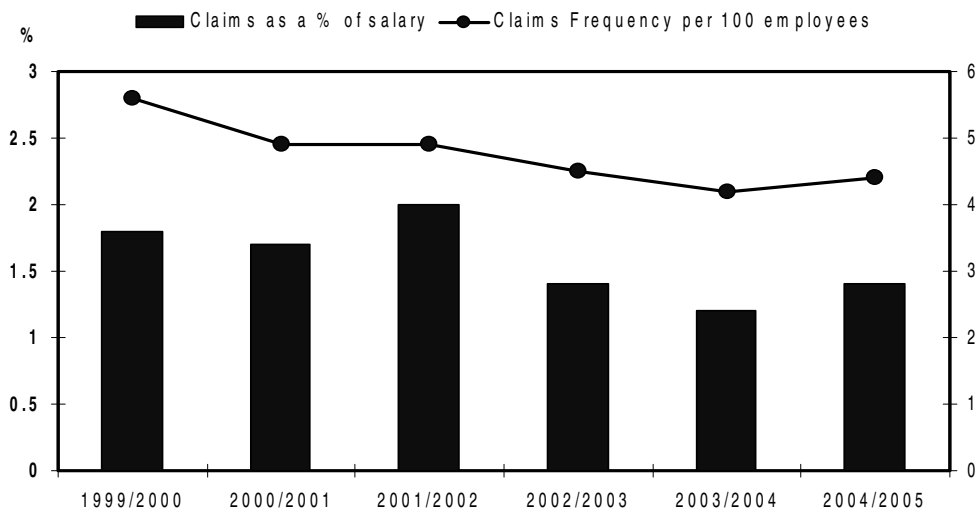
Work Injury Solution Performance Highlights

Within the Work Injury Solutions Unit (WIS) a comprehensive program of training and development delivered by legal, medical, and insurance professionals was conducted this year in support of our continuous improvement strategy. This ongoing training has resulted in the continued reduction in the number of open claims and their cost.

This year the relationship with agencies has been strengthened by the revision of protocols, which ensure regular dialogue with agencies, together with their input into decision making at every stage of the claims management process. In addition, there has been a focus on establishing a supportive relationship with the injured worker at the earliest opportunity.

Agency sensing confirms a high level of satisfaction with their relationship with WIS. Protocols have been developed, which will ensure a high level of support for injured workers, commencing with meetings/visits as soon as practicable after the establishment of a workers compensation claim. These strategies contributed to the early resolution of claims and the reduction in costs as well as increasing the satisfaction of agency and employee customers.

This year, as a result of discussions with key users, the Figtree OHS and injury management reporting system has been enhanced with the development of new modules that include electronic lodgement of incident reports and web-enabled monthly agency reports. At the request of agencies, enhanced rehabilitation and OHS modules are being developed for use by agencies, further empowering self- management of OHS and injury management.



As demonstrated above a significant number of commercial resolutions of various agencies' long-term claims in 2004-2005 resulted in a marginally higher % of cost

across government compared with the previous year. This will result in reduced costs to the NTG in future years.

Other process initiatives in 2004-2005 included:

- the establishment of an education officer position with responsibility for delivering strategic advice, including training agency practitioners and educating managers in their responsibilities in the claims management process; and
- consolidating integration with the OHS unit to enhance prevention and aid investigation of incidents.

OHS Performance Highlights

DCIS OHS places a high value on the professional credentials of its staff, which are required to deliver services that maximise the ability of customers to conduct their business. In 2004-2005, all DCIS OHS officers received training, and were duly qualified as OHS Management System Auditors. The qualification in accordance with Australian Standard 4801 is recognised both nationally and internationally. In addition, all staff received specialised training in dangerous goods management in a strategy that is aligned to a national focus to improve chemical management across industry sectors. Further, the academic qualifications of all staff have been reviewed with the objective of ensuring conformance with the OHS profession's accepted benchmark.

This enhanced capability to deliver a high-end strategic OHS service has already benefited one agency with an audit and findings to significantly enhance its management system. Other agencies have committed to undergoing an audit in 2005-2006 period or are contemplating utilising the service. In addition, two significant agencies have joined an increasing number to have signed OHS partnering agreements, which include contemporary work plans that foster agency ownership of OHS responsibilities.

A campaign to enhance chemicals management within the public sector has been scheduled to commence in 2005-2006. The training of employees with responsibility for chemicals management/storage will be a key component.

DCIS OHS has been called upon to represent DCIS at a number of agency and industry OHS focused forums and committees including attendance as expert adviser at agency executive OHS steering committees.

In consultation with agencies, several initiatives have been pursued:

- detailed OHS service delivery manual has been developed, that ensures the consistent delivery of specific OHS services;
- audit protocol has been developed for agencies, consistent with Australian Standard 4801;
- self-inspection checklists have been developed that foster ownership by agencies;
- provision of high technology noise metering equipment for general use and for use specifically within an agency with identified significant noise level risks; and
- provision of access to Australian Standards online.

HR System Performance Highlights

During 2004-2005, DCIS successfully migrated the Payroll & Payment Management Services System (PAPMS) to the NTG mainframe as a result of the decommissioning of PAPMS by CITEC effective from 30 June 2005.

Delivery of this project spanned an 18 month period and the system went live at the beginning of the 2004-2005 year with the payment of salaries for all government employees being processed from Darwin from payday 30 June 2005.

The transition of knowledge and skills to support the application in Darwin has commenced. The NTG has a support arrangement with CITEC in place until March 2006.

Audits

Deloitte Touche Tohmatsu conducted a series of audits for the Auditor General in respect of the NTG Personnel Information and Payroll System (PIPS) to ensure satisfactory internal controls were in place. Controls related to access and security, data accuracy and reliability as well as procedures to deter and protect against fraud. No major incidents identified.

Training and Employment Performance Highlights

In March 2005, Training and Employment Programs was created with the amalgamation of the short courses unit from workforce services and the entry-level programs unit from recruitment.

In 2004-2005, training and employment continued to make a significant contribution to the personal and professional development of the NTPS. Coordination of significant training continued to be provided to agencies in support of the implementation of agencies procurement management plans. The training was developed in partnership with the Procurement Review Board, Procurement Champions Group and DCIS tendering services.

There were two panel contracts developed and awarded for the provision of Facilitation, Learning and Development Training Services and International Computer Drivers License (ICDL) Training Services.

Employment programs facilitated the recruitment and commencement of 123 new apprentices during 2005, exceeding the NTPS target for the period. The types of apprenticeships commenced this year have increased to include two trade apprenticeships of 36–48 months (automotive and printing and graphics) as well as 12 month apprenticeships in civil construction, community services, dental assistant and information technology. Of these new apprentices, 45 are Indigenous.



The following table shows statistics over the past four years for all programs delivered by the unit.

Employment Programs	2005	2004	2003	2002
Total number of Apprentices (WOG) ²	123	119	53	43
Number of Indigenous Apprentices	45	56	6	No record
School Based Apprenticeships	4	5	19	Nil
National Indigenous Cadetship Program ³	15	22	8	11
Graduate Development Program	22	22	15	13

Job Evaluation System Performance Highlights

During 2004-2005, 1384 positions were evaluated, which was an increase of 28% on the previous year and 207 evaluation panels were convened. This included significant ongoing work associated with the review of nursing career structure with further reviews of individual and generic job analysis questionnaires.

Provision of high-level consultancy services to assist in the evaluation of top and middle management positions within the Department of Health and Community Services were further highlights.

In partnership with OCPD and Mercer Human Resource Consulting, a review of the JES evaluators manual was completed and the revised guidelines will be released in 2005-2006.

Human Resource Planned Initiatives 2005-2006

In 2005-2006, Human Resource Services will:

- build on the improved induction program for new employees as well as introducing a comprehensive development program for existing staff;
- continue to enhance the payroll system, including myHR, in an effort to continue to improve the delivery of payroll services to customers and achieve greater processing effectiveness and efficiency;
- explore further expansion of salary packaging options available to NTPS employees such as packaging to superannuation allowing lump sum payments and

² These figures only include the apprenticeships/traineeships that are coordinated by the Employment Programs Unit. They do not include training programs such as prison officers in training and PAWA apprentices.

³ The National Indigenous Cadetship Program (NICP) is a career development program for Indigenous people, which extends over several years (depending upon the length of study required to achieve their degree), therefore commencements in one year produce a commitment for a number of years.

the ability for employees over 50+ years being able to package over 50% of fortnightly salary;

- offer agencies recruitment consultants in 2005-2006 as an additional service on a cost recovery basis. These consultants will offer recruitment expertise at each step of the recruitment process and assist our customers through tailored optional extras;
- offer agencies a regional brokerage service to assist our customers to attract suitable applicants to regional positions;
- expand the entry-level recruitment service to include other employment streams;
- work with regional and remote sites throughout the Territory to facilitate the adoption of online learning as an alternative training delivery method;
- support the Government's Remote Workforce Strategy by implementing an online sector wide induction program via the intranet and/or CD ROM; and
- provide a revised online toolkit for managers with quality examples of generic Job Analysis Questionnaires (JAQs) for all jobs subject to job evaluation.



Information Technology Services

Information Technology Services encompasses:

Information Technology Service Management (ITSM)

- A fully managed IT service
- The overseeing and reporting of services provided by contractors
- Advice on IT contract terms and conditions
- Advice on the integration of technology into business processes in accordance with whole of government policies and standards

Data Centre Services

- A mainframe computing facility to host and provide processing capacity for application systems, including CICS, DB2
- Manages server environments including Unix, and Windows NT, and a range of database systems including Oracle and Universal Database (UDB)
- Conducts application hosting for Web applications
- Provides a secure 24-hour monitored server hosting environment in the NTG Data Centre

Information Communications and Technology (ICT) Policy and Strategy

- Development and maintenance of ICT policies, standards and procedures
- Management of whole of government ICT strategies and projects
- Provision of ICT security advice, approvals and incident response coordination and management of the central NTG internet and intranet web sites

Communications Branch

- Provides whole of Territory focussed policy for the delivery of first class telecommunications to all Territorians. Policy initiatives aim to deliver improved mobile and fixed telecommunications, together with TV and radio broadcasting services, particularly in the remote areas of the NT

Information Technology Services Performance Indicators

Performance Measures		2004/05 Estimate	2004/05 Actual
<i>Quantity</i>	Users with access to desktop facilities at any one time	9630	9895
	Agency information technology support hours	38 000	34 500
	Billable mainframe (CPU) seconds processed per month	1.71m	1.92m
	Servers managed – mid-range services	90	87
	Databases hosted – mid-range services	90	94
	Gigabytes of Storage Area Network	5300	5382
<i>Quality</i>	Customer satisfaction with service providers	>81%	Not assessed
	Unplanned outages per month – mainframe services	0	0
	Unplanned outages per month – mid-range services	3	3
<i>Timeliness</i>	Service providers compliance with contract agreements	100%	78.1%
	Response time for mainframe services (<5 seconds)	98.5%	98.5%
	Performance report for mid-range services provided to customers each month	<10 days	<10 days



Key Performance Indicators	Estimate 2004/05	Actual 2004/5	Actual 2003/4	Actual 2002/3
Quantity				
Agency support hours ⁴	41 400	37 657	40 325	38 397
Number of desktops managed ⁵	10 500	9565	9236	8592
Communications grants	-	564K	516K	534K
Number of Commonwealth and industry liaison meetings held	-	8	9	5
Number of managed broadcasting infrastructure facilities	6	5	6	7

Performance Highlights in ICT for NTG Agencies

Three of the above business units are responsible for delivering information and communications technology (ICT) services to support and enhance NTG Agency’s business processes. The core whole of NTG services includes:

- some 10 000 desk top computers and associated local area networks, help desk, printers and file servers;
- telecommunications and internet services; and
- messaging services.

Strategic advice, policies, and standards are also developed by DCIS and provided to agencies to ensure interoperability across agency computing systems together with secure and appropriate ICT usage.

The first round of desktop outsourcing will conclude in June 2006 with the expiry of a five year \$200m agreement between the NTG and Computer Science Corporation (CSC). To ensure the next contract will provide what agencies need and what is technically possible ITSM consulted extensively with agency stakeholders and industry through workshops/ presentations and a white paper.

The white paper was published in May and circulated, indicating directions and options for the new tender. Feedback was received from both local and national companies as well as from NTG agencies. The feedback was used to prepare the sourcing strategy, and the draft tender.

The sourcing strategy was published to inform local and national companies about the NTG strategic sourcing direction in relation to the tender and to allow them to form partnerships in preparation for the tender.

⁴ Expected increase in demand due to new agencies

⁵ Averaged over 12 months

A system called ePASS was developed and implemented to manage the identities of all NTG employees and to record all ICT services that individuals use. Staff use ePASS to request new services via an approval workflow process that is then passed to service providers. This ordering system ensures that only authorised requests are transferred to service providers in a standard format with the relevant billing codes to improve billing accuracy for all NTG agencies. The cooperative manner in which ePASS has been developed means that benefits flow both to the NTG agencies and service providers.

During 2004-2005, ICT continued to work with service providers to improve the relationship model and engagement framework between DCIS, service providers, and agencies. Two new forums were established:

- the Enterprise Architecture Review Group is made of representation from ICT and all NTG major service providers. This forum focuses on the technical aspects of service delivery and the overall architecture and technology directions of government; and
- the Joint NTG/ICT Infrastructure Partners Group has been put together to enhance relationships between government and the industry to ensure services are being delivered that meet the needs of agencies. This forum is made of senior members from NTG agencies and senior representatives from outsourcing partners with no proxies allowed.

During 2004-2005, Data Centre Services (DCS) redefined and converted 19 positions previously filled by contractors with permanent employed staff. The conversion has allowed staff to undertake standard training and development courses adding value to the organisations technical and management capability.



Included in this group are the Chan Operations team that run the Data Centre on a 24/7 shift rotation. They are currently participating in an individual and group development program in line with the changing nature of their technical skills and client requirements.

DCS also introduced a system that tracks the technical activities associated with managing a service ticket (job) or problem. This has assisted in the organisation of workflow and reporting of job status back to customers. The system has a web interface for customers so that they can track the progress of their jobs. DCS has upgraded the automated tape library to cater for growth in demand for storage management.

A proof of concept project involving service providers, agency representatives and the students from the Charles Darwin University (CDU) has resulted in secure intranet access to a mainframe system paving the way for similar services to be provided to a broad range of NTG systems and services.



Performance Highlights in ICT for Industry Development

The ICT industry in the NT is an important enabler of government, business, and community wellbeing. As the largest consumer of ICT in the NT, DCIS is responsible for encouraging the health and growth prospects of the ICT Industry within NT.

During 2004-2005 DCIS, in conjunction with the ICT Industry and other key stakeholders from NTG and CDU, retained consultants to help build a five year NT ICT Industry Plan. The plan identified key directions, goals, and priority initiatives for the industry to sustain growth and create value for Territorians. The plan will be launched in 2005-2006 with initiatives directed by a combined industry NTG steering group.

The plan establishes a program office jointly funded by industry and Government to progress joint initiatives.

DCIS sponsored a world authority on clustering to run a workshop with the ICT industry in Alice Springs, to help form cooperative business relationships and increase growth potential.

Performance Highlights in ICT for Territorians

DCIS is also responsible for developing policy and associated programs to improve the availability and use of telecommunications and broadcasting services for all Territorians, particularly those living and working in remote areas.

DCIS successfully secured \$2m from the Federal Government Communications Infrastructure Fund to enable Telstra to match the same level of investment to construct high capacity telecommunications links from Daly River to Wadeye. This initiative will provide the communities of Wadeye, Palumpa, and Peppimenarti with capacity for high-speed internet services, better telephony and eventually mobile services.



During the year, the Remote Area Telecommunications Strategy was reviewed and presented to the Regional Telecommunications Forum, which provides a framework for Government's activities for the development and use of telecommunications in remote areas of the Territory.

During 2004-2005, more than 9000 homes in Darwin's northern suburbs were contacted. Many householders had been experiencing TV reception problems for some time. Householders were invited to contact a technical expert for advice and a personal visit to help improve TV reception. Minor problems such as misaligned aerials and faulty cabling were often remedied on the spot and written reports provided for more substantial remedies such as, tree clearance, new TV's or aerials. The program has been extended to a further five suburbs in the northern suburbs and will be undertaken during the first quarter of the 2005-2006 financial year.

Information Technology Services Planned Initiatives 2005-2006

Based on feedback received in workshops and through agency discussions a number of initiatives including the following have been identified for implementation during 2005-2006:

- review the roles and responsibilities of the contract management and agency services functions within ITSM to enhance and align services provided and those sourced from service providers via the ICT contracts.
- prepare a business case with a view to pilot the implementation of Electronic Document Management (EDM) using the TRIM system. The business case will scope the full cost of transition to EDM for all NT agencies;
- implement the NT ICT Industry Plan to establish closer links between the ICT Industry and the NTG Program Office to progress initiatives;
- establish an ICT Business Improvement Centre (BIC), to assist in the effective use of ICT to improve business outcomes for NTG agencies. The focus will be on aligning ICT solutions with business needs;
- establish and develop a Service Management Hub (SMH) to reduce complex issues for users of the ICT service. The SMH will initially be a web-based self-help/self-service that includes administration of user accounts, and reporting services for NTG agencies. This promises to lower the cost of providing the shared services and increase services to all NTG users;
- develop a strategy for integrated Identity and Access Management (IAM) service for NTG agencies. The IAM service will centralise the access credentials and identity information of users in one location. This will reduce costs while improving security;
- secure Commonwealth funding from the Building Additional Rural Networks (BARN) funds to provide mobile communications in an additional nine communities;
- coordinate confidential information from industry and provide the ICT industry with an aggregated business model to establish a commercial enterprise to deliver cost effective and timely maintenance and support for ICT users and equipment in remote communities;
- replace the DCS mainframe with a more flexible zSeries mainframe. The zSeries mainframes can be scaled up or down according to demand, with some support costs being linked to usage, unlike the current system where size and costs are fixed;
- upgrade the Data Centre's large-scale storage system to cater for the increasing demand for centralised data storage and backup services. Services will compliment the trend for servers to be moved from client premises into a more secure data centre environment that has 24/7 operational services; and
- progress the development of the ICT disaster recovery strategy systems and infrastructure, to ensure business continuity for NTG and Territorians in the event of a disaster.



Property Leasing Services

Property Leasing Services encompasses:

- Management of the NTG's leased properties
- Providing office accommodation and warehousing facilities for NT Government employees
- Acting as the NT Government's real estate agent for agencies ensuring that lessor and lessee obligations are honoured by both parties
- Negotiating and management of leasing arrangements and the securing and managing of security and cleaning service providers for leased properties

Property Leasing Performance Indicators

Performance Measures		2004/05 Estimate	2004/05 Actual
<i>Quantity</i>	Property portfolio leases	142	143
	Area leased	170 000m ²	171 000m ²
<i>Quality</i>	Customer satisfaction	>80%	Not Assessed
<i>Timeliness</i>	Rental payments made on time	100%	99%

Property Leasing Performance Highlights

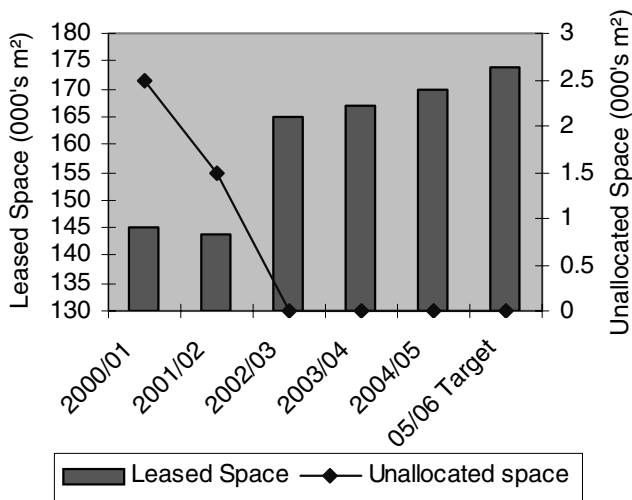
One of the more significant leasing activities during the year involved going to market for 4500m² of additional office accommodation for the Department of Justice. This involved the development of tender documentation used to invite industry to submit their expression of interest.

The assessment process paid particular attention to probity issues, involving probity and evaluation plans, to ensure that the selected proposal resulted in a value for money outcome.

In 2004-2005, a review of the level of work undertaken and the manner in which work is allocated resulted in teams now focussing on a portfolio of client agencies ensuring a coordinated and whole of solution approach to servicing agency needs.

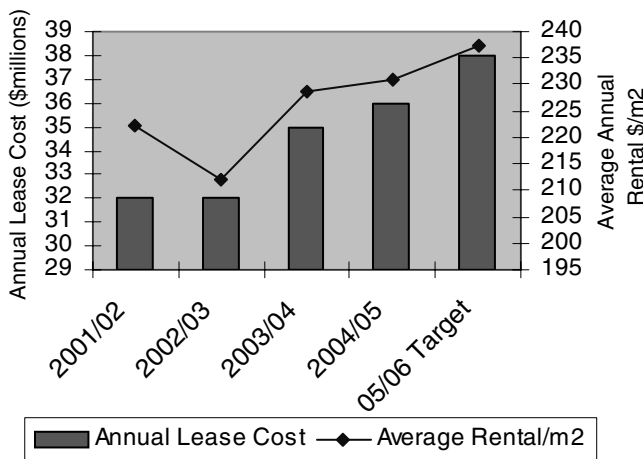
The policy and processes in relation to the acquisition of leased property was reviewed during the year. The review involved consultation and workshops with industry and NTG agencies. While the outcomes of the review are yet to be finalised, the consultant assessed that there is significant opportunity for improvement in relation to processes and the development of a greater strategic focus on leased property from a whole of government perspective can be achieved.

As a result of NTG agency feedback during 2003, formalised and regular meetings with agencies were introduced to discuss 12 month plans and achievements for each agency's leased accommodation portfolio.



The graph shows an increase of 200m² in area since 2003-2004. The increase was due in main to new lease arrangements for NT Housing and a new training facility for correctional services.

Leased space unallocated to agencies remains negligible.



The average rental cost to Government was contained during the year with a slight increase in the average cost per square metre of \$2/metre or 1% of the cost in 2003-2004.

Property Leasing Planned Initiatives 2005-2006

The next year will see the implementation of approved strategies to address findings from the review of procurement policy and processes for leased office accommodation undertaken during the year.



Printing Services

Printing Services encompasses:

Government Printing Office (GPO) which is the Government Business Division

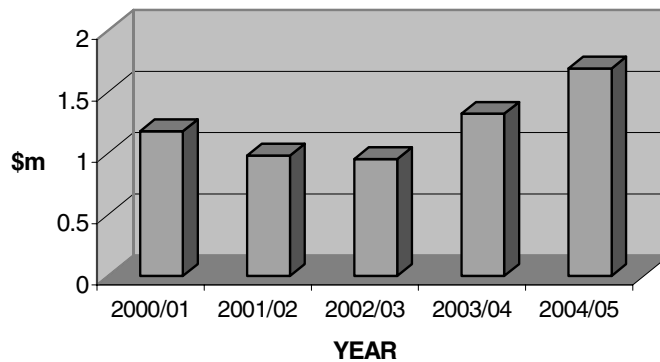
- The GPO delivers cost-effective printing and publishing services to Parliament and the NTG from large premises in a secure environment, specifically designed for efficient production of a diverse range of products and services
- The GPO manages the printing of all pamphlets, reports, publications, and promotional material for agencies including reserve function printing of Hansard, Parliamentary papers, Bills, Acts and Regulations, Gazettes, Budget Papers, examination papers and ballot papers

Printing Services Performance Indicators

Performance Measures		2004/05	2003/04	2002/03
Quantity	Jobs taken	3638	3320	3166
	Printing outsourced	28%	22.2%	18.7%
Quality	Jobs reworked	0.10%	0.14%	0.03%
Timeliness	Quotes provided within required timeframe	99.5%	100%	100%
	Jobs completed within required timeframe	100%	100%	100%

Printing Services Performance Highlights

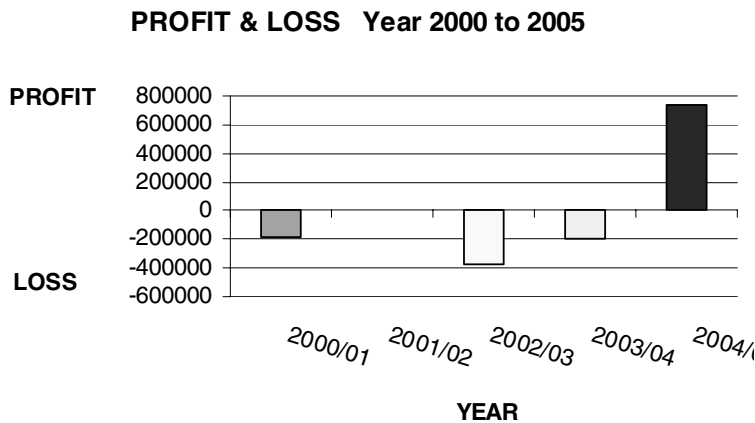
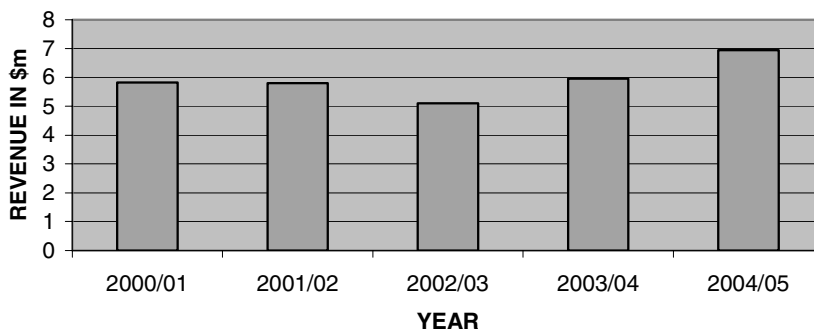
The GPO works in partnership with the private sector to provide our customers with the best possible outcome in the supply of their specific printing requirements. The GPO's continued commitment to the private industry is detailed in the table below outlining outsourcing over the past five years.



The 2004-2005 year was a particularly good year for the GPO with revenue increasing by more than \$900 000 and a profit for the first time since 1999-2000. A significant improvement of \$740 000 profit can be attributed to several factors, which include:

- strong focus on capturing customer related costs associated with the production of various print orders;
- increased morale, which lead to improved performance in the production and sales areas. Reduced costs due to operational efficiency; and
- increase in revenue due to new government and tourism initiatives and is consistent with industry trends for moderate growth within the print industry.

This can be seen in the following graphs.



The graph shows details of profit/loss over the last five years from ordinary activities before related income tax expense.

Our printing services have continued to provide plant tours and to encourage a better understanding of our business and how it can support our customers business in 2004-2005. Visits to customers by the Deputy Secretary of DCIS were used to introduce the new Government Printer who commenced in January 2005. These visits were used to give a clear direction of the GPO’s focus on being a “supplier of choice”, discuss any issues that agencies may have with the GPO and inform customers of initiatives to be undertaken by the GPO over the next twelve months. In 2004-2005 GPO offered advice on how the service might provide savings to agencies; launching an electronic copying service, Copy Link, and provision of the NT Gazette online.

Printing Services Planned Initiatives 2005-2006

Following the successes of 2004-2005, the GPO is looking forward to further enhancing our printing services to customers through:

- upgrading from V16 of Prism (Print Management Information System) to V18 with enhanced functionality and to utilise its benefits for GPO business processes and procedures; and
- a replacement program with an emphasis on upgrading technology to deliver a more streamlined service to our customers. The machinery to be acquired during 2005-2006 will include a replacement folder and computer to plate technology to replace an outdated image setter.

Fleet Services

Fleet Services encompasses:

NT Fleet, which is a Government Business Division

- The management of the vehicle fleet for all NTG agencies, except Northern Territory Police, Fire and Emergency Services. This includes both light and heavy vehicles

Fleet Services Performance Indicators

Performance Measures		2004/05 Estimate	2004/05 Actual	2003/04	2002/03
Quantity	Number of vehicles managed	2250	2346	2276	2167
	Age profile of light vehicle fleet < 2 years as a %	81%	79%	80%	81%
Timeliness	Time between surrender of vehicle by agency and disposal as a % of target days	<75	91%	92%	94%

Fleet Services Performance Highlights

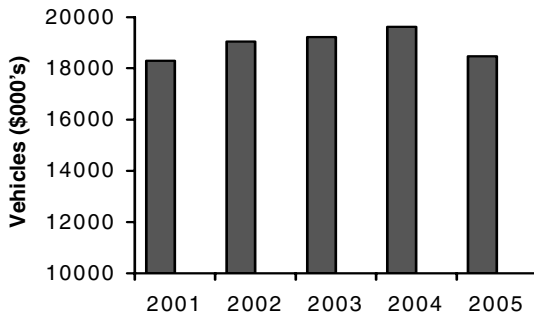
In 2004-2005, considerable progress has been made on fleet services web enabled Customer Access and Reporting System (CARS). Requisitions online, fuel reporting and asset management and maintenance systems were all undergoing user acceptance testing as at year end. The release of these systems will realise significant benefit to the end user both in operational efficiency gains and user accessibility to information.

Fleet services have further increased the availability of fuel-efficient hybrid vehicles to agencies by subsidising the hire rates in line with government policy. This type of vehicle is actively promoted through Fleet's customer and cost driver presentations to agencies. Given rising fuel costs, hybrid vehicles have the potential to realise significant savings to Government.

NT Fleet has increased the value of its fleet to \$73.5m from \$67.9m to meet government initiatives. It has also increased its profit to \$8.14m before tax from \$6.97m. This has been achieved through efficiency gains and reductions in expenditure, while at the same time, realising a 4% growth in the size of the fleet. This result demonstrates our goal to be an efficient and effective supplier of vehicle fleet services to government.

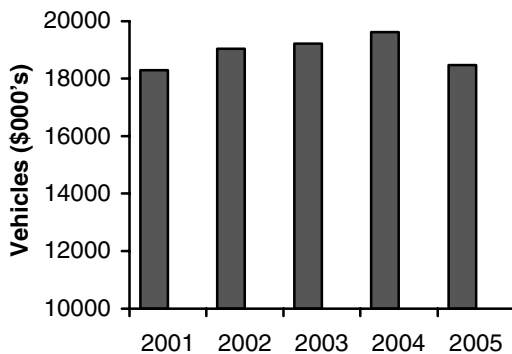


Disposals



This graph shows the age profile of fleet vehicles. On 30 June, Fleet Services operated 2346 light vehicles. Of these 1081 were purchased to the value of \$33.527m against the 2004-2005 program. The age profile of the fleet reflects a modern, cost-effective fleet with 1853 (or 79%) of the total fleet being < 2 years old. This is reflected in the low maintenance cost of the fleet and return at sale.

Disposals



This graph shows the value of disposals – 953 light vehicles were disposed for a GST exclusive value of \$18 470m for the year ended 30 June 2005. The number represents 29 fewer than the previous year. Return on vehicle disposals have trended down over recent months, which has contributed to lower than expected disposal revenue.

Fleet Services Planned Initiatives 2005-2006

In the coming year fleet services will implement the web-enabled requisitions online, short-term hire pool vehicle booking system and fuel usage reporting, which collectively form the customer access and reporting system. These systems will enable customers to interact with NT Fleet more effectively and enable better control of their vehicle fleet.

It is also proposed to introduce a quarterly report to customers, which provides comparative information on whole of government and individual agency vehicle fleets. The information provided will enable customers to benchmark their vehicle fleet against whole of government.

These initiatives will be supported by a range of strategies from the fleet stages of excellence model compiled by Benchmarking Success for the fleet management benchmarking and improvement peer group in which NT Fleet participates. The selected strategies will improve effectiveness of service delivery and strengthen customer relationships.



Records Services

Records Services encompasses:

Records Policy and Systems

- Whole of government records management standards, procedures and systems to ensure the creation and effective management of full and accurate records to support accountable agency business requirements

Archival Heritage Services

- Aims to expand community understanding and knowledge of the Territory's heritage by preserving, promoting, and providing access to the Territory's archival resources. Services provided by the program include archives collection and transfer, archives preservation, oral history recording, community research and information, and the Northern Territory History Grants program

Records Services Performance Indicators

Performance Measures		2004/05	2004/05	2003/04	2002/03
		Estimate	Actual		
<i>Quantity</i>	Employees accessing records policy and systems services	16 500	17 370	16 528	16 075
	Archives collections managed	2500	2515	2407	2275
<i>Timeliness</i>	Availability of the TRIM system	100%	99.9%	99.9%	99.9%
	% of research queries satisfied within standard timeframe	90%	100%	97%	96%

Records Services Performance Highlights

In 2004-2005 in accordance with its obligations under Section 137 of the Information Act, record services commenced monitoring agency compliance with the records management standards, which were issued and gazetted the previous year.

Government's records storage contractors reported an increase in utilisation of their services, with 97 921 containers of government records in storage with the Darwin contractor in 2004-2005 compared to 74 806 the previous year. Approx 17 700 containers of government records were in storage with the Alice Springs contractor compared to 15 520 the previous year. This is a 23% growth in Darwin and a 12% growth in Alice Springs. In addition, 1075 customers visited the Darwin and Alice Springs research rooms. This is a 20% increase on last year when 859 customers visited. The increase is considered due to the establishment of the office in Alice Springs. These customers were provided with access to 35 399 archival items.

Advice and training in records management policies, procedures, systems, thesaurus development, and records disposal was provided to customers to further support the aim of achieving compliant records management across government in accordance with responsibilities under Part 9 of the *Information Act*.

In 2004-2005 records services achieved the following:

- An archives management system was purchased and installed to enable more efficient management of the Territory's archives collections and to provide greater community access to the archives.
- Significant archival collections and oral histories were deposited in the archives. 109 collections/series of archives were acquired and made available. 39 oral history recordings were deposited and 34 transcriptions made available for community research. A total of 2516 archives collections were managed.
- A pilot project was commenced to index Territory archives as sources for Aboriginal family research. This was a Government response to recommendations of the Commission of Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families.
- History grants totalled \$50 000 and were awarded to 15 successful applicants. Recipient and grant details are at Appendix A.

Records Services Planned Initiatives 2005-2006

In the coming year, the records service will:

- implement a training program to assist agencies to comply with the records management provisions of the *Information Act*;
- implement a version upgrade of NTG records and document management system to TRIM Context to provide improved functionality and efficiencies for all customers;
- revise and reissue the NTG corporate records retention and disposal schedule and thesaurus;
- determine future system infrastructure for improved delivery of the records and document management system across the NTG;
- enter archives data and contextual information to complete implementation of the archives management system; and
- in accordance with its obligations under Sections 141-144 of the *Information Act 2002*, develop and issue standards and strategies for the management of the Territory's archives.

Tendering Services

Tendering Services encompasses:

- A centralised tendering and procurement service for NT agencies for requirements valued above the threshold for public tendering of \$10 000
- Establishment and administration of across government common use contracts
- Consulting services to customers at all stages of the procurement cycle including planning, specifying requirements, assessment and preparing recommendations

Tendering Services Performance Indicators

Performance Measures		2004/05	2004/05	2003/04	2002/03
		Estimate	Actual		
<i>Quantity</i>	Tenders available online	99%	99%	99%	95%
	Rejections from PRB	<2%	7%	7%	11%
	Complaints from industry	<2%	2.2%	<2%	<2%
<i>Quantity</i>	Tenders managed	1400	1572	1593	1127
	Tenders developed	450	645	582	426
<i>Timeliness</i>	Average number of days to PRB	5.0	6.6	4.9	4.5
	Average days to issue tender	7.0	1.6	1.2	1.7
	Contracts prepared in days	4.0	3.2	3.0	2.5

Tendering Services Performance Highlights

In 2004-2005, tendering services established a small unit dedicated to identifying opportunities to establish and administer across government common use contracts. This initiative is in line with government procurement reform recommendations. A number of these opportunities were identified, resulting in contracts awarded for employee assistance programs and ex bowser fuel. A tender for the supply of photocopiers closed in late May and will be awarded in early September. Establishment of across government contracts is conditional on meeting a number of criteria and endorsement of all agencies and the Government Procurement Council.

Over the last year, an upgrade to the Purchase Requestion Online system (PRO) was finalised and the system will be formally rolled out to all agencies in August 2005. The system known as APRO (Agency Procurement Requisitions Online) allows agencies to enter tender requisitions directly via the intranet. Benefits include capture of data once at the source, data validation, electronic routing for all approvals, ability to track the status of all requisitions, enquiry and reporting facility and online assistance. The outcome is information that is more accurate, timely, complete, and consistent with improved timeframes for finalising procurement actions.

Tendering services have worked closely with NT Treasury in the drafting of the new Procurement Directions scheduled for introduction in 2005-2006. The electronic

tendering service has been improved with a number of minor enhancements to improve processing efficiency and resolve some security and audit trail issues. Increase in the number of electronically lodged tenders has been less than expected, remaining at a little over 20 percent of all tenders lodged by all methods.

The consulting services unit assisted a number of our customers in obtaining the required outcomes from complex procurement projects. In a number of cases, the APET evaluation software was used to facilitate and expedite the tender assessment process. These included the NTG telecommunications tender and the new banking arrangement tender.

A simple tender process was introduced in January. The new format contains simplified response requirements and reduced contractual conditions.

Tendering Services Planned Initiatives 2005-2006

The APRO system will be rolled out to all agencies. It will then be further developed with the objective of incorporating the entire procurement process. Workflow will commence earlier in the procurement cycle with advice of future tender opportunities and applications for certificates of exemption. Inclusion of PRB processing and approvals will be incorporated. Extension of the workflow through to the establishment of a contract administration record and automation of tendering services administration processes will also be implemented.


Further opportunities for across government common use contracts will be identified. Approval has already been obtained from agencies and the Government Procurement Council to proceed with a tender for industrial clothing and footwear. Immediate candidates include office furniture removals and bulk fuels and lubricants.

During the coming year, the benefits of electronic lodgement will be promoted to industry in conjunction with the Department of Business, Economic and Regional Development.

From mid July 2005, NT Treasury handed DCIS the responsibility for procurement policy with the Procurement Review Board transferring to DCIS. DCIS will ensure the transition of responsibility occurs smoothly and momentum is maintained on current policy initiatives. The Procurement Review Board Secretariat will be located within Contract and Procurement Services. These arrangements will simplify administration and improve efficiency.

As part of government's procurement review, DCIS is finalising new Procurement Directions designed to replace existing procurement guidelines. It is anticipated that these Directions will be implemented during 2005-2006. In addition, DCIS is reviewing and consolidating NTG standard conditions of tender and contract for works, goods, and services. As part of this initiative, DCIS is benchmarking current standards against fundamental commercial principles contained in other jurisdictions contract standards.

Working with the Contractor Accreditation Ltd (CAL), DCIS will liaise with key stakeholders to review CAL categories, measuring impacts of impending builders licensing provisions. DCIS will take responsibility for Government Procurement Council as a consultative mechanism to progress procurement reforms.



DCIS

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FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2005

DCIS operations incorporate both general processing of transactions on behalf of government agencies and undertaking of large projects on behalf of government.

During 2004-2005 two large projects were undertaken by DCIS that resulted in major variation in both revenue and expenditure between 2004-2005 and 2003-2004.

The projects were:

- (a) The transfer of the Pay and Pay Management System from the third party provider to be hosted on the government mainframe so that DCIS now has total responsibility for managing the total personnel and payroll system of government; and
- (b) Preparation of tender documents and management of the tender and implementation of the new communication system for government.

Financial results

A deficit of \$410k was budgeted for 2004-2005. The actual deficit of \$1.8M resulted from a combination of events most of which has been discussed with Treasury.

The variance of \$1.4M was primarily caused by:

- Unavoidable unbudgeted project costs of \$707k;
- The recreation leave liability at 30 June being about \$300k higher than expected; and
- An accounting error in the way some revenue was charged in advance and incorrectly recorded as revenue, this was discovered and corrected in June 2005. This resulted in revenue for the year being \$400k lower than anticipated.

The trading loss together with funding requirements have seen a reduction in cash balances from \$2.9M to \$273k.

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

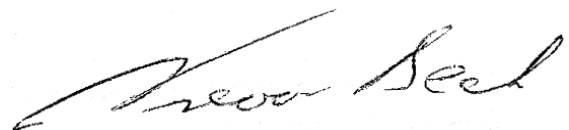
We further state that the information set out in the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial statements, presents fairly the financial performance for the year ended 30 June 2005 and the financial position 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.

Dated at Darwin in the Northern Territory
30 September 2005



Richard Galton
Chief Executive



Trevor Beck
CHIEF FINANCIAL
OFFICER

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
OPERATING REVENUE			
Sales of Goods and Services			
Output revenue		92,207	82,273
Other agency revenue		11,239	11,569
Grants and Subsidies			
Current		643	525
Interest Revenue		27	20
Miscellaneous revenue		72	63
Services received free of charge	13	120	-
Profit on disposal of assets	3	-	1
		<hr/>	<hr/>
Total operating revenue	2	104,308	94,451
OPERATING EXPENSES			
Employee Expenses		(38,671)	(36,416)
Administrative Expenses	4		
Purchases of goods and services		(66,763)	(56,958)
Repairs and maintenance		(214)	(228)
Depreciation and amortisation	7	(251)	(267)
Other administrative expenses		(8)	(21)
Grants and Subsidies			
Current		(223)	(200)
		<hr/>	<hr/>
Total operating expenses	2	(106,130)	(94,090)
Net Operating Surplus/(Deficit)	11	(1,822)	361

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
ASSETS			
CURRENT ASSETS			
Cash and deposits	5	273	2,952
Receivables	6	2,323	1,960
Prepayments		2,603	2,431
Other assets		19	-
Total Current Assets		5,218	7,343
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,553	4,125
Total Non-Current Assets		4,553	4,125
Total Assets		9,771	11,468
LIABILITIES			
CURRENT LIABILITIES			
Deposits held		102	75
Payables	8	1,985	1435
Provisions	9	6,465	6,036
Other liabilities	10	402	110
Total Current Liabilities		8,954	7,656
Total Liabilities		8,954	7,656
NET ASSETS		817	3,812
EQUITY			
Capital	11	(403)	771
Accumulated Funds	11	1,220	3,041
Total Equity		817	3,812

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Department of Corporate and Information Services
STATEMENT OF CASH FLOWS
For the year ended 30 June 2005

	NOTE	2005 \$'000 INFLOWS/ (OUTFLOWS)	2004 \$'000 INFLOWS/ (OUTFLOWS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
<i>Receipts From Sales of Goods And Services</i>			
Output revenue received		92,207	82,273
Other agency receipts		17,825	17,450
<i>Grants and Subsidies Received</i>			
Current		643	525
Interest Received		27	20
Total Operating Receipts		110,702	100,268
Operating Payments			
<i>Grants and Subsidies Paid</i>			
Current		(223)	(200)
Payments to employees		(38,004)	(37,450)
Payments for goods and services		(73,385)	(61,795)
Total Operating Payments		(111,612)	(99,445)
Net cash from/(used in) operating activities	12	(910)	823
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchase of assets	7	(620)	(25)
Total Investing Payments		(620)	(25)
Net cash from/(used in) investing activities		(620)	(25)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits received		27	(303)
Equity injection	11	-	14
Total Financing Receipts		27	(289)
Financing Payments			
Equity withdrawals	11	(1,176)	(1,900)
Total Financing Payments		(1,176)	(2,189)
Net cash from/(used in) financing activities		(1,149)	(2,189)
Net increase/(decrease) in cash held		(2,679)	(1,391)
Cash at beginning of financial year		2,952	4,343
Cash at end of financial year	5	273	2952

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Objectives and funding

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

The Agency is predominantly funded by Parliamentary appropriations. The financial statements encompass all funds through which the Agency controls resources to carry on its functions.

In the process of reporting on the Agency, all intra Agency transactions and balances have been eliminated.

DCIS has two output groups, Corporate Support Services and Property Management; both provide support to government Agencies.

(b) Basis of accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and Treasurer's Directions.

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

These financial statements do not comply with Australian Equivalents to International Financial Reporting Standards, as Australia is not adopting these requirements until reporting periods commencing on or after 1 January 2005. However, the potential impact on accounting policies that will arise from the transition to the new standards is disclosed in Note 20.

The following is a summary of the material accounting policies, which have been adopted in the preparation of the financial statements.

(c) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(d) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of Goods and Services Tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Output revenue

Output revenue represents Government funding for Agency operations and is calculated as the net cost of Agency outputs after taking into account funding from Agency revenue.

The net cost of Agency outputs for output appropriation purposes does not include any allowance for major non-cash costs such as depreciation.

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

Grants and other contributions

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

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

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Rendering of services

Revenue from rendering services is recognised in proportion to the stage of completion of the contract.

Interest revenue

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(d) Revenue recognition (continued)

Sale of non-current assets

The profit or loss on disposal of non-current asset sales is included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contribution of assets

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

(e) Goods and Services Tax

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

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is 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 from, or payable to, the ATO.

(f) Cash and cash equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash includes cash on hand, cash at bank and cash equivalent assets controlled by the Agency. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

Bank overdrafts are carried at the principal amount.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(g) Receivables

The collectibility of debtors or receivables is assessed at balance date and specific provision is made for any doubtful accounts.

Trade debtors to be settled within 30 days and other debtors to be settled within 30 days, are carried at amounts due.

(h) Property, plant and equipment

Acquisitions

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

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

Complex assets

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

Subsequent additional costs

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

Construction work in progress

As part of Stage 1 of *Working for Outcomes*, the Department of Planning and Infrastructure (formerly known as the Department of Infrastructure, Planning and Environment) is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for most capital works is provided directly to the Department of Planning & Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the Agency.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(h) Property, plant and equipment (continued)

Depreciation and amortisation

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

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

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

	<u>2005</u>	<u>2004</u>
Buildings	50 Years	50 Years
Plant and equipment	10 Years	10 Years
Computer equipment and software	3-10 Years	4 Years

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

(i) Leased assets

Leases under which the Agency assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

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

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

Operating leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the lease property.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(j) Payables

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

(k) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken indicates that accumulated sick leave is unlikely to be paid.

Employee benefits 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,

are recognised against profits on a net basis in their respective categories

As part of the introduction of *Working for Outcomes*, the Central Holding Authority assumed the long service leave liabilities of Government Agencies, including Department of Corporate and Information Services.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(l) Superannuation

Employees' superannuation entitlements are provided through the NT Government and Public Authorities Superannuation Scheme (NTGPASS), Commonwealth Superannuation Scheme (CSS) and non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The Agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or the non-government employee nominated schemes. Any liability for government superannuation is met directly by the Central Holding Authority and the Agency has and will continue to have no direct superannuation liability.

(m) Rounding of amounts

Amounts in the financial statements and notes to the financial statements have been rounded to the nearest thousand dollars.

(n) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

2 STATEMENT OF FINANCIAL PERFORMANCE BY OUTPUT GROUPS

	Corporate Support Services		Property Management		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
OPERATING REVENUE						
<i>Sales of Goods and Services</i>						
Output revenue	57,410	49,065	34,797	33,208	92,207	82,273
Other agency revenue	6,761	6,816	4,478	4,753	11,239	11,569
<i>Grants and Subsidies</i>						
Current	643	525	-	-	643	525
Interest Revenue	27	20	-	-	27	20
Miscellaneous revenue	69	63	3	-	72	63
Services received free of charge	120	-	-	-	120	-
Profit/Loss on disposal of assets	-	1	-	-	-	1
Total Operating Revenue	65,030	56,490	39,278	37,961	104,308	94,451
OPERATING EXPENSES						
Employee Expenses	37,848	35,562	823	854	38,671	36,416
<i>Administrative Expenses</i>						
Purchases of goods and services	28,311	19,853	38,452	37,105	66,763	56,958
Repairs and Maintenance	214	228			214	228
Depreciation and amortisation	248	265	3	2	251	267
Other administrative expenses	8	21			8	21
<i>Grants and Subsidies</i>						
Current	223	200	-	-	223	200
Total Operating Expenses	66,852	56,129	39,278	37,961	106,130	94,090
NET OPERATING SURPLUS/(DEFICIT)	(1,822)	361	-	-	(1,822)	361

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
3 PROFIT/LOSS ON DISPOSAL OF NON-CURRENT ASSETS		
Assets acquired below fair value	-	5
Proceeds from the disposal of non-current assets	-	-
Less: Written down value of non-current assets disposed	-	(5)
	-	-
Profit/(Loss) on the disposal of non-current assets	-	-
	-	1
Sale of minor assets	-	1
	-	1
4 OPERATING EXPENSES		
The net operating surplus/(deficit) has been arrived at after charging the following expenses:		
Administrative Expenses:		
Consultants (1)	2,334	2,715
Advertising (2)	471	418
Marketing and promotion (3)	39	14
Document production	60	80
Legal expenses (4)	187	161
Recruitment (5)	8	125
Training and study	410	462
Official duty fares	182	160
Travelling allowance	69	62
	69	62

(1) Includes marketing, promotion and IT consultants.

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

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

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

(5) Includes recruitment related advertising costs.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
5 CASH AND DEPOSITS		
Cash on hand	56	118
Cash at bank	(481)	2,060
Cash advances	698	774
	<u>273</u>	<u>2,952</u>
6 RECEIVABLES		
Current		
Trade debtors	748	619
	<u>748</u>	<u>619</u>
GST receivable	1,058	461
Other receivables	517	880
Total Receivables	<u>2,323</u>	<u>1,960</u>
7 PROPERTY, PLANT AND EQUIPMENT		
Land		
At Fair Value	1,100	1,100
	<u>1,100</u>	<u>1,100</u>
Buildings		
At Fair Value	4,226	4,236
Less: Accumulated depreciation	(1,899)	(1,799)
	<u>2,327</u>	<u>2,437</u>
Plant and Equipment		
At Cost	978	984
Less: Accumulated depreciation	(533)	(460)
	<u>445</u>	<u>524</u>
Computer Equipment & Software		
At Cost	1,100	423
Less: Accumulated amortisation	(419)	(359)
	<u>681</u>	<u>64</u>
Total property, plant and equipment	<u>4,553</u>	<u>4,125</u>

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
7 PROPERTY, PLANT AND EQUIPMENT (Continued)		
Purchase of non current assets		
Payments for capitalised expenditure on buildings	-	10
Payments for acquisition of plant and equipment	14	7
Payments for acquisition of computer software	682	-
Payments for acquisition of computer hardware	-	8
	<u>696</u>	<u>25</u>
8 PAYABLES		
Trade creditors	743	1,395
Other creditors	1,242	40
Total payables	<u>1,985</u>	<u>1,435</u>
9 PROVISIONS		
Current		
Employee Benefits		
Recreation leave	5,002	4,603
Leave loading	498	550
Recreation leave fares	305	331
	<u>5,805</u>	<u>5,484</u>
Other Current Provisions		
Other provisions	660	552
Total Provisions	<u>6,465</u>	<u>6,036</u>
10 OTHER LIABILITIES		
Current		
Deferred income	402	110
Total Other Liabilities	<u>402</u>	<u>110</u>
11 EQUITY		
(a) Capital		
Balance at the beginning of year	771	2,304
Equity injections	2	367
Equity withdrawals	(1,176)	(1,900)
Balance at the end of year	<u>(403)</u>	<u>771</u>
(b) Accumulated funds		
Balance at the beginning of year	3,041	2,680
Current year operating surplus /(deficit)	(1,822)	361
Rounding adjustment	1	-
Balance at the end of year	<u>1,220</u>	<u>3,041</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
12 NOTES TO THE STATEMENT OF CASH FLOWS		
<i>Reconciliation of net operating surplus / (deficit) to net cash used in operating activities.</i>		
Net operating surplus/(deficit)	(1,822)	361
<i>Non Cash Items</i>		
Depreciation	251	267
Amortisation	-	-
(Profit)/loss on disposal of non current assets	-	5
Assets acquired at nil consideration	-	(5)
Assets written down	8	7
Assets donated	-	13
R & m – works in progress	-	33
<i>Changes in Assets and Liabilities</i>		
Decrease/(increase) in receivables	(363)	42
Decrease/(increase) in prepayments	(172)	554
Decrease) in deferred income	292	110
Decrease/(increase) in other assets	(19)	-
(Decrease)/increase in accounts payable	486	(440)
(Decrease)/increase in provision for employee benefits	321	(12)
(Decrease)/increase in other provisions	108	(112)
Net cash flows from/(used in) operating activities	<u>(910)</u>	<u>823</u>
13 SERVICES RECEIVED FREE OF CHARGE		
Internal audit and risk management	(120)	-

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2005

14 FINANCIAL INSTRUMENTS

A financial instrument is any contract resulting in a financial asset of one entity and a financial liability of another entity.

(a) Interest rate risk

The entity's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out below. The average interest rate is based on the outstanding balance at the end of the year.

	Weighted Average interest rate %	Variable interest \$'000	Fixed Under 1 year \$'000	Interest 1 to 5 years \$'000	Maturity Over 5 years \$'000	Non- Interest bearing \$'000	Total \$'000
2005							
Financial Assets							
Cash assets	5.25	444	-	-	-	(171)	273
Receivable		-	-	-	-	2,323	2,323
		444	-	-	-	2,152	2,596
Financial Liabilities							
Accounts payable	5.25	-	-	-	-	1,985	1,985
		-	-	-	-	1,985	1,985
Net Financial Assets		444	-	-	-	167	611
2004							
Financial Assets							
Cash assets	5	564	-	-	-	2,388	2,952
Receivables		-	-	-	-	1,960	1,960
		564	-	-	-	4,348	4,912
Financial Liabilities							
Accounts payable		-	-	-	-	1,544	1,544
		-	-	-	-	1,544	1,544
Net Financial Assets		564	-	-	-	2,804	3,368

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

14 FINANCIAL INSTRUMENTS (continued)

(b) Credit risk

The Agency principally deals with Government Agencies. In respect of any dealings with organisations external to Government, the Agency has adopted the policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

(c) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

	2005	2004
	\$'000	\$'000
15 COMMITMENTS		
Non cancellable operating lease expense commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	28,715	32,428
One year and no later than five years	75,554	84,705
Greater than five years	54,247	70,679
	158,516	187,812

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

16 CONTINGENT LIABILITIES

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

17 EVENTS SUBSEQUENT TO BALANCE DATE

On 11 July 2005, as part of the government restructure, DCIS was given responsibility for procurement policy and provision of secretariat support to the Procurement Review Board. The costs associated with these functions will be fully met by increasing the output funding from Treasury. There will be no impact on the overall operations of DCIS.

18 ACCOUNTABLE OFFICER'S TRUST ACCOUNT

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

Nature of Trust Money	Opening Balance 01/07/04 \$'000	Receipts \$'000	Payments \$'000	Closing Balance 30/06/05 \$'000
Superannuation Returned Cheques	1	26	27	-
External Organisations Advance Account	30	-	-	30
	31	26	27	30

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

19 WRITE OFFS, POSTPONEMENTS AND WAIVERS

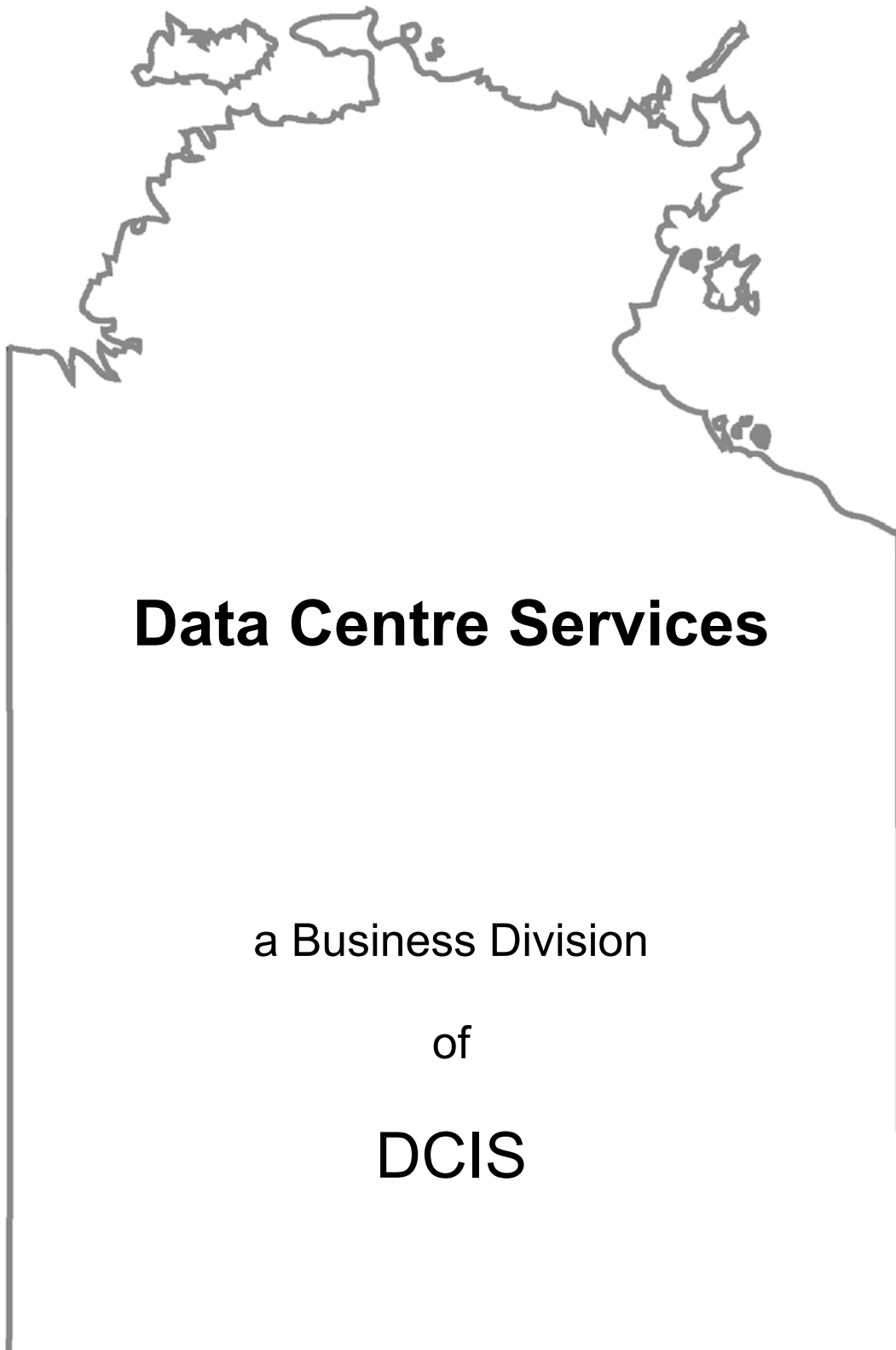
	Agency		Agency	
	2005 \$'000	No. of Trans.	2004 \$'000	No. of Trans.
Write offs, waivers and postponements under the <i>Financial Management Act</i>				
Represented by:				
<u>Amounts written off, waived and postponed by Delegates</u>				
Irrecoverable amounts payable to the Territory or an Agency written off	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-
Public property written off	8	4	8	5
Waiver or postponement of right to receive or recover money or property	-	-	-	-
Total	8	4	8	5

20 DISCLOSING THE IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

DCIS has established a team comprising the Director, Budgets and Commercial, Manager Commercial Accounting and the Accountant from the GBD's to oversight the implementation of IFRS. A number of staff have attended briefings, seminars and workshops to gain an understanding and training in the adoption of IFRS.

An initial review of the standards, indicate there would be a minimal impact on DCIS in terms of workload and changes to the financial statements.

The financial impact has not yet been quantified.



Data Centre Services

a Business Division

of

DCIS

FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2005

During the 2004-2005 financial year Data Centre Services reported a favourable outcome posting a net profit before tax of \$2.416M. This resulted in \$1.571M in dividends and taxes being returned to government.

Whilst revenue was marginally lower than expected due to a small reduction in the customer base, Data Centre Services has reduced expenditure through improved efficiencies and by actively implementing cost reduction methods during the year.

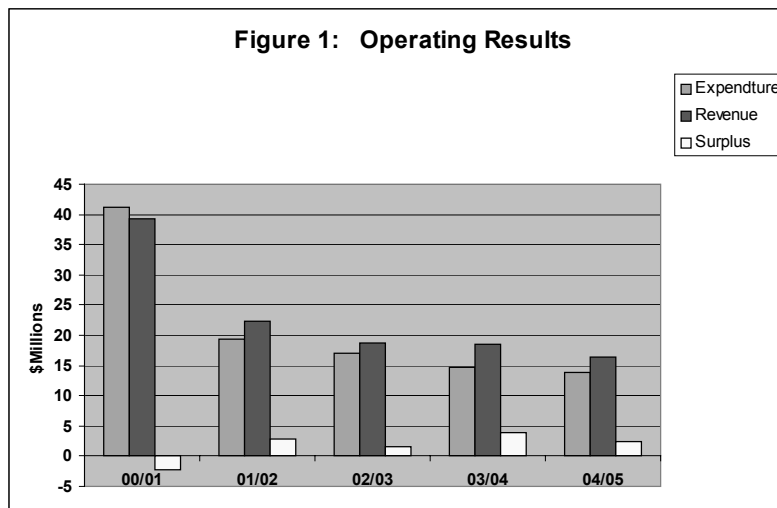


Figure 1 shows the trend in Data Centre Services' operations over the past five years with major outsourcing occurring between June 2000 and June 2002. Data Centre Services has maintained a surplus position over the past four years through effective costs control whilst continuing to provide a high level of client service.

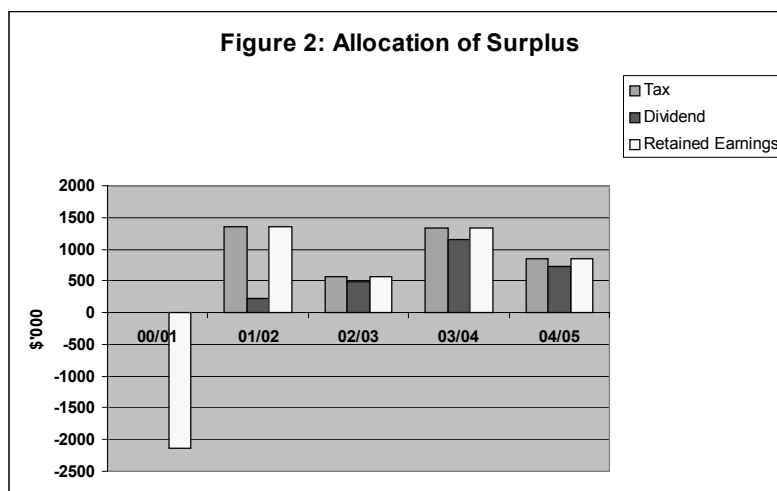


Figure 2 shows the allocation of operating surplus between taxation, dividends and retained profit.



AUDITOR-GENERAL

**AUDITOR-GENERAL'S REPORT TO THE MINISTER FOR
CORPORATE AND INFORMATION SERVICES**

**DATA CENTRE SERVICES
YEAR ENDED 30 JUNE 2005**

Page 1 of 2

Scope

The financial report and the Accountable Officer's responsibility

The financial report of the Data Centre Services comprises the statement by the Accountable Officer and statements of financial position, financial performance and cash flows and accompanying notes to the financial statements for the year ended 30 June 2005.

The Accountable Officer of the Agency is responsible for the preparation and presentation of the financial report in accordance with the requirements of the *Financial Management Act*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit in order to express an opinion to the responsible Minister for Corporate and Information Services. My audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control systems and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements or control deficiencies have been detected.

I performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and with the requirements of the *Financial Management Act*, a view which is consistent with my understanding of the Agency's financial position and its financial performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of accounting estimates made by the Accountable Officer.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

My audit did not involve an analysis of the prudence of business decisions made by the Accountable Officer or management.



AUDITOR-GENERAL

Page 2 of 2

Independence

I am independent of the Agency and, in conducting my audit, I followed applicable independence requirements of the *Audit Act* and of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial report of the Data Centre Services:

- presents fairly the financial position of the Data Centre Services at 30 June 2005, and its financial performance for the year ended on that date; and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and of the *Financial Management Act*.

A handwritten signature in cursive script, appearing to read 'F. McGuinness'.

Frank McGuinness
Auditor-General for the Northern Territory
Darwin, Northern Territory
11 October 2005

STATEMENT BY THE ACCOUNTABLE OFFICER

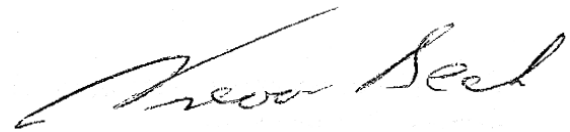
In our opinion:

- i. The accompanying financial statements and notes are based on proper accounts and records and are in agreement with the accounts. They have been properly drawn up so as to present fairly the financial position of Data Centre Services as at 30 June 2005, its financial performance and its cash flows for the year ended on that date.
- ii. The financial statements are in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Financial Management Act.
- iii. 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.

Dated at Darwin in the Northern Territory
11 October 2005



Richard Galton
Chief Executive



Trevor Beck
CHIEF FINANCIAL
OFFICER

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
Revenue from sale of goods	2	16,079	18,442
Other revenues	2	239	108
Total revenue		16,318	18,550
Raw materials and consumables used		(9,744)	(11,133)
Salaries and employee benefits expenses		(3,353)	(2,337)
Depreciation and amortisation expenses	3	(711)	(1,215)
Borrowing costs	3	(94)	(33)
Total expenditure		(13,902)	(14,718)
Profit from ordinary activities before income tax expense		2,416	3,832
Income tax (expense) relating to ordinary activities	4	(725)	(1,150)
Net Profit	14	1,691	2,682

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
CURRENT ASSETS			
Cash assets	5	4,105	4,745
Receivables	6	610	218
Other	7	2,271	2,112
Total Current Assets		6,986	7,075
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,493	285
Total Non-Current Assets		1,493	285
Total Assets		8,479	7,360
CURRENT LIABILITIES			
Payables	9	550	613
Interest bearing liabilities	10	425	-
Income tax liabilities	11	725	1,150
Provisions	12	1,452	1,641
Other liabilities	13	186	99
Total Current Liabilities		3,338	3,503
Non-Current Liabilities			
Interest bearing liabilities	10	603	-
Total Liabilities		3,941	3,503
NET ASSETS		4,538	3,857
EQUITY			
Retained Profits	14	4,213	3,532
Contributed Equity	15	325	325
Total Equity		4,538	3,857

The statement of financial position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2005

	NOTE	2005 \$'000 INFLOWS/ (OUTFLOWS)	2004 \$'000 INFLOWS/ (OUTFLOWS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		17,456	19,836
Cash payments in the course of operations		(14,857)	(15,222)
Interest received		198	89
Borrowing costs		(94)	(33)
Income tax paid		(1,150)	(480)
Net cash from/(used in) operating activities	16	(1,553)	4,190
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(184)	(238)
Net cash (used in) investing activities		(184)	(238)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(670)	(1,154)
Dividends paid		(1,341)	(560)
Net cash (used in) financing activities		(2,011)	(1,714)
Net increase / (decrease) in cash held		(641)	2,238
Cash at the beginning of the year		4,745	2,507
Cash at the end of the year	5	4,105	4,745

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act* and Treasurer's Directions.

The financial statements have been prepared in accordance with the historical cost convention and, except where stated, does not take into account changing money values or fair values of non-current assets. These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

The Treasurer has determined that Data Centre Services ("the entity") is a Government Business Division as defined in Section 3(1) of the *Financial Management Act*. In accordance with Section 10 of the *Financial Management Act*, the financial statements of the entity have been prepared on commercial accounting principles.

These financial statements do not comply with International Accounting Standards, as Australia is not adopting these requirements until reporting periods commencing on or after 1 January 2005. However, the potential impact on accounting policies that will arise from the transition to AASB equivalents of IASB pronouncements is disclosed in note 21.

The following is a summary of the material accounting policies, which have been adopted in the preparation of the financial statements.

(b) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of Goods and Services Tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Rendering of services

Revenue from rendering services is recognised in proportion to the stage of completion of the contract.

Interest revenue

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

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contribution of assets

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(d) Goods and Services Tax

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

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is 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 from, or payable to, the ATO.

(e) Borrowing costs

Borrowing costs include interest and lease finance charges and are expensed as incurred.

(f) Taxation

The entity is required to pay income tax on its accounting profit, excluding extraordinary items, at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions and the NT Tax Equivalents Regime.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, cash held and cash equivalent assets in the entity's Operating Account. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

Bank overdrafts are carried at the principal amount.

(h) Receivables

The collectibility of debtors or receivables is assessed at balance date and specific provision is made for any doubtful accounts.

Trade debtors to be settled within 30 days and other debtors to be settled within 30 days are carried at amounts due.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(i) Property, plant and equipment

Acquisitions

Items of property, plant and equipment are initially recorded at cost where the cost is greater than \$5,000 and depreciated as outlined below. Costs incurred on property, plant and equipment, which do not meet the criteria for capitalisation, are expensed as incurred.

The cost of property, plant and equipment constructed by the entity includes the cost of materials and direct labour, an appropriate proportion of fixed and variable overheads and capitalised interest.

Complex assets

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

Subsequent additional costs

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

Revaluations

Plant and equipment is carried at cost.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 30 June 2005****(i) Property, plant and equipment (continued)*****Depreciation and amortisation***

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

The estimated useful lives for each class of asset, for the current and previous years, are as follows:

	<u>2005</u>	<u>2004</u>
Plant and equipment	2–5 Years	2–5 Years
Computer equipment and software	2–4 Years	2–4 Years
Leased computer equipment	3–5 Years	3–5 Years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use. Assets may be constructed internally or acquired assets may have modifications and accessories installed or equipment calibrated and tested, which will affect the date held ready for use.

(j) Leased assets

Leases under which the entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

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

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the lease property.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(k) Recoverable amount of non-current assets valued on the cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, the recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows are not discounted to their present value, except where specifically stated.

(l) Payables

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

(m) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken indicates that accumulated sick leave is unlikely to be paid.

Employee benefits expenses in respect of the following categories:

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

are recognised against profits on a net basis in their respective categories.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(n) Superannuation

Employees' superannuation entitlements are provided through the NT Government and Public Authorities Superannuation Scheme (NTGPASS), Commonwealth Superannuation Scheme (CSS) and non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The entity makes superannuation contributions on behalf of its employees. Any liability for superannuation is met directly by the NT Government and the entity has and will continue to have no other direct superannuation liability.

(o) Dividends

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

At 30 June 2004, Data Centre Services declared a dividend of \$1.177M and provision was made for this amount. The Final Dividend based on 50% of the net profit after tax of \$2.682M is \$1.341M. This amount was paid during this financial year.

(p) Rounding of amounts

Amounts in the financial statements and notes to the financial statements have been rounded to the nearest thousand dollars.

(q) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

	2005	2004
	\$'000	\$'000
2 REVENUE FROM ORDINARY ACTIVITIES		
Sale of goods revenue from operating activities	16,079	18,442
Other revenues:		
Interest:		
NT Treasury	201	95
Total interest	201	95
Other revenue	38	13
Total other revenues	239	108
Total revenue	16,318	18,550

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005 \$'000	2004 \$'000
3 PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		
<i>Profit from ordinary activities before income tax expense has been arrived at after charging/ (crediting) the following items:</i>		
Depreciation of:		
Plant and equipment	3	8
Computer equipment and software	142	93
Total depreciation	145	101
Amortisation of:		
Leased computer equipment	566	1,114
Total amortisation	566	1,114
Total depreciation and amortisation expenses	711	1,215
Borrowing costs:		
Finance charges on capitalised leases	94	33
Total borrowing costs	94	33
Administrative Expenses:		
Consultants (1)	3,058	4,089
Advertising (2)	5	5
Legal expenses (3)	9	-
Recruitment (4)	2	3
Training and study	44	31
Official duty fares	1	-
Audit and other services (5)	20	15
Corporate support by external agencies	492	512
Net bad and doubtful debts expense including movements in provision for doubtful debts	-	(1)
Net expenses from movements in provision for employees benefits	61	(9)
Equipment expenses	48	17

(1) Data Centre Services employs contract staff on a full time basis. These expenditures are recorded as IT Consultants. During the current financial year the number of permanent staff has increased resulting in a reduction in contract staff.

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

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

(4) Includes recruitment related advertising costs.

(5) Amounts paid, or due and payable to the NT Government for services provided by the Northern Territory Auditor-General's Office.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
4 INCOME TAX EXPENSE		
Prima facie income tax expense calculated at 30% (2004: 30%) on the profit from ordinary activities:	<u>725</u>	<u>1,150</u>
5 CASH ASSETS		
Operating Account	<u>4,105</u>	<u>4,745</u>
	<u>4,105</u>	<u>4,745</u>
6 RECEIVABLES		
Current		
Trade debtors	592	202
Interest receivable	18	16
Total receivables	<u>610</u>	<u>218</u>
7 OTHER ASSETS		
Current		
Prepayments	1,013	1,105
Accrued revenue	1,258	1,007
	<u>2,271</u>	<u>2,112</u>
8 PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
At cost	39	33
Accumulated depreciation	<u>(27)</u>	<u>(24)</u>
	12	9
Computer equipment and software		
At cost	8,610	685
Accumulated depreciation	<u>(8,261)</u>	<u>(409)</u>
	349	276
Leased computer equipment		
At capitalised cost	1,698	6,502
Accumulated amortisation	<u>(566)</u>	<u>(6,502)</u>
	1,132	-
Total property, plant and equipment	<u>1,493</u>	<u>285</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
8 PROPERTY, PLANT AND EQUIPMENT (continued)		
Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:		
<i>Plant and equipment</i>		
Carrying amount at beginning of year	9	20
Additions	6	-
Transfer (out)	-	(198)
Accumulated depreciation on transfer	-	195
Depreciation	(3)	(8)
Carrying amount at end of year	12	9
<i>Computer equipment and software</i>		
Carrying amount at beginning of year	275	123
Additions	178	238
Transfers in	38	7,444
Accumulated depreciation on transfer	-	(7,436)
Depreciation	(142)	(93)
Carrying amount at end of year	349	276
<i>Leased plant and equipment</i>		
Carrying amount at beginning of year	-	1,114
Transfers in/(out)	1,698	(8,815)
Accumulated amortisation on transfer	-	8,815
Amortisation	(566)	(1,114)
Carrying amount at end of year	1,132	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005 \$'000	2004 \$'000
9 PAYABLES		
Current		
Trade creditors	384	381
Other creditors	166	232
Total payables	<u>550</u>	<u>613</u>
10 INTEREST BEARING LIABILITIES		
Current		
Lease liabilities (Note 18)	425	-
	<u>425</u>	<u>-</u>
Non-current		
Lease liabilities (Note 18)	603	-
	<u>603</u>	<u>-</u>
Total Interest Bearing Liabilities	<u>1,028</u>	<u>-</u>
11 INCOME TAX LIABILITIES		
Current income tax payable	<u>725</u>	<u>1,150</u>
12 PROVISIONS		
Current		
Employee Benefits:		
Recreation leave	394	343
Leave loading	54	55
Leave fares	31	20
	<u>479</u>	<u>418</u>
Other Current Provisions		
Provision for dividend	846	1,177
Provision for fringe benefits tax	4	3
Provision for superannuation	77	-
Provision for workers compensation	6	9
Provision for payroll tax	40	34
	<u>973</u>	<u>1,223</u>
Total Provisions	<u>1,452</u>	<u>1,641</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
12 PROVISIONS		
(a) RECONCILIATIONS		
Provision for Employee Benefits		
Balance as at 30 June 2004	418	427
Reductions arising from payments/other sacrifices of future economic benefits	(309)	(258)
Additional provisions recognised	370	249
Balance as at 30 June 2005	479	418
The GBD employed 55 employees as at 30 June 2005 (2004: 37 employees)		
Provision for Dividend		
Balance as at 30 June 2004	1,177	560
Adjustment for final dividend for 2003/04 (refer note 1 (o))	164	-
Reductions arising from payments/other sacrifices of future economic benefits	(1,341)	(560)
Additional provisions recognised	846	1,177
Balance as at 30 June 2005	846	1,177
Provision for Fringe Benefits Tax		
Balance as at 30 June 2004	3	3
Reductions arising from payments/other sacrifices of future economic benefits	(17)	(19)
Additional provisions recognised	18	19
Balance as at 30 June 2005	4	3
Provision for Superannuation		
Balance as at 30 June 2004	-	7
Reductions arising from payments/other sacrifices of future economic benefits	(450)	(748)
Additional provisions recognised	527	741
Balance as at 30 June 2005	77	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005 \$'000	2004 \$'000
12 PROVISIONS		
(a) RECONCILIATIONS (CONTINUED)		
<i>Provision for Workers Compensation Premium</i>		
Balance as at 30 June 2004	9	25
Reductions arising from payments/other sacrifices of future economic benefits	(68)	(218)
Additional provisions recognised	65	202
Balance as at 30 June 2005	6	9
<i>Provision for Payroll Tax</i>		
Balance as at 30 June 2004	34	36
Reductions arising from payments/other sacrifices of future economic benefits	(171)	(169)
Additional provisions recognised	177	167
Balance as at 30 June 2005	40	34
 13 OTHER LIABILITIES		
Current		
Deferred income	186	99
 14 RETAINED PROFITS		
Retained Profits	4,213	3,532
 (a) Retained Profits		
Balance at the beginning of year	3,532	2,027
Net profit	1,691	2,682
<i>Total available for appropriation</i>	5,223	4,709
Dividends provided for or paid	(1,010)	(1,177)
Balance at the end of year	4,213	3,532
 15 CONTRIBUTED EQUITY		
Balance at the beginning of year	325	325
Balance at the end of year	325	325

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005 \$'000	2004 \$'000
16 NOTES TO THE STATEMENT OF CASH FLOWS		
<i>Reconciliation of net profit from ordinary activities after income tax to net cash used in operations</i>		
Net Profit	1,691	2,682
<i>Non-Cash Items</i>		
Depreciation	145	101
Amortisation	566	1,114
Asset revaluations and write downs	-	3
Assets Acquired for Nil Consideration	-	(8)
Net (profit) on disposal of non-current assets	(38)	-
<i>Changes in Assets and Liabilities</i>		
Decrease/(Increase) in trade receivables	(696)	1,053
(Increase) in other receivables	-	(730)
(Increase) in interest receivable	(2)	(6)
Decrease in inventory	-	29
Decrease/(Increase) in prepayments	92	(142)
(Decrease) in trade and other creditors	(9)	(493)
(Decrease)/Increase in provision for employee benefits	61	(9)
(Decrease) in provision for doubtful debts	-	(1)
Increase in other provisions	81	645
(Decrease) in income tax liabilities	(425)	-
(Decrease)/Increase in deferred income	87	(48)
Net cash flows from operating activities	1,553	4,190

Non-cash financing and investing activities

Finance Lease Transactions

During the financial year the entity acquired computer software with an aggregate fair value of \$1,698,000 (2004 \$Nil) by means of finance lease. The lease commenced on 1 July 2004.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS

A financial instrument is any contract resulting in a financial asset of one entity and a financial liability of another entity.

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

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

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

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

(a) Interest rate risk

The entity's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out below. The average interest rate is based on the outstanding balance at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS (continued)

	Weighted Average interest rate %	Variable interest \$'000	Fixed Under 1 year \$'000	Interest 1 to 5 years \$'000	Maturity Over 5 years \$'000	Non- Interest bearing \$'000	Total \$'000
2005							
Financial Assets							
Cash assets	5.08	4,105	-	-	-	-	4105
Receivables		-	-	-	-	610	610
		4,105	-	-	-	610	4,715
Financial Liabilities							
Payables		-	-	-	-	550	550
Employee benefits		-	-	-	-	479	479
Lease liabilities		-	425	603	-	-	1,028
Dividends payable		-	-	-	-	846	846
		-	425	603	-	1,875	2,903
Net Financial Assets/(Liabilities)		4,105	(425)	(603)	-	(1,265)	1,812
2004							
Financial Assets							
Cash assets	5.00	4,745	-	-	-	-	4,745
Receivables		-	-	-	-	218	218
		4,745	-	-	-	218	4,963
Financial Liabilities							
Payables		-	-	-	-	613	613
Employee benefits		-	-	-	-	418	418
Dividends payable		-	-	-	-	1,177	1,177
		-	-	-	-	2,208	2,208
Net Financial Assets/(Liabilities)		4,745	-	-	-	(1,990)	2,755

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS (continued)

(b) Credit risk

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

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

(c) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

	2005 \$'000	2004 \$'000
18 COMMITMENTS		
Finance lease payment commitments		
Future finance lease commitments are payable:		
Within one year	491	627
One year and no later than five years	626	1,254
	<u>1,117</u>	<u>1,881</u>
Less Future lease finance charge	(89)	(183)
	<u>1,028</u>	<u>1,698</u>
Lease liabilities provided for in the financial statements:		
Current	425	-
Non-current	603	-
Total lease liability	<u>1,028</u>	<u>-</u>

The entity leases plant and equipment under finance leases expiring from 1 to 5 years. At the end of the lease term the entity legally owns the asset. Data Centre Services acquired a software licence by means of a finance lease on 1 July 2004.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Data Centre Services had no contingent liabilities or contingent assets as at 30 June 2004 or 30 June 2005.

20 WRITE OFFS, POSTPONEMENTS AND WAIVERS

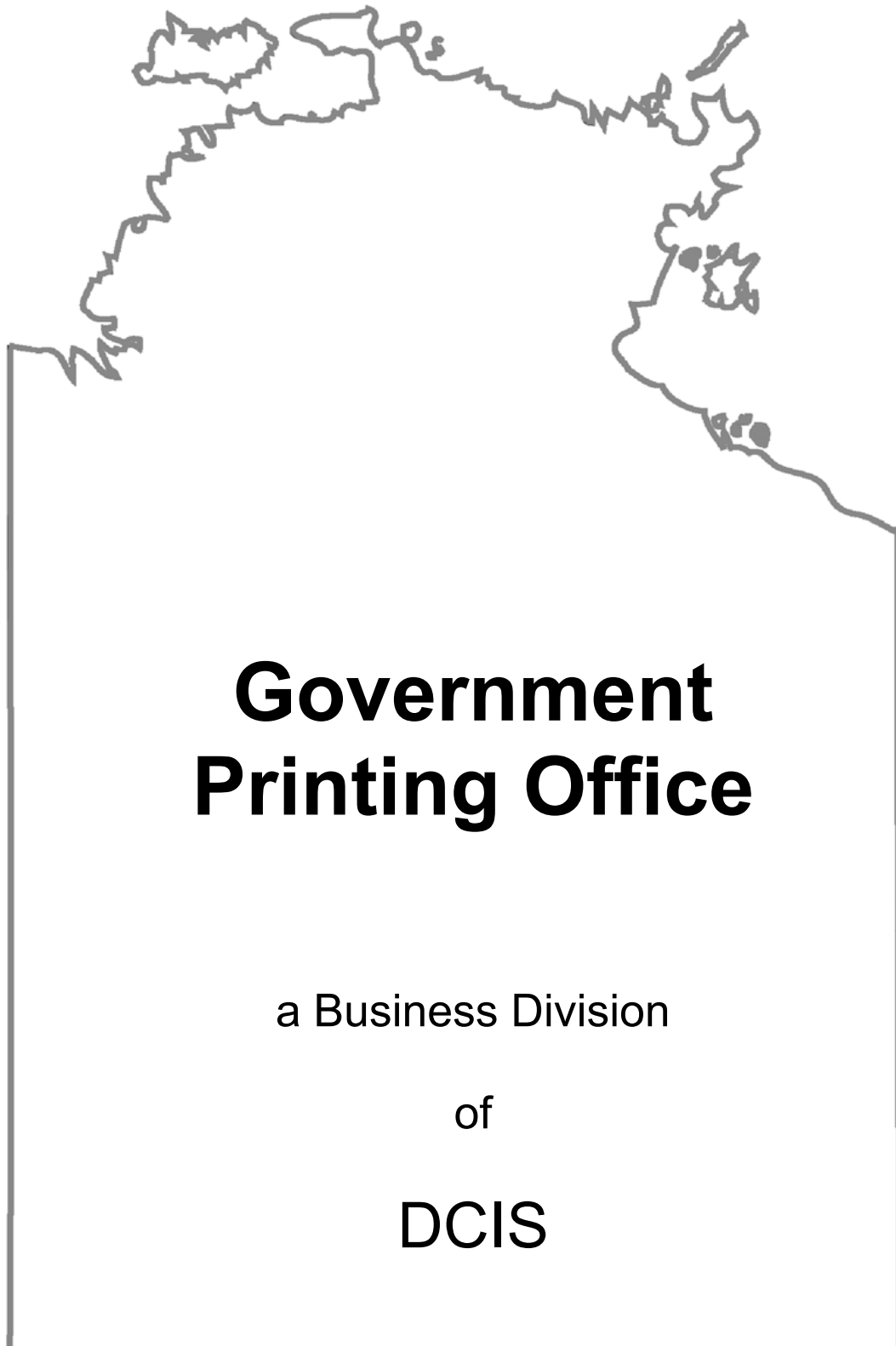
	Agency		Agency	
	2005 \$'000	No. of Trans.	2004 \$'000	No. of Trans.
Write offs, waivers and postponements under the <i>Financial Management Act</i>				
Represented by:				
<u>Amounts written off, waived and postponed by Delegates</u>				
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-
Public property written off	-	-	3	3
Waiver or postponement of right to receive or recover money or property	-	-	-	-
Total	-	-	3	3

21 DISCLOSING THE IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB PRONOUNCEMENTS

DCIS has established a team comprising the Director, Budgets and Commercial, Manager Commercial Accounting and the Accountant from the NT Fleet, Data Centre Service and the Government Printing Office to oversee the implementation of IFRS. A number of staff have attended briefings, seminars and workshops to gain an understanding and training in the adoption of IFRS.

An initial review of the standards, indicate there would be a minimal impact on DCIS in terms of workload and changes to the financial statements.

The financial impact has not yet been quantified.



FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2005

The Government Printing Office has increased revenue by \$928k (15.4%) over the previous financial year. Expenditure increased by \$258k (4.3%) having an overall effect of making a profit of \$668k, this is a better result for the Government Printing Office after losses for the past four years. The Government Printing Office expects to improve its profitability with continued operational efficiencies for the coming year.

The level of cash reserves have increased by 62.1% from \$1.616M as at 30th June 2004 to \$2.62M as at 30th June 2005.

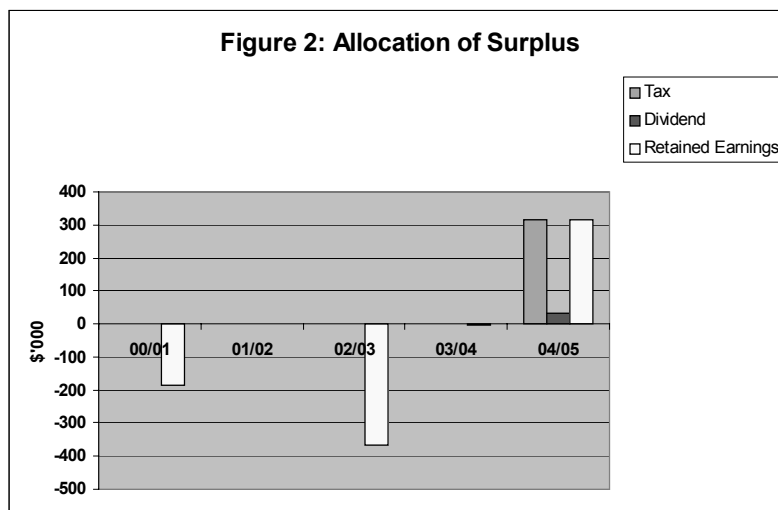
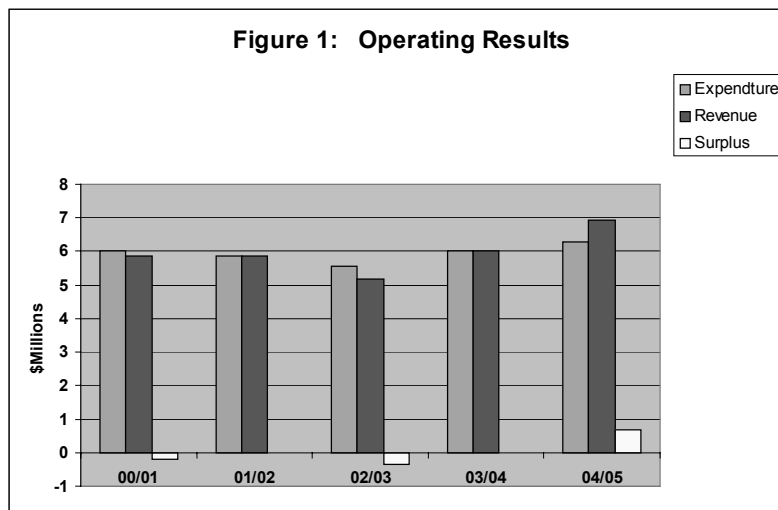


Figure 1 shows the operating result from the past five years and Figure 2 shows the allocation of the profit and loss.



AUDITOR-GENERAL

**AUDITOR-GENERAL'S REPORT TO THE MINISTER FOR
CORPORATE AND INFORMATION SERVICES**

**GOVERNMENT PRINTING OFFICE
YEAR ENDED 30 JUNE 2005**

Page 1 of 2

Scope

The financial report and the Accountable Officer's responsibility

The financial report of the Government Printing Office comprises the statement by the Accountable Officer and statements of financial position, financial performance and cash flows and accompanying notes to the financial statements for the year ended 30 June 2005.

The Accountable Officer of the Agency is responsible for the preparation and presentation of the financial report in accordance with the requirements of the *Financial Management Act*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit in order to express an opinion to the responsible Minister for Corporate and Information Services. My audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control systems and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements or control deficiencies have been detected.

I performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and with the requirements of the *Financial Management Act*, a view which is consistent with my understanding of the Agency's financial position and its financial performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of accounting estimates made by the Accountable Officer.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

My audit did not involve an analysis of the prudence of business decisions made by the Accountable Officer or management.



AUDITOR-GENERAL

Page 2 of 2

Independence

I am independent of the Agency and, in conducting my audit, I followed applicable independence requirements of the *Audit Act* and of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial report of the Government Printing Office:

- presents fairly the financial position of the Government Printing Office at 30 June 2005, and its financial performance for the year ended on that date; and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and of the *Financial Management Act*.

A handwritten signature in black ink, appearing to read 'F. McGuinness'.

Frank McGuinness
Auditor-General for the Northern Territory
Darwin, Northern Territory
11 October 2005

STATEMENT BY THE ACCOUNTABLE OFFICER

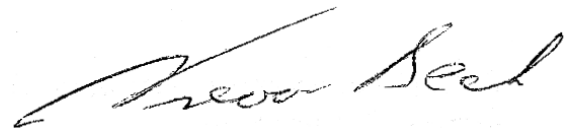
In our opinion:

- i. The accompanying financial statements and notes are based on proper accounts and records and are in agreement with the accounts. They have been properly drawn up so as to present fairly the financial position of Government Printing Office as at 30 June 2005, its financial performance and its cash flows for the year ended on that date.
- ii. The financial statements are in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Financial Management Act.
- iii. 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.

Dated at Darwin in the Northern Territory
11 October 2005



Richard Galton
Chief Executive



Trevor Beck
CHIEF FINANCIAL
OFFICER

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
Revenue from sale of goods	2	6,852	5,951
Other revenues	2	95	68
Total revenue		6,947	6,019
Changes in inventories of finished goods and work in progress		(20)	(12)
Raw materials and consumables used		(629)	(649)
Salaries and employee benefits expenses		(2,365)	(2,357)
Depreciation and amortisation expenses	3	(254)	(277)
Other expenses from ordinary activities		(3,011)	(2,726)
Total expenditure		(6,279)	(6,021)
Profit/(Loss) from ordinary activities before income tax expense		668	(2)
Income tax (expense) relating to ordinary activities	4	(34)	(166)
Net Profit/(Loss)	14	634	(168)

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
CURRENT ASSETS			
Cash assets	5	2,620	1,616
Receivables	6	637	634
Inventories	7	213	234
Other	8	45	46
Total Current Assets		3,515	2,530
NON-CURRENT ASSETS			
Property, plant and equipment	9	758	965
Total Non-Current Assets		758	965
Total Assets		4,273	3,495
CURRENT LIABILITIES			
Payables	10	397	403
Income tax liabilities	11	34	-
Provisions	12	753	459
Other liabilities	13	291	152
Total Current Liabilities		1,475	1,014
Total Liabilities		1,475	1,014
NET ASSETS		2,798	2,481
EQUITY			
Retained Profits	14	2,425	2,108
Contributed Equity	15	373	373
Total Equity		2,798	2,481

The statement of financial position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2005

	NOTE	2005 \$'000 INFLOWS/ (OUTFLOWS)	2004 \$'000 INFLOWS/ (OUTFLOWS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		7,694	6,438
Cash payments in the course of operations		(6,725)	(6,220)
Interest received		83	59
Net cash from operating activities	16	1,052	277
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(48)	(69)
Net cash (used in) investing activities		(48)	(69)
Net increase in cash held		1,004	208
Cash at the beginning of the year		1,616	1,408
Cash at the end of the year	5	2,620	1,616

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act* and Treasurer's Directions.

The financial statements have been prepared in accordance with the historical cost convention and, except where stated, does not take into account changing money values or fair values of non-current assets. These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

The Treasurer has determined that the Government Printing Office ("the entity") is a Government Business Division as defined in Section 3(1) of the *Financial Management Act*. In accordance with Section 10 of the *Financial Management Act*, the financial statements of the entity have been prepared on commercial accounting principles.

These financial statements do not comply with International Accounting Standards, as Australia is not adopting these requirements until reporting periods commencing on or after 1 January 2005. However, the potential impact on accounting policies that will arise from the transition to AASB equivalents of IASB pronouncements is disclosed in note 20.

The following is a summary of the material accounting policies, which have been adopted in the preparation of the financial statements.

(b) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Rendering of services

Revenue from rendering services is recognised in proportion to the stage of completion of the contract.

Interest revenue

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

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contribution of assets

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(d) Goods and Services Tax

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

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is 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 from, or payable to, the ATO.

(e) Taxation

The entity is required to pay income tax on its accounting profit, excluding extraordinary items, at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions and the NT Tax Equivalents Regime.

(f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, cash held and cash equivalent assets in the entity's Operating Account. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

Bank overdrafts are carried at the principal amount.

(g) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs have been assigned to different classifications of inventories as follows:

- *Raw Materials* are valued at average cost.
- *Work in Progress* is valued using absorption costing with raw materials incorporated at the average cost at time of issue, and the labour and overhead costs are valued using standard costs.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(h) Receivables

The collectibility of debtors or receivables is assessed at balance date and specific provision is made for any doubtful accounts.

Trade debtors to be settled within 30 days and other debtors to be settled within 30 days are carried at amounts due.

(i) Property, plant and equipment

Acquisitions

Items of property, plant and equipment are initially recorded at cost where the cost is greater than \$5,000 and depreciated as outlined below. Costs incurred on property, plant and equipment, which do not meet the criteria for capitalisation, are expensed as incurred.

The cost of property, plant and equipment constructed by the entity includes the cost of materials and direct labour, an appropriate proportion of fixed and variable overheads and capitalised interest.

Complex assets

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

Subsequent additional costs

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

Revaluations

Plant and equipment is carried at cost.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(i) Property, plant and equipment (continued)

Depreciation and amortisation

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

The estimated useful lives for each class of asset, for the current and previous years, are as follows:

	<u>2005</u>	<u>2004</u>
Plant and equipment	2–20 Years	2–20 Years
Computer equipment and software	1–5 Years	1–5 Years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use. Assets may be constructed internally or acquired assets may have modifications and accessories installed or equipment calibrated and tested, which will affect the date held ready for use.

(j) Leased assets

Leases under which the entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the lease property.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(k) Recoverable amount of non-current assets valued on the cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, the recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows are not discounted to their present value, except where specifically stated.

(l) Payables

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

(m) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken indicates that accumulated sick leave is unlikely to be paid.

Employee benefits expenses in respect of the following categories:

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

are recognised against profits on a net basis in their respective categories.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(n) Superannuation

Employees' superannuation entitlements are provided through the NT Government and Public Authorities Superannuation Scheme (NTGPASS), Commonwealth Superannuation Scheme (CSS) and non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The entity makes superannuation contributions on behalf of its employees. Any liability for superannuation is met directly by the NT Government and the entity has and will continue to have no other direct superannuation liability.

(o) Dividends

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

(p) Rounding of amounts

Amounts in the financial statements and notes to the financial statements have been rounded to the nearest thousand dollars.

(q) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
2 REVENUE FROM ORDINARY ACTIVITIES		
Sale of goods revenue from operating activities	6,852	5,951
Other revenues:		
Interest:		
NT Treasury	86	59
Total interest	86	59
Other	9	9
Total other revenues	95	68
Total revenue	6,947	6,019
3 PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		
<i>Profit/(Loss) from ordinary activities before income tax expense has been arrived at after charging / (crediting) the following items:</i>		
Cost of goods sold	4,647	4,366
Depreciation of:		
Plant and equipment	203	217
Computer equipment and software	51	60
Total depreciation	254	277
Administrative Expenses:		
Training and study	7	11
Official duty fares	4	2
Travelling allowance	4	1
Audit and other services (1)	24	26
Corporate support by external agencies	135	132
Net expenses from movements in provision for employees benefits	(14)	32
Operating lease rental expense	-	119

(1) Amounts paid, or due and payable to the NT Government for services provided by the Northern Territory Auditor-General's Office.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
4 INCOME TAX EXPENSE		
Current Year Profit	668	(2)
Prima facie income tax expense 30%	200	-
Carried forward tax loss 2004 (at 30% tax rate)	(166)	-
Future income tax benefit arising from tax losses not brought to account (34% 2001: 30% 2003)	-	(166)
Income tax expense	34	(166)
5 CASH ASSETS		
Operating Account	2,608	1,604
Cash advances	10	10
Cash on hand	2	2
	2,620	1,616
6 RECEIVABLES		
Current		
Trade debtors	480	576
Other receivables	149	52
Interest receivable	8	6
Total receivables	637	634
7 INVENTORIES		
Raw materials and stores	161	162
Work in progress	52	72
	213	234
8 OTHER ASSETS		
Current		
Prepayments	43	33
Accrued revenue	2	13
	45	46

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
9 PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
At cost	3,954	3,943
Accumulated depreciation	(3,268)	(3,065)
	686	878
Computer equipment and software		
At cost	737	701
Accumulated depreciation	(665)	(614)
	72	87
Total property, plant and equipment	758	965
Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:		
<i>Plant and equipment</i>		
Carrying amount at beginning of year	878	1,095
Additions	11	-
Depreciation	(203)	(217)
Carrying amount at end of year	686	878
<i>Computer equipment and software</i>		
Carrying amount at beginning of year	87	78
Additions	36	69
Depreciation	(51)	(60)
Carrying amount at end of year	72	87
10 PAYABLES		
Current		
Trade creditors	140	190
Other creditors	257	213
Total payables	397	403
11 INCOME TAX LIABILITIES		
Current income tax payable	34	(166)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005 \$'000	2004 \$'000
12 PROVISIONS		
Current		
Employee Benefits:		
Recreation leave	319	340
Leave loading	46	57
Leave fares	47	29
	412	426
Other Current Provisions		
Provision for dividend	317	-
Provision for fringe benefits tax	3	3
Provision for workers compensation premium	11	10
Provision for payroll tax	10	20
	341	33
	753	459
(a) RECONCILIATIONS		
<i>Provision for Employee Benefits</i>		
Balance as at 30 June 2004	426	394
Reductions arising from payments/other sacrifices of future economic benefits	(266)	(202)
Additional provisions recognised	252	234
Balance as at 30 June 2005	412	426
The GBD employed 40 employees as at 30 June 2005 (2004: 41 employees)		
<i>Provision for Dividend</i>		
Balance as at 30 June 2004	-	-
Additional provisions recognised	317	-
Balance as at 30 June 2005	317	-
<i>Provision for Fringe Benefits Tax</i>		
Balance as at 30 June 2004	3	3
Reductions arising from payments/other sacrifices of future economic benefits	(6)	(3)
Additional provisions recognised	6	3
Balance as at 30 June 2005	3	3

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
12 PROVISIONS		
(a) RECONCILIATIONS (CONTINUED)		
<i>Provision for Superannuation</i>		
Balance as at 30 June 2004	-	8
Reductions arising from payments/other sacrifices of future economic benefits	(135)	(115)
Additional provisions recognised	135	107
Balance as at 30 June 2005	-	-
<i>Provision for Workers Compensation Premium</i>		
Balance as at 30 June 2004	10	6
Reductions arising from payments/other sacrifices of future economic benefits	(41)	(31)
Additional provisions recognised	42	35
Balance as at 30 June 2005	11	10
<i>Provision for Payroll Tax</i>		
Balance as at 30 June 2004	20	36
Reductions arising from payments/other sacrifices of future economic benefits	(94)	(131)
Additional provisions recognised	84	115
Balance as at 30 June 2005	10	20
13 OTHER LIABILITIES		
Current		
Deferred income	291	152
14 RETAINED PROFITS/(ACCUMULATED LOSSES)		
Retained Profits/(Accumulated Losses)	2,425	2,108
Retained Profits/(Accumulated Losses)		
Balance at the beginning of year	2,108	2,275
Net profit / (loss)	634	(163)
<i>Total available for appropriation</i>	2,742	2,112
Dividends provided for or paid	(317)	-
AASB 1028 Employee benefits	-	(4)
Balance at the end of year	2,425	2,108

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
15 CONTRIBUTED EQUITY		
Balance at the beginning of year	373	373
Balance at the end of year	<u>373</u>	<u>373</u>
16 NOTES TO THE STATEMENT OF CASH FLOWS		
<i>Reconciliation of net profit/(loss) from ordinary activities after income tax to net cash used in operations</i>		
Net Profit/(Loss)	634	(168)
<i>Non-Cash Items</i>		
Depreciation	254	277
<i>Changes in Assets and Liabilities</i>		-
Decrease/(Increase) in trade and other receivables	96	(157)
Decrease/(Increase) in inventory	21	36
(Increase) in interest receivable	(2)	(1)
Decrease/(Increase) in prepayments	(10)	(13)
Decrease/(Increase) in other assets	11	166
(Decrease)/Increase in trade and other creditors	(94)	124
Reduction of income tax expense for previous tax losses	166	-
(Decrease)/Increase in provision for employee benefits	(15)	32
(Decrease)/Increase in other provisions	(9)	(20)
Net cash flows from operating activities	<u>1,052</u>	<u>277</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS

A financial instrument is any contract resulting in a financial asset of one entity and a financial liability of another entity.

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

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

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

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

(a) Interest rate risk

The entity's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out below. The average interest rate is based on the outstanding balance at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS (continued)

	Weighted Average interest rate %	Variable interest \$'000	Fixed Under 1 year \$'000	Interest 1 to 5 years \$'000	Maturity Over 5 years \$'000	Non- Interest bearing \$'000	Total \$'000
2005							
Financial Assets							
Cash assets	5.08	2,608	-	-	-	12	2,620
Receivables		-	-	-	-	637	637
		2,608	-	-	-	649	3,257
Financial Liabilities							
Payables		-	-	-	-	397	397
Employee benefits		-	-	-	-	412	412
Dividends payable		-	-	-	-	317	317
		-	-	-	-	1,126	1,126
Net Financial Assets/(Liabilities)		2,608	-	-	-	(477)	2,131
2004							
Financial Assets							
Cash assets	5.00	1,614	-	-	-	2	1,616
Receivables		-	-	-	-	634	634
		1,614	-	-	-	636	2,250
Financial Liabilities							
Payables		-	-	-	-	403	403
Employee benefits		-	-	-	-	459	459
		-	-	-	-	862	862
Net Financial Assets/(Liabilities)		1,614	-	-	-	(226)	1,388

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS (continued)

(b) Credit risk

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

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

(c) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

	2005	2004
	\$'000	\$'000
18 COMMITMENTS		
Non-cancellable operating lease expense commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	67	67
One year and no later than five years	34	101
	101	168

The entity has a lease property under non-cancellable operating leases expiring within 3 years. Leases generally provide the entity with a right of renewal at which time all terms are negotiated.

19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Government Printing Office had no contingent liabilities or contingent assets as at 30 June 2004 or 30 June 2005.

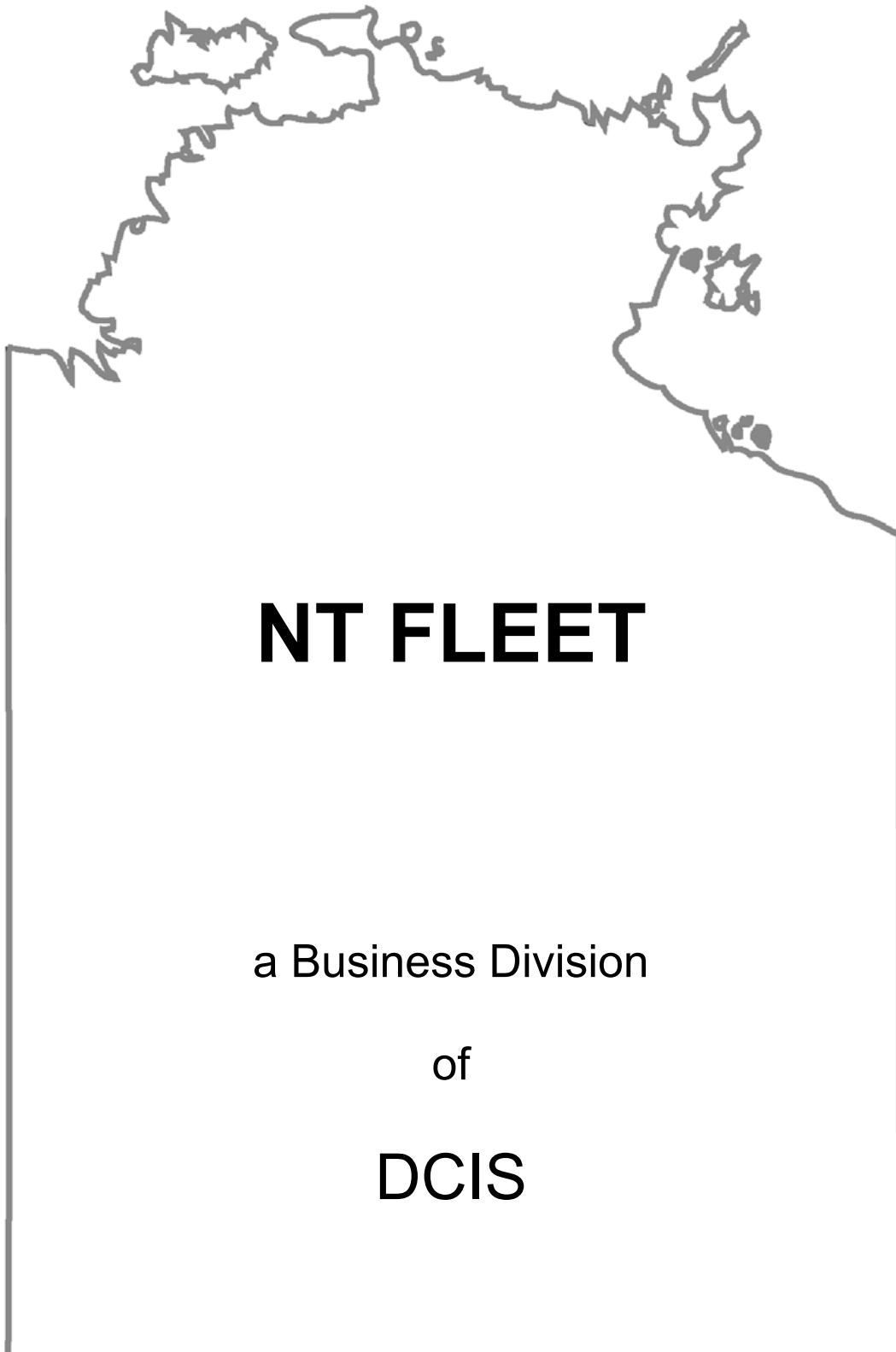
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

20 DISCLOSING THE IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB PRONOUNCEMENTS

DCIS has established a team comprising the Director, Budgets and Commercial, Manager Commercial Accounting and the Accountant from the NT Fleet, Data Centre Service and the Government Printing Office to oversight the implementation of IFRS. A number of staff have attended briefings, seminars and workshops to gain an understanding and training in the adoption of IFRS.

An initial review of the standards, indicate there would be a minimal impact on DCIS in terms of workload and changes to the financial statements.

The financial impact has not yet been quantified.



FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2005

NT Fleet produced profit before tax of \$8.139M, an increase of \$1.171M over the previous year's trading.

Profit on sale of vehicles has been strong for 2004-2005 with good sale prices being received on most popular models. Commercial and four-wheel drive vehicle prices have been above estimates across the range.

The light vehicle fleet has increased in size throughout 2004-2005 from 2,276 to 2,346 vehicles in line with departmental fleet needs. Operational expenditure has increased from \$22.315M in 2003-2004 to \$22.480M in 2004-2005.

Figure 1 shows that NT Fleet consistently operates at a profitable level.

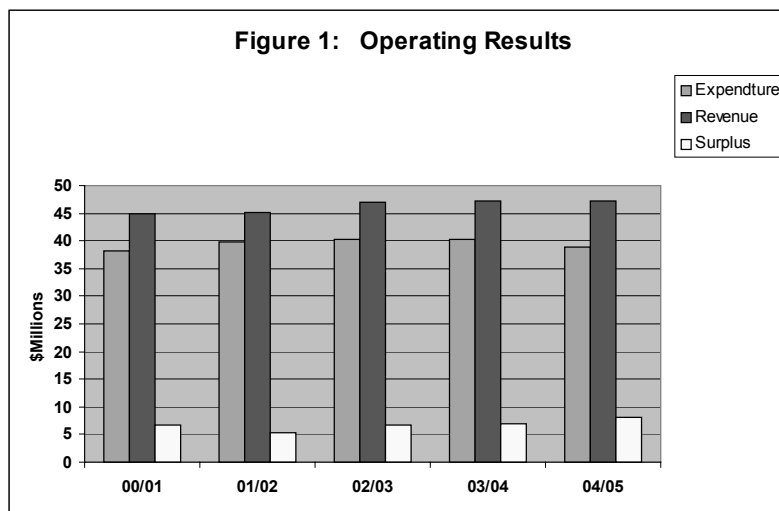
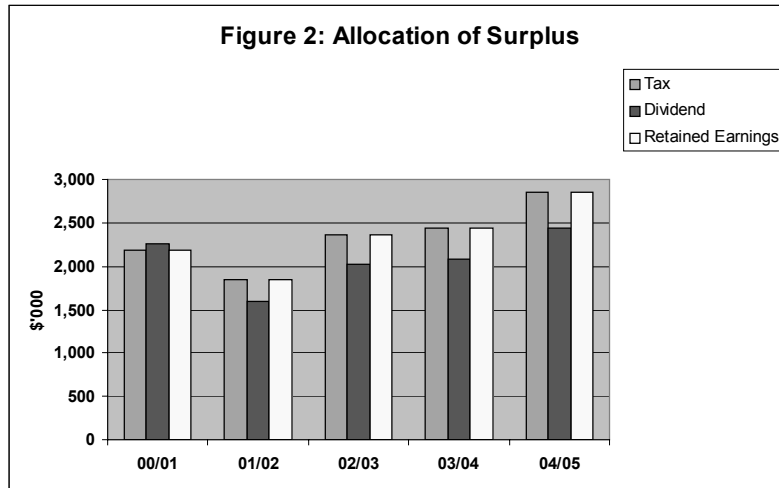


Figure 2 shows the allocation of the operating surplus between tax equivalent, dividend and retained earnings.



AUDITOR-GENERAL

**AUDITOR-GENERAL'S REPORT TO THE MINISTER FOR
CORPORATE AND INFORMATION SERVICES**

**NT FLEET
YEAR ENDED 30 JUNE 2005**

Page 1 of 2

Scope

The financial report and the Accountable Officer's responsibility

The financial report of NT Fleet comprises the statement by the Accountable Officer and statements of financial position, financial performance and cash flows and accompanying notes to the financial statements for the year ended 30 June 2005.

The Accountable Officer of the Agency is responsible for the preparation and presentation of the financial report in accordance with the requirements of the *Financial Management Act*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit in order to express an opinion to the responsible Minister for Corporate and Information Services. My audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control systems and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements or control deficiencies have been detected.

I performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and with the requirements of the *Financial Management Act*, a view which is consistent with my understanding of the Agency's financial position and its financial performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of accounting estimates made by the Accountable Officer.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

My audit did not involve an analysis of the prudence of business decisions made by the Accountable Officer or management.



AUDITOR-GENERAL

Page 2 of 2

Independence

I am independent of the Agency and, in conducting my audit, I followed applicable independence requirements of the *Audit Act* and of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial report of NT Fleet:

- presents fairly the financial position of NT Fleet at 30 June 2005, and its financial performance for the year ended on that date; and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and of the *Financial Management Act*.

A handwritten signature in black ink, appearing to read 'F. McGuinness'.

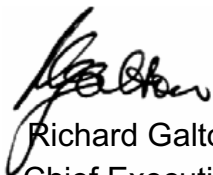
Frank McGuinness
Auditor-General for the Northern Territory
Darwin, Northern Territory
11 October 2005

STATEMENT BY THE ACCOUNTABLE OFFICER

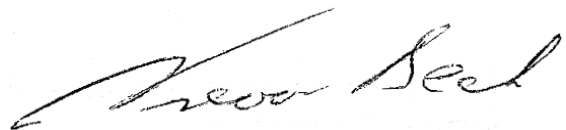
In our opinion:

- i. The accompanying financial statements and notes are based on proper accounts and records and are in agreement with the accounts. They have been properly drawn up so as to present fairly the financial position of NT Fleet as at 30 June 2005, its financial performance and its cash flows for the year ended on that date.
- ii. The financial statements are in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Financial Management Act.
- iii. 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.

Dated at Darwin in the Northern Territory
11 October 2005



Richard Galton
Chief Executive



Trevor Beck
CHIEF FINANCIAL
OFFICER

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
Revenue from sale of goods	2(a)	28,572	27,268
Gross proceeds from sale of vehicles	2(b)	18,426	19,613
Other revenues	2(a)	118	342
Total revenue		47,116	47,223
Cost of vehicles sold	2(b)	(16,497)	(17,941)
Raw materials and consumables used		(8,749)	(8,762)
Salaries and employee benefits expenses		(1,959)	(1,970)
Depreciation and amortisation expenses	3	(11,772)	(11,506)
Borrowing costs	3	-	(76)
Total expenditure		(38,977)	(40,255)
Profit from ordinary activities before income tax expense		8,139	6,968
Income tax (expense) relating to ordinary activities	4	(2,442)	(2,090)
Net Profit	14	5,697	4,878

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2005

	NOTE	2005 \$'000	2004 \$'000
CURRENT ASSETS			
Cash assets	5	2,110	4,241
Receivables	6	638	662
Inventories	7	4	6
Other	8	206	230
Total Current Assets		2,958	5,139
NON-CURRENT ASSETS			
Property, plant and equipment	9	73,549	67,882
Total Non-Current Assets		73,549	67,882
Total Assets		76,507	73,021
CURRENT LIABILITIES			
Payables	10	3,037	3,282
Income tax liabilities	11	2,442	2,090
Provisions	12	3,300	2,836
Other liabilities	13	105	-
Total Current Liabilities		8,884	8,208
Total Liabilities		8,884	8,208
NET ASSETS		67,623	64,813
EQUITY			
Retained Profits	14	67,118	64,308
Contributed Equity	15	505	505
Total Equity		67,623	64,813

The statement of financial position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2005

	NOTE	2005 \$'000 INFLOWS/ (OUTFLOWS)	2004 \$'000 INFLOWS/ (OUTFLOWS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		33,508	31,161
Cash payments in the course of operations		(15,605)	(14,849)
Interest received		79	165
Borrowing costs		-	(137)
Income tax paid		(2,091)	(2,021)
Net cash from operating activities	16	15,891	14,319
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,470	19,613
Purchase of property, plant and equipment		(34,053)	(31,870)
Net cash (used in) investing activities		(15,583)	(12,257)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(2,250)
Dividends paid		(2,439)	(2,358)
Net cash (used in) financing activities		(2,439)	(4,608)
Net (decrease) in cash held		(2,131)	(2,546)
Cash at the beginning of the year		4,241	6,787
Cash at the end of the year	5	2,110	4,241

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act* and Treasurer's Directions.

The financial statements have been prepared in accordance with the historical cost convention and, except where stated, does not take into account changing money values or fair values of non-current assets. These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

The Treasurer has determined that NT FLEET ("the entity") is a Government Business Division as defined in Section 3(1) of the *Financial Management Act*. In accordance with Section 10 of the *Financial Management Act*, the financial statements of the entity have been prepared on commercial accounting principles.

These financial statements do not comply with International Accounting Standards, as Australia is not adopting these requirements until reporting periods commencing on or after 1 January 2005. However, the potential impact on accounting policies that will arise from the transition to AASB equivalents of IASB pronouncements is disclosed in note 21.

The following is a summary of the material accounting policies, which have been adopted in the preparation of the financial statements.

(b) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received net of the amount of Goods and Services Tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Rendering of services

Revenue from rendering services is recognised in proportion to the stage of completion of the contract.

Interest revenue

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

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contribution of assets

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(d) Goods and Services Tax

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

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is 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 from, or payable to, the ATO.

(e) Borrowing costs

Borrowing costs include interest and lease finance charges and are expensed as incurred.

(f) Taxation

The entity is required to pay income tax on its accounting profit, excluding extraordinary items, at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions and the NT Tax Equivalents Regime.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, cash held and cash equivalent assets in the entity's Operating Account. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

Bank overdrafts are carried at the principal amount.

(h) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs have been assigned to different classifications of inventories as follows:

- *Raw Materials* are valued at average cost.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(i) Receivables

The collectibility of debtors or receivables is assessed at balance date and specific provision is made for any doubtful accounts.

Trade debtors to be settled within 30 days and other debtors to be settled within 30 days are carried at amounts due.

(j) Property, plant and equipment

Acquisitions

Items of property, plant and equipment are initially recorded at cost where the cost is greater than \$5,000 and depreciated as outlined below. Costs incurred on property, plant and equipment, which do not meet the criteria for capitalisation, are expensed as incurred.

The cost of property, plant and equipment constructed by the entity includes the cost of materials and direct labour, an appropriate proportion of fixed and variable overheads and capitalised interest.

Subsequent additional costs

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

Revaluations

Plant and equipment is carried at cost.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(i) Property, plant and equipment (continued)

Depreciation and amortisation

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

For the current year, vehicle utilisation is considered along with final cost and anticipated salvage value to estimate the useful life of individual assets, and depreciation rates calculated accordingly.

The estimated useful lives for each class of asset, for the current and previous years, are as follows:

	<u>2005</u>	<u>2004</u>
Vehicles - light	2–3 Years	2–3 Years
Vehicles - heavy	3–10 Years	3–10 Years
Plant and equipment	3–12 Years	3–12 Years

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

(j) Leased assets

Leases under which the entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the lease property.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(k) Recoverable amount of non-current assets valued on the cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, the recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows are not discounted to their present value, except where specifically stated.

(l) Payables

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

(m) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken indicates that accumulated sick leave is unlikely to be paid.

Employee benefits expenses in respect of the following categories:

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

are recognised against profits on a net basis in their respective categories.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

(n) Superannuation

Employees' superannuation entitlements are provided through the NT Government and Public Authorities Superannuation Scheme (NTGPASS), Commonwealth Superannuation Scheme (CSS) and non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The entity makes superannuation contributions on behalf of its employees. Any liability for superannuation is met directly by the NT Government and the entity has and will continue to have no other direct superannuation liability.

(o) Dividends

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

At 30 June 2004, NT Fleet declared a dividend of \$2.4M and provision was made for this amount. The Final Dividend based on 50% of the net profit after tax of \$4.874M is \$2.439M. This amount was paid this financial year.

(p) Rounding of amounts

Amounts in the financial statements and notes to the financial statements have been rounded to the nearest thousand dollars.

(q) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
2 REVENUE FROM ORDINARY ACTIVITIES		
(a) Sale of goods revenue from operating activities	28,572	27,268
<i>Other revenues:</i>		
Interest:		
NT Treasury	75	156
Total interest	75	156
Other		
<i>From outside operating activities</i>		
Other revenue	43	35
Insurance proceeds received	-	151
Total other revenues	118	342
Total revenue	28,689	27,610
(b) REVENUE FROM SALE OF VEHICLES		
Gross proceeds from sale of vehicles	18,426	19,613
Other revenue	(16,497)	(17,941)
Total revenue from sale of vehicles	1,929	1,672

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005 \$'000	2004 \$'000
3 PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		
<i>(a) Profit/(Loss) from ordinary activities before income tax expense has been arrived at after charging / (crediting) the following items:</i>		
Depreciation of:		
Motor vehicles	11,772	11,506
Total depreciation	11,772	11,506
Borrowing costs:		
NT Treasury loans	-	76
Total borrowing costs	-	76
Administrative Expenses:		
Consultants (1)	-	399
Document production	7	7
Recruitment (2)	1	3
Training and study	11	14
Official duty fares	6	5
Travelling allowance	3	4
Audit and other services (3)	31	31
Corporate support by external agencies	480	439
Net expenses from movements in provision for employees benefits	12	10
Operating lease rental expense	-	53

(1) Includes marketing, promotion and IT consultants

(2) Includes recruitment related advertising costs.

(3) Amounts paid, or due and payable to the NT Government
for services provided by the Northern Territory Auditor-
General's Office

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
4 INCOME TAX EXPENSE		
Prima facie income tax expense calculated at 30% (2004: 30%) on the profit from ordinary activities:	<u>2,442</u>	<u>2,090</u>
5 CASH ASSETS		
Operating Account	2,109	4,240
Cash on hand	1	1
	<u>2,110</u>	<u>4,241</u>
6 RECEIVABLES		
Current		
Trade debtors	634	654
Interest receivable	4	8
	<u>638</u>	<u>662</u>
7 INVENTORIES		
Raw materials and stores	4	6
	<u>4</u>	<u>6</u>
8 OTHER ASSETS		
Current		
Prepayments	-	2
Accrued Revenue	206	228
	<u>206</u>	<u>230</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
9 PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles – light		
At cost	78,915	73,090
Accumulated depreciation	(14,676)	(13,380)
	<u>64,239</u>	<u>59,710</u>
Motor Vehicles – heavy		
At cost	20,047	18,669
Accumulated depreciation	(10,737)	(10,497)
	<u>9,310</u>	<u>8,172</u>
Total property, plant and equipment	<u>73,549</u>	<u>67,882</u>
Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:		
<i>Motor Vehicles – light</i>		
Carrying amount at beginning of year	59,710	57,175
Additions	30,948	29,781
Disposals at cost	(25,124)	(26,640)
Accumulated depreciation on disposals	8,945	9,350
Depreciation	(10,240)	(9,956)
Carrying amount at end of year	<u>64,239</u>	<u>59,710</u>
<i>Motor Vehicles – heavy</i>		
Carrying amount at beginning of year	8,172	8,283
Additions	2,680	2,142
Asset under construction	351	-
Disposals at cost	(1,653)	(2,676)
Accumulated depreciation on disposals	1,291	1,973
Depreciation	(1,531)	(1,550)
Carrying amount at end of year	<u>9,310</u>	<u>8,172</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
10 PAYABLES		
Current		
Trade creditors	2,757	2,742
Other creditors	280	540
Total payables	<u>3,037</u>	<u>3,282</u>
11 INCOME TAX LIABILITIES		
Current income tax payable	<u>2,442</u>	<u>2,090</u>
12 PROVISIONS		
Current		
Employee Benefits:		
Recreation leave	338	328
Leave loading	45	45
Leave fares	24	22
	<u>407</u>	<u>395</u>
Other Current Provisions		
Provision for dividend (Note 1 (o))	2,849	2,400
Provision for fringe benefits tax	3	5
Provision for superannuation	7	9
Provisions for workers compensation premium	6	2
Provision for payroll tax	28	25
	<u>2,893</u>	<u>2,441</u>
Total Provisions	<u>3,300</u>	<u>2,836</u>
(a) RECONCILIATIONS		
<i>Provision for Employee Benefits</i>		
Balance as at 30 June 2004	395	406
Reductions arising from payments/other sacrifices of future economic benefits	(231)	(289)
Additional provisions recognised	243	278
Balance as at 30 June 2005	<u>407</u>	<u>395</u>

The GBD employed 33 employees as at 30 June 2005
(2004: 33 employees)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
12 PROVISIONS		
(a) RECONCILIATIONS (CONTINUED)		
<i>Provision for Dividend</i>		
Balance as at 30 June 2004	2,400	2,358
Adjustment for final dividend 2003/04 (refer note 1 (o))	39	-
Reductions arising from payments/other sacrifices of future economic benefits	(2,670)	(2,358)
Additional provisions recognised (adjusted to balance)	3,080	2,400
Balance as at 30 June 2005	2,849	2,400
<i>Provision for Fringe Benefits Tax</i>		
Balance as at 30 June 2004	5	6
Reductions arising from payments/other sacrifices of future economic benefits	(13)	(7)
Additional provisions recognised	11	6
Balance as at 30 June 2005	3	5
<i>Provision for Superannuation</i>		
Balance as at 30 June 2004	9	4
Reductions arising from payments/other sacrifices of future economic benefits	(75)	(80)
Additional provisions recognised	73	85
Balance as at 30 June 2005	7	9
<i>Provision for Workers Compensation Premium</i>		
Balance as at 30 June 2004	2	2
Reductions arising from payments/other sacrifices of future economic benefits	(50)	(27)
Additional provisions recognised	54	27
Balance as at 30 June 2005	6	2
<i>Provision for Payroll Tax</i>		
Balance as at 30 June 2004	25	20
Reductions arising from payments/other sacrifices of future economic benefits	(84)	(77)
Additional provisions recognised	87	82
Balance as at 30 June 2005	28	25
13 OTHER LIABILITIES		
Current		
Deferred income	105	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

	2005	2004
	\$'000	\$'000
14 RETAINED PROFITS		
Retained Profits	<u>67,118</u>	<u>64,308</u>
Retained Profits		
Balance at the beginning of year	64,308	61,830
Net profit	<u>5,697</u>	<u>4,878</u>
<i>Total available for appropriation</i>	70,005	66,708
Dividends provided for or paid	<u>(2,887)</u>	<u>(2,400)</u>
Balance at the end of year	<u>67,118</u>	<u>64,308</u>
15 CONTRIBUTED EQUITY		
Balance at the beginning of year	<u>505</u>	<u>505</u>
Balance at the end of year	<u>505</u>	<u>505</u>
16 NOTES TO THE STATEMENT OF CASH FLOWS		
<i>Reconciliation of net profit from ordinary activities after income tax to net cash used in operations</i>		
Net Profit	5,697	4,878
<i>Non-Cash Items</i>		
Depreciation	11,772	11,506
Net profit on disposal of non-current assets	(1,929)	(1,673)
<i>Changes in Assets and Liabilities</i>		
Decrease/(Increase) in trade and other receivables	42	(339)
Decrease/(Increase) in inventory	3	(1)
Decrease/(Increase) in interest receivables	4	9
Decrease/(Increase) in prepayments	-	(2)
(Decrease)/Increase in trade and other creditors	(2)	(293)
(Decrease)/Increase in provision for employee benefits	12	(11)
(Decrease)/Increase in other provisions	2	9
Decrease/(Increase) in GST	(166)	165
(Decrease)/Increase in income tax liabilities	351	70
(Decrease)/Increase in deferred income	<u>105</u>	<u>-</u>
Net cash flows from/(used in) operating activities	<u>15,891</u>	<u>14,319</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS

A financial instrument is any contract resulting in a financial asset of one entity and a financial liability of another entity.

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

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

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

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

(a) Interest rate risk

The entity's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out below. The average interest rate is based on the outstanding balance at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS (continued)

	Weighted Average interest rate %	Variable interest \$'000	Fixed Under 1 year \$'000	Interest 1 to 5 years \$'000	Maturity Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000
2005							
Financial Assets							
Cash assets	5.25	2,109	-	-	-	1	2,110
Receivables		-	-	-	-	638	638
		2,109	-	-	-	639	2,748
Financial Liabilities							
Payables		-	-	-	-	3,037	3,037
Dividends payable		-	-	-	-	3,849	3,849
		-	-	-	-	6,886	6,886
Net Financial Assets/ (Liabilities)		2,109	-	-	-	(6,247)	(4,138)
2004							
Financial Assets							
Cash assets	5.00	4,240	-	-	-	1	4,241
Receivables		-	-	-	-	662	662
		4,240	-	-	-	663	4,903
Financial Liabilities							
Payables		-	-	-	-	3,282	3,282
Lease liabilities		-	-	-	-	395	395
Dividends payable		-	-	-	-	2,400	2,400
		-	-	-	-	6,077	6,077
Net Financial Assets/ (Liabilities)		4,240	-	-	-	(5,414)	(1,174)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

17 FINANCIAL INSTRUMENTS (continued)

(b) Credit risk

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

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

(c) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

	2005	2004
	\$'000	\$'000
18 COMMITMENTS		
Capital expenditure commitments		
Estimated capital expenditure contracted for at balance date but not provided for and payable:		
Within one year	6,942	7,180
	6,942	7,180
Non-cancellable operating lease expense commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	-	21
	-	21
Operating Lease Commitment Receivables		
Received not later than one year	23,635	22,410
Receivable one year and no later than five years	14,891	14,669
	38,526	37,079

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2005

19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2004 or 30 June 2005.

20 WRITE OFFS, POSTPONEMENTS AND WAIVERS

	Agency		Agency	
	2005 \$'000	No. of Trans.	2004 \$'000	No. of Trans.
Write offs, waivers and postponements under the <i>Financial Management Act</i>				
Represented by:				
<u>Amounts written off, waived and postponed by Delegates</u>				
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-
Public property written off	-	-	2	2
Waiver or postponement of right to receive or recover money or property	-	-	-	-
Total	-	-	2	2

21 DISCLOSING THE IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB PRONOUNCEMENTS

DCIS has established a team comprising the Director, Budgets and Commercial, Manager Commercial Accounting and the Accountant from the NT Fleet, Data Centre Service and the Government Printing Office to oversight the implementation of IFRS. A number of staff have attended briefings, seminars and workshops to gain an understanding and training in the adoption of IFRS.

An initial review of the standards, indicate there would be a minimal impact on DCIS in terms of workload and changes to the financial statements.

NT Fleet will review the recording and identification of assets listed for disposal to ensure compliance with the new standard.

The financial impact has not yet been quantified.

APPENDIX A – NT HISTORY GRANTS

Recipient and Research project	Grant(\$)
Albert Colson of Alice Springs - to research the story of the work and times of Central Australian pioneers, Fred and Elsie Colson.	3600
Eva McRae-Williams of Darwin - to research history in Indigenous community museums focussing on the Tiwi Islands.	1000
Edward Street of Beauty Point, Tasmania - to research the convict mechanics who served at the distant settlements of Northern Australia, 1824-1831.	4300
Alan Mayne of Melbourne - to research cross-race histories along the northern corridor which opened up with the building of the Overland Telegraph, 1870-1970.	6000
Jack Frawley of Sydney - to research adult education and the Aboriginal arts industry in Northern Australia.	2000
Michele Langfield of Melbourne - to study responses and perspectives from Northern Territory cultural organisations to global heritage influences.	3000
Pearl Ogden of Darwin - to research the lives and times of a selection of people in the Victoria River Downs region, 1890s-1990s.	2300
Barry Allwright of Alice Springs - to research the "ruby rush" in Central Australia and its influence on the establishment of Alice Springs.	2000
Angelique Edmonds of Ngukurr - to research the confrontation between Aboriginal place and colonialist space in the Roper River area since 1841.	3000
Gerard Waterford and Alec Kruger of Alice Springs - to research and document the life and times of Alec Kruger.	5000
Jinki Trevillian of Brisbane - to research Japanese and Islander migration in Northern Australia from early to mid-twentieth century.	3500
John Hobson & Josephine Harrison of Woy Woy, NSW - to research an internet-mediated project documenting the gay and lesbian history of Central Australia.	4500
Jill Jolliffe of Darwin - to research the Northern Territory as a staging point for World War II in Portuguese Timor.	4000
Karen Hughes of Adelaide - to research and record oral histories with Roper River elders.	1800
Tony Roberts of Bega, NSW - to continue researching a history of Borroloola and the Gulf Country.	4000
TOTAL	50 000



APPENDIX B – AUDITS BY THE AUDITOR GENERAL

For year ending 30th June 2005

Date of Report	Audit	Findings	Action
April 2004	IT Controls Review	The review identified that some PIPS data sets are not being reviewed on a regular basis	Review was completed in May 2004 and added to the yearly schedule to be actioned each May
Sept 2004	End of Year Compliance Audit	The audit recommended that annual leave credits and the detailed Annual Leave reports are reviewed for all NTG Agencies to ensure that the impact will not materially distort the Agency's financial statements	Necessary controls are considered to be in place
Sept 2004	Selected Agencies Procurement Metis Consulting	The review recommended that CAPS take a more proactive role in reviewing documentation provided by agencies prior to commencing the procurement process and that CAPS should attend to gazettals for contracts over \$10 000	Corrective action taken and Treasury issued a Ministerial Direction reinforcing gazettal requirements
Oct 2004	Government Printing Office Financial Statements for the year ending 30/6/04	An issue was raised about segregation of duties and associated risks with unauthorised transactions	GPO has taken corrective action within the PRISM system
Oct 2004	Data Centre Services Financial Statements for the year ending 30 June 2004	No issues were identified arising from the audit	
Oct 2004	NT Fleet Financial Statements for the year ending 30 June 2004	No issues were identified arising from the audit	

April 2005	IT Controls Review	A number of recommendations were made concerning a security policy implementation to address the responsibilities of DCIS to govern security over WOG financial applications hosted on behalf of other agencies (i.e. GAS, PIPSA and PAPMS)	DCIS will consider a financial applications security policy in conjunction with current WOG IT security policies and standards.
April 2005	Compliance Audit Salary Processing Services (PIPS)	A number of anomalies were detected in agency detailed Annual Leave Reports	All matters have been addressed and remedial action taken. An external resource has been engaged to undertake a review of HR record keeping practices
May 2005	NT Fleet Interim Financial Statement Audit for the year ending 20 June 2004	No issues were identified arising from the audit	
June 2005	GAS Controls	The audit revealed the following anomalies: <ul style="list-style-type: none"> • Independent checks of the Advance Accounts maintained by the RTM's were not performed regularly at Palmerston and Palm Court Offices • Credit Card Clearing Accounts have not been reconciled in a timely manner • Accounting and Property Manual has not been updated to reflect reconciliation procedures following introduction of ICMS • Cash Receipts Clearing Account reconciliations have not been reviewed on a number of occasions • GAS User Profile reports have not been run biannually and evidence has not been retained when this report has been run 	Remedial action has been taken



APPENDIX C – GIFTED AND LOANED VEHICLES

For the period 1 July 2004 to 30 June 2005

Gifted Vehicles	Cost (\$)
FORWAARD (Foundation of Rehabilitation with Aboriginal Alcohol Related Difficulties)	\$17 500
Darwin Sailing Club	\$1700
Drug & Alcohol Services Association (DASA) - (Joint initiative with NT Correctional Services)	\$28 000
Sub Total	\$47 200
Loan Vehicles	
Garma Festival	\$29 000
US MOB. COM	\$12 800
KAB	\$24 480
Howard Springs Scout Group	\$2691
Finke Desert Race	\$16 000
NT Boxing	\$2000
Camp Quality	\$1000
Central Australian Bike Challenge	\$5227
Howard Springs Scout Group	\$4000
MusicArtsDance FILMS	\$4500
Vertigo Productions	\$14 000
Sub Total	\$115 698
TOTAL	\$162 898

NOTE: The value of gifted vehicles in 2004-2005 is less than in previous years. A review of the current vehicles gifts process is being conducted by NT Treasury with a view to implementing revised vehicle gift and loan arrangements, which are more equitable and transparent. No approval has been made since the review commenced.

APPENDIX D – GIFTED FURNITURE, FITTINGS AND COMPUTERS

For the period 1 July 2004 to 30 June 2005

Organisation Name	Items Gifted	Value (\$)
Darwin Dressage Club Incorporated	1 X Computer (Desktop)	200
Institute for Aboriginal Development	1 X Computer	200
	3 X Desk	20
	3 X Chair	10
	2 X Filing Cabinet	50
	2 X Bookshelves	20
NT Breast Cancer Voice Inc.	2 X Filing Cabinet	50
	1 X Bookcase	50
Lifeline Central Australia	1 X Computer	150
	1 X Filing Cabinet (4-Drawer)	25
	2 X Chair	20
	1 X Bookcase (small)	20
Territory Craft	2 X Chair	20
	1 X Steel double door cabinet	25
Down Syndrome Association of the Northern Territory	1 X Filing Cabinet (4-draw)	30
	1 X Bookcase (Wooden)	20
Northern Territory Christian Schools	1 X Scanner	15
	1 X DDS Drive Unit	20
	1 X Switch	20
	3 X HUB	20
	1 X 7 CD Stacker	100
	10 X Monitor	20
	5 X Computer	150
Milkwood Steiner School Association	2 X Chair	20

Organisation Name	Items Gifted	Value (\$)
	2 X Desk	20
	1 X Bookcase (White)	20
	1 X Filing Cabinet (2-Drawer)	20
	1 X Inbuilt cupboard	50
Brown's Mart Community Arts	1 X Desk	20
	1 X Filing Cabinet (4-Drawer)	20
Mitchell Street Childcare Centre	1 X Computer	150
	1 X Bookcase (Brown)	20
	4 X Chair	10
Lajamanu Community Government Council	2 X Computer	100
	1 X Television	20
	20 X Chair	5
	3 X Coffee Table	10
	1 X Fridge/Freezer	50
	1 X Desk	20
	1 X Bookcase	20
	1 X Video recorder	20
Autism NT	1 X Filing Cabinet	20
	1 X Photocopier	100

APPENDIX E – ACCOMMODATION COSTS FOR NON GOVERNMENT ORGANISATIONS

As at 30 June 2005

Non Government Organisation	Building	Cost (\$)
Amateur Fishing Association of the NT	Malak Shopping Ctr	24 400
Asthma Foundation	Eurilpa House A/Springs	3710
Austrade	Development House, Darwin	18 400
Australia Day Council	Darwin Central	18 596
Australian Association of Young People In Care	Casuarina Plaza	9000
Camp Quality	Lot 521 Pavonia Place, N/cliff	36 399
Cancer Council	44 Bath Street, A/Springs	23 520
Cancer Council	Casi House, Casuarina	47 864
Cancer Council & NT Friendship & Support	Randazzo Centre, Katherine	13 725
Child Birth Education	Casuarina Plaza	6600
Childrens' Services Support Program	Eurilpa House A/Springs	25 900
Crisis Line	Lot 1826 Bishop Street, Dwn	35 397
Darwin Skills Development Scheme (Net of \$1520/pa contribution by NGO)	Greek Community Centre, N'cliff	53 714
Deaf Association	Casuarina Plaza	14 130
Downs Syndrome Association	Rapid Creek Shopping C'tre	16 905
Duke of Edinburgh Award	Berrimah Star Centre	70 440
Employee Assistance Services	Eurilpa House A/Springs	20 905
Employee Assistance Services	Highway Arcade Stuart Park	98 560
Family Planning Association	Eurilpa House A/Springs	13 725
Gagadju Association	Government Centre Jabiru	15 538
Genealogy Society	Cavenagh Court, Dwn	32 015
Good Beginnings	Randazzo Centre, Katherine	27 450
Greening Australia & CLMA	Leichhardt Building, A/Springs	31 124
GROW	Casuarina Plaza	18 000
Health Connections	Katherine Govt Centre	35 482
Heart Foundation	Darwin Central	37 335
Independent Schools	Darwin Central	18 596
Karama Public Library	Karama Public Library, Dwn	144 061
Katherine Library	Randazzo Centre, Katherine	111 630
Keep Australia Beautiful	Stuart Park Shopping Ctr	36 240
Kidsafe NT & SIDS	Rapid Creek Shopping C'tre	22 853
Lerrluk	Katherine Govt Centre	14 549
L'here Artepe	Leichhardt Building, A/S	25 625
Mental Health	Hansen House, A/S	20 799
Multicultural Community Services of Central Australia	20 Parsons Street, A/S	10 214

Non Government Organisation	Building	Cost (\$)
Multicultural Council NT & Multilingual Broadcasting Council NT	Malak Shopping Ctr	69 584
National Association for the Prevention of Child Abuse and Neglect	Rapid Creek Shopping C'tre	7735
Nightcliff Library	Nightcliff Library	60 066
Pensioners Workshop	Pensioners' Workshop, Winnellie	23 008
Radio Larrakia	Greek Community Centre, N'cliff	15 582
Red Cross	Casuarina Recreation Centre	62 452
Relationships Australia	Winlow House, Dwn	42 728
Territory Advisory Council	Darwin Plaza	59 409
Territory Advisory Council	Winlow House, Dwn	137 424
Top End Business Development Council	Lot 1718/19 Albatross Street, Winnellie	182 640
Various Arts Organisations Warehouse	Tiger Place	16 098
Various Community Art & Craft Groups	96 Winnellie Road	111 182
Victims of Crime NT Inc	La Grande	33 085
Volunteers Australia	Darwin Central	37 193
Warrego & Gecko Foundation	Barkly House, Tennant Creek	17 007
YMCA	Satepak House, Palmerston	72 468
YWCA (Net of \$15 000/pa contribution by NGO)	Highway House, Palmerston	15 895
TOTAL ALL		2 116 955

APPENDIX F – EXECUTIVE BOARD OF MANAGEMENT

As at 30 June 2005

Richard Galton Chief Executive

Richard joined DCIS as Chief Executive in August 2004. He has more than thirty years of experience, primarily in the Territory's public sector. He was previously the Executive Director with the Department of Infrastructure, Planning and Environment and oversaw the successful transformation of the Territory's Power and Water Authority to a Government owned corporation. Richard was Chief Executive of the Department of Sport and Recreation and the Work Health Authority and has held a range of senior management positions. He possesses civil engineering and business degrees, and is a fellow of the Institute of Engineers, Australia and the Australian Institute of Company Directors.

Michael Martin Deputy Secretary

Michael has held senior positions over 23 years in the Departments of Transport and Works, NT Treasury and Territory Health Services before joining DCIS in December 2000. He holds degrees in Arts and Commerce and is a Fellow of the CPA Australia.

Arthur Boland Executive Director Human Resource Services

Arthur joined DCIS on its formation in October 1998 and has held a range of positions in the NTG over his 25 year career. Arthur specialises in industrial relations advocacy, human resource, financial and information technology management. He was responsible for several commercial activities in Transport and Works before joining DCIS where he has responsibility for Human Resources. He holds a Bachelor of Arts and postgraduate qualifications in personnel administration.

Les Hodgson Executive Director Information & Communications Technology

Les has spent much of the last ten years in both Broadband and Strategic Management roles. Working for Telstra, he developed and managed their Cable TV business case, their Retail strategy and the Broadbanding Australia business plan in 2000. In 2000, Les was Business Development Director for ADSL Broadband Networks Ltd. He joined NTG as Executive Director ICT in 2002. Les has a degree in electrical engineering and a Graduate Diploma in Business Administration.

Ian Low Regional Director

Ian commenced as Regional Director Alice Springs in late 1999. He joined DCIS from THS where he was General Manager Corporate Services in the Central Australia Region. Ian joined the NTG some 10 years ago after moving from Canberra. In a 24-year career with the Australian Public Service, Ian worked in several departments and agencies, in both Melbourne and Canberra, where his background was in human resource management.

Katrina Harding Director Leased Property Management

Katrina has been with DCIS since its inception occupying her current role since July 1999. She holds a Bachelor of Business (Accounting) with CPA qualifications and joined the NTPS in 1980 as a Finance Officer in Training. Following a short stint in system related areas as a computer auditor and systems support person, Katrina's roles within the NTG have focused on Financial and Management Accounting.

Bob Creek Director Data Centre Services

Bob joined the NTG as a survey draftsman in 1973. The computerisation of that industry led to his broader involvement in IT systems and service delivery. Since 1990 he has been associated with the management of ICT services and infrastructure. He holds a Masters in Public Sector Executive Management and is a Member of the Australian Institute of Mapping Sciences. Bob is the Director of Data Centre Services.

Chris Hosking Director Workforce Services

Chris is a long-term Territory resident who joined the NT Public Sector as a school leaver in 1986 and has had a varied career in a number of NTG agencies. Chris holds postgraduate qualifications in public sector management and his specific areas of expertise encompass HR more broadly and administration of major IT business systems. Chris joined DCIS upon its formation in 1998 and has worked in a variety of roles. He currently manages the Workforce Services Branch.

Peter Stewart Director Contracts and Procurement

Peter commenced his career as a trainee graduate in the engineering department of the Brisbane City Council. He then moved into the mining area where he was involved in procurement policy and procurement procedures in both Western Australia and South Australia. Peter commenced with DCIS as the Director Contracts and Procurement Services in October 2003.

Brad Irvine Director IT Outsourcing

Brad has over 28 years technical and management experience in the ICT industry in the Northern Territory in both private and public sectors. He was engaged by DCIS in 1998 as a senior consultant to the Advanced Communications Strategy outsourcing initiative. In 1999, Brad joined DCIS as project manager of the Desktop/LAN Service outsourcing program and was appointed Director in 2002. Brad undertook the second round of telecommunication outsourcing in 2004-2005.

Garry Haigh Director IT Service Management

Garry has worked for the NTG for over 25 years. He has extensive experience in the communications field and his most recent positions include IT Manager, Contract Manager and currently Director ITSM for DCIS. For approximately eight years, commencing in 1996, Garry worked in the private sector firstly as a Telecommunications Management Consultant and later as an Operations Manager, at the Darwin Communications Centre. Garry has completed a Graduate Certificate in Public Sector Management, a Certificate in Basic Electronics and most recently attended a Company Directors course through AICD.

Sharon Winks Director Executive Support

Sharon recently joined DCIS furthering a career that has taken her through the public and private sector and now into the NTG. She has experience in the fields of risk, governance, business planning, review, evaluation and performance reporting gained at the Commonwealth level and internationally as a management consultant for AusAID, the UNDP and World Bank. She has a Bachelor of Economics and recently completed a Masters of Business Administration majoring in Human Resource Management.

APPENDIX G – DCIS PRICE LIST

Product	Cost Measure	Jan 2005
<u>Accounting Services</u>		
Accounts Payable	Per Invoice	\$16.00
Accounts Receivable	Per Invoice	\$84.00
Accounts Receivable - RTM	Per Receipts	\$7.00
Asset Management	No of Assets (pa)	\$70.00
Commercial	Allocation of FTE (pa)	\$86 000.00
<u>Corp Credit Cards Management</u>		
-Credit Card Management	No of Credit Cards (pa)	\$390.00
-Unresolved Transactions	Per Unresolved Transaction	\$-
<u>Financial Reporting</u>		
-Auto	Per Page Produced	\$1.00
-Manual		
<u>Financial Systems</u>		
Staff Travel	DASD Usage (per 1% per annum)	\$73 000.00
	Per Transaction	\$26.00
<u>Taxation Services</u>		
-BAS Lodgement	Per Line Per Return	\$0.60
-FBT Tax	Per Line Comprising FBT Liability	\$19.00
-Payroll Tax	Per Cost Code Per Return	\$3.00
<u>Tendering Services</u>		
-Tender Management	Per Tenders Managed	\$1 200.00
-Standard RFT	Per Standard RFT	\$1 000.00
-Complex RFT	Per Complex RFT	\$3 600.00
-Addenda/Extension	Per Addenda/Extension	\$540.00
-CAPS Advisory Service	Per No of Paid Employees (pa)	\$16.00
-CAPS Whole of Govt Contracts	Per No of Paid Employees (pa)	\$16.00
Couriers/Despatch	Per Drop Off/Pick Up	\$8.00
<u>Human Resource Services</u>		
HR System	Per No of Paid Employees (pa)	\$350.00
JES	Per JESd Position	\$250.00
<u>Payroll Services</u>		
-Per Employee Charge	Per No of Paid Employees (pa)	\$160.00
-PER PTR Charge - Auto	Per PTR - Auto	\$3.00
-PER PTR Charge - Manual	Per PTR - Manual	\$8.00
-Commencement / Termination	Per Commencement/Termination	\$260.00
<u>Recruitment Services</u>		
-Per New Starter	Per New Starter	\$510.00
-Per Temporary or Nominal Move	Per Temporary or Nominal Move	\$30.00
Entry Level Recruitment	Per No of Admin Staff (pa)	\$70.00
Short Course	Per Person/Half Day	\$135.00
Employment Programs	No. Of Apprentices	\$2 480.00
Venue Management - Belvedere House A/S L1	Per Half Day	\$50.00
Venue Management - Belvedere House A/S L2	Per Half Day	\$120.00
Venue Management - Sadgroves	Per Half Day	\$100.00
Venue Management - Timor	Per Half Day	\$100.00
Venue Management - Frances Bay	Per Half Day	\$150.00
Venue Management - Katherine Govt Centre	Per Half Day	\$90.00
OH&S	Per Hour	\$100.00
Workers Compensation	Per Hour	\$83.00



<u>Records Services</u>		
Records Policy & Systems	Per No of Paid Employees (pa)	\$65.00
<u>ICT Services</u>		
ICT Policy & Strategy	Per No of Desktops (pa)	\$100.00
<i>IT Service Management</i>		
- Contract Services	Per No of Desktops (pa)	\$165.00
- Agency Services	Allocation of FTE - Managers (pa)	\$130 000.00
	Allocation of FTE - Directors (pa)	\$175 000.00
<u>Leased Property Services</u>		
-Management	Overheads	3.47%

