DEPARTMENT OF CORPORATE
AND INFORMATION SERVICES

Annual Report 2017-18

NORTHERN
TERRITORY
GOVERNMENT

Letter of Representation to the Minister

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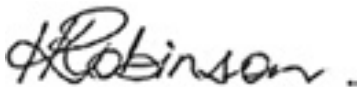Parliament House
Darwin NT 0800

Dear Minister

In accordance with section 28 of the *Public Sector Employment and Management Act*, I am pleased to submit the 2017-18 annual report on the activities and achievements of the Department of Corporate and Information Services (DCIS).

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

a) proper records of all transactions affecting DCIS are kept and employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions

b) procedures within DCIS afford proper internal control, a current description of such procedures are recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the *Financial Management Act*

c) no indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records exists

d) in accordance with section 15 of the *Financial Management Act*, the internal audit capacity available to DCIS is adequate, and the results of internal audits have been reported to me

e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions

f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied

g) DCIS is working in compliance with the archives and records management provisions as prescribed in Part 9 of the *Information Act*

Yours sincerely

Kathleen Robinson
Chief Executive
27 September 2018

Our Report

The Department of Corporate and Information Services annual report provides a comprehensive record of the department's functions and performance for 2017-18 and progress towards the department's strategic goals and priorities.

Our audience

The primary purpose is to report the department's performance in 2017-18 to the Minister for Corporate and Information Services.

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

The DCIS annual report informs readers and provides an:

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

How to use

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

- **The Department** outlines the organisation's purpose, primary functions and objectives
- **Achievements** reports DCIS' output performance in 2017-18 and results against measures published in Budget Paper No. 3
- **Corporate Governance** details DCIS' corporate governance model and performance
- **Our People** provides an overview of DCIS' people, human resource management, legislative requirements and formally acknowledges employee achievements
- **Financial Reports** provides financial statements and related notes for DCIS and the two government business divisions of NT Fleet and Data Centre Services
- **Appendices** lists more detailed information that needs to be disclosed and is adjunct to the main report.

The report is published online at www.nt.gov.au/dcis. Alternative document formats are available upon request from the department.

Our Performance Symbols

COMPLETED: finalised within this reporting period.

IN PROGRESS: extends over two reporting periods and is generally expected to be completed on time.

ONGOING: long-term and continues across reporting periods, or needs to be delivered annually.

Contents

Chief Executive's Foreword

2017-18 in Review

"Great things in business are never done by one person. They're done by a team of people." – Steve Jobs

The committed and talented teams across DCIS have again exceeded my expectations in 2017-18. The department has grown in its responsibilities, projects and initiatives over the year and our staff have continued to relish the challenges, achieving some major milestones, delivering quality services to clients and laying the groundwork for a further round of accomplishments in 2018-19 and beyond.

The Northern Territory Government has maintained a dedicated and effective shared corporate services model for 20 years through the Department of Corporate and Information Services (DCIS) which commenced operation in October 1998. In recent years the agency's remit has expanded from service delivery to include assurance, leadership and advisory roles with an increasingly strong ICT and digital focus. When I reflect on where DCIS started and how far we've come as an agency, it's clear that our growth and our successes are underpinned by the energy and efforts of our staff working together and always striving to improve.

So, with these thoughts forefront and acknowledging the extensive contribution of staff across DCIS, I am pleased to present the annual report of the Department of Corporate and Information Services for the year ending 30 June 2018.

The report provides a comprehensive account of the department's functions and performance, and approved budgets and resources, along with many highlights of our achievements that contribute to execution of the DCIS 2016-2018 Strategic Plan.

Over 2017-18, DCIS has maintained its focus on delivering results through a client centred approach and a culture of innovation, improvement and engagement. Our people continue to be at the centre of the department's strategy and success with our commitment to developing skilled leaders highlighted through our Emerging Leaders Plus Program and multiple staff knowledge building programs. Ongoing support, empowerment and development of staff is increasing our performance, contribution and value as a central service provider and advisor providing essential support for agencies across government.

Having our core functions well established and stable has allowed DCIS to evolve its role and services through substantial growth in the digital domain. The department now has a leadership role to advance digital transformation and to deliver the NT Government's digital reform agenda. I have had to review and adapt our organisation structure to position the department for this expanded remit, which is being delivered largely through the Enterprise Project Services and Office of Digital Government divisions.

Digital transformation is being driven by Enterprise Project Services, recently established through combining the previous Program Management Office and major project teams and restructuring to a portfolio program leadership model. This new division recognises the significance and complexity of enterprise digital projects and positions DCIS to meet project challenges and deliver robust, modern digital solutions that help frontline workers and benefit clients and citizens. A strong emphasis is placed on involving agencies and stakeholders throughout the programs, with ongoing collaboration and cooperation to ensure that the digital solutions improve frontline government services and meet community needs.

The primary enterprise digital transformation programs assigned to DCIS to project manage are:

- Health – a single new clinical solution for all hospitals and health centres across the Territory covering the range of public health services and replacing four aging systems. The new system is named 'Acacia' and the delivery program is referred to as CCSRP. The solution vendor, InterSystems, has partnered with Territory business, Dialog IT, to supply local ICT expertise to the program and has established a local office in Darwin. Detailed implementation planning has confirmed a staged site-based implementation approach with CCSRP currently in the solution design phase, involving extensive engagement with clinicians and health professionals right across NT Health.

- Policing – a robust, modern business system to manage NT policing functions and provide digital data exchange for justice and other requirements. The program recently completed the procurement phase with a contract for the new solution, named SerPro, awarded to Niche Technology Inc, a specialist policing systems provider, also used by the Queensland and South Australian police forces. The program is moving into the implementation planning phase and will be seeking to engage ICT professionals from local Territory suppliers to implement the solution.

- Child protection and youth justice – a contemporary and integrated digital solution for case management, data exchange, business intelligence and continuity of care. The program, referred to as CMSA, is in the procurement phase with the approach and documentation being developed for a public tender in 2018-19.
- ICT resilience - transitioning the NT Government's computing network and infrastructure from the legacy Chan data centre to a dual site model with the new Government Data Centre (GDC) at Millner and a Back-up Data Centre (BDC) to mitigate major business continuity risks and enable ICT disaster recovery. A key milestone was the relocation of the government mainframe from Chan to the GDC in mid-2018 which has substantially improved our system resilience The transfer of ICT equipment and services to the GDC is progressing to schedule and a public tender to source a BDC through the local market is well underway.

Before I move onto other important achievements, one exceptional digital transformation project I need to mention is the ASNEX solution for managing the NT Government's infrastructure assets. This program concluded in mid-2018, coming in under budget and on schedule with milestones achieved and objectives delivered. The ASNEX program was initiated following the previous Asset Management System's failure to meet business needs, which provided a range of additional challenges to overcome, including rectification and stabilisation projects running alongside solution development streams. ASNEX is a case study in how to 'get it right' and successfully deliver a complex, multi-streamed digital program through robust governance, rigorous project management and strong executive sponsorship. I am extremely proud of our accomplishments with ASNEX and very appreciative of the efforts put in by everyone involved, including agency stakeholders, project teams, DCIS leaders and the Corporate Systems team who now manage ASNEX in its steady state.

DCIS' second digital leadership stream advancing the NT Government's digital reform agenda is driven through the Digital Government division which has a lead role in digital, data and cyber strategy, ICT project assurance, digital communications, digital industry collaboration and telecommunications advocacy.

A major milestone was the release of the *Discussion paper: towards a digital strategy for the NT.* This paper triggered extensive consultation with the Territory community, local businesses, ICT industry, major digital companies, community groups and government agencies to inform development of the Territory's first Digital Territory Strategy. Consistent themes emerged through the consultation which are reflected in the Digital Territory Strategy, to be released in October 2018 and presenting a blueprint for growing a connected, secure and thriving digital economy, enabling Territorians to improve digital skills and take full advantage of digital technology.

Telecommunications infrastructure is essential for the Territory's digital future as it enables access to better health and education services, facilitates socio-economic and skills development and improves safety for travellers and locals. Remote telecommunications continued as a key area of focus in 2017-18 with a number of significant achievements including:

- Connecting eight more remote Territory communities to mobile phone and/or broadband services through the Remote Telecommunications Co-investment Program with Telstra which is due to finish by early 2019, with a further six communities to connect.
- Following the success of previous co-investment programs, both Telstra and the NT Government have committed to another four-year program at a total investment of $14 million to connect remote communities, some transport corridor locations and remote tourist destinations. Planning is underway and works are due to commence in 2019.
- Commencing the Tiwi Islands undersea optic fibre cable project, which will see telecommunications services to the Islands strengthened, modernised and capacity greatly increased to provide more opportunities for economic growth and social benefits. The fibre project will be delivered by the Vocus Group over 2019 at a cost of $8.5 million.
- Completing the highly regarded and ingenious mobile hotspots program delivered by the Centre for Appropriate Technology. In total 28 hotspots have been installed across remote locations in both Central Australia and the Top End, increasing access to telecommunications in isolated locations that would otherwise not receive a mobile signal.
- Continuing to advocate to the Australian Government on remote telecommunications services for the NT through NT Government submissions to inquiries and briefings to Australian Parliamentary Committees on the National Broadband Network and Viewer Access Satellite Television.

"Alone we can do so little, together we can do so much." – Helen Keller

Examples of excellent services and results from teams across the department are presented throughout this report showcasing DCIS' strong service delivery foundations, our inclusive, professional approach and our focus on striving to improve. The achievements section provides a full picture of the substantial projects, services and initiatives delivered over the year as well as priority actions for 2018-19.

A snapshot of key initiatives progressed in 2017-18 covers:

- procuring a new 10 000 m^2 lease of Darwin CBD office space for DoH's corporate headquarters with an Agreement for Lease executed and works commencing to demolish Cavenagh House and prepare for design and construction of a new office building to be known as Manunda Place. DCIS Shared Services Division will also be accommodated in the new lease when the building is completed in 2020

- introducing a Cyber Security Governance Framework to outline the NTG's cyber security posture, security requirements and responsibilities of agencies
- launching new online NTG roads reporting system that provides up-to-date information on Territory road conditions to help travellers
- establishing a joint working group between the NT ICT Industry Association and the NTG, represented by DCIS and DTBI, to consider and progress issues identified by the Association, and develop a deeper shared understanding of ICT issues, actions and perspectives that will benefit industry, government and the community
- managing the transition of worker's compensation administration to an external service provider, with a focus on quality change management
- introducing email subscription alerts for people seeking NT Government jobs and social media sharing functionality linked to eRecruit
- establishing a new prepaid payment card facility with government's banker to manage one-off payments in an emergency, such as a natural disaster
- developing a toolkit to support agencies adopt Contrax, the new enterprise contract management system, supplemented with user guides and resources to assist agency staff
- enhancing the cyber security of government's virtual private network through introducing a VDI solution for agency staff working away from the office
- implementing new NTG Business Classification Scheme for records management by all agencies as well as standardising records management system (TRM) settings and configuration across the NTG to improve consistency and efficiency
- conducting 17 industry consultation sessions to inform development of public tender documentation and across government contracts involving diverse business sectors stretching from valuers, fuel suppliers and air charter operators to employee assistance counsellors
- piloting an online customer portal for agency tenancies in leased buildings so agencies can lodge and keep track of building maintenance issues
- introducing digital vehicle maintenance and servicing management functionality to facilitate efficient on-time vehicle servicing with automated notifications and online scheduling
- relocating the Alice Springs NT Fleet team to the DCIS main office in Alice Springs to strengthen service delivery to agencies in Central Australia.

Some areas for improvement were identified during the year, through internal and external audits and DCIS' strong governance focus. The need to strengthen payroll processes to reduce salary errors and overpayments was the main issue raised, which was highlighted through a very large overpayment being made due to human error and not detected through checking controls. While the overpayment error was promptly rectified, a program of improvement works was initiated in Shared Services to enhance internal controls, system reporting, staff training and assurance processes. This works program will continue through 2018-19 with key actions reported in the performance section for the Human Resources Services output.

DCIS staff and business units are actively supported to deliver their priorities by a committed internal team who continued their valuable assistance efforts over 2017-18. Key activities to help improve the department's performance included developing leadership programs and encouraging DCIS values and professional behaviours; applying rigorous financial management oversight; strengthening governance and testing business continuity plans; delivering procurement training and health and wellbeing programs; upgrading essential ICT systems; promoting innovation and expanding communications. Two projects of particular significance were the digitisation and expansion of the MyPlan process, currently in pilot phase and due to go live later this year; and a refreshed DCIS staff site applying contemporary web practices and aligning technology platforms.

Looking to 2018-19, DCIS will maintain a strong focus on delivering across its broad remit; improving services, achieving project milestones, extending our capability and exceeding our customers' expectations. The department will be heavily focused on delivering digital transformation solutions for government over at least the next four years and will continue to expand our role in areas including data sharing, analytics, connectivity and supporting agencies.

In 2018-19 the department will finalise the initiatives and actions set in the DCIS 2016-2018 Strategic Plan and develop the next plan for 2019-2021. My consultation with staff right across DCIS to inform the next Strategic Plan commenced in early 2018, and I've enjoyed meeting and discussing ideas with staff across almost all DCIS work units which will conclude with the two remaining areas scheduled for September.

I am always inspired by the way staff in DCIS eagerly take up the considerable challenges our digital and other projects bring, responding with professionalism, enthusiasm and dedication.

I wish to extend my many thanks once again to DCIS staff for their extraordinary efforts this past year. The department has achieved a great deal and I acknowledge the excellent work of DCIS employees who dedicate themselves to their tasks each day. I look forward to working with each and every one of them and to continue to being inspired by them as we deliver government's priorities over the next year.

Kathleen Robinson
Chief Executive
27 September 2018

THE DEPARTMENT

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Overview

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

DCIS was established in 1998 with the purpose to consolidate corporate functions across government to provide efficiencies through centralised shared services enabling other agencies to focus on their core business. Now in our 20th year, these shared corporate and ICT services continue to be our foundation, embedded within our Strategic Plan and reflected in Budget Papers. The services are provided to all NTG agencies and interact with most employees across the NTPS.

Our core functions are well established, stable and respected, enabling DCIS to evolve its role and services through substantial growth in the digital domain over recent years. The department has been assigned an explicit leadership role to advance digital transformation and deliver on the NTG's digital reform agenda through Enterprise Project Services and the Office of Digital Government.

Our environment is one of continuous improvement, ongoing change and increasing accountability. A key focus is identifying and implementing business efficiency improvements, particularly through technology-led solutions, economies of scale and business process reforms.

The range of DCIS services include:

Shared Corporate Services – financial and human resource administration, contract services, property leasing services, management of the government fleet, and information and communications technology (ICT) services covering ICT security, network architecture and management and data management.

Enterprise Project Services – all-of-government enterprise solutions delivery, leadership of digital transformation programs for frontline government services and ICT portfolio program management.

Digital Leadership – digital strategy, digital policy, telecommunications, ICT governance, data strategy, digital communications and cyber security strategy.

We focus on consistent delivery of services, aligning with agencies' requirements and delivering benefits through increasing the effectiveness of our systems and processes to assist our client agencies. We encourage a collaborative, innovative and professional culture within the department to deliver on government priorities.

In 2017-18, DCIS comprised the Department of Corporate and Information Services and two government business divisions (GBDs) – NT Fleet and Data Centre Services (DCS).

Our organisational structure is on page 9.

As at 30 June 2018, DCIS employed 624 full-time equivalent (FTE) staff, with the majority (544) working in the department and the remainder in the GBDs. We have service outlets in Darwin, Palmerston, Casuarina, Katherine and Alice Springs.

The department's total budget for 2017-18 was $219 million, excluding the GBDs, which are separate budget entities. Refer to the Financial Reports section starting at page 105 for detailed financial information and explanations of our financial performance across all budget entities.

Improving
Business
Outcomes

Innovative
Solutions

Stakeholder
Collaboration

Organisation Structure

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

The structure of the organisation is regularly reviewed to ensure alignment to the department's strategic direction. In particular, with the department on a digital transformation pathway, and the establishment of the Office of Digital Government in 2017, changes to the organisation structure have been necessary. A key re-alignment in 2017-18, as part of the digital transformation journey, was merging the Project Management Office and major ICT projects undertaken on behalf of other agencies to form a new Enterprise Project Services division.

The department's organisation structure is outlined in figure 1.

Figure 1
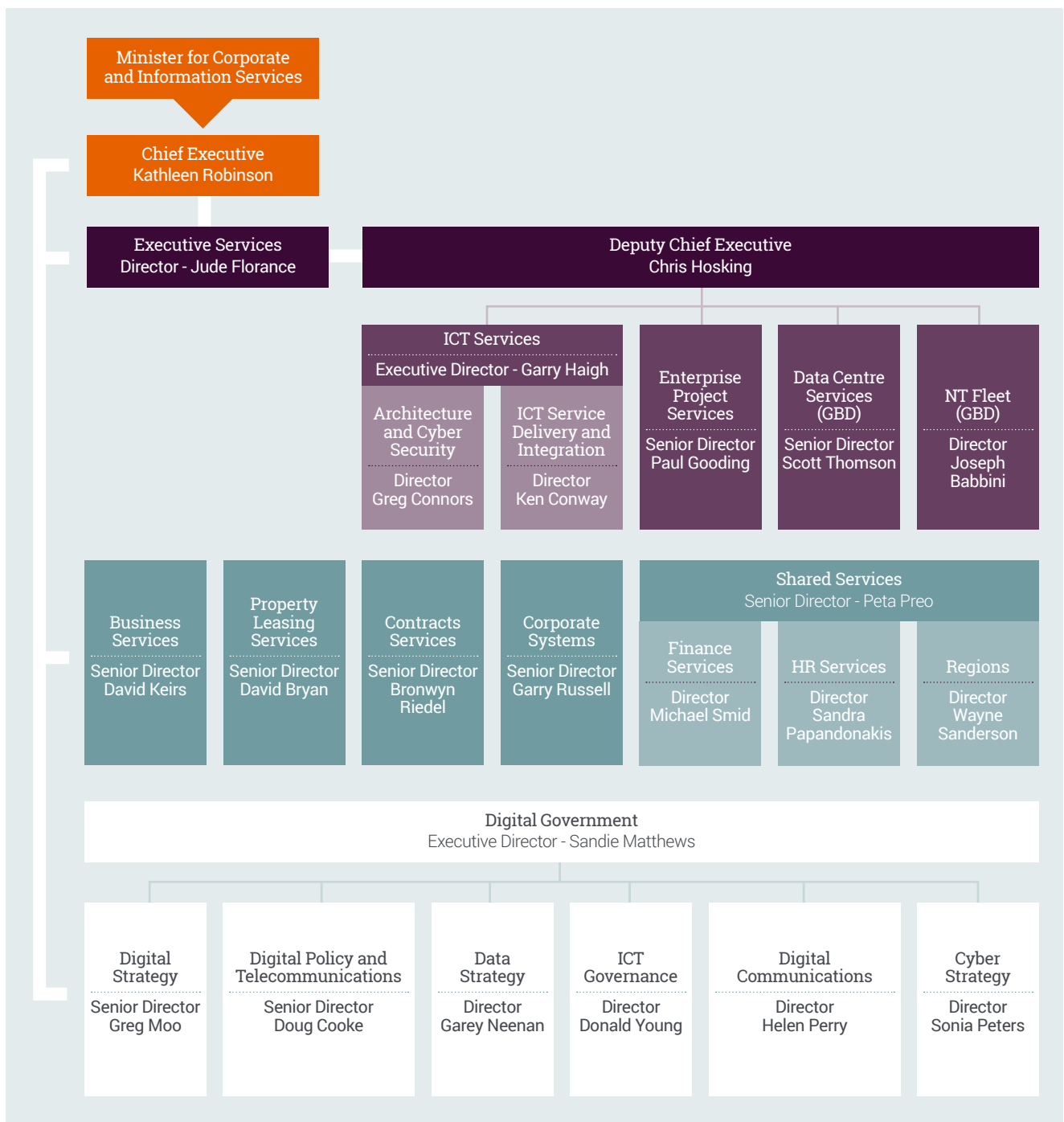
Corporate Statement

Our corporate statement guides the department's actions and influences the way we work together, the way we interact with our clients and the way we engage with our stakeholders.

VISION

To exceed our clients' expectations with high quality corporate services.

PURPOSE

To deliver reliable and efficient corporate services that support government and enable agencies to focus on their core business.

OUR PRINCIPLES

We will meet our key responsibilities and strategic objectives through:

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

OUR VALUES

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

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

OUR SERVICES

DCIS provides the following services:

- Finance Services
- Human Resource Services
- Contract Services
- ICT Services
- Asset Services
- Property Leasing Services
- Enterprise Project Services
- Digital Government
- Vehicle Fleet Services
- Data Centre Services

Strategic Priorities

The department's clear set of strategic priorities underpins our purpose in delivering reliable and efficient corporate services.

Strategic Plan 2016-2018

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

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

Regular reporting against the plan, including six-monthly reports on progress, is provided to the EMB.

The plan was established as a sustainable strategy; it is intentionally flexible and able to accommodate new programs and emerging priorities allowing the department to continue to meet government's needs over the life of the plan.

The current plan ends December 2018 and the planning process for the 2019-2022 Strategic Plan has commenced. A scorecard report on the current plan's progress and the process for developing the 2019-2022 plan is outlined in the Achievements section on page 20.

An overview of the Strategic Plan 2016-2018 is detailed below.

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

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

Clients and Stakeholders

DCIS commits to delivering a high quality service and continuously improving processes and relationships in order to exceed our client's expectations. Services are designed and delivered within a service framework.

The DCIS Service Framework sets out a collaborative model for delivering shared corporate services across government agencies and is underpinned by our core service principles of partnership, reliability, accountability and innovation. The framework is representative of a sustainable business approach that is responsive to a changing environment and adaptable to meet emerging needs.

Our clients

- NTG agencies and GBDs
- Government Owned Corporations and statutory bodies
- NTPS employees and prospective employees
- Businesses that tender and supply to government, including ICT businesses and across-government contractors.

Our stakeholders

- DCIS staff
- Ministerial Digital Advisory Council
- Local business sector
- Territory digital industry, including telecommunications service providers
- Local education sector
- Northern Territory community

Government provides the authority for DCIS to act and sets its responsibilities through the Administrative Arrangements Order and legislation. The Minster for Corporate and Information Services oversights DCIS and is responsible for the agency in the Legislative Assembly.

Legislature

- DCIS Minister
- Chief Minister
- Other NTG Ministers
- Members of the NT Legislative Assembly

Additionally, DCIS engages with the Australian Government and other state and local governments in relation to our areas of responsibility, particularly telecommunications, data sharing and digital transformation.

Principles

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

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

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

Services

Processes, systems, projects, resource management and reports that support government and agencies in effectively managing their activities, assets and resources, to deliver value to the community.

Shared corporate services for government agencies

The major shared corporate service lines include:

- Finance Services: accounts payable, accounts receivable, ledgers, banking and corporate card administration, taxation services, asset program administration and accounting.
- Human Resource Services: payroll and employment services, recruitment services and employment programs.
- Contract Services: quotations and tenders administration, across government contracts and print management services.
- Information and Communications Technology (ICT) Services: ICT contract management, ICT network architecture and management, cyber security operations, and agency ICT services.
- Property Leasing Services: property lease acquisitions, management and advice to support the accommodation requirements of agencies, and building cleaning and security services.

- Enterprise Project Services: project management and support services to agencies to deliver very complex, high value, significant and / or high-risk ICT programs and multi-year digital transformation initiatives for core frontline services through an inter-agency collaborative approach under the ICT Governance Framework.

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

- Corporate Systems: operates and supports government's central business systems (including payroll, accounting, procurement, assets, fleet, records management and identity management), help desk services, systems administration and business intelligence reporting.
- Project management: deliver ICT projects to improve DCIS' digital solutions for government (part of the Enterprise Project Services division).

Digital Government

The Office of Digital Government leads the government's digital advancement agenda by promoting and monitoring the digital directions set by government, providing advice and oversight of key government digital and data initiatives and developing digital, data and cyber security strategic policies. The Office of Digital Government includes the following service lines:

- Digital Strategy: designs and develops digital strategy and action plans in consultation with stakeholders, monitors agency and stakeholder performance in delivery of digital actions, assists agencies to meet delivery expectations and coordinates status reporting.
- Digital Policy and Telecommunications: monitors opportunities to improve communications outcomes across the Northern Territory, liaises with the Australian Government (which has responsibility for telecommunications) and telecommunications providers, and develops all-of-government ICT policies and standards, including records management and data standards.

- ICT Governance: assesses and tests major agency ICT investment proposals, provides project assurance and oversight of important agency ICT projects, develops guidance for agencies and supports key governance committees and the Ministerial Digital Advisory Council.
- Data Strategy: develops data strategy and data sharing framework, coordinates a central government open data portal and works with agencies to build data analytics capabilities.
- Digital Communications: manages nt.gov.au (government's primary internet site) and NTG Central (all-of-government intranet), monitors government's web environment and advises agencies on managing their websites.
- Cyber Strategy: develops cyber strategy and policy, provides cyber security governance and delivers user awareness initiatives across the Territory.

NT Fleet

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

NT Fleet

Data Centre Services

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

Data Centre Services

Business Services

Business Services supports the department and the GBD activities by providing internal corporate support services with a focus on developing and managing financial resources, human resources, procurement, corporate governance, information management and end-user ICT requirements for DCIS.

Business Services

Charges

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

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

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

Performance and Accountability

DCIS Value: we take responsibility for our actions.

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

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

Regional Activities

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

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

Services provided in Alice Springs:
- Recruitment services
- Accounts receivable services
- Payroll debt recovery
- Receiver of Territory monies (RTM) services
- Contracts and procurement services
- ICT services
- Leased property services
- Vehicle fleet services
- Stamp duty collection for the Territory Revenue Office.

Services provided in Katherine:
- Receiver of Territory monies (RTM) services
- Accounts receivable services
- ICT services.

Alice Springs Staff

Katherine Staff

2017-18 REGIONAL HIGHLIGHTS

- Expanded agency engagement in the regions, through inter-agency meetings and participation in emergency planning by Northern Territory Emergency Services.
- Contributed to community engagement in developing a Digital Territory Strategy through involvement in the public forum in Alice Springs in September 2017.
- Continued to progress improvements to the eRecruit system, including automating bulk recruitment processes for midwives and graduate nurses, facilitating career development opportunities for ATSI employees and improving process efficiency.
- Assisted with new function to help NTG job seekers by allowing them to subscribe to email notifications for job categories through the eRecruit system.
- Initiated an aged debt recovery project for Department of Health debts in conjunction with the department. This project will benefit other agencies via improvements to the Government Accounting System (GAS) and Accounts Receivable processes.
- Integrated agency receipting processes into DCIS systems to reduce manual handling of transactions.
- Continued to expand the delivery of DCIS' corporate systems training to agency staff located in regions across the NT using MS Lync to reduce the need to travel.
- Participated in the Tennant Creek and Alice Springs Skills, Careers and Employment Expos to outline job opportunities in the NTPS for local people.

The focus for 2018-19

- Continue to integrate agency receipting processes into DCIS systems to improve transaction processing.
- Continue to improve debt recovery outcomes for agencies and reduce aged debt.
- Build relationships with schools and local service providers to increase participation in NTPS employment programs.
- Increase Aboriginal employment in regional offices.
- Increase regional participation in training and leadership programs.
- Develop capability in new DCIS solutions to demonstrate and guide agency staff based in the regions in how to effectively use and benefit from the solutions.
- Re-examine DCIS regional engagement approaches and identify opportunities to enhance links.
- Continue to conduct agency forums across the regions.

ACHIEVEMENTS

2

Overview

Departmental responsibilities are linked to government priorities and directions.

The profile of DCIS is evolving and growing which is expanding the breadth of support the department provides to government and agencies. DCIS has two primary business dimensions:

SHARED CORPORATE SERVICES

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

This dimension is delivered though five outputs providing multiple service lines.

DIGITAL LEADERSHIP

DCIS has a role to deliver major digital transformation programs, advise strategic direction, coordinate assurance and guide agencies to progress government's digital agenda.

This dimension is delivered through Enterprise Project Services (within the Shared Services Output Group in 2017-18) and the Office of Digital Government.

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

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

27% increase in remote deployment of software to devices due to technology improvements

23 major ICT projects oversighted by the IGB in 2017-18

Average **12 000 000** emails a month processed through the NTG email gateway

More than **2 330 000** accessed nt.gov.au from a mobile device
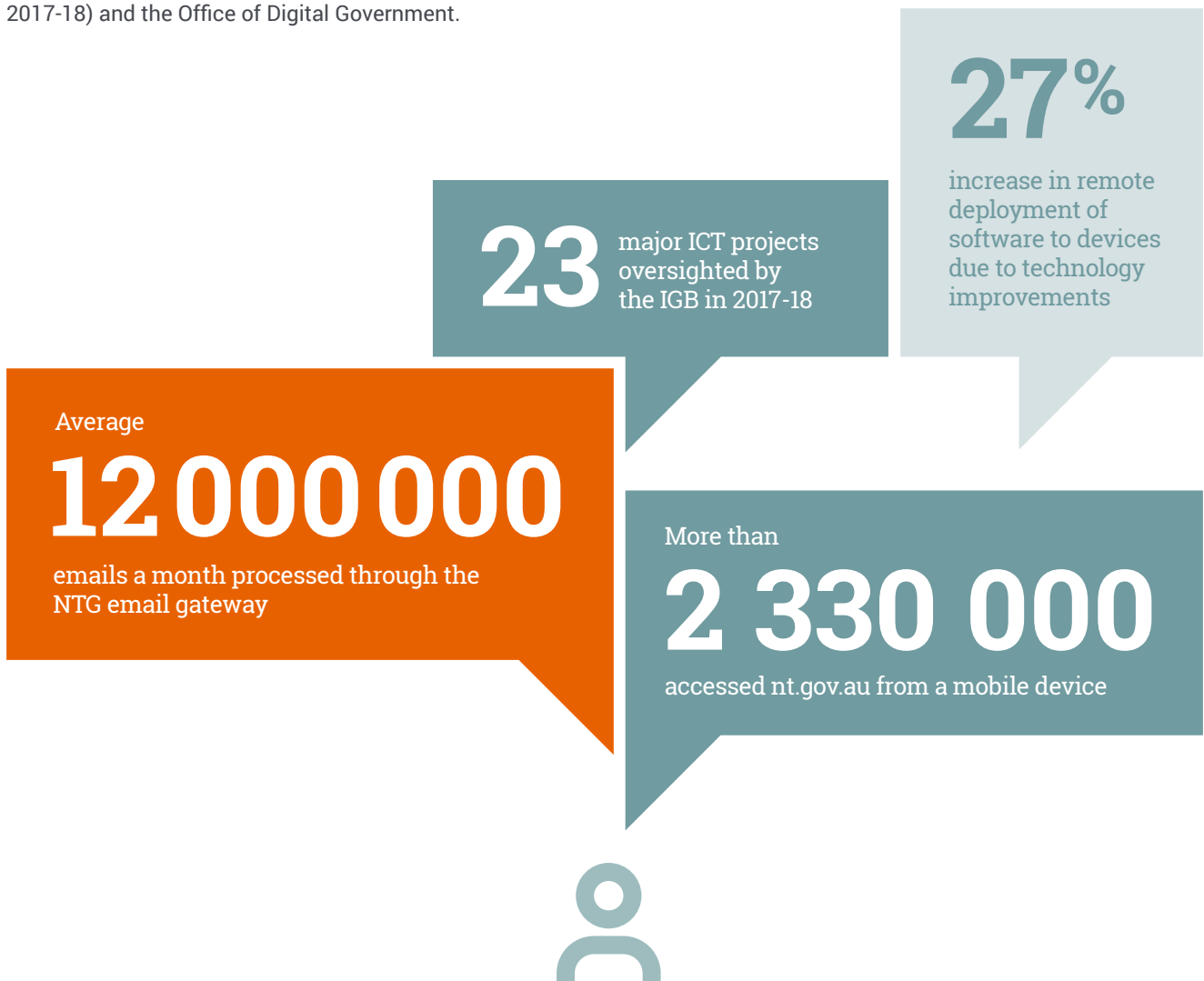
Highlights

Significant projects and achievements, aligned to our strategic priorities are highlighted, demonstrating the commitment, effort and professionalism of DCIS staff to improving service delivery and outcomes for agencies.

◀◀◀ **JULY 2017**   **JUNE 2018** ▶▶▶

Telecommunications benefiting communities

Mobile phone and internet services to eight remote NT communities	Submissions and briefings to Federal Parliamentary Committees advocating for NT telecommunications	Mobile hotspots program concluded	Tiwi Islands undersea optic fibre cable project commenced	2019 – 2022 NTG/Telstra Remote Telecommunications Co-investment Program started	First Remote Telecommunications Ideas Forum

Creative solutions

Joint working group between NTG and NT ICT Industry	NTG roads reporting website and system	Cyber Security Governance Framework	Email alerts for job seekers and social media sharing	Open Data Policy	Dual disk replication	Funding an Associate Professorship in Cyber Security at CDU

Value adding shared services

New Business Classification Scheme for records management	Expanded Fuel Supply and Training Services panel contracts	Worker's compensation administration transitioned to external provider	New ATO grants reporting requirements	Online vehicle ordering solution	Cyber Security Awareness Month program	Emergency payments card facility

Innovative digital services

myFuel NT online system	myResignation digital self-service module	*Discussion paper: towards a digital strategy for the NT* and community consultation	VDI solution for government's virtual private network	Digital Services Policy	ASNEX solution for government's infrastructure assets

Projects

GrantsNT - modern grants management solution	CCSRP - Implementation Planning Study	10 000 m² lease in Darwin CBD	SerPro - digital policing solution acquired	Government Data Centre (Stage 1)	Assurance oversight of agency major ICT projects	Business case for child protection and youth justice digital solution

Skilled workforce

e-learning TRM training videos	Emerging Leaders Plus Program	Buy Local Industry Advocate development sessions	Aboriginal Employment Programs alumni	New MyPlan performance management model	Pilot disability employment program in Payroll Services

Report Card for the Strategic Plan 2016-2018

The Strategic Plan 2016-2018 is nearing the end of its lifecycle. The plan is intentionally broadly oriented and not task centric to allow for changes at a government level and to accommodate new programs and emerging priorities over its lifespan.

From a reporting perspective, individual tasks in business plans will contribute to the progress of strategic priorities. In many cases the strategic priorities by their nature will continue or be ongoing while multiple tasks are delivered and completed.

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

The current Strategic Plan is concluding at the end of 2018. The planning process for the new Strategic Plan 2019-2022 has commenced and includes consultation with staff across the department and the Executive Management Board.

In the context of this update:

▼ **IN PROGRESS** means the strategic action has been advanced as expected through business plan activities.

▶ **ONGOING** means the strategic action is of an enduring nature with continuing effort through business plan activities.

◢ **COMPLETED** means the strategic action was a project that has been delivered.

Strategic Priorities	Status	Actions
Telecommunications that benefit communities across the Territory	▼	Oversee expansion of telecommunications services in remote communities.
	▶	Engage with suppliers and agencies to encourage new telecommunications projects that will grow the Territory's economic potential.
	▶	Advocate with the Australian Government and others for the establishment of modern and reliable telecommunications services across the Territory, enabling Territorians to benefit from advances in technology.
Creative solutions that reduce red tape	x4 ◢ x1 ▼	Prepare and deploy enterprise digital solutions to support agencies with end-to-end management of common business functions, including identity controls, contracts, budgets, assets and grants.
	▶	Seek new and innovative ways to support agencies to deliver services online and mobile through digital technologies to better share data and solutions and respond effectively to community needs.
Corporate services that add value	▶	Provide an advisory service to agencies identifying business process improvements that will generate efficiencies and productivity gains.
	◢	Establish a new government data centre in Millner providing essential capability, improving resiliency and enabling future data centre capacity planning.
	▼	Progress initiatives to improve and strengthen corporate services to deliver better outcomes for government, agencies and users.
	▶	Explore innovative and environmentally beneficial service options.

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

2450 rental payments in 2017-18 with all paid on time

1361 Corporate Cards managed/maintained on behalf of client agencies with ...

... over **91K** transactions during 2017-18

DCIS Innovation Program

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

The innovation concept continues to mature within the department and in 2017 a small committee comprising Peta Preo, Greg Moo, Helen Perry, Donald Young and Jude Florance developed a new innovation framework for consideration by the EMB. This committee developed an enhanced innovation framework to build on the serial innovation approach and take a deliberate and sustainable approach to innovation in DCIS. The framework integrates staff engagement, agile development and staged investment contexts to the innovation process, with the aim of engaging staff, generating new ideas and creatively solving challenges faced in the DCIS workplace.

Some of these activities included:

- Engaging staff across and through the department via DCIS All emails and "what innovation means to me" videos by DCIS staff
- Launching the updated innovation framework with a CE message and publication of the resources on the staff intranet site; CE Message: *Anyone can innovate – large or small*

- Providing an area within tea rooms for staff to include suggestions that are customer focused e.g. *how can we improve our service?*
- Seeking staff nominations for the Innovation Review Board
- Conducting workshops and other forums as appropriate to the business area. The committee members facilitated these workshops.

The innovation program transitioned to the new model, with the framework approved by EMB in September 2017, and an Innovation Committee formed under the department's governance committee structure to oversee the program. The DCIS Innovation Committee is outlined at page 70.

During this transition, the previous program initiatives continued to be progressed and new ideas considered. Once the framework was endorsed by EMB, the previous program was formally closed.

On closing the previous innovation program, each of the ideas proposed were actioned either through implementation, transition to business as usual or decision not to progress the idea.

Following the new innovation program cycle, eight initiatives were recommended for development and for presentation to EMB in July 2018.

What We Achieved by Output

Our performance symbols, detailed on page 20 are used to explain where each initiative is tracking in terms of its project cycle. Performance achievements are also aligned to our strategic planning framework, as identified by the following reporting symbols:

Our Reporting Symbols:

SP Strategic Plan links to the department's strategic plan

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

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

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

Output Group: Shared Services

BP3 Outcome: reliable and efficient shared services that support government and enable agencies to focus on core business.

Provision of shared corporate services is, and will continue to be, a core function of DCIS. This output group covers finance services, human resource services, contract services, ICT services, property leasing services and project services.

Output: Finance Services

BP3: Provide finance services to agencies through processes, systems, projects and reports that support agencies to effectively manage their financial resources and assets.

This output is responsible for:

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

During 2017-18 the previous Asset Services output was incorporated into the Finance Services output reflecting completion of the major ASNEX program and its transition to steady-state operation as a financial service activity.

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

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Payments processed	549 632	505 209	494 373	522 340	525 000	519 695	525 000
Invoices paid within 30 days	87%	85%	87%	90%	90%	91%	90%
Debts processed[1]	40 697	40 368	45 076	61 036	80 000	93 897	85 000
Average number of days to collect debt	56	54	54	57	55	54	55
Processing accuracy	99%	100%	100%	100%	100%	100%	100%
Asset work orders processed	110 000	112 879	117 033	124 870	135 000	133 172	141 000
ASNEX service tickets completed within service standards	99%	100%	98%	75%	90%	93%	92%

[1] The variations primarily reflect increased activity for healthcare billing.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

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

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Debts processed – 2018-19 Budget estimate was based on the original anticipated increase in level of healthcare billing. Numbers will be monitored and estimate adjusted if required.

Asset work orders processed – initial 2018-19 Budget estimate reflected higher anticipated activity which will likely need to be revised in light of 2017-18 actual results.

TREND ANALYSIS COMMENTS

Debts processed – new healthcare billing arrangements that commenced in 2016-17 have significantly increased debts to be administered.

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

ASNEX service tickets completed within service standards – results reduced in 2016-17 on introduction of a new recording model, with service performance improving in 2017-18 and expected to sustain at high levels following processes embedding into help desk operations.

PERFORMANCE ACHIEVEMENTS IN 2016-17

COMPLETED	
Aligned to	**Description of achievement**
SP BP	Launched new NTG roads reporting website and system.
SP BP	Expanded ASNEX portal functionality and integration capability to support ASNEX systems, including external contractor access.
SP BP	Expanded ASNEX mobility platforms to enable prioritised innovative business improvements through information verification and data capture in the field.
SP BP	Increased spatial mapping capability for infrastructure assets as part of the ASNEX program.
SP BP	Grew the ASNEX integrated business intelligence reporting suite by over 20% in 2017-18 to assist agencies with managing their infrastructure assets.
BP	Enhanced ASNEX foundation systems to meet agencies' business priorities.
SP BP	Implemented new modules of the ASNEX solution based on approved and prioritised business requirements.
BP	Integrated Contrax, the new enterprise contract management system, with ASNEX.
BP	Positioned DCIS to take advantage of the new payments platform technology being implemented by the banking industry to enable real time payments.
BP	Ensured NTG is compliant with new ATO grants reporting requirements.
BP	Established a new prepaid payment card facility for one-off payments in an emergency, such as a natural disaster.
SP BP	Designed and developed a new, modern solution (GrantsNT) for releasing, managing and acquitting grants across all agencies.

IN PROGRESS		
Aligned to	**Description of achievement**	**Expected completion**
SP BP	Planning for upgrade of the Electronic Card Management System (ECMS).	Q4 2018
BP	Testing and deploying the all-of-government grants management system, GrantsNT.	Q3 2018
BP	Closing the ASNEX program in accordance with the DCIS Project Management Framework, including documentation of business benefits.	Q3 2018
BP	Investigating options to meet new accounting requirements and implementing a solution to enable compliance with the new Lease Accounting Standard AASB 16 that commences in 2018-19.	Q1 2019

| BP | Documenting business requirements for a travel request approval system and investigating solution options in preparation for considering a suitable approach. | Q1 2019 |
| BP | Identifying functionality needs and digital system improvements for procure-to-pay services through researching digital invoicing and data interchange and exploring product trends and solutions to provide a comprehensive options analysis. | Q3 2018 |

ONGOING

Aligned to	Description of achievement
BP IP	Continuing to promote and make the Feenix budget management system available to agencies.
SP BP IP	Assisting agencies to improve processing of supplier invoices through increasing the lodgement of supplier invoices via digital channels.

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

Future Priorities

- Coordinate change management and engagement with agencies and external grant applicants as a key part of the rollout of the new GrantsNT solution.
- Transition GrantsNT system to steady state operation.
- Establish agency and across government reports from new GrantsNT system.
- Manage agency involvement and prioritisation and delivery of future enhancements to the ASNEX solution to meet emerging business needs.
- Monitor further developments with the New Payments Platform initiative being delivered by the banking industry to identify benefits and challenges for the NTG.
- Address new accounting requirements for leases and ensure appropriate accounting treatments are provisioned.
- Upgrade the existing ECMS to meet planned needs.
- Investigate options to implement a digital solution to increase Fuel Tax Credits claims from the Australian Government.

91%
of undisputed invoices paid within 30 days.

Road Report NT

The new and improved Road Report NT website was launched November 2017.

The improvement project was a joint effort between DCIS, DIPL and ICT students from Charles Darwin University. Local students were invited to develop websites through the annual CDU Code Fair with five students selected to develop the website further alongside system experts from DCIS.

Road Report NT is a free online service that allows road users to check road conditions within the NT. Road Report NT is updated as soon as practicable after DIPL's' dedicated road reporting staff become aware that road conditions have changed.

Road Report NT is an important public resource so that road users can check their proposed route for information about closures and restrictions to help them plan their trip more safely.

The road reporting team receives information about road conditions from the department's road operations staff, regional offices and project teams, as well as trusted sources including stations and businesses across the Northern Territory.

Information provided to the public via the site includes road closures, impassable roads, road works, restrictions on recommended vehicle type to travel on roads and weight restrictions.

Road Report NT covers all NTG managed roads in the Top End, Arnhem Land, Barkly Regions and Central Australia.

546 bank accounts managed of behalf of agencies
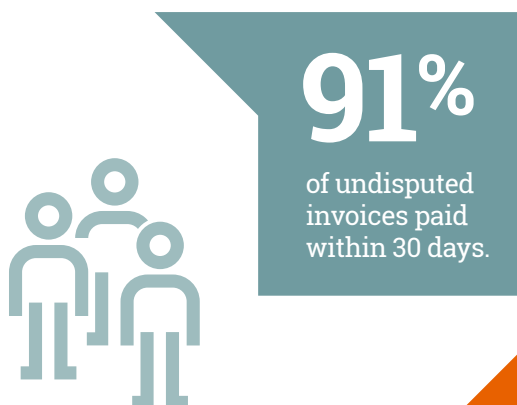
Output: Human Resources Services

BP3: Provide human resource services to agencies through processes, systems, projects and reports that support agencies to effectively manage their human resources.

This output is responsible for:

- assisting agencies, employees and prospective employees by centrally delivering recruitment, employment and payroll administration services across government
- coordinating employment programs for graduates, trainees and Aboriginal employees, with a focus on increasing the number of Aboriginal employees within government
- providing support, maintenance and development of the government's core human resource systems, including the employee self-service module (myHR) and the all-of-government payroll system (PIPS)

- coordinating the review and classification of position levels through the job evaluation services (JES) function
- delivering a suite of human resource management and workforce development reports.

The work units that contribute to this output are Payroll and Employment Services, Recruitment Services, JES Administration, Employment Programs, Employee Benefits, Enterprise Project Services, Operations Centre, Corporate Reporting, HR Systems and Business Services.

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Payroll transactions processed	1.1M	1.1M	1.2M	1.2M	1.2M	1.2M	1.2M
Commencements and terminations processed[1]	14 000	13 863	13 883	13 164	13 500	12 470	13 500
Client queries resolved on first contact	n/a	81%	77%	73%	75%	72%	78%
Vacancies published	n/a	4 719	4 645	4 374	4 500	4736	4500

[1] The decrease reflects agency activity.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Commencements and terminations processed – variation reflects agency activity.

Client queries resolved on first contact – following expanded self-service functionality in myHR and more information available to clients online, complex client queries now represent a higher proportion of total queries, impacting on overall results.

Vacancies published – variation reflects agency activity.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Commencements and terminations processed – budget estimate to be monitored and revised if activity levels remain below initial forecast.

Client queries resolved on first contact – increase was initially anticipated as service centre performance is improving, however the relatively high proportion of complex queries is continuing which may require the budget estimate to be revised.

Vacancies published – budget estimate may need to be revised based on 2017-18 activity.

TREND ANALYSIS COMMENTS

Commencements and terminations processed – fluctuations are due to staff choices and activity across the public sector.

Client queries resolved on first contact – system and service improvements are influencing the trend with agency staff needs being increasingly addressed through myHR or online help. The mix of standard and complex queries is changing with more complex queries often necessitating detailed review or research and not able to be resolved in one contact. Client queries are being resolved within service standards.

PERFORMANCE ACHIEVEMENTS IN 2017-18

◣ COMPLETED

Aligned to	Description of achievement
SP BP	Managed the transition of worker's compensation administration to an external service provider, with a focus on quality change management.
BP	Completed automation of leave processing, leave bonus, penalties in lieu and increments.
BP	Developed and rolled out 'myResignation' a digital self-service module to all agencies except NTPFES.
SP	Established a Recruitment Candidate Pool for Payroll Officer intakes.
IP	Introduced email subscription alert functionality for job seekers and social media sharing functionality, including LinkedIn.
SP	Established a new panel for salary sacrifice service providers to support NTG employees.
BP	Identified, evaluated and implemented opportunities to improve delivery of salary packaging services to NTG employees.
SP	Assisted DTF to develop a framework for new NTG workers compensation administration model.

◤ IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Working with the Australian Tax Office (ATO) to progress the new Single Touch Payroll reporting requirements and preparing for implementation in line with the ATO's timetable.	Q1 2019
BP	Finalising the implementation of a refreshed workplace incident management system.	Q4 2018
BP	Continuing development of a pilot disability employment program within Payroll Services for candidates with aptitude for calculations and accuracy.	Q2 2019
BP	Facilitating development programs for Aboriginal Employment Program alumni to contribute to career advancement.	Q2 2019

▶ ONGOING

Aligned to	Description of achievement
BP	Continuing to progress the development of a Remote Community Policing Aboriginal Employment Program in partnership with NTPFES.
SP BP	Building relationships with schools and agencies to promote NTG employment programs and facilitate some placements in regional locations.
SP	Continuing the payroll digital transformation program to automate functionality for long service leave and recreation leave processing.
SP	Streamlining the processing of payments for some staff working on rosters.

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

Future Priorities

- Work to establish the pilot for a disability specific traineeship program, to improve career opportunities in the NTG for people with a disability.
- Establish the Shared Services Assurance and Improvement Committee to oversight business improvement projects, internal controls and compliance and monitor implementation of actions.
- Enhance payroll exception reporting to modify presentation, improve readability and enhance report management to make it easier for staff to address exceptions.
- Expand payroll system alerts to provide multiple notification points for transactions that require additional validation.
- Analyse salary error data for causal factors, relationships, trends and patterns and develop mitigation strategies.
- Explore system solution options to enable increased data capture.
- Continue to facilitate development programs to increase career progression for current and past graduates of the Aboriginal Employment Program (AEP).
- Deliver Equal Footings, the Pre Police Officer in Training Program for NTPFES under the AEP.
- Examine employment programs service delivery and develop a revised business model for management of traineeship and graduate programs.
- Explore opportunities to implement eLearning options for payroll entry level induction.
- Transition to ATO's Single Touch Payroll initiative and cease distribution of payment summaries to employees.
- Modernise systems and forms to incorporate gender neutral referencing.
- Initiate a project to develop a commencements module for eRecruit to enable digital on-boarding of new employees.
- Rollout 'myResignation' self-service module to NTPFES.

Delivering Quality Customer Service – a digital solution for the resignation process

DCIS implemented a digital solution to manage the end-to-end resignation process online for most NTG employees. The resignation workflow was streamlined for staff within agencies and payroll processes simplified.

The digital solution provided by myResignation greatly reduces the time it takes to submit, approve, receive and process a resignation. Time saved is not the only benefit - paperwork is minimised and the automated calculations have virtually eliminated human error. Correspondence, including Final Entitlements Letter and Statement of Service, are now generated automatically and dispatched via email. The solution not only processes cessations, importantly, it also provides the ability for employees to obtain estimates of their final entitlements through a new self-service option in myHR. This assists employees to be better informed for making employment decisions.

Approximately 7000 resignations are processed each year; the manual process would take between 2 hours to a number of days depending on the employee's service complexity and duration. Following manual calculations and certifications, letters would be sent to employees via post.

A complex resignation now takes no longer than an hour, with non-complex resignations taking 15-20 minutes, which includes sending final entitlements letter and service statement via email.

The self-service capability delivered through the myResignation solution enables a service improvement for employees and assists agencies through meeting staff requests without impacting on Payroll Services' workload.

Over

2600

calls and 6600 emails received each fortnightly pay cycle

7

participants graduated from the second Katherine Aboriginal Employment Program

Output: Contract Services

BP3: Provide contract services to agencies through processes, systems, projects and reports that support agencies to effectively manage procurement and contracting, and deliver value through across-government contracts.

This output is responsible for:
- establishing and administering across government common use contracts
- providing tender management services for agency procurements with an estimated value of $100 000 or more
- notifying respondents and awarding tenders with an estimated value of $100 000 or more on behalf of departments
- publishing details of quotations and tenders awarded with an estimated value of $15 000 or more

- supporting and managing the procurement business systems used across all-of-government and by businesses
- facilitating printing services for departments.

The work units within DCIS that contribute to this output are Contracts and Procurement Services, Across Government Contracts, Print Management Unit, Operations Centre, Applications System, Corporate Reporting and Business Services.

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Tenders released to market	994	884	938	914	930	954	900
Tender responses processed	4 672	4 148	4 889	4 503	4 400	4 196	4 500
Proportion of responses lodged electronically	93%	96%	97%	98%	100%	98%	100%
Contracts awarded	1 242	1 464	1 224	1 154	1 100	1 198	1 100
Across-government contract vendors managed[1]	n/a	113	168	181	230	233	240
Print requests managed[1]	n/a	n/a	n/a	n/a	2 440	2 386	2 440
Number of across-government contracts[2]	13	20	26	27	27	27	n/a

[1] New measure.

[2] Measure discontinued.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Tender responses processed – variation reflects market activity.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Tender responses processed – budget estimate will be monitored and may need to be revised in light of 2017-18 results.

Number of across government contracts – measure discontinued in 2018-19 as it is now relatively static and of limited informative value going forward. KPI replaced with across government contract vendors managed as this KPI will better illustrate activity and performance.

TREND ANALYSIS COMMENTS

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

Tender responses processed – changes relate to procurement lifecycle of contracts and number of businesses seeking government work.

Proportion of responses lodged electronically – trend confirms usage of the electronic lodgement facility via the QTOL system.

Contracts awarded – changes relate to procurement lifecycle of contracts.

Number of across government contracts – changes in earlier years reflect a direction to grow central contracts for common use supplies across agencies.

PERFORMANCE ACHIEVEMENTS IN 2017-18

COMPLETED	
Aligned to	**Description of achievement**
SP BP	Developed toolkit (training materials and templates) to support agencies adopting Contrax (enterprise contract management system) along with user guides and resources to assist staff.
SP BP	Transitioned contracts managed by DCIS to new Contrax system.
BP	Provided options for air charter booking processes to deliver efficiencies for agencies.
BP	Procured the training services across government panel contract with 46 training providers to deliver both accredited and non-accredited training in support of NTG's Capability and Leadership Framework and ranging from core foundation skills to executive leadership.
BP	Completed procurement for an expanded fuel panel contract covering bowser, bulk and aviation fuel and fuel card services. The arrangement changed from a single provider model to multiple providers with NT wide coverage enabling vehicles to refuel at over 100 fuel stations across NT and including refuelling of aircraft at Darwin and Alice Springs airports.
BP	Conducted 17 market research and industry consultation sessions across diverse business sectors (including valuations, fuel, air charters and EAP) to inform development of procurement strategies and contracts.

IN PROGRESS		
Aligned to	**Description of achievement**	**Expected completion**
SP BP	Supporting progressive rollout of Contrax to agencies.	Q4 2018
SP BP	Developing a suite of contract management reports as agency requirements are defined.	Q2 2019
BP	Progressing procurement for an across government Advertising in NT panel contract to assist agencies to purchase advertising in print, radio, TV, cinema and digital channels.	Q3 2018

ONGOING	
Aligned to	**Description of achievement**
SP BP	Developing and implementing functionality enhancements for APRO and QTOL systems, where required, to address changes in NTG procurement rules.
BP	Maintaining focus on contract performance and relationship management processes through engaging with industry and supporting agencies and suppliers.

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

▶ Future Priorities

- Enhance industry engagement and advice about future across government contract opportunities.
- Procure an aviation sector wide panel contract for air charters and aerial work to prequalify operators to deliver services to NTG's standards for safety, amenity and range of work, and to support remote service delivery for health, education, housing and environmental protection.
- Finalise the Advertising in the NT panel contract ensuring traditional and contemporary advertising channels are covered.
- Procure a refreshed records storage and retrieval contract to provide centralised services for holding, protecting and retrieving physical records in support of NTG's business and archival requirements. The new contract will consider business activity transitioning to digital technologies.
- Procure brokerage services for NTG staff relocations to source removalists who can relocate staff household goods where required.
- Identify methods to improve sharing of contract information across government, such as videos, webinars and information sessions.
- Commence stakeholder consultation to refresh the procurement systems roadmap.
- Research options and costs for replacing the APRO system.
- Examine datasets and business needs to facilitate better analysis of contracts data.

Training panel – stakeholder engagement

The training services across government panel contract was a complex procurement due to its breadth of coverage and was the first time all training, accredited and non-accredited, was bought into the one panel contract. The tender and contract were developed in partnership with the Office of the Commissioner for Public Employment and involved agencies across government to identify training needs and delivery models.

Significant research and analysis was conducted to design a training matrix covering diverse requirements and levels of training and underpinned by the NTG's Capability and Leadership Framework. Consultation included internal stakeholders and specialist subject matter experts reliant on accredited training (eg project management).

The local training industry was extensively consulted to inform development of the tender documents and contract requirements. This included feedback on prior arrangements, consideration of proposed training domain and topic structures, training delivery options and locations. Over 40 industry representatives attended the second consultation forum prior to the Request for Tender being released.

In total over 100 training topics were identified across four primary training categories. The contract covers online (e-learning) and face-to-face training delivery models and allows for the development and delivery of training to be combined or undertaken separately by providers.

The training services panel includes 46 service providers servicing the diversity of training topics and delivering training across the NT.

92%
of across government contractors are Territory Enterprises

23910
registered QTOL users to receive advice and lodge tenders for government contracts

Output: Information and Communications Technology Services

BP3: Provide ICT services to agencies through processes, systems, projects, reports, sourcing, contract management and enterprise security controls that support agencies to effectively manage ICT resources.

This output is responsible for:

- providing ICT infrastructure across government that underpins agency ICT services
- coordinating supply of ICT end user services, including desktop and mobile devices
- managing all-of-government outsourced ICT services and engaging with industry on ICT services, contracts, government requirements and strategic and operational directions
- assisting smaller agencies in the management of their ICT requirements through an out-posted team and an advisory service
- managing government's ICT networked environment, in conjunction with key agencies and service providers
- providing ICT security advice, establishing operational cyber security measures for government's ICT environment and executing incident response coordination

- evaluating agency proposals for new or changed ICT systems to ensure appropriate systems architecture and security controls
- maintaining the government's records management system (TRM), including information and records management system support to agencies
- coordinating development services for agency mainframe business applications
- administering identity management for the Northern Territory Government through the ePass system.

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

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Laptops/workstations	16 533	17 329	18 099	18 650	19 000	19 476	19 000
ICT services provided within agreed service levels	98%	99%	100%	100%	100%	100%	100%
Severe desktop faults restored within service level agreement	99%	98%	100%	100%	100%	100%	100%
ICT Service Centre queries resolved on first contact	n/a	n/a	n/a	68%	70%	71%	70%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Laptops/workstations – growth in devices in 2017-18 exceeded estimate mostly related to major initiatives, such as the Palmerston Regional Hospital.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Laptops/workstations – 2017-18 result will require 2018-19 Budget estimate to be revised reflecting higher demand for devices with an increasingly mobile workforce.

TREND ANALYSIS COMMENTS

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

PERFORMANCE ACHIEVEMENTS IN 2017-18

COMPLETED

Aligned to	Description of achievement
BP	Implemented an ICT security reporting framework using information available from Security Incident Event Monitoring (SIEM), improving governance reporting.
BP	Enhanced security of government's virtual private network through a contemporary VDI solution.
BP	Awarded six ICT Services hardware contracts.
SP	Implemented a new all-of-government core internet filtering system to ensure the NTG's ICT environment remains adequately protected.
SP	Established overseas travel packs processes and procedures for ordering, usage and billing to assist NTG staff to safely conduct business while travelling overseas.
BP	Procured toolset for application whitelisting in NTG ICT desktop environment. This is an Essential 8 cyber security control with work to continue over 2019.
SP BP IP	Standardised TRM system settings and configuration across the NTG to provide a more consistent and uniform system, including implementing new NTG Business Classification Scheme.
BP	Upgraded the TRM environment to enable Windows 10 support facilitating a streamlined path for upgrading devices in agencies.
BP	Investigated options and benefits for a full-service catalogue system or ordering ICT devices and services.
SP BP	Established and awarded new contracts for ICT ancillary goods and services.
BP	Procured supply of NTG internet carriage services.
SP BP	Implemented VDI technology to the Emergency Departments of Royal Darwin Hospital and Palmerston Regional Hospital to provide clinicians with much more efficient access to essential clinical systems.

IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Implementing Network Access Control through a multi-phased approach to enhance network security and improve network management and support.	Q4 2018
BP	Procuring a contemporary ICT Service Centre Toolset and Catalogue solution.	Q4 2018
BP	Establishing agency readiness for the transition to Windows 10 environment through testing of agency business applications.	Q4 2018
BP	Applying the Contrax system for management of ICT Services contracts.	Q2 2019
BP	Designing plans for a Cyber Security Operations Centre.	Q2 2019

ONGOING

Aligned to	Description of achievement
SP	Leveraging government's role as a major consumer of ICT services to build local industry capacity.
BP	Implementing prioritised Essential 8 cyber security controls.
SP BP	Liaising with agencies to identify and increase use of call centre tools to improve frontline service efficiency and effectiveness.
BP	Analysing cyber security threat trends, identifying mitigations and improving responsiveness of cyber security activities for government's ICT environment.
BP	Continuing to improve the TRM environment to provide a contemporary and standardised record keeping environment for the NTG.
BP	Rationalising TRM datasets through an ongoing dialogue with agencies to better enable machinery of government changes and software upgrades.

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

Future Priorities

- Implement geo redundancy for the NTG voice network as part of the new Government Data Centre (GDC).

- Engage with local industry to identify potential opportunities for future sourcing activities to enhance local industry capability, including suitable end-user support packages for Alice Springs and Katherine to better enable local businesses to bid for government work.

- Develop a training framework to enhance and support records management capabilities.

- Commence program to establish a Cyber Security Operations Centre for the Northern Territory Government.

- Scope, design and implement ICT infrastructure requirements for the NTG Backup Data Centre.

- Determine NTG licensing direction and procurement approach for Microsoft software.

- Strengthen desktop security controls to align NTG with the Australian Government's Essential 8 cyber security mitigation controls.

- Commence procurement activities for renewal of major ICT services contracts.

- Implement a new technology solution to support the NTG's ICT Service Centre, streamlining provisioning of services via a digital services catalogue and enabling the implementation of contemporary identity management solution architecture.

- Commission application whitelisting controls in conjunction with agencies to augment Essential 8 cyber security controls.

- Continue to roll out TRM standardisation program.

Palmerston Regional Hospital

The ICT infrastructure for Palmerston Hospital was successfully commissioned after almost three years of design, planning and installation works.

After the success of the virtual desktop infrastructure solution deployed at Royal Darwin Hospital's Emergency Department, the solution was extended and deployed to the new the Palmerston Regional Hospital. The technology delivers more convenient and secure access to critical systems, allowing clinicians to be mobile and connected, and improving productivity for hospital staff.

This has been the most significant ICT infrastructure deployment in the last four years and has involved:

- implementing dual telecommunications carriage services
- deploying 75 printers
- installing 320 desktop and laptop computers
- installing 370 telephones, with 340 of those VoIP enabled
- activating 26 multi-function devices
- installing a full wireless network.

23% increase in electronic records in TRM

ICT Services contracts support

255 locally-based jobs through

92% of contracts with Territory Enterprises

Output: Property Leasing Services

BP3: Provide property leasing advice and services to support the accommodation requirements of agencies.

This output is responsible for:

- procuring leased commercial property for agencies, managing and administering lease agreements, including leases on behalf of some non-government organisations (details at Appendix V)
- making rental payments, processing rental increases and conducting market reviews
- undertaking all-of-government and department-specific leased accommodation planning
- liaising with building owners to manage the resolution of building maintenance issues and providing property management advice to client agencies

- procuring and managing cleaning and security services contracts for government leased buildings
- administering land leases in remote Territory communities, on behalf of the Northern Territory Government
- monitoring construction work for specific major building lease projects.

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

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Property leases	196	189	194	199	200	201	205
Area leased (000 m²)	201	207	202	204	214	210	216
Average cost per m²	$396	$412	$420	$419	$422	$423	$428

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18
Nil significant movements.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET
Nil significant movements.

TREND ANALYSIS COMMENTS
Property leases / Area leased (000 m²) – minor fluctuations between years are due to changes in agency accommodation requirements and lease configurations.

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

PERFORMANCE ACHIEVEMENTS IN 2017-18

◢ COMPLETED	
Aligned to	**Description of achievement**
BP	Executed an Agreement for Lease for 10 000 m² of Darwin CBD office space for DoH's corporate headquarters. DCIS Shared Services Division will also be accommodated in new building to be known as Manunda Place.
BP	Executed an Agreement for Lease for 2300 m² of office and storage facilities in Berrimah to accommodate the DPIRs' Fisheries Division.
BP	Secured a warehouse for Top End Health Services to provide supplies for both Royal Darwin Hospital and Palmerston Regional Hospital.
BP	Piloted an online customer portal for leased accommodation so agencies can lodge and keep track of building maintenance issues.
BP	Updated the Workplace Design Standard.

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

IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Coordinating with agencies to implement the lease service customer portal within each agency.	Q1 2019
BP	Using the all-of-government Contrax system to manage the cleaning and security patrol services contracts.	Q2 2019
BP	Liaising with NTPFES to finalise the agency's requirements for a leased hangar facility at Darwin Airport. Action has been delayed to enable NTPFES to review their longer term business and facility needs.	Q4 2018
BP	Liaising with DoH as required to advise on leasing issues in relation to DoH sourcing a storage solution for the National Critical Care and Trauma Response unit.	Q4 2019
BP	Assisting DTC to find suitable new spaces for arts groups in the Darwin CBD.	Q4 2018

ONGOING

Aligned to	Description of achievement
SP BP	Assisting DoH, DPIR and DCIS to prepare for office relocations.
BP	Exploring ways to improve outcomes from government's leased property portfolio.

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

Future Priorities

- Monitor the construction of Manunda Place to commence new lease of 10 000 m² of office space in the Darwin CBD in 2020.
- Monitor construction of and lease commencement for new office and facilities for the DPIR's Fisheries Division over 2018.
- Procure a new three year panel contract for cleaning services and security patrol services for leased buildings.
- Examine options and identify accommodation solutions for Central Australia Health Services in Alice Springs.
- Work with DoH to develop an accommodation plan for leased office space in Casuarina that better meets DoH and clients' needs.
- Upgrade the leased property business system to a contemporary version.
- Continue to work with DTC to relocate CBD-based arts groups.

90 000 m² leased in Darwin and
43 000 m² leased in Alice Springs

88% priority building works requests closed within 3 days

New office lease in the Darwin CBD

Over the next two years the Darwin CBD landscape will be modernised with the aging Cavenagh House to be demolished to make way for into a contemporary building, set to rejuvenate part of the Darwin CBD. In addition to the construction of the new office complex, the developer is upgrading Energy House with a green façade and childcare centre on the ground floor; a new 320 bay public car park in Litchfield Street; and providing a capital contribution to the City of Darwin for upgrades to Litchfield Street as part of the NTG's CBD activation program.

Paying tribute to Darwin's wartime heritage, the new development, Manunda Place, is named after the HMAHS Manunda, a hospital ship that operated during the second World War. The HMAHS Manunda was in Darwin harbour and was badly damaged during the Bombing of Darwin, with 12 crew and hospital staff killed in the attack.

The new nine story building will become the corporate headquarters for the Department of Health, as anchor tenant, and DCIS Shared Services Division who will relocate from their offices in Casuarina and Palmerston.

The construction works are valued at $75 million and will create around 250 jobs during the construction phase. The lease is for 10 000 m² over a 15-year term.

Output: Project Services

BP3: Provide project management expertise and services that deliver effective ICT project outcomes for agencies.

This output is responsible for:

- leading enterprise digital transformation programs to modernise core frontline service delivery through an inter-agency collaborative approach under the ICT Governance Framework
- providing project management discipline, leadership and support services to agencies to deliver complex, high value, and / or high-risk ICT programs and multi-year digital transformation initiatives directed by government

- managing other digital projects on behalf of agencies where agreed by agency Chief Executives
- providing advice and guidance to agencies on requirements for project delivery, including governance, risk management, cost control and benefits realisation.

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Digital programs and projects managed on behalf of agencies[1,2]	n/a	n/a	6	7	5	9	4
Enterprise digital projects in progress[3]	n/a	n/a	n/a	n/a	n/a	6	6
Digital projects completed[2]	n/a	n/a	3	3	7	7	1

[1] Measure combines the major ICT programs and projects managed on behalf of agencies measures, which were published separately in the 2017 Budget.

[2] The variation reflects the finalisation of major ICT projects such as ASNEX, MyFuel NT and GrantsNT in 2017-18.

[3] New measure.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Digital programs and projects managed on behalf of agencies – variation reflects an increase in the number of agency projects during 2017-18.

Enterprise digital projects in progress – new measure introduced incorporating three frontline digital transformation programs, data centre transition and identity management programs.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Digital programs and projects managed on behalf of agencies – reduction in 2018-19 is due to the number of projects completed in 2017-18. Budget estimate will be monitored for activity changes and may need to be revised.

Digital projects completed – delivery of the above identified projects in 2017-18 as well as the occupational licencing system project and business case development projects.

TREND ANALYSIS COMMENTS

Digital programs and projects managed on behalf of agencies – trend is determined by agency project demand and emerging needs.

Enterprise digital projects in progress – trend reflects a relatively new role for DCIS to lead enterprise digital transformation programs with activity levels driven by government priorities.

Digital projects completed – trend illustrates DCIS' project leadership role maturing with more projects identified and assistance being provided. Project completion rates reflect the life cycles of individual projects.

PERFORMANCE ACHIEVEMENTS IN 2017-18

	COMPLETED	
Aligned to	**Description of achievement**	
	Core Clinical Systems Renewal Program (CCSRP)	
BP	Worked with vendor (InterSystems) to complete a detailed Implementation Planning Study to support the implementation of CCSRP.	
BP	Implemented enterprise-grade Wi-Fi to all public Territory hospitals, urban and remote health clinics to deliver mobility and increase access to ICT services for frontline health staff.	
BP	Assisted DoH to implement a single service desk for NT Health ICT service queries and the supporting processes to manage those queries.	
BP	Completed documentation of current-state Territory-wide clinical processes.	
BP	Developed a full business case on behalf of NT Health for the implementation of a Territory-wide Electronic Medications Management solution.	
	ASNEX Assets Solution	
SP BP	Completed delivery of the three year ASNEX program for government's infrastructure assets within budget and on schedule. This program achieved integration across multiple systems and digital transformation of asset management, including mobile access, business intelligence and spatial capability.	
	SerPro Program	
SP BP	Procured a new comprehensive digital solution that will transform support for frontline policing across the Northern Territory.	
	Client Management Systems Alignment Program (CMSA)	
SP	Developed a detailed business case on behalf of Territory Families (TF) for a new child protection and youth justice digital solution that will incorporate data exchange, business intelligence and mobile capability.	
	Other Digital Projects	
BP	Delivered the myFuel NT online portal and system.	
BP	Completed delivery of the Licensing and Regulatory System (LORIS) project for NT Licensing.	

	IN PROGRESS	
Aligned to	**Description of achievement**	**Expected completion**
	Core Clinical Systems Renewal Program	
BP	Designing and configuring the new integrated clinical system with NT Health and the vendor. The new system is named Acacia.	Q3 2019
SP BP	Procuring and implementing an equipment management solution for NT Health Services.	Q3 2019
SP BP	Delivering a meal ordering solution for NT Health Services.	Q4 2019
SP BP	Developing a holistic clinical change management approach for NT Health areas impacted by the new clinical solution.	Q4 2018
SP BP	Implementing foundation technology projects to prepare DoH's ICT environment for the new Acacia clinical system, including: • safely migrating data from old systems • Health Interoperability Platform • Enterprise Master Person Index solution • new digital mobility solutions for frontline health workers	Q4 2019

BP	Developing a comprehensive project plan to deliver Electronic Medications Management Project.	Q4 2018
BP	Integrating Electronic Medications Management Project with the CCSRP digital transformation program.	Q4 2018

SerPro Program

SP BP	Developing a comprehensive design and implementation plan in readiness for implementation of SerPro.	Q4 2018

CMSA Program

SP BP	Establishing an inter-agency governance model to oversight the CMSA digital transformation program.	Q4 2018
SP BP	Developing the tendering approach for procurement of a modern digital client management system with integrated data exchange functionality.	Q3 2018
SP BP	Developing a detailed technical solution design for CMSA.	Q1 2019

Other Digital Projects

SP	Progressing implementation of ePass replacement project.	Q4 2019
SP BP	Developing a business case on behalf of DTF for a digital solution to support superannuation functions.	Q4 2018
BP	Developing analysis for DCM on digital solutions requirements, including reporting and legislation management systems.	Q3 2018

▶ ONGOING	
Aligned to	**Description of achievement**
SP BP	Providing advice and guidance to agencies in preparing business cases, scoping digital system requirements, setting up governance models and managing ICT projects.
SP BP	Continuing to develop and enhance project management tools and capabilities to provide an effective service to agencies.
BP	Continuing to refine quality assurance and governance processes related to Enterprise Project Services activities on behalf of agencies.

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

Across ASNEX

6 000 000

geo spatial assets were validated and...

...100 000

photographs captured

28

police officers involved in tender process for new policing digital solution to ensure police requirements met
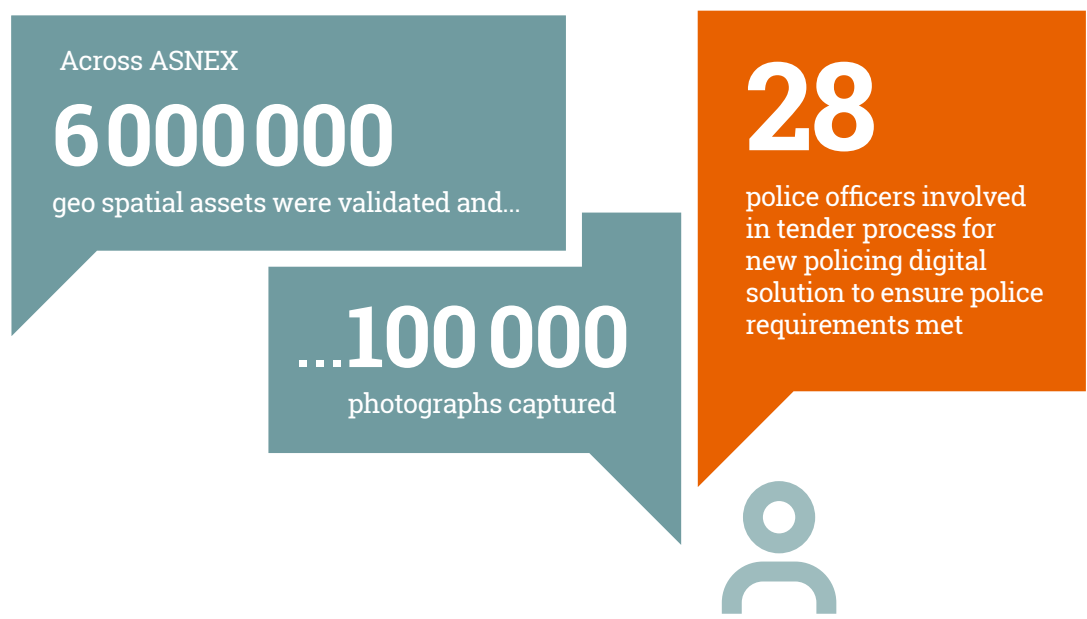
Future Priorities

Core Clinical Systems Renewal Program

- Complete Acacia system configuration and testing across the spectrum of NT Health services to validate readiness for deployment.
- Implement the foundation technology projects to enable digital transformation through CCSRP.
- Manage complex clinician engagement and change management requirements for all centres and staff.
- Develop regional implementation plans with all regions for the rollout of the new Acacia system.

SerPro Program

- Implement change management plans for policing functions impacted by the introduction of the new SerPro system.
- Complete the detailed design and implementation plan.
- Configure the base system as required to meet police needs.
- Undertake system testing to ensure readiness.

CMSA Program

- Work with Territory Families, practitioners, staff and stakeholders to co-design solution and confirm CMSA business requirements.
- Undertake a public tender for a contemporary digital client management system with extensive reporting capability.
- Commence detailed implementation planning phase.
- Establish a data projects stream to focus on the breadth of data needs and liaise with policy areas that are addressing data sharing.

Other Digital Projects

- Create guidelines to assist agencies with ICT Contract Management.
- Establish a project request process to clarify parameters, requirements and expectations.
- Implement the ePass replacement program.
- Take-up new agency projects as requested and within resourcing capacity, including reporting portals, digital workflow solutions and modern business applications.

ASNEX – Technology Innovation for Managing Government's Infrastructure Assets

The ASNEX program commenced in 2014 to remediate the failed Asset Management System (AMS) project.

AMS was transferred to DCIS in October 2013 and the department was tasked with developing a remediation approach. The ASNEX program commenced in April 2014 and aimed to replace AMS through repurposing government's existing asset information systems in a modern, contemporary solution using innovative middleware technology.

ASNEX has delivered on all the functional requirements identified for AMS including:

- appropriate accounting of government's $11 billion infrastructure asset portfolio
- user-friendly web portal presentation
- mobile access via a range of devices for frontline workers
- modern business intelligence, reporting and executive dashboards
- spatial enablement and referencing of assets data
- digitisation of 500 000 work orders
- contemporary digital design that can be augmented and enhanced as required.

The ASNEX program was successfully completed in June 2018 having delivered its objectives on time and $4.5 million under budget.

Significant reputation damage resulted from the AMS project and it featured heavily in the findings of the 2014 Public Accounts Committee inquiry, *Management of ICT Projects by NT Government Agencies.* AMS is recognised as one of the drivers for the development of the NT Government ICT Governance Framework which has extensively reformed the way in which investments in ICT are undertaken and how the delivery of projects are governed and managed.

ASNEX, by comparison, is a case study in how an agency can 'get it right' and deliver a complex ICT project successfully through robust governance, rigorous project management and strong executive sponsorship.

Output Group: Digital Government

BP3 Outcome: Digital initiatives, strategy, advice and assurance controls that support government in advancing digital innovation to improve services.

Output: Digital Government

BP3: Provide advice, coordination and oversight of key government digital initiatives through digital, data and cyber policy and strategy development, investment analysis, ICT project assurance, digital communications, digital industry collaboration and telecommunications advocacy.

This output is responsible for:

- developing and promoting a Digital Territory Strategy and coordinating annual action plans through engagement with agencies, industry and the community
- coordinating telecommunications infrastructure programs and advocating with the Australian Government and providers on telecommunications and broadcasting issues, covering phone and internet services and radio broadcasting, particularly for remote communities in the NT
- managing the NTG ICT Governance Framework, including evaluating ICT investment proposals and oversighting agency major ICT projects through the ICT Governance Board
- developing all-of government digital policies, standards and guidelines
- researching technology trends and public sector digital initiatives to determine applicability and suitability to the NTG context
- providing advice on digital innovation and assisting agencies to consider improvements to digital services
- designing data strategies, models and technology solutions to enable effective and intelligent use of government data

- researching and advising requirements to improve sharing of government data to inform policy setting and facilitate service delivery
- developing and oversighting a Cyber Security Governance Framework addressing government's cyber security posture, approach and roadmap
- designing cyber security strategies and controls, including building knowledge of cyber security across government and the local business sector
- coordinating enterprise-level digital governance committees and the Ministerial Digital Advisory Council
- maintaining and improving the core all-of-government web platforms, nt.gov.au and NTG Central
- identifying web technology trends and applying best practice guidance for agencies to enhance and improve the usability of government's web presence.

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

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Stage gate reviews undertaken[1]	n/a	n/a	n/a	14	18	18	12
Major projects overseen by the ICT Governance Board	n/a	14	21	27	22	22	25
Cyber security programs delivered[2]	n/a	n/a	n/a	12	56	56	19
Service request tickets processed for nt.gov.au[3]	n/a	n/a	n/a	n/a	2 380	2 380	2 400

[1] The variation is due to higher ICT project activity in 2017-18.

[2] The variation in 2017-18 reflects Cyber Security Awareness Months events in October 2017, which will transition to a more digital format in 2018-19.

[3] New measure.

Previous measures of digital projects have been transferred to Enterprise Project Services to align with the department's project delivery approach.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Nil significant movements.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Stage Gate reviews undertaken – reflects originally anticipated review requirements. 2018-19 budget estimate may need to be revised.

Cyber security programs delivered – reflects transition to a digital delivery model in 2018-19, providing resources for all NTG agencies to promote to staff, supplemented with presentations for NT businesses and community groups.

TREND ANALYSIS COMMENTS

Major projects overseen by the ICT Governance Board – fluctuations relate to changes in project activity across agencies with initial growth following introduction of the NTG ICT Governance Framework.

Cyber security programs delivered – fluctuations are due to expansion of awareness activities and changes to delivery models.

PERFORMANCE ACHIEVEMENTS IN 2017-18

COMPLETED	
Aligned to	**Description of achievement**
SP BP	Oversaw delivery of mobile phone services and / or ADSL broadband to eight NT remote communities under the NTG/Telstra Co-investment Program (2015-2018) - Barunga, Bulman, Kaltukatjara, Manyallaluk, Minyerri, Santa Teresa, Umbakumba, Weemol.
SP BP	Analysed and obtained approval for the Tiwi Islands undersea optic fibre cable project.
SP BP	Developed NTG submissions and briefed Australian Parliamentary Committees on the National Broadband Network and Viewer Access Satellite Television.
SP BP	Hosted the first Remote Telecommunications Ideas Forum in June 2018 to gain a deeper understanding from all stakeholders of the issues and barriers to telecommunications access in NT remote communities.
SP BP	Released the *Discussion paper: towards a digital strategy for the NT* and coordinated community consultation involving public forums in Darwin and Alice Springs and a government forum totalling over 130 attendees, as well as 40 written submissions and a Have Your Say website with 155 pieces of feedback received.
SP BP	Engaged extensively with agencies to identify and confirm actions for the first annual action plan under the Digital Territory Strategy.
BP	Collaborated with industry representatives to establish and progress a joint working group between the NTG and NT ICT Industry which will develop a deeper shared understanding of ICT issues, and progress actions to benefit industry, government and the community.
SP	Provided advice on digital technology for planning of key government initiatives, including Smart Cities and developed a digital services roadmap planning framework.
BP	Issued ICT Project Financial Management, Risk Management and Benefits Realisation guidelines for NTG.
BP	Updated the Records and Information Standard for agencies.
SP BP	Developed an Open Data Policy and a business case for a central open data portal as the technology platform to make NTG data sets freely accessible.
BP	Finalised and introduced a Cyber Security Governance Framework to outline the NTG's cyber security posture; security requirements and agency responsibilities.
BP	Established a new whole of government Security Leadership Group to increase across government engagement on cyber security strategy and initiatives.
BP	Delivered an expanded cyber security awareness program in October 2017 across NT regional centres to increase awareness of cyber threats and mitigations, supporting the ICT industry, local business sector and government.
SP BP	Developed a Cyber Security Roadmap to address and prioritise security control requirements.
SP	Contributed to the advancement of specialised cyber security education programs in the Northern Territory through funding an Associate Professorship in Cyber Security at Charles Darwin University.
SP	Developed web standards and guidelines to encourage high quality web solutions across the NTG.

IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Monitoring works projects to deliver services for the remaining six communities under the 2015-2018 NTG/Telstra Remote Telecommunications Co-investment Program.	Q4 2018
SP BP	Commencing feasibility planning for the 2019 – 2022 NTG/Telstra Remote Telecommunications Co-investment Program.	Q4 2018
SP	Finalising and releasing the Digital Territory Strategy and the 2018 -19 Action Plan.	Q4 2018
SP	Planning for the inaugural Inspiring Women into Technology Summit to be held in early 2019.	Q1 2019
SP BP	Working with agencies to establish a central open data portal and identify their datasets for publishing in the open data portal.	Q2 2019
BP	Continuing to develop a digital cyber security induction program for NTG agencies.	Q3 2019
BP	Finalising the ICT All Hazards plan and related emergency management protocols to reflect the contemporary cyber security threat landscape and incident response plans.	Q4 2018

ONGOING

Aligned to	Description of achievement
SP BP	Advocating with the Australian Government and service providers to explore ways to expand and improve remote telecommunications.
SP	Capturing NT-based 'digital stories' to showcase local talent, digital innovation and opportunities.
BP	Engaging with the local ICT industry to foster skills development, innovation and better information sharing.
SP BP	Maintaining a rolling review program to update digital and information management policies and standards.
SP	Working with agencies to explore collaborative approaches, policy settings, and change management requirements to underpin data sharing across government and identity digital service improvements.
SP	Improving data visualisation capabilities to enhance the presentation of government data.
BP	Improving the usability and accessibility of nt.gov.au and NTG Central.

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

Future Priorities

- Complete the 2015 – 2018 NTG/Telstra Remote Telecommunications Co-investment Program and identify priority sites with feasibility studies for the 2019 – 2022 Program.
- Oversee the project to install an undersea optic fibre link from Darwin to the Tiwi Islands.
- Liaise with service providers and stakeholders to seek new and improved telecommunications services options for remote NT communities.
- Release the Digital Territory Strategy and 2018 - 2019 Action Plan.
- Continue industry engagement, through the MDAC and new independent Co-ordinator, to explore ways for the local digital industry to build capability and support NT economic growth.
- Obtain approval for a Digital Services Policy and promote with agencies.
- Update the ICT Series of Treasurer's Directions to meet the Department of Treasury and Finance's new presentation requirements.
- Examine online collaboration platforms to improve knowledge sharing on digital services.
- Develop a central Open Data Portal for the NTG and work with agencies to get agency datasets ready to share and publish.
- Explore opportunities for data sharing and new ways to utilise data.
- Develop a Data Literacy and Capability program to guide agencies.
- Engage agencies, other jurisdictions and research bodies to consider ways to build data analytics capability.
- Investigate establishment of a combined Cyber Security Growth Node and Joint Cyber Security Centre in the NT, in conjunction with Australian Government agencies.
- Commence researching requirements to introduce a Cyber Security Vocational Education and Training (VET) curriculum in the Northern Territory.
- Investigate and pilot web form solutions to reduce manual processes and assess suitability in NTG environment.
- Research enterprise search solutions for online government services.
- Enhance nt.gov.au to better meet the needs of readers and provide an enhanced user experience.

Excellence in Partnering - raising awareness of cyber threats and cyber smart practices

Cyber Security Awareness Month held in October 2017 was a resounding success with 56 information sessions held across the main regional centres and over 1080 participants from the ICT and business sector.

Awareness was centred on the issues of privacy, passwords, patching and protection, with the key message to Think.Check.Connect to Be Cyber Smart.

The Australian Government, eMergeIT Solutions, Kinetic, Microsoft, National Australia Bank, NEC and Telstra and senior leaders of the Office of the Cyber Security Advisor, Department of Prime Minister and Cabinet delivered presentations in Darwin to ICT and business sectors and senior leaders.

The support, provided willingly and free-of-charge, from so many of our business partners, industry and the Australian Government was much appreciated and greatly contributed to the program's success.

Over
4 643 000
visits to nt.gov.au in 2017-18

6 CfAT mobile hotspots installed in 2017-18

Output Group: Corporate and Governance

BP3 Outcome: Corporate and governance services that effectively and efficiently support the department and its government business divisions.

Output: Corporate and Governance

BP3: Provide effective corporate and governance services to support the department's functions including finance, human resources, ICT and information management, procurement, communications and executive support, governance, audit and risk services.

Output: Shared Services Provided

BP3: Provide effective corporate and governance services to support functions and divisions assisted by the department, primarily NT Fleet and Data Centre Services.

Both outputs aim to improve organisational performance through strong strategic and governance leadership and the provision of corporate service functions.

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

PERFORMANCE ACHIEVEMENTS IN 2017-18

◤ COMPLETED	
Aligned to	**Description of achievement**
BP	Delivered independent testing of business continuity plans for key services to identify opportunities to improve processes.
BP	Reviewed the department's Risk Management Framework to ensure it remains contemporary and aligned to the department's operations.
BP	Redeveloped the DCIS staff site in line with modern web practices and aligned technology platforms in the department's web space.
SP BP IP	Participated in the Transforming NTG Records System program in developing a new business classification scheme for government records and implemented the scheme across the department.
BP	Developed departmental accounting policies for ICT asset capitalisation and ICT clearing account treatment.
BP	Expanded the department's strategic internal audit program to incorporate procurement audits including the Value for Territory Assurance requirements.
BP	Reviewed the department's MyPlan performance management program, identified opportunities to improve processes and designed a new MyPlan model.
BP	Coordinated staff development sessions with the Buy Local Industry Advocate on government's Buy Local Policy, with over 64 staff attending sessions.
SP BP	Redesigned and delivered the new Emerging Leaders Plus Program.

COMPLETED

Aligned to	Description of achievement
SP BP	Completed the 2017-18 Agency Procurement Management Plan.
BP	Delivered Contrax user training sessions with over 23 staff attending.

IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Implementing an Aboriginal Employment Career Development Reference Group to promote and guide AECDS implementation across DCIS.	Q1 2019
BP	Implementing the new MyPlan as a digital form with workflows to improve staff experiences, including integration with TRM and improved reporting functionality for corporate capability planning.	Q4 2018
SP BP	Progressing implementation of outcomes from the strategic risk assessment of the agency's work health and safety environment.	Q2 2019
BP	Running fraud and corruption awareness sessions and facilitating specific fraud risk assessments for identified operations.	Q4 2018
BP	Reviewing the department's Fraud Control Policy to ensure alignment with the NT Auditor-General's Fraud Assessment Framework Review and a new Treasurer's Direction on Fraud Control.	Q4 2018
BP	Considering and progressing outcomes from scenario testing of business continuity plans for the continuous improvement of key processes.	Q2 2019
BP	Investigating and piloting Enterprise Information Management using SharePoint and TRM to improve information management and workflows.	Q4 2018
BP	Reviewing the Shared Services Price List to ensure it appropriately reflects the services provided by the department.	Q4 2018
BP	Finalising the migration of SharePoint sites to 2016 version.	Q4 2018
BP	Implementing action plans related to the 2016 NTPS People Matter Survey in consultation with the Staff Consultative Committee. New action plans will be developed after the 2018 Survey.	Q1 2019

ONGOING

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

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

▶ Future Priorities

- Facilitate biennial risk workshops for operational and strategic risk registers, including specific fraud risk assessments for identified operations.
- Implement outcomes from scenario testing of business continuity plans for the continuous improvement of processes and plan further testing.
- Develop the 2019-2021 Strategic Plan.
- Review existing, and develop new, DCIS Service Statements and related service standards to inform new or amended services.
- Consider the effects of forthcoming revised Accounting Standards for leases; income for not-for-profit entities and revenue from contracts with customers which to come into effect from 1 January 2019.
- Review and consolidate, where practical, the department's complaints management systems.
- Develop and implement an agency communications policy and annual plan.

- Progress the Enterprise Information Management strategy.
- Implement a consolidated Workforce Capability Framework to achieve department and NTG strategy, legislative and policy requirements.
- Review and expand the department's Corporate Governance Framework to ensure it facilitates compliance with legislative and policy changes.
- Finalise updated Shared Services Price List.
- Ensure DCIS is able to comply with new Australian Accounting Standards AASB 16 Leases.
- Develop further policies and procedures to enable DCIS to support staff and meet its obligations under the recently introduced ICAC legislation.
- Undertake an audit of the active generic email accounts to ensure all accounts are still required and in use.
- Rollout Windows 10, along with Office 2016 across the department.

64
staff attended the BLIA awareness sessions

98% DCIS accounts paid within 30 days

What the GBDs Achieved

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

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

NT Fleet

BP3: provide low cost, fit-for-purpose vehicles that support agencies' business requirements.

This business line is responsible for:

- managing the NTG vehicle fleet, encompassing light and heavy vehicles and plant and equipment, with the exception of NTPFES vehicles
- providing agencies with vehicles that are fit-for-purpose and have a low whole-of-life cost
- managing vehicle acquisition and disposal, coordinating maintenance and repairs and providing reporting to agencies
- managing across government contracts for vehicles, maintenance and auction services

- providing advice to government on fleet strategy and planning and operational advice to agencies
- supplying not-for-profit community-based organisations with vehicles as a gift or loan, including through the Community Benefit Fund (details at Appendix VI).

The work units that contribute to this business line are NT Fleet, Corporate Systems, Corporate Reporting and Business Services with service delivery being provided from offices in Darwin and Alice Springs.

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Light vehicles managed	2 831	2 749	2 895	2 776	2 750	2 777	2 750
Light vehicles disposed[1]	591	751	665	835	700	572	750
Heavy vehicles managed	790	807	821	841	840	835	840
Light vehicles meeting fuel and safety standards	n/a	97%	98%	100%	100%	98%	100%
Light vehicles managed within vehicle life standards	91%	85%	79%	87%	87%	85%	90%

[1] The variation reflects the timing of agency vehicle replacements.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Light vehicles disposed – lower than estimated due to extending the lease periods for some vehicles with low utilisation.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Light vehicles disposed – data will be monitored and the 2018-19 estimate may need to be revised in light of 2017-18 results.

TREND ANALYSIS COMMENTS

Light / heavy vehicles managed – the number of vehicles managed has stabilised in recent years with the fleet size primarily influenced by agency demand.

Light vehicles disposed – fluctuations in disposal numbers are caused by vehicle replacement cycles. Longer retention of low utilisation vehicles is reducing trend data.

Light vehicles managed within vehicle life standards – slight downward trend is largely due to extensions of lease periods for vehicles with low utilisation.

PERFORMANCE ACHIEVEMENTS IN 2017-18

◢ COMPLETED

Aligned to	Description of achievement
BP	Implemented an online vehicle ordering process with clients to provide productivity gains and enhance the user experience.
BP	Introduced a digital maintenance and servicing function to facilitate efficient on-time vehicle servicing with automated notifications and online scheduling.
BP	Delivered dashboard reporting to clients using DCIS' business intelligence toolset and data warehouse capability.
BP	Transferred the support and maintenance of the NT Fleet's business systems environment to Corporate Systems division to improve efficiency and capacity.
BP	Successfully migrated the legacy invoice management system to the new Internal Billing Invoice System (IBIS) used to generate invoices from DCIS to agencies and external customers.
SP	Relocated NT Fleet Alice Springs office to the DCIS main office in Alice Springs to strengthen service delivery to Central Australia.

◣ IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Establishing new end-to-end disposal services though a central contract, with procurement to occur in 2018-19.	Q1 2019
BP	Developing a digital solution for short term vehicle hire.	Q1 2019

▶ ONGOING

Aligned to	Description of achievement
BP	Continuing to work with agencies to encourage take-up of vehicle location awareness capability for non-metropolitan vehicles as a safety measure.
BP	Continuing to review charging model to further achieve cost efficiencies for government.

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

▶ Future Priorities

- Migrate the fleet payment system and processes to the whole of government Electronic Invoice Management System to achieve greater efficiency.
- Develop new acquisitions contract incorporating vehicle inductions.
- Completing procurement for a new disposals contract incorporating safety checks prior to delivery to auction.
- Review pool vehicles with a focus on assisting agencies to reduce numbers.
- Introduce pool vehicle options for Plug in Hybrid Electric Vehicles (PHEV) or Electric Vehicles (EV).

100% of passenger vehicles in the fleet have the highest safety ratings (ANCAP 5)

11 245 servicing, repairs and maintenance jobs generated in 2017-18 at a value of

$6 700 000 to the local economy

Data Centre Services

BP3: Support government's critical business systems to operate in a computing environment that is reliable, flexible and secure, with high levels of performance and availability.

This business line is responsible for:

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

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

Service delivery is provided from offices and facilities in Darwin.

Key Performance Indicators	Previous Years				Current Year		Target
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Monthly cost per million instructions per second (MIPS)	n/a	$1 090	$1 114	$1 019	$1 050	$966	$1 070
Mainframe computing availability	n/a	100%	100%	100%	100%	100%	100%
Virtual server computing availability	n/a	100%	100%	100%	100%	99.98%	100%
Physical servers hosted[1]	n/a	551	415	405	444	449	460
Fully managed servers[1]	889	1 000	1 195	1 330	1 600	1 558	1 700
Data storage area network (terabytes)	1 512	2 100	2 615	3 200	3 800	4 220	4 100

[1] The increase reflects growth in client demand and the transition to a dual-site computing model.

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2017-18

Monthly cost per million instructions per second (MIPS) – reduction achieved due to realignment of software licencing model.

Data storage area network (terabytes) – growth is driven by increase in infrastructure at GDC and agency needs.

MOVEMENTS BETWEEN 2017-18 ACTUAL AND 2018-19 BUDGET

Monthly cost per million instructions per second (MIPS) – cost per MIPS is expected to increase as increasing mainframe workloads over the two sites are reflected in licencing costs.

Fully managed servers – reflects the increase infrastructure at GDC in preparation for migration of ICT services from Chan; additional expected growth for CCSRP in 2018-19; and agencies moving from agency-owned to fully-managed servers.

Physical servers hosted – 2017-18 target results indicate that the 2018-19 estimate may need to be revised.

TREND ANALYSIS COMMENTS

Monthly cost per million instructions per second (MIPS) – cost decrease in 2017-18 results from increased transaction volumes and the realignment of software licensing arrangements, with costs expected to increase slightly in future years.

Physical servers hosted – increased trend reflects the additional server technology needed to establish the GDC site.

Fully managed servers – increase year on year results from agencies moving to utilise computing resources 'as a service' from Data Centre Services and additional infrastructure used to establish the GDC. Major projects, such as CCSRP and SerPro, are expected to increase volumes in future years.

Data storage area network (terabytes) – growth results from a steady transition of agencies' digital data into the centralised storage network and continued growth in the volume of data in agency ICT systems. Major projects, such as CCSRP and the Data Centre Transition program, are expected to increase volumes.

PERFORMANCE ACHIEVEMENTS IN 2017-18

COMPLETED

Aligned to	Description of achievement
SP BP	Completed Stage 1 of the GDC facility project relating to fit-out of the electrical, mechanical and architectural requirements and systems.
SP BP	Finalised plans for Stage 2 of the GDC to establish computing services in the facility and provide improved resiliency and disaster recovery capability for critical government ICT services.
BP	Established an electronic portal for tenant information for DHCD.
BP	Implemented a tapeless backup solution for mainframe backups and dual disk replication to improve redundancy and disaster recovery capability.
BP	Implemented monthly reporting on patch management of the managed environment to improve security compliance.

IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Sourcing a backup data centre facility.	Q4 2018
SP BP	Ongoing transition of computing capability to the Government Data Centre (GDC).	Q4 2019
SP BP	Establishing tapeless backup for the server environment hosting government applications.	Q3 2018
BP	Preparing SerPro for standardisation of the integration platform.	Q4 2018
SP BP	Establishing the ICT environment and facilities for the new clinical system, Acacia, to be delivered through CCSRP.	2020

ONGOING

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

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

Future Priorities

- Continue the transition to the newly created Government Data Centre (GDC) from Chan Data Centre which will see GDC become the primary computing site for the NTG.
- Establish a Backup Data Centre (BDC) and transition remaining capacity from Chan Data Centre to the BDC to facilitate a dual site configuration for the NTG and provide disaster recovery capability.
- Exploit application integration technology to improve efficiencies for data exchange between critical systems.
- Convert to tapeless backup technology for NTG systems and applications.
- Leverage investment in application development technologies to progress modernisation of government owned applications.

Government Data Centre (GDC) Project

DCIS operates the NTG's data centre providing a centralised model for core ICT infrastructure services. The data centre is the central hub for government computing, with the primary site located in the Chan Building in the State Square precinct and operating 24/7 to an industry standard of security.

The Territory has long been the only jurisdiction in Australia with no disaster recovery capability for critical ICT services. This has been recognised as a strategic risk, particularly in an environment of heightened cyber threat awareness, and has been criticised in successive audits. In 2015, DCIS commissioned a comprehensive independent Review of Data Centre Options resulting in approval to establish the new GDC facility within the NT Archives Building at Millner.

The completion of the GDC in 2017 has been a highly complex and specialised project, managed in partnership with the Department of Infrastructure, Planning and Logistics, to deliver a modern, contemporary and purpose-built data centre.

Over a two year period computing services are being progressively transitioned from Chan and the GDC which will become the primary computing site. The Chan site will be repurposed for higher value use with another project currently underway to relocate backup services to an alternative location by mid-2020.

The establishment of the new GDC facility is a strategic investment in much needed resiliency and business continuity for government's ICT services and digital data assets.

Server virtualisation ratio of 1:32, with

1558

virtual servers on

48

physical servers

Over

3000

secure data transfers per day between the mainframe and clients

Sustainability

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

All-of-Government

LEASED ACCOMMODATION

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

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

DATA CENTRE SERVICES

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

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

PRINTER DEVICE MANAGEMENT

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

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

	2015-16	2016-17	2017-18
Printing devices per 100 workstations	14.51	12.98	13.25[1]

[1] A slight increase of 2.08% in 2017-18 is attributed to new sites being established, particularly the Palmerston Regional Hospital.

NT FLEET

As an accredited member of the Tyre Stewardship Scheme, NT Fleet supports the objectives of the scheme to increase resource recovery and recycling and minimise the environmental, health and safety impacts of end-of-life tyres generated in Australia. As a result NT Fleet has successfully encouraged three sites to become members of TSS. Of the 24 recognised specialist tyre outlets, NT Fleet have utilised 16 (66%).

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

- 8.5 litres / 100 km for urban use pool vehicles and Executive Contract Officer vehicles.

- 10 litres / 100 km for non-four wheel drive light commercial vehicles.
- 13 litres / 100 km for four wheel drive vehicles.

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

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

☐ Maximum fuel consumption target   ■ Actual consumption

Urban use pool vehicles and Executive Contract Officer vehicles

Litres / 100 km

8.5   7.2

Non-four wheel drive light commercial vehicles

Litres / 100 km

10   8.1

Four wheel drive vehicles

13   9.3

Litres / 100 km
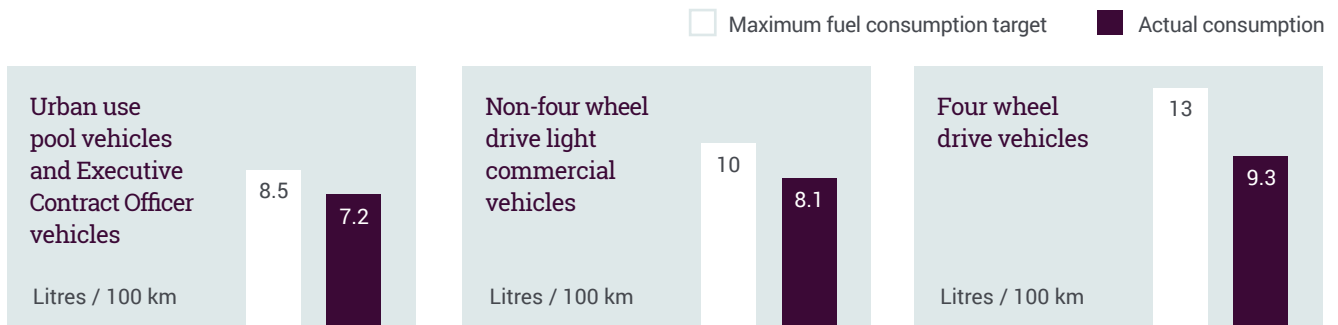
COMPUTERS FOR THE COMMUNITY

DCIS contributes to the Computers for the Community program which is directed by DTBI. This community focused program allows not for profits and community organisations to apply for computing devices. These devices are considered end of life for the NTG network and are reconditioned and repurposed for the program to reduce the amount of equipment being sent for recycling. The number of devices gifted under this program are driven by requests from community organisations, with recent year's data is listed below.

	2014-15	2015-16	2016-17	2017-18
Devices gifted through Computers for the Community program	345	364	240	195

VIDEOCONFERENCING

Videoconferencing is assisting in reducing the need for agency staff to travel across the NT and interstate. DCIS manages a central videoconferencing environment for the Northern Territory Government, which includes 322 physical units and 630 software clients across the five major centres, Darwin, Alice Springs, Tennant Creek, Katherine, Nhulunbuy and remote centres. Forty-nine units were installed in 2017-18, up from 34 in 2016-17.

On average there are around 2500 calls a month into virtual meeting rooms. The largest user is DoH, with 176 physical units and 570 software client enabled users for telehealth, a videoconferencing system that allows patients in remote areas to connect with healthcare providers in major centres. The remaining units are distributed evenly across agencies.

Video conferencing is currently underpinning the distribution of training and information sessions for the CCSRP platform, allowing multiple parties and locations to participate.

Internal

The department maintains diverse operations which are delivered from 12 worksites across five centres. This spread of operations results in multiple different building management regimes (largely dependent on the building owners' systems) and necessitates a decentralised approach to managing work sites and office consumables. While this presents challenges in consistent data capture and processes, the department maintains a focus on sustainability through the measures outlined below.

PAPER CONSUMPTION

DCIS has a focus on introducing digital systems for government, including QTOL, eRecruit, TDO, ASNEX and now GrantsNT and MyPlan. This digital service expansion represents a major contributor to increasing efficiency, reducing errors and double handling and improving sustainability through reduction in paper consumption.

The information management unit works to ensure department staff are well trained and confident in using the electronic document records management system. They recently introduced online training videos to support and encourage digital records management.

The Across Government Contracts team maintains a suite of iPads which are used during assessment of complex tenders, thereby avoiding the unsustainable practice of printing tender responses.

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

Work continues on the Enterprise Information Management project that will see the department move further along the digital spectrum, with many documents and workflows to be managed online, such as the revised model for the MyPlan process into a digital form.

ENERGY USAGE

The department's 12 office locations include multiple shared tenancies which make it difficult to provide reliable power usage and carbon emissions data.

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

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

RECYCLING

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

FLEET MANAGEMENT

DCIS has 33 vehicles across the department and GBDs, representing an FTE: vehicle ratio of 20:1, which compares very favourably across the NTG which sits around 9:1. All vehicles are registered in NT Fleet's Vehicle Booking System for pool use.

The average fuel consumption is 7.4L/100km, 1.1L/100km better than current maximum in the Vehicle Policy Framework.

Average CO_2 produced is 177g/km, which is significantly better than the average indicator of 184g/km reported in the Green Vehicle Guide across passenger vehicles.

Supporting the Community

Departmental staff continued to support a number of charitable and social events over 2017-18, which provided opportunities for staff to gather socially and contribute to the community.

These events raised over $1380 for charity and included NTPS Golf Day (raising funds for Camp Quality); Rotary Henly-on-Todd Regatta; Footy Colours Day; R U OK? Day; Black Dog Ride; Christmas care packages for Australian Defence personnel; RSPCA Cupcake Day; NT Foodbank; Harmony Day; Cancer Council; NAIDOC week; and Shave for a Cure.

Other activities that encapsulate the department's social conscience include:

- Each break room in DCIS has collection for Down Syndrome Association Container Recycling Scheme

- Taxation Services provided 300 supervised placement hours for students from Charles Darwin University undertaking their Masters in Accounting

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

- Regional Manager Shared Services is a senior member of Rotary and has had an association with the organisation as a member, President and Commodore for 25 years

- NTPM has worked closely with the DTC to identify suitable facilities to relocate a range of CBD-based arts groups

- Veolia is a contractor for the confidential recycling bins however, they subcontract shredding to a local Australian Disability Enterprise, Helping People Achieve which employs over 70 people with mild to moderate disabilities.

DCIS supporting agencies supporting Territorians

Category 2 Cyclone Marcus arrived in Darwin and left a trail of destruction and disruption in its wake that surprised us all. DCIS was well prepared, with the DCIS Incident Response Group having planned for services that could be impacted and activated the relevant business continuity and disaster recovery plans in advance, to ensure continuity of business for government was maintained wherever possible.

Our Data Centre Services team within the Chan data centre coordinated the ICT Incident Response group which kept the essential 'ICT' wheels for government turning and communication lines open with all government service providers.

The activities below show how many DCIS business units got on with the job of ensuring that government business continued uninterrupted. They also showcase the strength of our relationships with our providers and our professionalism and civic willingness to assist beyond our own department, with an incredible amount of work completed in compressed situations.

- **Finance Services** provided valuable assistance to Territory Families for processing Immediate Relief Payments (households who went without power for 72 hours after Cyclone Marcus).

- Staff from across **Shared Services** units and **EPS** assisted with:
  - work at the welfare operations centre assessing claims
  - processing internet payments via the **Accounts Payable** team at the Domain
  - paying cash claims at NAB branches.

- **ICT Services** and **NT Property Management** stood up a new worksite at Harbour View Plaza as emergency office accommodation for officers from Berrimah Farm

- **Digital Communications** team provided support by updating SecureNT and nt.gov.au, helping to keep Territorians up to date and informed before, during and after Cyclone Marcus

- **Corporate Systems** team provided the information needed for **Payroll Services** to process the EBA

- Government vehicles were secured at **NT Fleet** workshop

- **CAPS** reviewed all tenders and quotations in the market, coordinated extensions with agencies where needed and advised potential respondents.

26
Clontarf Foundation students graduated from the ATSIEAP Program

Over **3 500 000**
new records were created in TRM in the last 12 months

2 386
print requests received and issued to 16 local printers

233
businesses are panellists on across government contracts
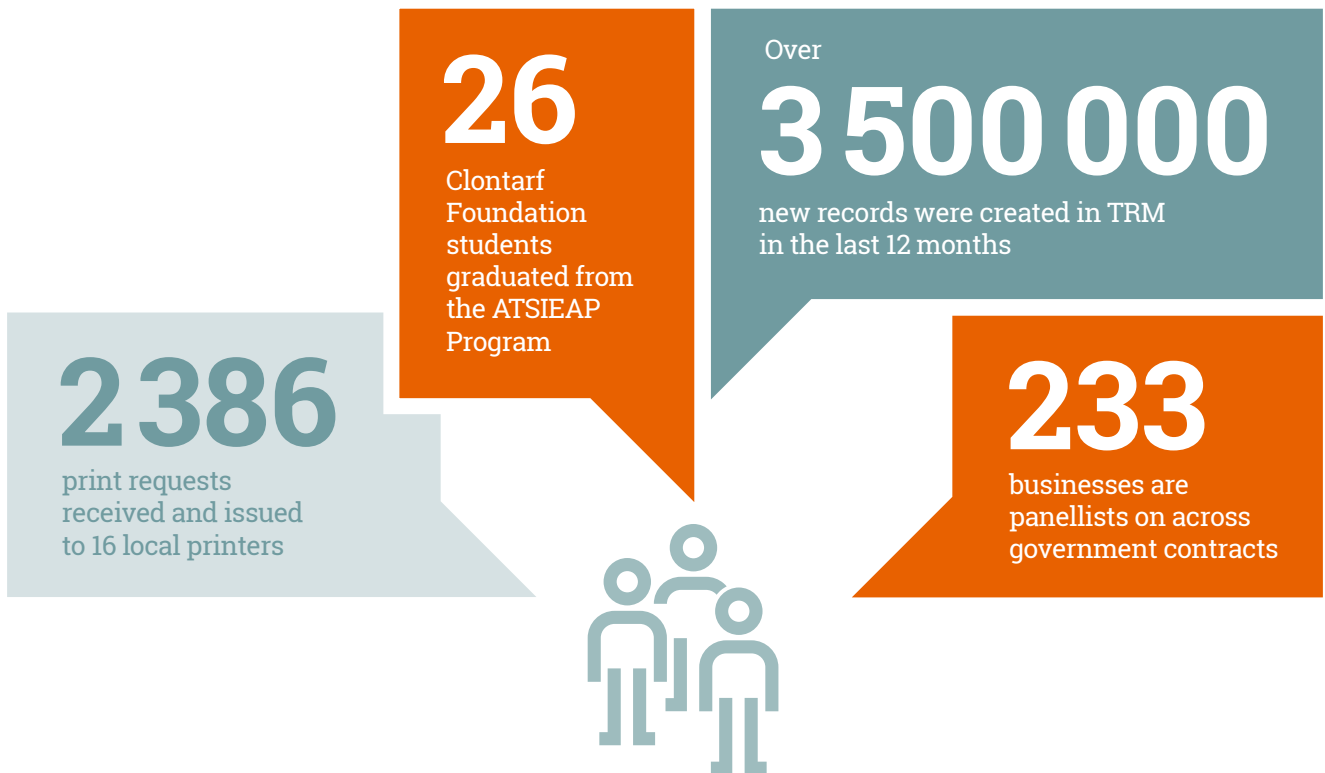
CORPORATE GOVERNANCE

3

Corporate Governance Framework

Our Value: 'Accountable' – we take responsibility for our actions

Our Principle: Manage our business risks to ensure service continuity and protect resources

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

The department has a strong corporate governance culture that places an emphasis on the individual to be 'self-governing' and manage the risks within their respective areas, ensuring that controls within their scope of responsibility operate effectively. This is supported by internal controls and policies to ensure sound governance, compliance and performance.

The Corporate Governance Framework, presented below in Figure 1, guides the actions of the department, and its Government Business Divisions (GBDs), and reflects the primary business lifecycle phases. It provides a model through which the department's activities and actions are designed, directed, controlled and reviewed.

Figure 1 - Corporate Governance Framework

Plan Design

Elements Stakeholder Engagement; Communiation; Alignment with government priorities; Innovation; Design

Support Corporate Statement; Strategic Plan; Org chart; BP3; Digital Territory Strategy

Govern Deliver

Elements Accountability; Internal control; Resource management; Leadership development; Collaboration; Service delivery

Support Governance Framework and principles; Service Framework; KPI reporting; Business plan reporting; Legislation; APM; SOPs; Policies

Assess Improve

Elements Compliance; Transparency; Identiification of improvements

Support Audit reports; Audit committee; Assurance analysis; Post implementaiton reviews; Lessons learned database

Corporate Governance Principles

DCIS ensures its business is conducted in a robust and accountable way.

The department's Corporate Governance Framework, including corporate governance principles in Figure 2 below, provide a strong foundation and clear direction.

Figure 2 - Corporate Governance Principles

Leadership

Strong leadership with a clearly defined executive, a robust and active governance committee structure and communication and engagement with stakeholders.

Accountability

Accountability through appropriate internal controls and corporate policies.

Stewardship

Effective stewardship of resources through compliance with legislation, Northern Territory Government policies and internal procedures.

Integrity

Actively promoting honesty and ethical conduct by upholding professional standards of behaviour.

Communication

Clear communication to staff at all levels about governance requirements and expectations with respect to the fair and equitable treatment of others.

Risk Management

A focus on risk and appropriate risk mitigation through a risk management framework.

How we plan

Our Value: 'Honest' – we tell the truth

Our Principle: Listen to our clients, staff and stakeholders and share responsibility for solutions

Plan

PLANNING FRAMEWORK

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

Figure 3 illustrates the connections and linkages between government directions, the department's strategy, implementation plans, unit activities and individual actions.

Figure 3

Government Directions/Policy

DCIS Minister

Chief Executive

Board

Leadership Group

DCIS Staff

DCIS Strategic Plan 2016-2018

DCIS Annual Business Plan

Divisional Business Plans | Divisional Business Plans | Divisional Business Plans

Work Unit Plans | Work Unit Plans | Work Unit Plans

Staff MyPlans

Budget Paper No. 3 Outputs and Outcomes

Treasurer's Directions and Digital Policies

DCIS Service Framework

Service Statements

Performance Indicators

CORPORATE STATEMENT

The department's Corporate Statement represents the values and principles DCIS holds itself to in conducting its operations, which complement and are consistent with the NTPS values. The corporate statement guides the department's actions and influences how the department works together, interacts with clients and engages within the broader Northern Territory Government environment.

The department's Corporate Statement is outlined at page 10.

STRATEGIC PLAN

The Strategic Plan 2016-2018 sets out the department's strategic direction and priorities, including key priorities and deliverables set by the Minister and government. The plan guides the department's decision-making and is a tool for the Chief Executive, Management Board and Executive Leadership Group to ensure work is focused on our core business and deliverables.

The plan provides a holistic view of the department's strategic priorities with a broader focus on themes rather than specific service lines. The six key strategic priorities give strong emphasis on the importance of our workforce, broaden the project governance focus and make innovation prominent.

Regular reporting against the plan, including six-month reports on progress is provided to the Executive Management Board.

The current Strategic Plan is concluding at the end of 2018. The planning process for the new Strategic Plan 2019-2021 has commenced which includes extensive consultation with all staff across the department.

BUSINESS PLANS

Business plans are developed to assist divisions and business units to align with the department's Strategic Plan and Corporate Statement and contribute to overall departmental objectives. Along with these key projects, the business plans also detail:

- actions that support our workforce development strategy
- actions that address the department's People Matter Survey action plan
- ideas from the DCIS Innovation Program
- tasks to mitigate identified risks.

Plans are developed in consultation with staff and stakeholders, with tasks flowing through to executive contractor performance reviews and staff MyPlan reviews. Progress against priority projects or actions is reported to the Executive Management Board, providing regular updates on key organisational goals and ensuring a coordinated approach to performance monitoring.

The 2017-18 divisional business plans were endorsed by the Executive Management Board in June 2017, and the DCIS Business Plan established to assist the board in monitoring key actions on a quarterly basis. Progress updates are communicated regularly to DCIS staff through monthly staff newsletters, updates to the Executive Leadership Group, and passing information on through staff meetings.

The 2018-19 business planning process commenced April 2018, with divisional business plans endorsed by the Executive Management Board mid-year to maintain the planning and accountability cycle into the next year.

How we govern

Our Value: 'Professional – we do our work to a high standard

Our Principle: Deliver quality services consistently and on time

Govern

SERVICE FRAMEWORK

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

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

Service statements are developed with input from clients, are regularly monitored by DCIS, with a formal review annually, and are updated when the service is appreciably changed and when new services are being delivered by DCIS.

Each service statement includes standards which address the key activities within the service line and reflect the primary performance levels which DCIS undertakes to deliver.

The service framework and statements are available to all agencies via NTG Central, the internal government corporate intranet.

PERFORMANCE MEASURES

Key Performance Indicators (KPIs) for divisions are reported quarterly to the Executive Management Board, reflecting performance metrics for each division and are aligned to the Strategic Plan and DCIS Service Statements. KPI performance, trends and issues are carefully considered at Board meetings. In 2017-18, the measures were reviewed and expanded to capture changes in the department's structure and business to ensure the board has a well-defined insight on service performance across its span and functions.

RISK MANAGEMENT

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

The risk management framework comprises a risk management policy, procedures and information sheets which provide staff with the information and tools to manage risks on a day to day basis. The Employment Screening Policy, together with the Fraud Control Policy, strengthen the department's risk management framework.

In addition, scenario testing of business continuity plans was undertaken in mid-2017 to test effectiveness and identify opportunities for improvement. Through testing, the department continues to enhance its management of business continuity risks by regularly reviewing its plans for whole of agency and key services to ensure the department is prepared, able to respond and recover disrupted services.

The Risk Management Committee is responsible for overseeing risk management activities, including business continuity management. The committee promotes a risk management culture and provides direction to enable DCIS to proactively manage its risks through well-defined processes for project and procurement risks. Structured risk workshops are held across the department biennially for the management of operational and fraud risks and are planned for 2018-19. The Risk Management Committee oversees workshops with senior management to assess the department's strategic risks, with two new strategic risks identified in 2017-18.

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

INTERNAL CONTROLS

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

DELEGATIONS

The Chief Executive is the Accountable Officer for the department for the purposes of the *Financial Management Act*, the *Public Sector Employment and Management Act* and the *Procurement Act*. Delegations covering procurement, financial and human resource management activities are reviewed regularly to ensure they meet the department's requirements.

The delegations allow appropriately authorised departmental staff to undertake specific responsibilities of the Accountable Officer or Chief Executive as prescribed in the legislation. The delegations were updated during the year to reflect organisational structure and policy changes, including amendments to reflect the revised Treasurer's Directions.

CONFLICTS OF INTEREST

The department recognises that any conflict of interest, whether real or perceived, erodes confidence in the integrity of the department or Northern Territory Government. All Executive Management Board members, Senior Directors, senior staff and employees who hold delegated powers are to complete a disclosure declaration on an annual basis.

All staff are required to complete a disclosure declaration when circumstances change or when on a procurement assessment panel, to declare any private or other interests that may result in a conflict of interest. If any interests are identified, appropriate action is taken to resolve the conflict or prevent it from arising. Completed declarations are held as evidence of disclosure and, as such, provide some protection against unfounded allegations of bias concerning department advice or decisions.

PROCUREMENT CONTROLS

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

Government's revised Procurement Governance Policy and Procurement Rules came into effect in 2017-18. The department has revised procurement documents to align with the revised procurement policy and rules.

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

ACCOUNTING AND PROPERTY MANUAL

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

The Accounting and Property Manual is reviewed and updated regularly.

POLICIES AND PROCEDURES

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

Policies, procedures and standards are required to be approved by the Executive Management Board or Chief Executive Officer. Department-specific documents are located on the staff intranet site and all-of-government documents are located on the all-of-government intranet, NTG Central, for easy access by employees.

STANDARD OPERATING PROCEDURES

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

How we assess

Our Value: 'Innovative' – we strive to improve

Our Principle: Drive innovation to deliver value for our clients

Assess

STATUTORY ACCOUNTABILITY

The department is required to comply with the *Financial Management Act, Public Sector Employment and Management Act, Procurement Act* and other legislation, such as the *Anti-Discrimination Act, Superannuation Act* and the *Work Health and Safety Act.* The department's Corporate Governance Framework and the relevant statutes are promoted to staff in a range of ways including through the department's Orientation and Strengthening Our Managers programs. Information and training on legislative requirements is included in the DCIS Corporate Capability Plan 2018.

LEGISLATION ADMINISTERED

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

INTERNAL AUDIT FUNCTION

In accordance with the *Financial Management Act,* the department has an internal audit function to assist the Accountable Officer. A Strategic Audit Plan is managed by the internal audit function and monitored by the Audit Committee. The 2017-18 internal audits and reviews to test internal controls and processes can be found at Appendix III.

LEGAL SERVICES

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

INFORMATION ACT REQUESTS

The *Information Act* allows for access to government and personal information. In 2017-18, the department received 149 Freedom of Information (FOI) applications on behalf of other agencies. Three FOI requests were received in relation to information held by DCIS for personnel or government information. Of these requests, none resulted in a complaint or required mediation.

OMBUDSMAN INQUIRIES

In 2017-18 the Ombudsman received two inquiries in relation to the department.

Future Priorities

- Develop the DCIS Business Plan 2018-19.
- Finalise staff consultation and develop the 2019-2021 Strategic Plan.
- Review existing, and develop new, DCIS Service Statements and related service standards to inform of new or amended services as required.
- Continue implementing recommendations from scenario testing of business continuity plans for continuous improvement of processes.
- Review the Fraud Control and Corruption Policy and associated documents and provide Fraud and Corruption awareness sessions and information for agency staff.
- Enhance fraud control actions, including formal risk workshops for operational and strategic risks and fraud risk assessments for identified operations.
- Review the department's Corporate Governance Framework to incorporate and align to legislative changes and the implementation of the Office of the Independent Commissioner Against Corruption (ICAC).
- Develop policies, such as Notification of Data Breaches Policy, to align with the introduction of ICAC legislation.
- Develop a Compliance Framework to provide an overarching program for audits both internal and external, to provide assurance of legislative compliance.

Corporate Governance Committees

The department's governance committee structure, as outlined in Figure 4 below, comprises an Executive Management Board (EMB) and supporting committees focussed on key governance requirements.

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

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

The corporate governance committee structure was refreshed late 2017 to ensure it is keeping pace with the expanded function changes occurring across the department. Three new governance committees were introduced: Finance Governance Committee, Communications Governance Committee and the Innovation Committee. This refresh also included updates to committee terms of reference and changes to memberships across the committees, including the EMB, taking into account changed reporting lines and leadership development opportunities. The new committees and memberships came into effect from January 2018.

Commitment to developing leadership capabilities across the department, as one of the department's strategic actions, is strengthened in the new committees and membership changes. The Executive Management Board has maintained quarterly rotational memberships providing emerging leaders the opportunity for engagement at a strategic whole-of-agency level. This concept has been expanded to all governance committees, with rotational membership to be reviewed at least annually, allowing for leadership experience and consolidation of knowledge to a wide group of emerging leaders across the department.

Further information on each committee's key functions, performance in 2017-18 and membership as at 30 June 2018 are outlined in this section.

Figure 4
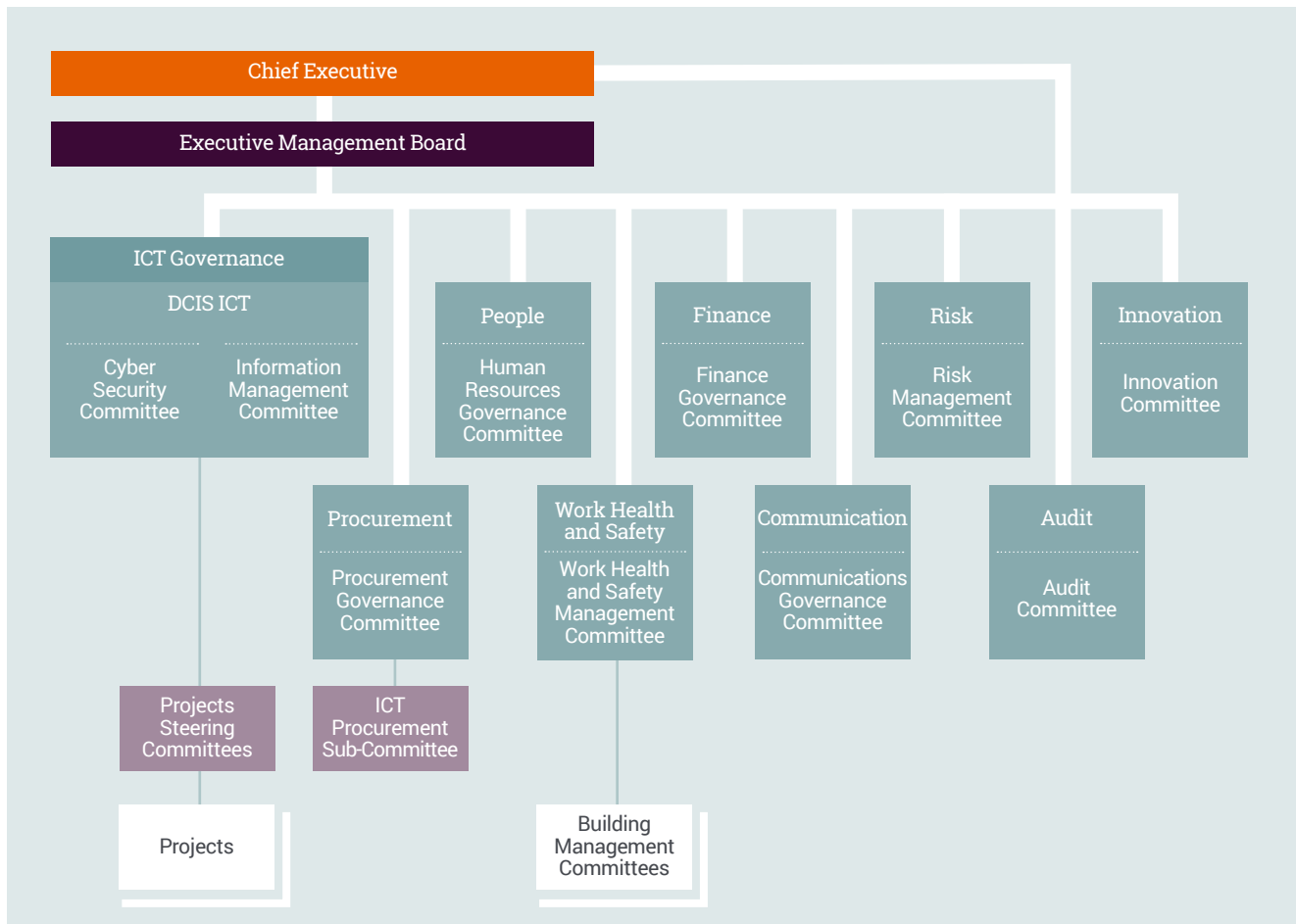
Executive Management Board

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

MEMBERSHIP

Kathleen Robinson
Chief Executive (Chair)

Chris Hosking
Deputy Chief Executive

Garry Haigh
Executive Director
ICT Services

Sandie Matthews
Executive Director
Digital Government

David Keirs
Senior Director
Business Services

Peta Preo
Senior Director
Shared Services

Bronwyn Riedel
Senior Director
Contract Services

David Bryan
Senior Director
NT Property Management

Garry Russell
Senior Director
Corporate Systems

Jude Florance
Director
Executive Services (Member and Executive Officer)
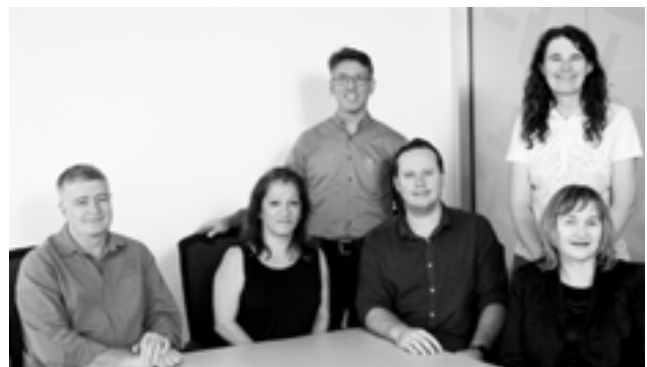
Quarterly rotational members
Greg Connors, Tina Matthews, Jenni Purkis (not pictured), Nathan Watts, Craig Baxter (not pictured), Sonia Peters, Kevin Thomas and Joanne Staples.

KEY FUNCTIONS

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

2017-18 ACTIVITY

- The board met on twelve occasions during 2017-18
- The board approved/endorsed:
  - Risk Management Framework
  - changes to the Recognition of Service Milestones procedures
  - Complaints Management Policy
  - DCIS Corporate Capability Plan 2018
  - Aboriginal Employment Career Development Strategy (AECDS) 2019 – 2023, that sits within the Corporate Capability Plan.
  - Shared Services Assurance and Improvement Committee Terms of Reference.
  - revised Terms of Reference for DCIS corporate governance committees
  - DCIS Business Plan 2017-18 and divisional business plans for 2018-19
  - refreshed DCIS Innovation Framework
  - DCIS special measures plan
- Supported and monitored early career programs; DCIS emerging leaders program and leadership programs run by the Office of the Commissioner for Public Employment.
- Supported and endorsed a range of internal programs such as: flu vaccination; global corporate challenge; and wellness week.
- Monitored the progress of actions against the 2016 People Matter survey response.
- Provided strategic oversight through the suite of progress reports biannually on the Strategic Plan and quarterly on KPIs; DCIS 2017-18 Business Plan; Innovation Program; Strategic Risks; Workforce Strategy; governance committee reports; and monitoring of excess leave.

Human Resources Governance Committee

ROLE

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

MEMBERSHIP

David Keirs Senior Director Business Services (Chair)

Rex Schoolmeester Chief Financial Officer

Lou-Anne Duncan Director Commercial Leasing

Sonia Peters Director Cyber Strategy

Sandra Papandonakis Director Payroll and Employment Services
Jenni Purkis Director People and Information (ex-Officio)

Ron Saint Regional Manager Shared Services Client Support (rotational member)

Secretariat People and Development Unit

KEY FUNCTIONS

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

2017-18 ACTIVITY

- The committee met on 51 occasions and held three out of session meetings during 2017-18
- Monitored internal redeployees and unattached officers and referred staff for placement against vacancies with one unattached officer placed.
- The committee endorsed:
  - 239 requests to advertise, including ongoing and temporary vacancies
  - 104 fixed period contracts (including renewals)
  - 30 job evaluation requests.
- Public Sector Instrument (PSI) appointments endorsed:
  - PSI 11 – Nil
  - PSI 12 – 6
  - PSI 21 – 19.

Risk Management Committee

ROLE

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

MEMBERSHIP

Doug Cooke Senior Director
Digital Policy and Telecommunications (Chair)

Scott Thomson Senior Director Data Centre Services

Peta Preo Senior Director Shared Services

Bronwyn Riedel Senior Director Contract Services

Greg Connors Director ICT Infrastructure, Architecture and Security

Joe Babbini Director NT Fleet

Lou-anne Duncan Director Commercial Leasing

Donald Young Director ICT Governance

Jo Vanderpoll Senior Manager Governance (Executive Officer)

Amy Burns Director Commercial Services (Rotational member)

KEY FUNCTIONS

- Promote an effective risk management culture across the department.
- Monitor and provide direction regarding the department's risk management approach.
- Provide input to and endorse a risk management framework and supporting policies, including fraud control to ensure effective risk management.
- Approve fraud control plans and business continuity management plans and processes.
- Approve risk management procedures, tables and templates for the department.

- Monitor compliance with the risk management framework, policies and plans, including fraud control and business continuity management.
- Identify and monitor strategic risks for consideration by EMB.
- Monitor findings of internal and external audits to identify key risks and ensure appropriate risk management strategies are implemented.
- Review and monitor risk assessments, including fraud risk assessments and treatment plans.
- Coordinate the review of Incident Response Group events.

2017-18 ACTIVITY

- The committee met on five occasions during 2017-18.
- Reviewed and updated the strategic risk register to reflect changes in risks and mitigation strategies.
- Monitored and reviewed business unit operational risks and their identified treatments on an ongoing basis.
- Approved Business Continuity Plan (BCP), Cyclone Plan, Cyclone Preparation Guide, and Flood Preparation Plans.
- Monitored audit outcomes for consideration of issues relating to risks.
- Reviewed the risk management framework and associated documents.
- Reviewed outcomes of the NTAGO fraud assessment to identify areas for fraud control improvement and monitored recommended improvements.
- Reviewed the BCP desktop scenario testing results and monitored actions for improvement.
- Considered the NTAGO Governance Framework – lighthouse review outcomes and monitored future actions for improvement.

Audit Committee

ROLE

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

MEMBERSHIP

External Member: Susan Kirkman Executive Director Strategic Services, Department of Tourism and Culture (Chair)

External member: vacant at 30 June 2018

Stacey Henderson Director Corporate Systems

Michael Smid Director Finance Services

David Keirs Senior Director Business Services

Rex Schoolmeester
Chief Financial Officer (Ex-Officio)

Kathleen Gray Senior Contract Category Manager (Rotational member)

Jo Vanderpoll
Manager Governance (Executive Officer)

KEY FUNCTIONS

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

2017-18 ACTIVITY

- The committee met on four occasions during 2017-18.
- Monitored rolling DCIS Strategic Audit Plan and status of internal audits and reviews.
- Maintained an active oversight of the implementation of process and control improvements to address audit findings.
- Continued emphasis on monitoring the findings and actions with respect to the ICT control environment for key government applications.
- Endorsed the revised Internal Audit Charter.
- Reviewed the DCIS, NT Fleet and Data Centre Services Financial Statements.

Procurement Governance Committee

ROLE

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

MEMBERSHIP

Kathleen Robinson Chief Executive (Chair)

Chris Hosking Deputy Chief Executive

Bronwyn Riedel Senior Director Contract Services

David Bryan Senior Director NT Property Management

Jude Florance Director Executive Services

Ken Conway Director IT Service Management

Helen Perry Director Digital Communications

Sam Vulcano Chief Procurement Officer (Ex-Officio)

Secretariat Procurement Unit

KEY FUNCTIONS

- Provide strategic leadership and direction through the development of sound procurement governance practices.
- Oversee the development and implementation of procurement frameworks, policies and processes to ensure compliance with all-of-government legislation and policy.
- Review and endorse the Agency Procurement Management Plan.
- Review and endorse high risk and/or high volume procurement activities (for Tiers 3, 4 and 5) and those with non-standard requirements.

- Monitor agency procurement performance against key performance indicators and all-of-government trend diagnostics.
- Review and endorse requests for Certificates of Exemption and extended contract periods.

2017-18 ACTIVITY

- The committee met on 53 occasions during 2017-18.
- Contributed to the review of Northern Territory Government procurement framework.
- Updated methodology for the assessment of Local Content to reduce subjectivity and improve consistency in assessments after consultations with the Buy Local Industry Advocate.
- Improved procurement practices and quality of procurement documentation across the agency.
- Oversaw 117 procurement actions resulting in contracts totalling over $222.3 million, including major procurements in the following areas:
  - across government contracts for services including supply of bowser fuel, bulk fuel, fuel card and aviation fuel; delivery of accredited and non-accredited training; delivery of cleaning, kitchen and hygiene products; and advertising in the NT
  - property leases including the lease for Department of Health office accommodation, and office and facilities for Department of Primary Industry and Resources
  - supply of ICT equipment including laptops; desktops; network equipment; servers; and printers.
- Commenced development of the 2018-19 Agency Procurement Management Plan.

Innovation Committee

ROLE

To monitor and oversee the innovation program for the department.

MEMBERSHIP

Sandie Matthews Executive Director Digital Government

Greg Moo Senior Director Digital Design

Garey Neenan Director Data Strategy

Donald Young Director ICT Governance

Peta Preo Senior Director Shared Services

Jude Florance Director Executive Services

Sandra Papandonakis Director Payroll and Employment Services

Nathan Watts Director Corporate Reporting

Shelley Gray Executive Services Officer (Executive Officer)

KEY FUNCTIONS

- Oversee application of the department's innovation program.
- Assess initiatives proposed through the program.
- Identify opportunities for innovation within the department and all-of-government, with a particular focus on digital innovation.
- Promote the value and benefit achieved by innovation.

2017-18 ACTIVITY

- The committee met on five occasions during 2017-18.
- The committee reviewed the previous DCIS innovation program and recommended action for closure of the program which was approved by EMB.
- Innovation ideas submitted by DCIS staff were considered by the committee with eight key innovations recommended to EMB for further development.
- The committee progressed plans for establishing the refreshed DCIS innovation program across the department.

Information Management Committee

ROLE

To provide strategic direction and advice for the development and management of ICT services within the department (excludes all-of-government ICT roles).

MEMBERSHIP

Stacey Henderson Director Corporate Systems (Chair)

Bronwyn Lo Director Enterprise Project Services

Michael Smid Director Finance Services

Wayne Sanderson Director Regions

Jenni Purkis Director People and Information

Tina Matthews ICT Director (ex-officio)

Colin Fitzgerald Manager Midrange Services (rotational member)

Katie McCarthy Senior Policy Officer Digital Policy (rotational member)

Karen Downing Manager Business Intelligence (Executive Officer)

KEY FUNCTIONS

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

2017-18 ACTIVITY

- The committee met on nine occasions during 2017-18.
- The committee monitored:
  - DCIS Technology and Business Systems Roadmap
  - Enterprise Information Management Strategy development
  - ICT projects, operations and usage
  - DCIS SharePoint migration
  - BAR enhancements and usage
  - Corporate Systems' initiatives.
- The committee reviewed and endorsed:
  - business cases for ICT proposals
  - ICT Project Risk Management Guideline.

Cyber Security Committee

ROLE

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

MEMBERSHIP

Kathleen Robinson Chief Executive (Chair)

Chris Hosking Deputy Chief Executive

Garry Haigh Executive Director ICT Services

Doug Cooke Senior Director
Digital Policy and Telecommunications

Scott Thomson Senior Director Data Centre Services

Garry Russell Senior Director Corporate Systems

Gregory Moo Senior Director Digital Design

Greg Connors Director Infrastructure, Architecture and Security

Garey Neenan Director Data Strategy

Sonia Peters Director Cyber Strategy (Executive Officer)

KEY FUNCTIONS

- Oversight development of the department's cyber security roadmap and strategy.
- Oversight development and monitoring of cyber security risk plans and mitigation strategies for NTG ICT systems, infrastructure and information.

- Ensure appropriate controls, tools and procedures to detect and address cyber incidents are tested and deployed.
- Consider cyber security incident reports and endorse remediation, review advice of the Australian Signals Directorate and liaise where appropriate.
- Assess and contribute to planning for the department's response to major cyber security incidents.
- Provide advice and support to NTG agencies on cyber security.
- Develop education strategies to increase awareness of cyber security responsibilities across the NTPS.

2017-18 ACTIVITY

- The committee met on twelve occasions during 2017-18.
- A Cyber Security Government Framework was considered and endorsed by the committee, delivering a key cyber initiative. The framework describes the principles, roles, responsibilities and cyber security posture for the NTG's ICT environment.
- The committee reviewed and endorsed the three year Cyber Security Roadmap.
- The committee maintained oversight of:
  - 2017 Cyber Awareness Program, delivering 56 presentations to over 1000 participants to improve awareness of cyber threats and cyber smart practices
  - deployment of Virtual Desktop Infrastructure with multi-factor authentication in Royal Darwin Hospital
  - implementation of a secure web gateway and progression of improved network access controls
  - projects to improve cyber security across government, including assisting agencies to enhance their security posture.

Finance Governance Committee

ROLE

To oversee the development of the Department of Corporate and Information Services budget and effective management of financial resources.

MEMBERSHIP

Kathleen Robinson Chief Executive (Chair)

Chris Hosking Deputy Chief Executive

David Keirs Senior Director Business Services

Paul Gooding Senior Director Enterprise Project Services

Rex Schoolmeester Chief Financial Officer

Ken Conway Director ICT Service Delivery

Secretariat David Mu, Budgets and Finance Manager (ex-officio)

KEY FUNCTIONS

- Oversight budget and financial management for the department and its GBDs in accordance with the *Financial Management Act* and financial management framework.
- Provide strategic leadership and direction for budget development, including Mid-Year Review and carry-over requests.
- Ensure the departmental budget is aligned with the Strategic Plan and government priorities.
- Monitor expenditure against budget with a focus on major projects, leased properties and ICT services to ensure expenditure remains within approved budget allocations.
- Monitor and report to the Department of Treasury and Finance (DTF) on the department and GBDs' financial performance against budget, cash-flow projections and output estimates.

- Review and endorse the department's monthly budget and finance report for tabling with EMB.
- Monitor the department's ICT clearing account and infrastructure program performance to ensure continuity of ICT shared services to agencies.
- Consider financial models, including service pricing, internal budget allocations and funding needs across the department and GBDs.

2017-18 ACTIVITY

- The committee met on six occasions during 2017-18.
- The committee actively monitored:
  - divisional expenditure patterns
  - Budget carry-over and variation requirements
  - development of 2018-19 budget options
  - work to update the DCIS Shared Corporate Services Price List.
- Policy development progressed by the committee included:
  - endorsement of a new Accounting Treatment for ICT Services for Agencies Policy
  - preparations to comply with new Australian Accounting Standard AASB1018 Leases in 2019-20
  - accounting treatment of ICT purchases.
- The committee tracked the department's overall financial performance, and endorsed monthly reporting to DTF.

Communications Governance Committee

ROLE

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

MEMBERSHIP

Peta Preo Senior Director Shared Services (Chair)

Doug Cooke Senior Director
Digital Policy and Telecommunications

Jude Florance Director Executive Services

Nathan Watts Director Corporate Reporting

Sandie Matthews Executive Director
Digital Government

Helen Perry Director Digital Communications

Ronald Saint Regional Manager Shared Services
(Rotational Member)

Mark Trobbiani Director ICT Agency Services
(Rotational Member)

Amy Beckett Communications Officer
(Executive Officer)

KEY FUNCTIONS

- Oversight strategic communication activity for the department and its GBDs in accordance with whole of government and departmental policies.
- Review and endorse the department's communication strategy, policy and procedures, which includes customer feedback.
- Endorse and monitor the department's annual communications plan, which includes stakeholder identification and engagement practices.
- Review and endorse whole of government communication reporting requirements.

2017-18 ACTIVITY

- The committee met on four occasions during 2017-18.
- New Communications Governance Committee formed with terms of reference endorsed by EMB.
- The committee endorsed the new DCIS Staff Site.
- A Complaints Management Policy for the department was developed and endorsed by EMB June 2018.
- The committee commenced communications planning to develop an annual communications plan for the department.

Work Health and Safety Management Committee

ROLE

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

MEMBERSHIP

Scott Thomson Senior Director
Data Centre Services (Chair)

Gregory Moo Senior Director Digital Design

Joseph Babbini Director NT Fleet

Dale Howard Director HR Systems

Wayne Sanderson Director Regions

Mark Trobbiani ICT Director

Tina Matthews ICT Director

Amanda Hawkins Manager
Finance and Facilities Services

Lisa Hill People and Development
(Executive Officer)

KEY FUNCTIONS

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

2017-18 ACTIVITY

- The committee met on four occasions during 2017-18.
- The department's WHS Risk Register was reviewed and updated.
- The committee drafted revised policies for:
  – Driving Policy
  – Smoke Free Policy.
- The committee oversaw multiple building management committees to ensure application of the WHS framework, including risk assessments and reporting the status of actions.

All-of-Government Governance Roles

NTG ICT Governance Framework

The ICT Governance Framework ensures ICT governance across agencies is planned, with ICT investments and projects managed consistently and supported by appropriate decision-making. The framework sets out the overarching principles and requirements for sound governance and describes:

- alignment of ICT investments with government direction
- assurance oversight of high risk and high value ICT programs
- processes for agency management of ICT programs
- the NTG's ICT environment outlining linkages between policies and operations and enterprise and agency activities.

The ICT Governance Framework is enhanced by the Treasurer's Directions (ICT series), digital policies, a reporting portal and ICT governance guidelines to assist agencies. A robust committee structure underpins the framework to ensure consistency and accountability for application of the framework across the public sector. Membership is drawn from senior representatives across the public sector, from both business and ICT roles.

The ICT governance model is at figure 5 below.

Figure 5 - NTG ICT Governance Model
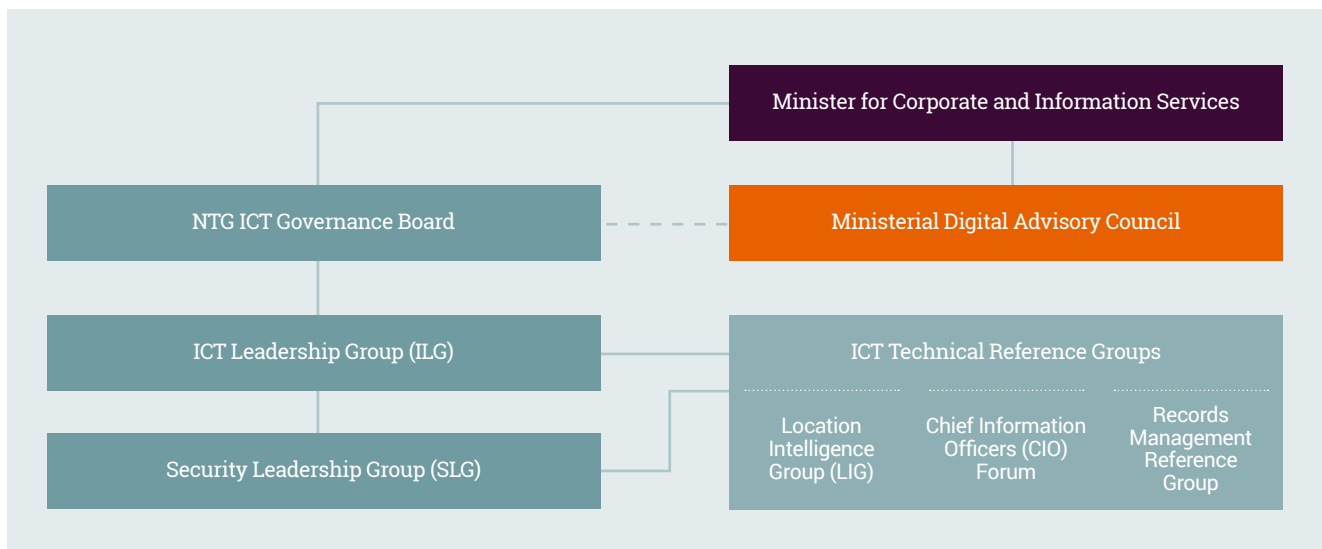
DCIS is responsible for ICT policy development, operation of the ICT Governance Framework and ensuring that DCIS' managed ICT programs comply with governance requirements.

Agencies are responsible for ensuring appropriate governance of their ICT projects and systems and complying with the framework and Treasurer's Directions.

NTG ICT GOVERNANCE BOARD (IGB)

The IGB is at the centre of the framework, providing an across government oversight for ICT investments and digital initiatives. The IGB applies stringent monitoring, analyses agency major ICT investment proposals and oversights ICT projects from an all-of-government perspective. The IGB also considers digital policies, emerging issues and risks and coordinates reporting to government.

The IGB comprises senior representation from nine agencies. The IGB maintained a watching brief over 23 major agency ICT projects in 2017-18. Further information is captured in the achievements section of this report and the list of members can be found at Appendix VII.

ICT LEADERSHIP GROUP (ILG)

The ILG is an across agency high-level group that provides technical advice to the IGB and reviews all-of-government ICT policies, standards and guidelines. The ILG liaises with agencies on implementation of strategic directions and informs the IGB of emerging technology issues to improve the NTG ICT environment.

The ILG oversights and monitors the work priorities and topic areas of relevant ICT Technical Reference Groups.

NTG Cyber Security Governance Framework

Connectivity is essential when delivering government services, but can also increase the risk of cyber intrusion with the potential to compromise government information. The Cyber Security Governance Framework complements the NTG ICT Governance Framework to ensure government cyber security controls and responses are understood, planned and able to be executed as required. The framework describes:

- principles and governance arrangements for appropriate cyber threat mitigations
- design, operation and oversight of the security model for the NTG's ICT environment

- operational approaches to cyber security investment, considering both technological controls and user defences
- linkages between cyber security governance and across government ICT governance processes.

Addressing cyber security across the NTG enterprise ICT environment requires a dedicated systematic and rigorous approach to cyber security management. The model, at figure 6 is supported by governance of the policy, planning and investment settings; toolsets and security controls; advisory services to NTG agencies; and an increasing focus on cyber security awareness across the NTG senior leadership and end user community.

Figure 6 - Cyber Security
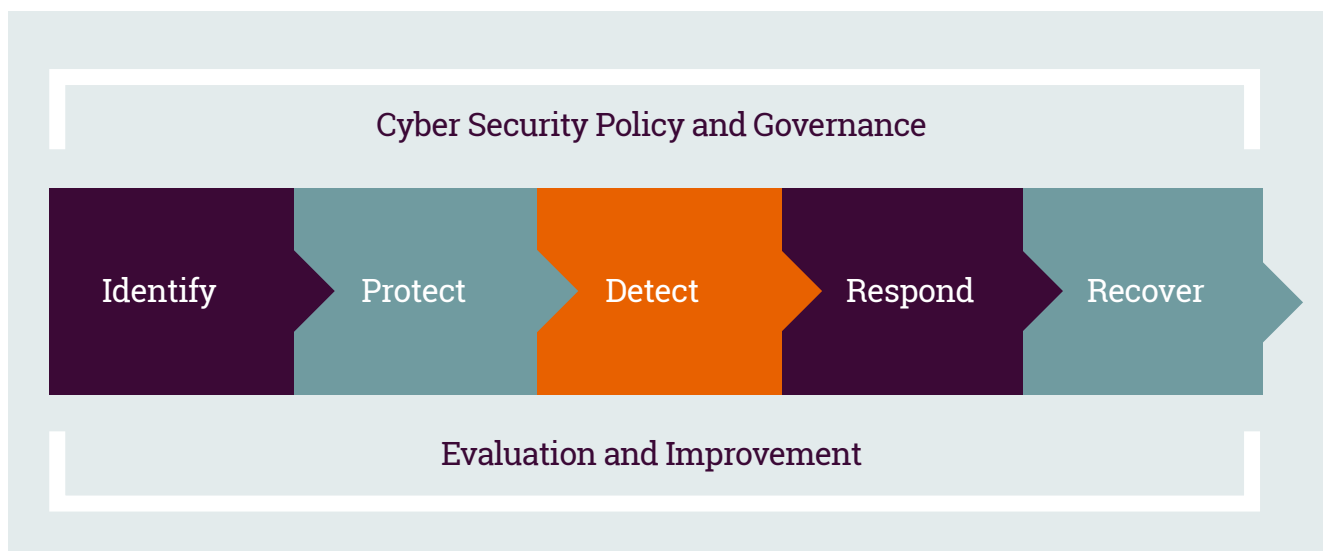
The Cyber Security Governance Framework; ICT security policies, standards and guidelines; ICT security advisory services; and the ICT Governance Framework; provide an integrated approach to ICT security across government to strengthen engagement in the NTG's cyber security posture.

DCIS has a primary role in cyber security strategy, enterprise architecture, cyber security operations, management of government's ICT network and advising agencies on security and architecture requirements. Agencies have responsibility for ensuring security of their business systems and staff actions.

SECURITY LEADERSHIP GROUP (SLG)

The SLG connects the Cyber Security Governance Framework to the leadership groups within the ICT Governance Framework. The SLG monitors progress of cyber security projects with significant user impact, endorses NTG cyber security policies, standards and guidelines for consideration by IGB, and informs IGB of any emerging, strategic ICT security issues likely to affect the NTG's ICT environment and suggests cyber innovations and initiatives.

The SLG oversights and monitors the work priorities and topic areas of relevant ICT Technical Reference Groups.

Digital Governance

The Office of Digital Government was established to lead the government's digital advancement agenda through providing advice, coordination and enabling key digital initiatives. The office advises on government's digital direction and oversees the policies and approaches that support agencies advancing digital innovation to improve government services.

The office is a significant division in the department which works collaboratively with agencies and other DCIS ICT divisions to enhance the focus at an all-of-government level on:

- strategic ICT leadership
- stakeholder engagement and coordination across the sector
- digital strategy and reform consultation
- cyber security strategy
- data strategy and programs
- digital communications.

The office has a key role in progressing government's priorities for a Digital Territory Strategy, open data portal, digital service standard and data sharing.

MINISTERIAL DIGITAL ADVISORY COUNCIL (MDAC)

MDAC, previously the Ministerial ICT Advisory Council (MIAC), provides advice to the Minister for Corporate and Information Services and the IGB on strategic digital directions and technologies that will improve outcomes for the local business sector, government and the Territory community.

The refreshed council was approved by the Minister in May 2018 and is scheduled to hold its inaugural meeting in July 2018. The list of members can be found at Appendix VIII. The previous Ministerial ICT Advisory Council met two times in 2017-18, including a meeting with the Minister.

Key achievements include:

- reviewed the MIAC role and Terms of Reference, which lead to formation of the new MDAC
- advised ICT industry views to assist in shaping the discussion paper, public consultation and drafting of the Digital Territory Strategy
- input to ten new or updated ICT policies, standards and guidelines
- provided industry views and advice to assist government in developing the open data policy proposal and cyber security governance framework.

Machinery of Government Changes

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

A working committee is held in a 'state of readiness' and is mobilised as required. The committee consists of key staff from the critical service areas within DCIS involved in MOG changes: HR Systems (payroll); Finance Systems (ledgers and accounts); ICT Services (resetting IT devices and access); Corporate Reporting (BOXI reports); NT Fleet (vehicle records); Contract Services (tenders and procurement systems); Finance Services (banking and taxation) and agency representatives from affected agencies.

There were no MOG changes coordinated by DCIS in 2017-18.

Future Priorities

- Finalise and launch the Digital Territory Strategy and supporting action plan for 2018-19.
- Commence review of the ICT Series of Treasurer's Directions in conjunction with the Department of Treasury and Finance.
- Update the NTG ICT Governance Framework following completion of the ICT Series of Treasurer's Directions project.
- Work with the MDAC to establish a refreshed work program.

Engagement

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

VALUE OF COMMUNICATION

Communications internally, and to the client base of DCIS, are undertaken everyday through our activities and service delivery. Our business is to provide seamless corporate services to enable other government agencies to focus on their core business.

Communications are an essential part of all business undertaken by DCIS that enables us to build and sustain better relationships with our clients. Launching a new ICT system, changing policies or processes, managing projects for agencies, consulting with staff and external program marketing are just a few of the department's activities which are enhanced by considered, professional and respectful communications.

ACCESS TO INTERNAL INFORMATION

The Chief Executive regularly produces and circulates to all employees an internal newsletter: the DCIS Intel, highlighting achievements across the department. Over the 2017-18 year, eleven issues of DCIS Intel were published with contributions from a range of business units and increased recognition of DCIS employees' efforts and results.

Communications relating to changes in corporate policies, procedures or other matters are promoted through the DCIS Intel, on the staff intranet and via the Executive Leadership Group to ensure a broad reach for internal communication. DCIS's intranet contains a wide range of corporate information relating to the structure, leadership, policies and procedures and operational areas with the department and the services they deliver, with links to NTG information and systems.

In 2017-18 an internal Communications Governance Committee was established to inform strategic directions and oversight communications activities across the department.

EXTERNAL COMMUNICATIONS

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

External communications include web sites, stakeholder forums for DCIS procurements, media releases, supporting and engaging with ICT industry and business, supporting and advertising government's employment programs, participating in external events through presentations and speakers, and coordinating events related to our digital transformation and employment programs.

CLIENT FEEDBACK

DCIS maintains an online feedback system for its internal clients which can be accessed through the all of government intranet, NTG Central. Comments on good service and areas for improvement can be submitted. The system is monitored, with feedback referred to the relevant service director to address. Timeframes to address comments are specified and this process is monitored. Over 2017-18, 10 feedback inquiries were received, with 58% related to system queries and the others relating to shared corporate services.

For our external clients, the department has a customer online feedback form on the DCIS internet site, allowing for external client feedback to be received and addressed. In this reporting period, nil queries were received.

ALL-OF-GOVERNMENT COMMUNICATIONS

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

- Agency Heads of Corporate Services Forum – quarterly
- HR Directors Network – quarterly
- Chief Finance Officers Forum – quarterly
- Finance Managers Forum – quarterly
- Banking Forum - quarterly
- Chief Information Officers Forum – bi-monthly
- Internet Reference Group – bi-monthly
- Web Managers Forum – bi-monthly
- Records Managers Forum – quarterly
- Records Management Reference Group – six-weekly
- All of Government IT Managers Forums - quarterly
- Fleet Managers User Group - biannually
- System User Groups (eg TRIPS, EIMS, TRM, ECMS) – biannually.

Insurance Arrangements

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

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

Insurance Risk Category	Mitigation Strategies
Workers Compensation	A strong governance framework oversighted by a Work Health and Safety Committee reporting to the Executive Management Board and individual building committees.
	A Work Health and Safety framework consisting of policies, plans and procedures ensures health and safety is managed and appropriate action taken to identify and mitigate risks.
	Regular workplace communications through team meetings and signage.
	A work health and safety strategic risk assessment.
	Commercial insurance policies for Data Centre Services and NT Fleet.
	The department promotes the Northern Territory Government's Employment Assistance Program with $70 635 expended on staff visits in 2017-18.
Property and Assets	Internal policies and procedures are in place for the effective management of assets and to mitigate for potential losses.
	Effective contract management practices mitigate the risk of loss of assets.
	Capital and minor new works program to maintain property and assets.
	Commercial comprehensive insurance policies for NT Fleet and Data Centre Services motor vehicles.
	NT Fleet insures the fleet against damage from natural disasters and the short-term hire fleet is comprehensively insured.
Public Liability and Product Liability	The department WHS Building Committees conduct risk and hazard identification and accident prevention to eliminate / minimise risks in the workplace.
	Site specific protocols and practices are in place for identified locations assessed as having a higher level of risk.
	The WHS Building Committees report to the WHS Governance Committee who oversees the department's WHS by monitoring compliance with the *Work Health and Safety Act*.
	Commercial public liability insurance policies for NT Fleet and Data Centre Services.
Indemnities	The department's legal advisors review contracts and agreements containing indemnity clauses to ensure the department and GBDs comply with the *Financial Management Act* and Treasurer's Direction G2.5 - Guarantees and Indemnities.
	Northern Territory Government standard terms and conditions are applied, with amendments reviewed by the department's legal advisors.
	Registers are maintained in accordance with legislative requirements.
	Internal policies and procedures are provided for the guidance of staff.

Claims applicable to self-insurance for the department are detailed in Appendix IV.

DATA CENTRE SERVICES

Data Centre Services continued to procure commercial insurance policies for workers' compensation, business insurance and motor vehicles in 2017-18. The total cost of premiums for commercial insurance in 2017-18 was $59 053, compared with $40 554 in 2016-17. The total cost of premiums increased by $18 499 due to inclusion of the new Government Data Centre (GDC).

There were no claims against Data Centre Services' insurance policies in 2017-18.

NT FLEET

In 2017-18, NT Fleet procured commercial insurance policies for workers' compensation, public liability, damage to the vehicle fleet due to natural disasters, and short-term hire. The total cost of premiums for commercial insurance policies in 2017-18 was $236 385, compared with $230 548 in 2016-17. The total cost of premiums increased by $5 837 primarily due to an increase in the number of vehicles insured.

There was one claim against NT Fleet's insurance policies in 2017-18.

ICT Industry Forum

Senior agency business and technology staff hosted the Darwin ICT industry at CDU Darwin Waterfront on 18 May.

There were presentations from Department of Education, PowerWater, NT Police, Fire and Emergency Services, DCIS and Department of Health. Each representative spoke about their major upcoming digital projects and budget initiatives.

There was a wide scope of activity presented, from upgrade and maintenance work of existing digital hardware and software to development of major ICT systems.

The aim of the forum was to strengthen the relationship between government and business. Increasing awareness of upcoming ICT developments and digital challenges of government agencies will assist industry to be better positioned to respond and provide solutions.

Forums for the release of the Discussion Paper: towards a digital strategy for the Territory.

In this digital age reliance on Information Communications and Technology (ICT) is second nature and embedded within our everyday lives and actions. The convergence of communications and computing technologies means we are connected and have and want information available to us anytime, anywhere and via a range of devices.

DCIS released the discussion paper to guide feedback and continue the conversation with government on where to focus efforts for the development of a Digital Territory Strategy.

Developing the strategy provided opportunity to engage local industry and the community in clarifying our combined aspirations for the Territory as a digital economy.

In preparing for the discussion paper, DCIS extensively consulted the local ICT industry, digital industry groups and agencies over several months. Input from the public was sought about their vision for a digital future and how the NT should work to achieve this future.

The Discussion Paper was released Q3 2017 with a Have Your Say website and multiple feedback options. DCIS received written submissions and feedback from local and international ICT companies, community groups and individuals. Additionally, public digital forums were held in Darwin and Alice Springs providing opportunity for the community to work through ideas and suggestions in a group setting.

In total, through this engagement process over 155 suggestions and ideas were put forward, with around 40 written submissions lodged. Some 130 people attended the two digital forums and substantial input was provided by agencies.

Image below left: Digital forum held in Darwin
Image below: Digital forum held in Alice Springs

OUR PEOPLE

4

2017-18 Highlights

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

SUPPORTING OUR PEOPLE

- Corporate Capability Plan reviewed and updated following the annual MyPlan process
- 57 new employees were screened for criminal history in accordance with the Employee Screening Policy
- 4 Orientation Programs conducted with 82 attendees
- 2017-18 Wellness Week delivered as part of the Health and Wellbeing Program
- Zero tolerance for bullying

RECOGNISING OUR PEOPLE

- Worth A Mention nominations through DCISIntel saw 28 individuals and 9 teams recognised
- DCISIntel profiled 7 DCIS staff members
- 48 staff recognised for achieving service milestones

WORKFORCE DIVERSITY

- 10.1% of staff from non-English speaking backgrounds
- 88% of staff have recorded their EEO details in the personnel system
- 18 staff identify with a disability
- Shared Services Disability Program researched and designed

INDUSTRIAL RELATIONS

- Engagement with CPSU on organisational change management
- Nil industrial matters raised in 2017-18
- CPSU attended orientations and conducted regular site visits across all DCIS locations

DEVELOPING OUR PEOPLE

- 568 MyPlans completed, representing a completion rate of 92%
- 21 staff graduated from the DCIS Emerging Leaders 'Plus' Program
- 143 staff attended Strengthening our People Program sessions
- DCIS supported 26 staff through early career programs
- 33 staff accessed OCPE leadership courses
- People Management sessions were held in Darwin and Alice Springs, with 352 staff attending
- 46 staff attended Service Excellence: Quality Customer Care.
- 138 staff attended 'MyPlan SharePoint tutorial'
- $0.44 million invested on training and development

ABORIGINAL EMPLOYMENT

- 9.6% or 65 Aboriginal staff
- 34 Aboriginal staff selected under the Special Measures plan from 75 vacancies advertised
- 3 senior / executive level Aboriginal staff (2.7%)
- Applied to OCPE to extend DCIS Special Measures
- Engaged a Senior Aboriginal Workforce Development Consultant, to progress AECDS initiatives and suggest approaches to improve Aboriginal staff interaction
- First Aboriginal staff forum held March 2018

CHANGE MANAGEMENT

- Enterprise Project Services formed from PMO and project teams with structure realigned to meet increasing digital transformation project deliverables
- 5 business unit reviews conducted (ICT Services, Digital Communications, Executive Services, Corporate Systems and Property Management)
- Supported by an active People and Development unit and management team

SOCIAL RESPONSIBILITY

- Participation in NAIDOC, Harmony Day, R U OK Day, Territory Day, NTPS Camp Quality Golf Day, Shave for a Cure
- Environmental focus through recycling MFD cartridges, recycling bins and paper management

Staff Snapshot

Workforce demographic data is presented as headcount at 30 June 2018[1] to provide a full reflection of our workforce.

KEY STAFFING DATA

	DCIS		NTPS Comparison[2]
	Number	%	
DEMOGRAPHICS (HEADCOUNT)			
Full Time Staff	625	92.7%	88.7%
Part Time Staff	49	7.3%	11.3%
Male: Female ratio	230 : 444	34 : 66%	36 : 64%
Male: Female senior management ratio[3]	30 : 21	59 : 41%	45 : 55%
Average Age	42	-	43
Trainees[4]	12	1.8%	0.4%
Aboriginal Staff	65	9.6%	10.4%
Staff with a disability	18	2.7%	1.1%
TURNOVER			
Commencements	74	11.0%	23.7%
Separations (resignations)	72	10.7%	22.9%
Staff Turnover rate[5]	132	19.6%	n/a

[1] Numbers as at pay period 27
[2] Sourced from OCPE statistician: as at 30 June 2018 (pay period 26)
[3] Includes ECOs and SAO2s based on paid classification
[4] Includes Graduates and Aboriginal Cadets
[5] Includes separations and inter-agency transfers.

Women represent

64% of team managers [AO5/6]

+

56% of middle managers [A07/SAO1]

Around **36%** of DCIS staff work in ICT and digital roles

87% of our trainees are Aboriginal
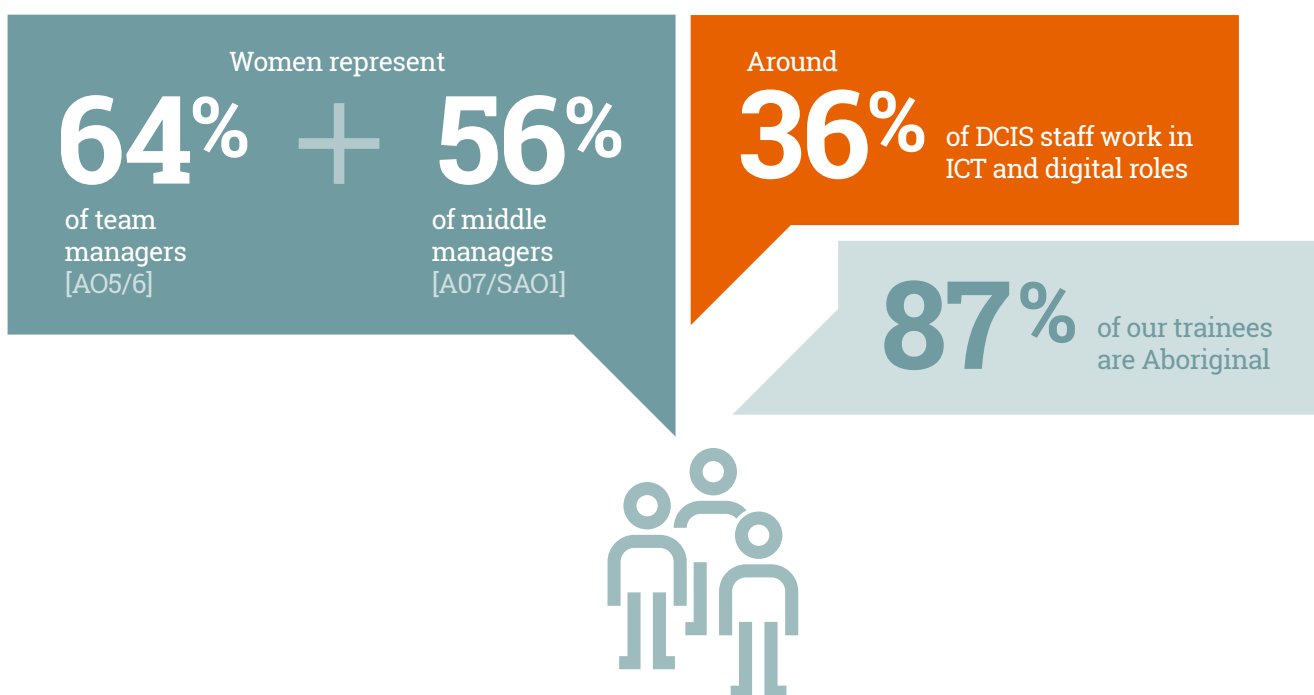
Staff by Employment Type

Figure 1 - Staff by employment type

		Headcount	%
	Trainee	12	1.8%
	Administrative (AO1-AO7)	544	80.7%
	Senior Administrative	80	11.9%
	Executive	30	4.4%
	Technical	8	1.2%
	Total	674	100

Figure 2 - Staff by employment type
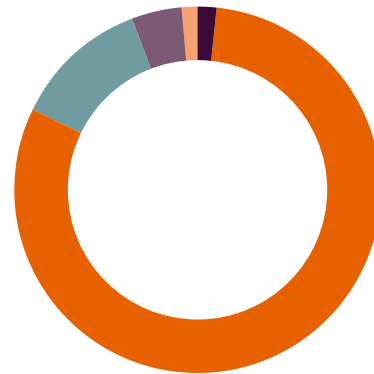
Gender and Level

Figure 3 - Identifies staff by gender for each classification level [6]
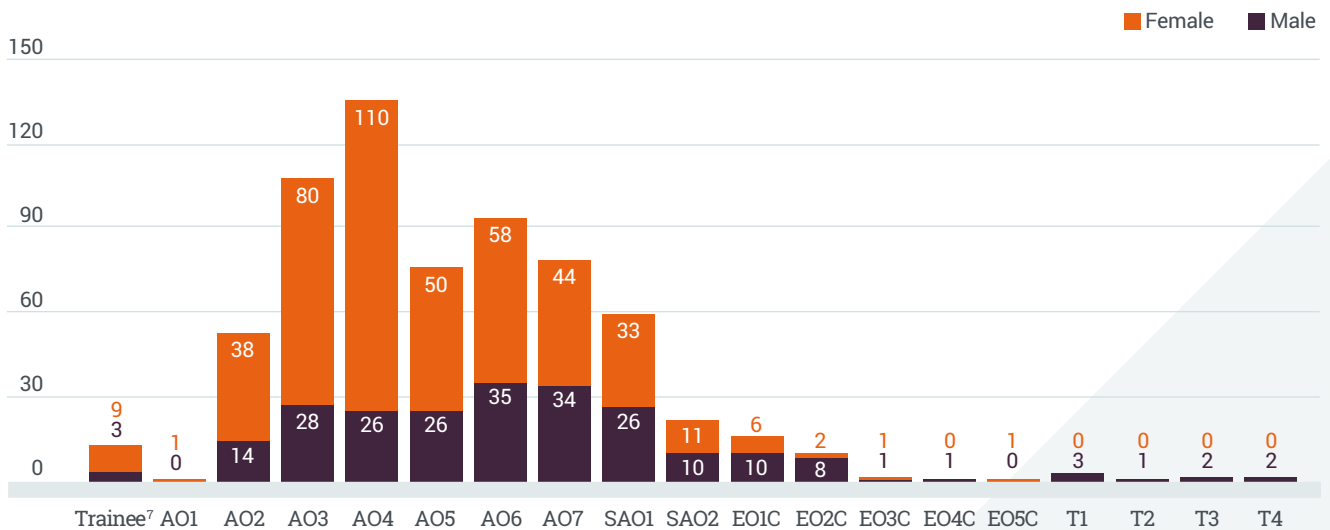
Figure 4 - Identifies staff by classification level and function [8]
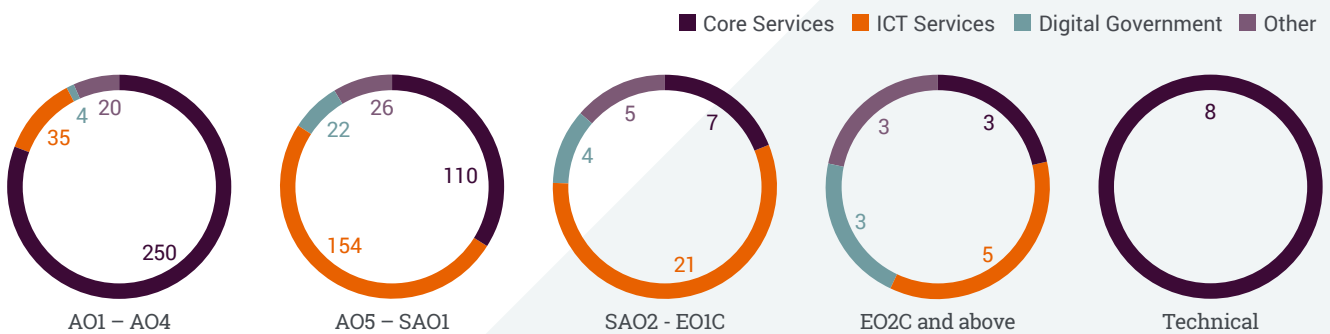
[6] Based on paid classification
[7] Includes Graduates, Aboriginal Cadets and Trainees
[8] Based on paid classification

Years of Service

Figure 5 - Years of service by gender

	Female	Male	Total	%
<10 Years	248	126	374	55.5%
10-19 Years	110	63	173	25.7%
20-29 Years	38	19	57	8.5%
30-39 Years	40	18	58	8.5%
>40 Years	8	4	12	1.8%
Total	444	230	674	100.0%
%	66%	34%		

Nearly **45%** of DCIS staff have 10 or more years of service

Of the 70 staff with over 30 years of service, **68%** are female

Figure 6 - Years of service by percentage against milestone groups

55.5% <10 Years

10-19 Years 25.7%

20-29 Years 8.5%

30-39 Years 8.5%
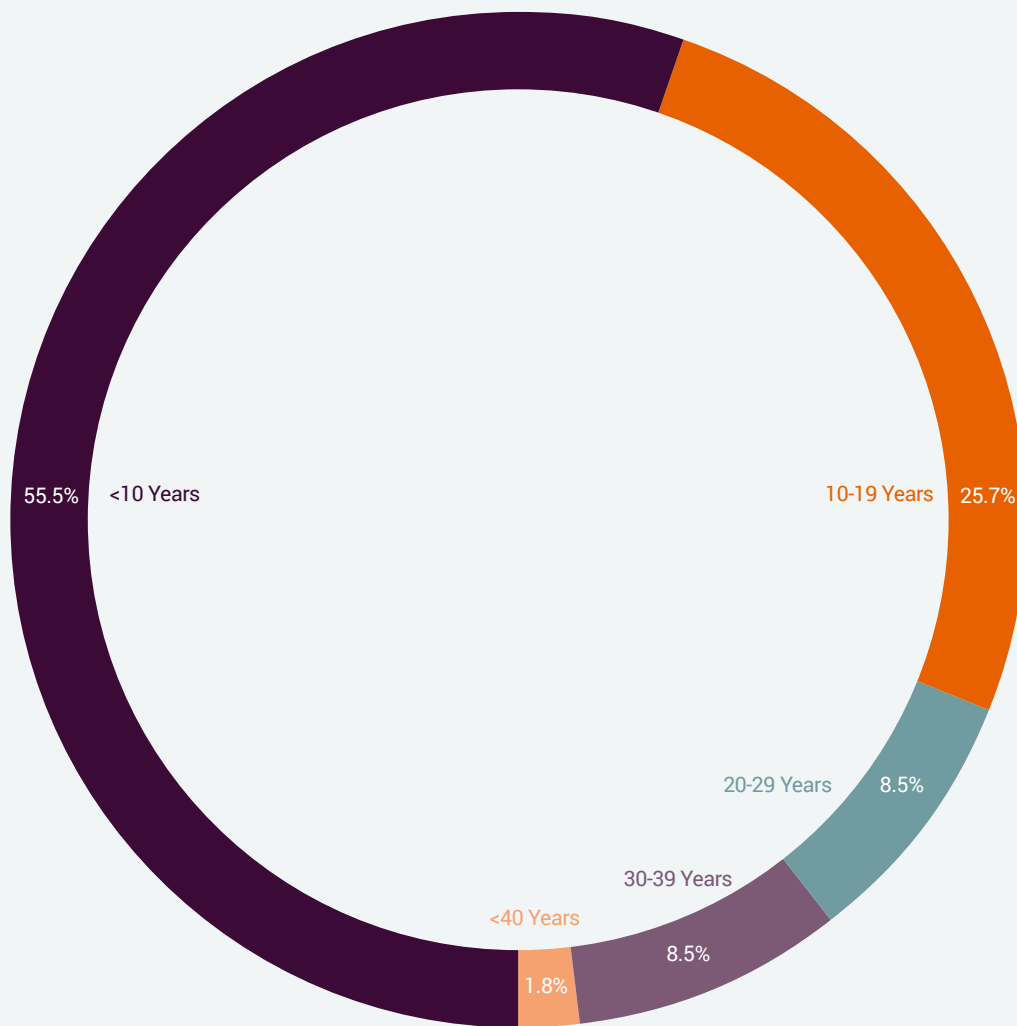
<40 Years 1.8%

Average Age

Figure 7 - Staff by age and gender
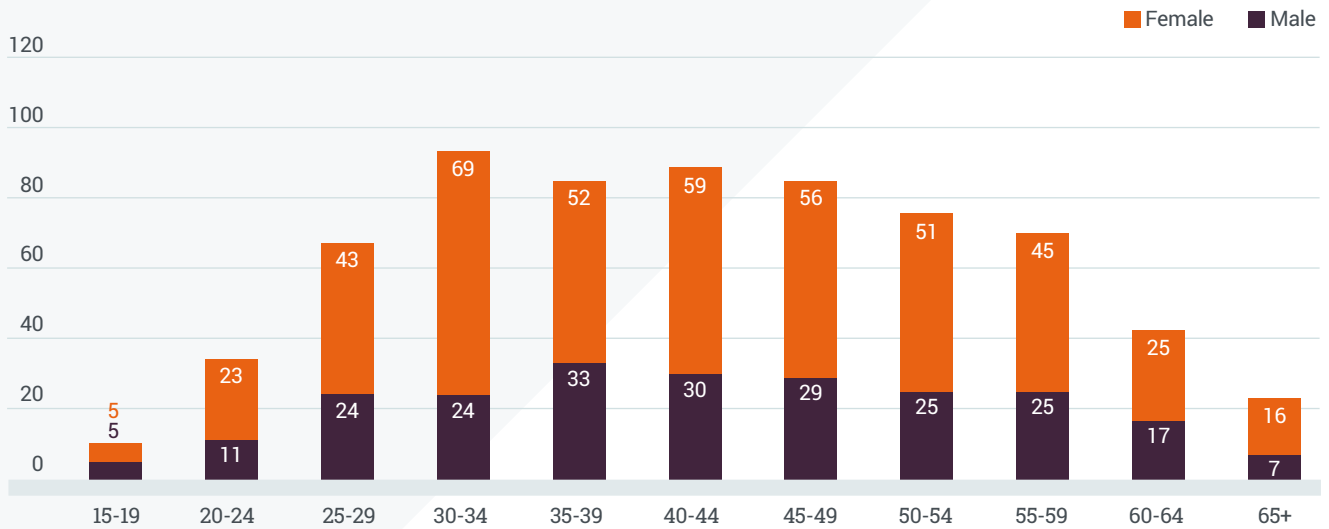
Figure 8 - Age profile by percentage

Age	%
15-19	1.6%
20-24	5.0%
25-29	9.9%
30-34	13.8%
35-39	12.6%
40-44	13.2%
45-49	12.6%
50-54	11.3%
55-59	10.4%
60-64	6.2%
65+	3.4%
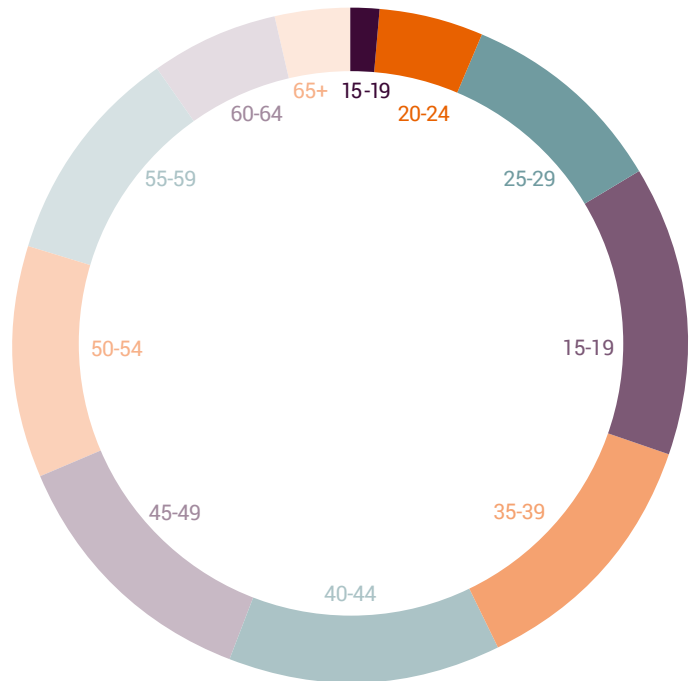
The average age of DCIS staff is **42** years

43% of DCIS staff are under 40 years of age

⭐ Staff Recognition

Every year eligible staff who reach service milestones are recognised for their service to the Northern Territory Public Sector. In 2017, 48 DCIS staff were recognised:

- 14 staff with 35 years of service
- 10 staff with 30 years of service
- 7 staff with 20 years of service
- 17 staff with 10 years of service.

Four staff chose to have their service formally recognised at a ministerially hosted function. In October 2017, Ms Charise Boase (35 years), Ms Carmel Williams (35 years) and Ms Juliet Wills (30 years) were recognised at Parliament House Darwin and Ms Natalie Barton (30 years) was recognised at the Alice Springs event.

Charise Boase

Carmel Williams

Juliet Wills

Alice Springs employees - Natalie Barton, Sharon Gill, Gavin McGargill and Greg Pearson

Developing our People

A clear focus on developing staff, strengthening leadership capability and preparing for future workforce needs.

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

The department continues to support individual staff development needs as identified through the MyPlan process.

In addition, commitment to the broader NTPS programs, from the OCPE suite of targeted leadership development through to the early career programs, is maintained.

This section expands on some of the activities we undertake to meet our strategic priority of upskilling our staff.

Workforce Strategy 2016-2018

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

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

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

CORPORATE CAPABILITY PLAN
The Corporate Capability Plan identifies training priorities in response to strategic issues, with staff development needs identified through the MyPlan process and upcoming strategic planning priorities. Outcomes related to the plan are reported quarterly to Executive Management Board.

The department has continued its rolling program of Cultural Competency Training with a focus on Aboriginal culture and history so there is a shared understanding across cultures. In the 2017-18 reporting period 92 staff attended cultural competency training, ensuring the department sustained a participation rate of 93%.

Internal training and development opportunities included:

- Orientation Program
- Combat Bullying Program
- Human resources / industrial relations practitioner workshops

- Performance management and development information sessions for managers and supervisors
- Career planning information sessions
- Mentoring information sessions

Training provided to employees through external providers included:

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

In 2017-18, the department's focus was on continuing to develop the department's Aboriginal workforce through DCIS' Aboriginal Employment and Career Development Strategy. All current and recently completed early career participants have attended career planning information sessions and received support in the development of individual career plans.

CONSULTATIVE CHANGE MANAGEMENT PRACTICES
This reporting period saw internal reviews progressed for Executive Services; Digital Communications; NT Property Management; Corporate Systems; and ICT Services to reflect current business requirements.

Sound change management practices were followed as staff adjusted to the changes, with a focus on regular communications. The department's People and Information unit were pro-actively engaging throughout the

changes, with a dedicated consultant providing contact for support. Staff were consulted on impacts to job roles and functions through open communication, with affected staff contributing to the development of job analysis questionnaires where this was required.

The union was engaged and kept informed of change management activities, ensuring the department remains open and transparent by continuing to be proactive in our relationship with unions.

MYPLAN PERFORMANCE MANAGEMENT FRAMEWORK

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

MyPlans are linked to business plans and are a requirement under the *Public Sector Employment and Management Act*. Under individual MyPlans, roles and tasks are confirmed, performance is reviewed and assessed and development opportunities are identified to advance learning and the employee's career. MyPlans are undertaken annually and do not replace regular on the job workplace performance feedback.

It is a requirement for all of the department's staff to complete a MyPlan. In 2017-18, 568 MyPlans were completed, representing a completion rate of 92%. The 2017-18 MyPlan training provided additional focus on the NTPS Capability and Leadership Framework to inform development plans and an emphasis on feedback. The Executive Management Board monitors the progress, completion and achievement of goals of the MyPlan.

Digital MyPlans

During 2017 a review of DCIS' performance management and development system 'MyPlan' was undertaken. The review encompassed extensive consultation across the department, including Regions and the Staff Consultative Committee.

Findings were summarised into elements that worked well and where there was opportunity for change. The opportunities for change included use of prompting questions, linking to career planning, reference to DCIS values, inclusion of SAO progression planning and improved integration of the Capability Leadership Framework.

The review results confirmed face-to-face discussion was valuable, however there was an overwhelming response in favour of an online system. Development of a new digital MyPlan solution was progressed in 2018 to improve usability and workflows while still incorporating the personal interaction.

The digital MyPlan solution will provide reporting functions to assist in developing corporate-wide strategic learning and development plans.

A MyPlan user video has been developed to accompany information sessions for staff, with a helpline made available. The digital MyPlan will be used for the 2018-19 performance management and development process, commencing September 2018 to assist staff.

568 MyPlans were completed, representing a completion rate of

92%

92 staff

attended cultural competency training, sustaining our 93% participation rate

Clara Eggleston - MyPlan helpline

DCIS Leadership Programs

Emerging Leaders 'Plus' Program

Service Excellence Program

Priorities for leadership programs include strengthening our commitment to our people, recognising their criticality to our success as an organisation; doing more to foster high performance, developing talent and improving Aboriginal participation; along with growing leadership across the department.

STRENGTHENING OUR PEOPLE PROGRAM

In 2017-18 the department continued the Strengthening our People program which develops and grows emerging talent at the supervisory and middle management levels across DCIS and proactively supports succession management. Open to all staff and facilitated by DCIS subject matter experts, 107 staff attended the following range of interactive sessions:

• Procurement tiers one to two (action officers)
• Procurement for approvers
• myCareer / myDevelopment career planning
• DCIS mentoring information sessions.

107 staff
attended DCIS' Strengthening our People programs

21 staff
completed the DCIS Emerging Leaders Plus Program, with an overall participant rating of 4.7 out of 5

DCIS EMERGING LEADERS 'PLUS' PROGRAM

DCIS' inaugural Emerging Leaders 'Plus' Program concluded in February 2018 with 21 participants completing the program. Her Honour the Honourable Vicki O'Halloran AM, Administrator of the Northern Territory hosted a graduation ceremony at Government House to celebrate the participants' successful completion of the program.

The newly designed program, delivered by local provider Accrete, has been tailored to DCIS' to meet the specific staff skill sets needed. A key feature of the new program is an option for staff to receive accreditation for part of the program which is five modules of the Diploma of Leadership and Management. The current program has seen 20 percent of participants take up the option for the accredited training component. This not only provides the employee with further leadership development but supports growth in the local training industry.

Targeted at AO7s and above the program promotes problem solving, critical thinking, collaboration, innovation and effective service delivery.

An effective evaluation process resulted in excellent participant results, recording an average score of 4.7 out of 5 across all modules and components. The program has proven to be very successful with a further 40 staff nominating to complete the program over the next two years.

DCIS SERVICE EXCELLENCE PROGRAM

DCIS' Service Excellence Program was launched in June 2018.

The program has been designed to complement and strengthen DCIS' corporate vision to exceed our client's expectations by providing high quality corporate services.

The first module 'Quality Customer Care' targeted at AO1 - AO5 staff was contextualised to DCIS, with keynote speakers giving real life experiences and work examples in DCIS to supplement the curriculum.

Due to the popularity of the program, further modules will be delivered in the future.

Other Leadership Programs

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

DCIS staff accessed the following professional leadership programs through OCPE during 2017-18:

- Discovery Women in Leadership Program – 4 employees
- Lookrukin (women's) and Kigaruk (men's) – Aboriginal Leadership Program – 4 employees
- ANZOG – Advancing Leadership – 1 employee
- ANZOG – Leadership for Change Agents – 6 employees
- Machinery of Government – 18 employees

The Lookrukin (Women's) Aboriginal Leadership Development Program is an accredited NTPS program specifically designed to strengthen and support Aboriginal staff to develop their skills and knowledge and equip them for senior roles.

It is also part of a wider strategy to retain our Aboriginal staff and support them in their personal and professional career paths.

Two of our Aboriginal staff members were recognised at a ceremony held at Charles Darwin University to celebrate gaining their Diploma of Management, a significant achievement.

PUBLIC SECTOR MANAGEMENT PROGRAM (PSMP)

DCIS actively sponsors and promotes staff participation in the PSMP, a dynamic 15 month program tailored to aspiring leaders to develop their management capacity.

Four DCIS staff are taking part in the program and are provided support by the department throughout the program, with mentors individually matched to each participant to assist them during the program.

Staff have been assigned an innovative departmental related project to match with their experience and skills which has proven very successful in delivering outcomes for DCIS.

WOMEN IN LEADERSHIP

DCIS actively supports female staff participation in leadership programs. Shared Services hosted six Women in Leadership presentations with an average attendance of 50 staff at each session. Guest speakers spoke to their career journey; their learnings; career and work philosophy; inspiration, drive and commitment.

Leadership and development programs attended by female staff in 2017-18 included:

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

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

Growth in female leadership is well placed for the future with women holding 64% of team managers [AO5/AO6] and 56% of middle managers jobs [A07/SAO1].

Lookrukin graduates

Lookrukin graduate Kylee Glen
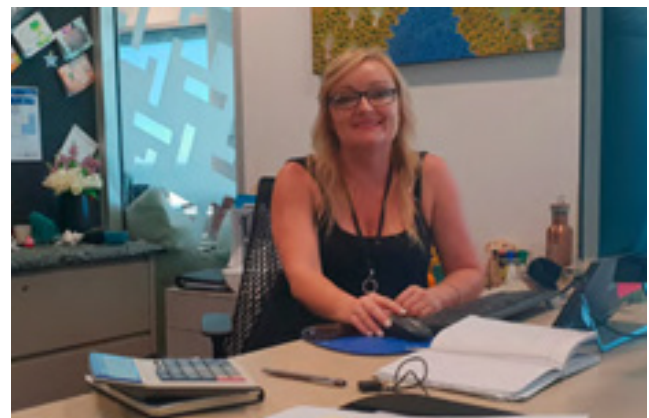
PSMP participant Amanda Hawkins

Developing Careers

Bronwyn Harrison was working for another department when she applied for the Graduate Development Program. *"I applied for the program because I wanted an opportunity to use my degree and gain experience in my field of study."*

Commencing in January each year, the DCIS Graduate Development Program is a two-year program where graduates undertake four rotations of six months duration into a variety of work areas throughout the agency.

'I have been required to perform a wide range of duties and projects and gained a variety of experience through the varied rotations I have completed. Including; cyber security, event management, government procurement and contracts. The program has given me a good overview on how government works and opportunity to work in areas I had not previously considered that I have since developed a career interest in.'

'In addition, the mentoring support provided to graduates has been invaluable. It connects graduates with senior directors in the department. I have really appreciated the career advice, development and guidance provided by my mentor.'

'I have found DCIS to be a great place to work. The department has been very supportive with its Work Life Balance policy. Throughout the program I have worked under a Flexible Working Arrangement that has enabled me to undertake the Graduate Development Program while still able to fulfil my family commitments.

The program is a good program to get into. As a graduate you get a lot of experience including outside your main area of study.

Graduate Bronwyn Harrison

Early Career Programs

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

The department continues to actively promote career planning for DCIS staff through its MyCareer guide. Developed for entry level staff, the guide asks questions to help exploration of ideas through prompting. Once completed, this tool assists people in finding the information they need to help develop a career plan. All early career staff attend career plan meetings with the DCIS Early Careers Coordinator within the first six months of employment, and are supported when developing their career plan.

ABORIGINAL CADETSHIP SUPPORT PROGRAM

In 2017-18, DCIS continued its participation in the Aboriginal Cadetship Support Program with one participant completing the program on achieving a Bachelor of Business through studying full time and working in DCIS during semester breaks to gain on-the-job work experience.

DCIS is increasing the focus on building partnerships with Charles Darwin University to identify suitable candidates and promote our Aboriginal Employment and Career Development Strategy initiatives.

GRADUATE DEVELOPMENT PROGRAM

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

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

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

Over the reporting period, two new graduates commenced and one graduate completed the program. As at 30 June 2018, the department had six graduates, with four continuing on the second year of the program.

TRAINEESHIP PROGRAMS

DCIS employs a minimum of 12 trainees each year, across the general, Aboriginal and school-based traineeship schemes. Support and guidance is provided to the trainees by the People and Development unit with regular monitoring, discussions in work units and reporting to the Executive Management Board.

Workplace buddying arrangements and networking are encouraged to assist trainees to get the most value from their experience at DCIS.

Over the reporting period, 15 trainees were working across the department in the areas of business, finance and information technology:

• Three successfully completed their traineeships

• Three resigned to undertake different career paths

• Four are due to complete Certificate III in Accounts Administration / Business Administration in August 2018

• Two are due to complete Certificate III in Business Administration in February 2019

• One is due to complete Certificate IV in Business Administration in February 2019

• Two are due to complete Certificate III in Information Technology in February 2019

• 87% of the trainees are Aboriginal.

DCIS Graduates and Trainees

ABORIGINAL EMPLOYMENT PROGRAM

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

In 2017-18, DCIS supported three AEP participants who commenced their Certificate II in Business Administration program throughout the year. All participants successfully completed the program and commenced employment with the department.

Supporting our Trainees

Prudence Kamudyariwa commenced a Certificate IV in Business traineeship in April 2017. Prudence took a seven month break from her traineeship following the birth of her daughter. She returned to work in the DCIS' Project Management Office in May 2018.

'I applied for a Northern Territory Government Traineeship as I was looking to increase my skills and work for an employer who provided good work life balance and I have found DCIS to be very supportive of me.

"My colleagues in the Project Management Office have also been very supportive. Whether it has been supporting me through time and advice on course issues or advancing my skills through training and development, they have always been willing to help.

"I have worked under a traineeship in the private sector and I have found DCIS to have a more positive work environment supporting my studies and family commitments. There are so many career opportunities within DCIS. The support I have received has given me the confidence to pursue my dreams.

"If anyone is considering a traineeship with DCIS I'd say go for it, the support you receive and opportunities available are fantastic."

Image above: Prudence Kamudyariwa and Maria Wang

Workforce Diversity

Increasing Aboriginal participation in the DCIS workforce is a key strategic action.

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

ABORIGINAL EMPLOYMENT

The DCIS Aboriginal Employment and Career Development Strategy (AECDS) encompasses a proactive approach to building our Aboriginal workforce.

The department sustained its focus on Aboriginal employment in line with the NTPS Aboriginal Employment and Career Development Strategy, increasing the representation of Aboriginal employees from 5.8% in 2013 to 9.6% in 2018. DCIS remains on track to meet its Aboriginal representation targets.

Staff movements and progression to roles in other departments, coupled with a changing staff profile, has seen DCIS' Aboriginal employment level reduce from a high of 10.6% in mid-2017. Efforts to grow our Aboriginal staff cohort are ongoing with a dedicated Senior Aboriginal Workforce Consultant engaged in March 2018 to review our AECDS and recommend actions going forward.

Figure 9 - Aboriginal employment by gender and level
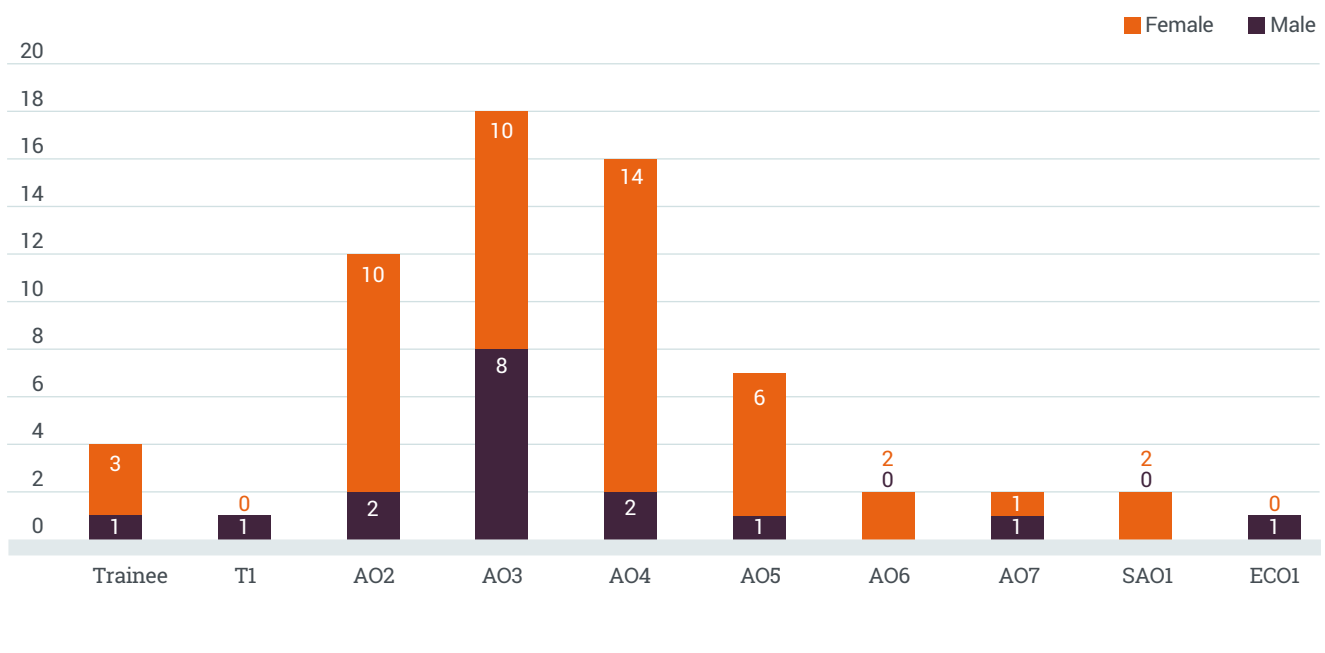
DCIS actively promotes the benefits and use of employment programs to agencies to increase Aboriginal workforce participation. On behalf of all agencies DCIS manages the Aboriginal Employment and Aboriginal Apprenticeship programs.

Some key actions undertaken in 2017-18 that support and value workforce diversity include:

- continuing the DCIS Cultural Competency Training program
- 102 positions advertised under Special Measures Plan, with 46 applications received and 19 successful Special Measures recruitment actions

- creation of the Senior Aboriginal Workforce Consultant position within People and Development
- implementing the DCIS Aboriginal Employment and Career Development Strategy (AECDS) action plan overseen by a Reference Group made up of Aboriginal employees and Aboriginal employment champions
- conducting Aboriginal and Torres Strait Islander staff forums to disseminate information on developments under the AECDS and engage the participants as workplace advocates
- presenting information sessions so staff are aware of the Special Measures provisions and recruitment process requirements

- highlighting the focus on Aboriginal employment in the DCIS Orientation Program with a session delivered by the Senior Aboriginal Workforce Consultant plus a new audio-visual resource and set of FAQs for use
- setting clear expectations and monitoring Aboriginal employment results through strategic and business plan reporting
- celebrating cultural events, such as NAIDOC week, National Reconciliation Week and Harmony Day
- utilising the staff intranet as a newsfeed to promote the AECDS and stories to encourage education about Aboriginal and Torres Strait Islander issues
- using a new feature of Skype for Business, to introduce a staff forum, for moderated discussion on relevant Aboriginal and Torres Strait Islander topics of interest to all staff.

HR Services has

15.8%

Aboriginal representation

9.6%

of DCIS employees are Aboriginal

Senior Aboriginal Workforce Development Consultant – P&D

Kez Hall, a Kungarakany and Darwin born woman was appointed to the role under a 12 month contract. The focus of the role has been to engage with Aboriginal staff and managers, to help build employment and career prospects for Aboriginal people in the department. Achievements have included:

- Reviewing the 2014 -2018 AECDS
- Establishing an AECDS Reference Group
- Conducting staff forums to engage on employment issues

- Maintaining a schedule of site and Skype visits to Aboriginal staff across business units
- Developing and aligning initiatives for the 2019 – 2023 AECDS with the Corporate Capability Plan
- Representing DCIS at OCPE convened consultations on Aboriginal employment
- Promoting NTPS sector-wide Aboriginal employment initiatives and forums to staff.

AECDS reference group workforce diversity

NTPS Disability Employment Program – NT Fleet

Dorys Da Costa commenced employment with NT Fleet in August 2017 through the NTPS Disability Employment Program. The Disability Employment Program provides an opportunity for job seekers registered with approved disability employment service providers to enter the public sector workforce. The program provides support to government agencies and employment service providers to match job seekers to suitable roles within the NT Government.

As a T1 Fleet Service Assistant, Dorys' daily work schedule includes working in multiple areas of NT Fleet including Acquisitions, Short Term Hire and Disposals sections; cleaning, checking, inspecting, refuelling and ferrying of Fleet vehicles.

His manager describes him as emerging into a disciplined, hardworking employee who is willing to give any task his all. Dorys' employment service provider, Darwin Skills and Development Scheme, provided a good grounding and support as he integrated into the workplace. As his confidence and consistency grew they gradually withdrew from the workplace. Dorys adopts a concerted approach to his workload and adheres to the values set by the NT Fleet staff; he acts professionally and focuses on his set tasks.

Dorys enjoys looking after the Fleet vehicles and learning new skills and he has successfully gained his Forklift licence thanks to funding provided through the program and the support of his manager, Darren Kelly.

Dorys' goal in participating in the NTPS Disability Employment Program is to gain the work experience and skills to secure long term employment within the vehicle or mining industry.

Dorys commenced on a 12 month contract however, NT Fleet are so impressed by his capabilities, they have recently extended him through to 2019.

Image below: Dorys and Darren Kelly workplace diversity

DCIS has **10.1%** of staff from a non-English speaking background

2.7% of DCIS employees have a disability (compared to NTG rate of 1.8%)

Supporting our People

Success is achieved through a well-supported and happy workforce.

HEALTH AND WELLBEING

Continuing to support a healthy work-life balance for staff, DCIS places a focus on promoting a health and wellbeing program and providing resources, and educational information for staff. A healthier workplace and healthier staff will improve wellbeing, potentially reduce sickness, absenteeism and improve productivity.

Initiatives carried out across the department include:

- Wellness Week- following on from the success of Mental Health Week in 2016. Wellness Week was aimed at improving the overall physical, mental and emotional wellbeing of our employees. More than 300 participants attended nine different topics with feedback being overwhelmingly positive and supportive

- Flextime - providing employees with the ability to vary their working hours and patterns to suit their individual circumstances

- Flexible working arrangements – more formal arrangements that provide flexibility to the employee while ensuring the department benefits from retention of highly skilled employees, refer to figure 10 below

- Employee Assistance Program - services include professional counselling, training and development workshops, management planning sessions, mediation, career counselling and management coaching

- Flu Vaccination Program –288 staff participated in the program in 2017-18

- Virgin Pulse Global Corporate Challenge participation – 117 staff participated in the challenge

- Mentoring - an effective tool in shaping the development of career changes and assisting new staff recruited through employment programs.

Figure 10 - Flexible work arrangements in 2017-18

	Number	Percent of workforce
Compressed hours	23	3%
Part-time work arrangement	51	7%
Home-based work	8	1%
Recreation leave at half pay	61	9%

43% of staff had a flu vaccinations

267 EAP Consultations

26 WHS incidents reported over 2017-18

2017 Global Challenge

2017 marked DCIS' third year in the Challenge, now called the Virgin Pulse Global Challenge. The Global Challenge is a 100 day virtual journey around the globe. In teams of seven, employees track their daily activity and work towards a daily target of 10,000 steps, with their step entries (or biking, swimming and other physical exercises) unlocking new locations along the way.

Each year, there has been an increase in participation levels in DCIS and in 2017, 17 teams participated, with 117 of our employees setting out to improve their overall wellbeing through exercise, diet and sleep. By the end of the 100 day period, DCIS teams achieved:

- 1355 005 758 steps
- 86 404 kilometres
- 62% exceeded 10 000 steps per day vs 18% pre challenge
- 59% were feeling better overall and feeling more productive
- total weight loss reported was 73 kilograms
- 69% felt less stressed

The 2017 winners were the Roadrunners from Finance Services, who covered a total distance of 7736 kilometres.

DCIS staff are actively participating in the 2018 Challenge.

Image top: Team Gym and Tonic
Image middle: Team Stacked
Image below: Team Hayley and the Deadweights

WORK HEALTH AND SAFETY FRAMEWORK

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

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

All buildings have trained fire wardens and first aid officers and workplace assessments confirm the department complies with WHS requirements.

In 2017-18, 25 WHS incidents were reported (compared to 16 incidents in 2016-17). Three new workers compensation claims were submitted. All claims were closed at 30 June 2018.

Figure 11 - Incidents by Mechanism

	2017-18
Being hit by objects	2
Body stressing	1
Chemicals and substances	8
Hitting objects	3
Mental factors	1
Slips, trips and falls	5
Sound and pressure	1
Vehicle incidents and other	4
Totals	25
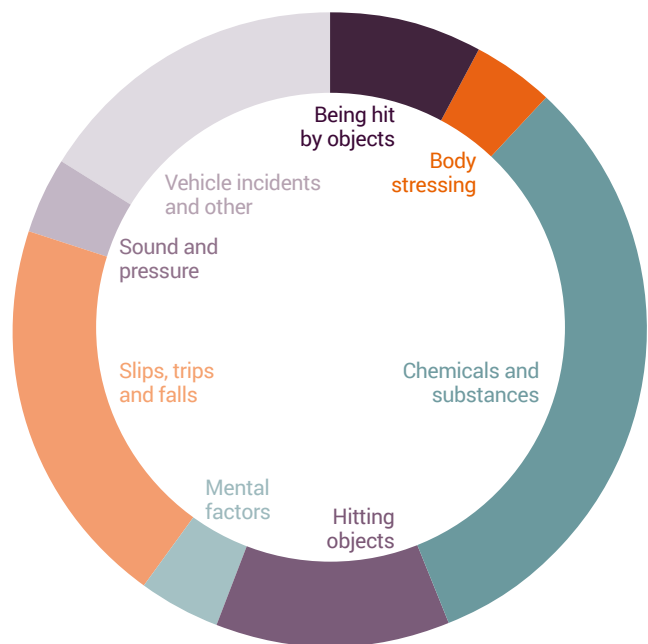
2016 PEOPLE MATTERS SURVEY

Action Plan Implemented

Following the People Matters Survey in 2016 the department developed and launched its response plan in early 2017, with 15 information sessions conducted across DCIS including the regions.

Over this reporting period, actions from the response plan were implemented including:

- selection panels require a member from outside of the business unit
- training sessions in writing DCIS selection reports
- introductions for new employees to business areas
- improved performance and accountability feedback mechanisms
- more combat bullying sessions were delivered
- maintaining a zero tolerance on inappropriate behaviour in the workplace.

COMPLAINT RESOLUTION PROCESS

The department's internal complaint resolution procedure deals with matters fairly, promptly and confidentially. Six internal complaints were received during 2017-18. One complaint was withdrawn, the remaining complaints have been resolved with no further action required.

The process, with the assistance of the People and Development unit, seeks to address complaints and provide a prompt and appropriate resolution informally or, where required, more formally through a decision of the Chief Executive or the Commissioner for Public Employment decision.

One formal grievance was submitted directly to the Commissioner for Public Employment in 2016-17 and was closed in 2017-18.

ORIENTATION PROGRAM

An Orientation Program is conducted for new staff to welcome them to DCIS. The program provides new employees with a formal welcome to working in the department and, for some, the NTPS. The Chief Executive and Deputy Chief Executive are directly involved in providing an overview of the department's core functions, systems and processes, as well as the DCIS Values, and priorities as outlined in the DCIS corporate statement and strategic plan.

DCIS continuously reviews the program and this year all presentations were reviewed and updated with a new Aboriginal Workforce Development session introduced.

SUCCESSION PLANNING

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

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

SENIOR ADMINISTRATIVE OFFICER PROGRESSION

The Senior Officer Pay Progression Scheme is based on high performance. DCIS staff employed in a Senior Administrative Officer (SAO) classification (SAO1 and SAO2) are eligible to apply for pay progression after a minimum 12 month period.

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

In 2017-18, the Pay Progression Committee approved 17 pay progressions, representing 21% of SAO level staff.

STAFF CONSULTATIVE COMMITTEE

The Staff Consultative Committee provides the opportunity for staff at various level to be involved in developing and providing responses to, human resources related matters. The Staff Consultative Committee contributed to the development of the digital MyPlan and staff site redevelopment project through online and local interactions, without holding a formal full committee meeting.

Four orientation programs delivered with

82 participants.

Wellness Week 2017

Following on from the success of Mental Health Week in 2016, Wellness Week was established to take a broader view of the contributors to employee health. In the week of 9-13 October 2017, 30 sessions were delivered to 308 employees covering topics such as Parenting, Meditation, Preventing Diabetes, Volunteering, Workplace Workouts, and Healthy Gut Healthy Mind.Sessions were delivered across our staff sites in Darwin, Casuarina, Palmerston and Alice Springs.

DCIS engaged the services of community and non-government organisations as well as our Employee Assistance Program providers to deliver these programs. Almost all attendees provided very positive feedback about their learnings.

Wellness Week culminated in Fresh Food Friday, where business units held a morning tea with fresh, artistic food as the theme. The creative efforts of DCIS employees were displayed with many edible works of art produced.

Future Priorities

- Develop a consolidated DCIS Capability Strategy that will incorporate strategy, initiatives and actions for workforce strategy, AECDS, and corporate capability planning in a singular strategy.
- Develop a Service Excellence training module for AO6 and above roles.
- Implement an action plan arising from the 2018 NTPS People Matter Survey Pulse.
- Continue to conduct internal workshops for team leaders and supervisors covering: giving and receiving feedback; managing complaints; managing conflict; managing poor performance and appropriate workplace behavior to continue our skills development focus.
- Progress leadership development programs to strengthen the capability of existing and emerging leaders.
- Deliver targeted training for staff in priority skills and capability development areas, including project management, communications and information management.
- Continue to expand the DCIS Strengthening our People program.
- Introduce the new digital MyPlan system.
- Continue the Health and Wellbeing Program, including increased participation in Wellness Week activities.
- Develop strategies to engage Aboriginal school-leavers and provide information on career pathway options available within DCIS.
- Develop strategies to attract senior Aboriginal staff to DCIS.
- Develop and commence the first cohort of the Certificate IV in Leadership and Management.
- Deliver the second cohort of the enhanced Emerging Leaders Plus Program.
- Implement business intelligence tools for workforce demographic reporting.

Legislative Compliance

Reporting against Employment Instructions

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

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

Number 1 – Filling Vacancies	
Internal procedures on recruitment and selection	• 210 vacancies advertised • 74 new staff commenced • 57 employee screening checks conducted • 59 people transferred into DCIS from other agencies • 3 appeals lodged against selections; all upheld
Number 2 – Probation	
Probationary process for the agency	Managers and new employees are informed about the probation processes. Six month probation reports: • 27 employees were confirmed • 1 employee was extended 12 month probation reports: • 6 employees were confirmed.
Number 3 – Natural Justice	
The principles of natural justice to be observed in all dealings with employees	The principles of natural justice are integral to addressing employee related matters and are addressed in the DCIS Orientation Program to ensure staff awareness. An early intervention approach is applied.
Number 4 – Employee Performance Management and Development Systems	
Chief Executive to develop and implement performance management systems for their agency	Performance management is administered through the annual MyPlan process. Information sessions were provided to staff to promote the MyPlan performance review and Senior Classification Pay Progression scheme. The department has a strong focus on ensuring all staff participate in the MyPlan process. • 568 (92%) MyPlans completed • 17 (21% of senior administrative officers) Senior Classification Pay Progression applications were approved.
Number 5 – Medical Examinations	
The Chief Executive may engage a health practitioner to conduct a medical examination of an employee	Early intervention action is taken to minimise referral for medical consultations. The services of the employee assistance programs are promoted regularly to staff and covered in the Orientation Program. Two staff were referred for a medical examination.

Number 6 – Performance and Inability

The Chief Executive may establish procedures regarding inability within their agency.

Performance and inability action is addressed through an early intervention approach in consultation with staff and managers.

There were two performance/inability cases in 2017-18.

The cases have both been resolved.

Number 7 – Discipline

The Chief Executive may establish procedures regarding discipline within their agency.

Breaches of conduct and discipline matters are addressed in accordance with Employment Instructions.

There was one discipline case in 2017-18.

Number 8 – Internal Agency Complaints and Section 59 Grievance Reviews

Chief Executive to establish, and make available to staff, the agency's written procedures that outline steps for dealing with grievances.

Managers and employees are informed of the internal complaint handling process.

Six complaints were made under the DCIS internal complaint handling process during 2017-18; and were resolved without escalating to Section 59 review.

One complaint was submitted directly to OCPE for Section 59 review in 2016-17 and finalised in 2017-18.

Number 9 – Employment Records

Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.

Staff are informed of the records and information management requirements using the Territory Records Management system. Regular training is provided regarding requirements to manage records electronically.

Number 10 – Equality of Employment Opportunity Programs

Chief Executive to report annually to OCPE on programs and initiatives the agency has developed regarding equal employment opportunities.

Workplace diversity and equal employment opportunity is promoted through an inclusive management and leadership approach, that values the contributions of people from different cultural backgrounds, skills, knowledge and experience. Cultural diversity is also addressed in the DCIS Cultural Competency Training Program.

DCIS has a diverse workforce, including staff from a wide range of non-English speaking backgrounds. Statistics are provided earlier in this section.

Number 11 – Occupational Health and Safety Standards Programs

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

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

The annual flu vaccination program was made available to all staff with 288 staff participating in 2017-18.

Number 12 – Code of Conduct	
Chief Executive may issue guidelines regarding acceptance of gifts and benefits to employees. Chief Executive may issue agency-specific code of conduct.	New staff are made aware of the NTPS Principles and Code of Conduct as part of their commencement package and through the DCIS Orientation Program. DCIS has policies to provide clear directions for the conduct of employees in relation to gifts and benefits, and conflict of interest. Any offers to employees require approval by the Chief Executive to ensure they meet business objectives and avoid risks such as perceived conflicts of interest. Processes are in place to declare, consider and manage actual, potential and perceived conflicts of interest.

Number 13 – Appropriate Workplace Behaviour	
Chief Executive must develop and implement an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect.	Appropriate workplace behaviour for new employees is covered in the DCIS Orientation Program. The presentations include the Code of Conduct, Public Sector Principles and DCIS Values. Workshops on Building Positive Workplace Culture, Managing Conflict, Managing Complaints, Giving and Receiving Feedback and Managing Poor Performance commenced rolling out in 2017-18. These workshops are designed to assist team leaders and managers develop their skills in managing employees. Specific advice on encouraging appropriate behaviour and managing inappropriate behaviour in the workplace is provided on a case-by-case basis. Where possible, early intervention action is initiated in order to minimise cases. There were 5 workplace behaviour matters addressed in 2017-18.

DEPARTMENT OF CORPORATE AND INFORMATION SERVICES

FINANCIAL REPORT

5a

Financial Statement Overview

For the year ended 30 June 2018

Financial Performance (Comprehensive Operating Statement)

The Department of Corporate and Information Services (DCIS) overall operating financial performance for the year showed a $5.2 million deficit compared with a final budget estimated deficit of $15.1 million. The reason for the lower than estimated budget deficit primarily related to the timing of expenses for delivery of major digital transformation projects which will be carried over and incurred in 2018-19.

The significant change in the actual operating performance from an operating surplus of $12.2 million in 2016-17 to an operating deficit of $5.2 million in 2017-18 was foreshadowed in last year's financial statements recognising the timing of income received in 2016-17 for activities planned for 2017-18.

In 2017-18 DCIS experienced multiple changes to its income, expenses and assets reflecting emerging and changed business needs. Key changes included:

- increased investment for major digital projects which are project-managed by DCIS on behalf of agencies including Client Management Systems Alignment (CMSA) project, eMedications Management project, and Data Centre Transition program

- changes in timing for payments relating to some major ICT projects realigning expenses between financial years

- increase in demand for DCIS services from agencies, GBDs, GOCs and employees

- lower than anticipated property leasing costs related to CPI and market rental rates offset by changes in agency requirements.

Tables 1 and 2 highlight the total income and expense movements, with more details provided in subsequent commentary and analysis in Tables 3 to 5. The impact of investment decisions and recognition of assets is outlined in the financial position analysis at Table 6 and related commentary.

Table 1: 2017-18 and 2016-17 Actual and Final Budget Performance

	Actual $000		Final Budget $000		Variation $000	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Income	204 714	209 031	203 923	204 869	791	4 162
Expenses	209 936	196 874	219 031	204 462	(9 095)	(7 588)
Surplus/(Deficit)	**(5 222)**	**12 157**	**(15 108)**	**407**	**9 886**	**11 750**
Other Comprehensive Income	-	-		-		-
Comprehensive Result	**(5 222)**	**12 157**	**(15 108)**	**407**	**9 886**	**11 750**

Where required, surplus expenditure budget capacity will be carried over to 2018-19 to ensure continuity of essential projects.

Table 2: 2017-18 Actuals compared with 2016-17 Actuals

	Actual $000		Variation $000
	2018	**2017**	
Income	**204 714**	**209 031**	**(4 317)**
Expenses	**209 936**	**196 874**	**13 062**
Surplus/(Deficit)	**(5 222)**	**12 157**	**(17 379)**
Other Comprehensive Income	**-**	**-**	**-**
Comprehensive Result	**(5 222)**	**12 157**	**(17 379)**

INCOME

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

In 2017-18 output appropriation was lower than the previous year as a result of transfer of appropriations to outer years for enterprise digital projects of $1.3 million and savings measures of $1.3 million, offset by increased property leasing requirements of $1.5 million.

The decrease in goods and services income is due to a reduction in one-off revenue related to digital project contributions and a reduction in salary sacrifice revenue, offset by greater demand for DCIS shared services by GBDs and property leasing requirements.

Table 3: Income by Category

Year	Output Appropriation		Goods and Services		Other Income		Total	
	$000	%	$000	%	$000	%	$000	%
2017-18	141 220	69.0	62 382	30.5	1 112	0.5	204 714	100
2016-17	142 137	68.0	65 978	31.6	916	0.4	209 031	100

EXPENSES

Total expenses in 2017-18 were $13.0 million higher than the previous year. The major increase was $4.8 million in property leasing due to increases in market rates and movement in the leased property portfolio relating to agency and GBD requirements. Employee expenses increased in line with wages growth in accordance with the NTPS Enterprise Bargaining Agreement, increases in costs for the ICT infrastructure program and higher operational costs for major digital transformation projects.

Table 4: Expenses by Category

Year	Property		Employee		Digital		Operational		Grants		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2017-18	87 570	41.8	55 872	26.6	46 565	22.2	14 722	7.0	5 207	2.5	209 936	100
2016-17	82 704	42.0	53 348	27.1	43 940	22.3	11 737	6.0	5 145	2.6	196 874	100

**2017-18 ACTUAL EXPENSES AND
FINAL BUDGET BY OUTPUT**

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

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

Within the Shared Services Output Group, the Asset Services output published in the 2016-17 Budget, has been incorporated into the Finance Services output in the 2017-18 Budget as part of a strategic realignment within the department.

The primary output variations were:

- Finance Services – surplus on final delivery of the ASNEX Program.
- Human Resource Services – timing differences in delivery of payroll automation projects.
- Property Leasing Services – influenced by market rates, lower than expected CPI and portfolio movements.
- Project Services – timing adjustments for enterprise digital projects.

Table 5: 2017-18 Actual Expenses and Final Budget by Output

	Actual $000	Final Budget $000	Variation $000
SHARED SERVICES OUTPUT GROUP			
Finance Services	28 928	33 287	(4 359)
Human Resource Services	30 708	31 810	(1 102)
Contract Services	3 584	3 748	(164)
Information and Communications Technology Services	33 755	33 390	365
Property Leasing Services	91 063	92 195	(1 132)
Project Services	5 735	7 852	(2 117)
SHARED SERVICES – TOTAL	**193 773**	**202 282**	**(8 509)**
DIGITAL GOVERNMENT OUTPUT GROUP			
Digital Government	10 153	10 515	(362)
DIGITAL GOVERNMENT – TOTAL	**10 153**	**10 515**	**(362)**
CORPORATE AND GOVERNANCE OUTPUT GROUP			
Corporate and Governance	5 112	5 254	(142)
Shared Services Provided	898	980	(82)
CORPORATE AND GOVERNANCE – TOTAL	**6 010**	**6 234**	**(224)**
TOTAL	**209 936**	**219 031**	**(9 095)**

Financial Position (Balance Sheet)

DCIS' net asset position at the end of 2017-18 was $90.9 million, compared to the previous year's position of $86.6 million.

This improvement is largely due to government investment in the delivery of major digital projects for both DCIS and agencies.

DCIS' major assets at 30 June 2018 included:

- $39.3 million cash and deposits
- $4.0 million receivables (GST receivable, outstanding service fees and property leasing charges)

- $8.2 million prepayments (primarily related to the property leasing portfolio)
- $63.3 million property, plant and equipment (including software, buildings and leasehold improvements).

DCIS' major liabilities at 30 June 2018 included:

- $8.3 million deposits held in the Accountable Officer's Trust Account (AOTA) and clearing account
- $7.0 million payables and accrued expenses
- $8.7 million provisions for employee entitlements.

Table 6: 2017-18 and 2016-17 Actual Financial Position

	2018 $000	2017 $000	Variation $000
ASSETS			
Current Assets	51 607	59 377	(7 770)
Non-Current Assets	63 343	45 956	17 387
TOTAL ASSETS	**114 950**	**105 333**	**9 617**
LIABILITIES			
Current Liabilities	24 022	18 752	5 270
Non-Current Liabilities	-	-	-
TOTAL LIABILITIES	**24 022**	**18 752**	**5 270**
NET ASSETS	**90 928**	**86 581**	**4 347**
EQUITY	90 928	86 581	4 347
TOTAL EQUITY	**90 928**	**86 581**	**4 347**
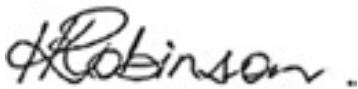
Certification of the Financial Statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018 and the financial position on that date.

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

Kathleen Robinson
Chief Executive
30 August 2018

Rex Schoolmeester
Chief Financial Officer
30 August 2018

Comprehensive Operating Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
INCOME			
Appropriation			
Output		141 220	142 137
Sales of goods and services		62 382	65 978
Gain on disposal of assets	4	-	-
Other income		1 112	916
TOTAL INCOME	3	**204 714**	**209 031**
EXPENSES			
Employee expenses		55 872	53 348
Administrative expenses			
Property management		87 570	82 704
Purchases of goods and services	5	54 804	49 191
Repairs and maintenance		229	572
Depreciation and amortisation	9,11	6 235	5 913
Other administrative expenses	8	19	1
Grants and subsidies expenses			
Current		207	-
Capital		5 000	5 145
TOTAL EXPENSES	3	**209 936**	**196 874**
NET SURPLUS/(DEFICIT)		**(5 222)**	**12 157**
COMPREHENSIVE RESULT		**(5 222)**	**12 157**

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

Balance Sheet

As at 30 June 2018

	Note	2018 $000	2017 $000
ASSETS			
Current Assets			
Cash and deposits	7	39 302	46 810
Receivables	8	4 021	4 125
Prepayments		8 284	8 442
Total Current Assets		**51 607**	**59 377**
Non-Current Assets			
Property, plant and equipment	9	63 343	45 956
Intangibles	10	-	-
Total Non-Current Assets		**63 343**	**45 956**
TOTAL ASSETS		**114 950**	**105 333**
LIABILITIES			
Current Liabilities			
Deposits held		8 322	4 730
Payables	12	6 978	5 872
Provisions	14	8 722	8 150
Other liabilities	15	-	-
Total Current Liabilities		**24 022**	**18 752**
Non-Current Liabilities			
Provisions	14	-	-
Total Non-Current Liabilities		**-**	**-**
TOTAL LIABILITIES		**24 022**	**18 752**
NET ASSETS		**90 928**	**86 581**
EQUITY			
Capital		90 977	81 408
Reserves	17	-	-
Accumulated funds		(49)	5 173
TOTAL EQUITY		**90 928**	**86 581**

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

Statement of Changes in Equity

For the year ended
30 June 2018

	Note	Equity at 1 July $000	Comprehensive result $000	Transactions with owners in their capacity as owners $000	Equity at 30 June $000
2017-18					
Accumulated Funds		5 172	(5 222)	-	(49)
Changes in accounting policy					
Transfers from reserves					
		5 172	**(5 222)**	**-**	**(49)**
Reserves					
Asset Revaluation Reserve	17	-	-	-	-
Asset Realisation Reserve		-	-	-	-
		-	**-**	**-**	**-**
Capital – Transactions with Owners		81 408	-	-	81 408
Equity injections					
Capital appropriation		-	-	6 398	6 398
Equity transfers in		-	-	171	171
Other equity injections		-	-	3 000	3 000
Equity withdrawals					
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
		81 408	**-**	**9 569**	**90 977**
Total Equity at End of Financial Year		**86 580**	**(5 222)**	**9 569**	**90 928**
2016-17					
Accumulated Funds		(6 984)	12 157	-	5 173
Changes in accounting policy		-	-	-	-
Transfers from reserves		-	-	-	-
		(6 984)	**12 157**	**-**	**5 173**
Reserves					
Asset Revaluation Reserve	17	-	-	-	-
Asset Realisation Reserve		-	-	-	-
		-	**-**	**-**	**-**
Capital – Transactions with Owners		52 118	-	-	52 118
Equity injections					
Capital appropriation		-	-	24 803	24 803
Equity transfers in		-	-	4 487	4 487
Equity withdrawals					
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
		52 118	**-**	**29 290**	**81 408**
Total Equity at End of Financial Year		**45 134**	**12 157**	**29 290**	**86 581**

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

Cash Flow Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Appropriation			
Output		141 220	142 137
Commonwealth		-	-
Receipts from sales of goods and services		91 185	94 571
Interest received		-	-
Total Operating Receipts		**232 405**	**236 708**
Operating Payments			
Payments to employees		(55 260)	(52 929)
Payments for goods and services		(168 951)	(157 684)
Grants and subsidies paid			
Current		(207)	-
Capital		(5 000)	(5 145)
Total Operating Payments		**(229 418)**	**(215 758)**
Net Cash From/(Used in) Operating Activities	18	**2 987**	**20 950**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(23 485)	(16 546)
Total Investing Payments		**(23 485)**	**(16 546)**
Net Cash From/(Used in) Investing Activities		**(23 485)**	**(16 546)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of borrowings			
Deposits received		3 592	(4 093)
Equity injections			
Capital appropriation		6 398	24 803
Other Equity Injections		3 000	-
Total Financing Receipts		**12 990**	**20 710**
Financing Payments			
Equity withdrawals		-	-
Total Financing Payments		**-**	**-**
Net Cash From/(Used in) Financing Activities		**12 990**	**20 710**
Net increase/(decrease) in cash held		(7 508)	25 115
Cash at beginning of financial year		46 811	21 696
CASH AT END OF FINANCIAL YEAR	7	**39 303**	**46 811**

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

Index of Notes to the Financial Statements

1. Objectives and Funding

The objective of the Department of Corporate and Information Services (DCIS) is to provide shared corporate and ICT services to support government agencies, including financial and human resource administration, contract services, property leasing services, cyber security and enterprise project services. The department also has a digital leadership role to support government and agencies in advancing digital initiatives through the Office of Digital Government.

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

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

2. Statement of Significant Accounting Policies

A) STATEMENT OF COMPLIANCE

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

(i)   a Certification of the Financial Statements

(ii) a Comprehensive Operating Statement

(iii) a Balance Sheet

(iv) a Statement of Changes in Equity

(v)   a Cash Flow Statement

(vi) applicable explanatory notes to the financial statements.

B) BASIS OF ACCOUNTING

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

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

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

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

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

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

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

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

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

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

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

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

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

While the full impacts are yet to be determined, potential impacts identified include:

- grants received to construct or acquire a non-financial asset will be recognised as a liability, and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt
- grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt
- grants that have an enforceable agreement but no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation
- grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

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

C) REPORTING ENTITY

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

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

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

D) DCIS AND TERRITORY ITEMS

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

Central Holding Authority

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

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

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

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in DCIS's financial statements. However, as DCIS is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 26 – Schedule of Administered Territory Items.

E) COMPARATIVES

Where necessary, comparative information for the 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

F) PRESENTATION AND ROUNDING OF AMOUNTS

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

G) CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

H) ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

I) GOODS AND SERVICES TAX (GST)

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

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

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

J) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

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

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

3. Comprehensive Operating Statement by Output Group

	Note	Shared Services[a]		Digital Government[a]		Corporate and Governance		Total	
		2018 $000	2017 $000	2018 $000	2017 $000	2018 $000	2017 $000	2018 $000	2017 $000
INCOME									
Appropriation									
Output		125 319	127 825	10 515	8 926	5 386	5 386	141 220	142 137
Commonwealth		-	-	-	-	-	-	-	-
Sales of goods and services		61 719	65 313	-	-	663	665	62 382	65 978
Gain on disposal of assets	4	-	-	-	-	-	-	-	-
Other income		874	916	215	-	23	-	1 112	916
TOTAL INCOME		**187 912**	**194 054**	**10 730**	**8 926**	**6 072**	**6 051**	**204 714**	**209 031**
EXPENSES									
Employee expenses		47 272	45 715	3 678	3 049	4 923	4 584	55 873	53 348
Administrative expenses									
Property management		87 519	82 551	17	11	34	142	87 570	82 704
Purchases of goods and services	5	52 705	47 885	1 251	526	847	780	54 803	49 191
Repairs and maintenance		31	465	-	-	199	107	230	572
Depreciation and amortisation	9,11	6 235	5 913	-	-	-	-	6 235	5 913
Other administrative expenses	6	11	-	-	-	7	1	18	1
Grants and subsidies expenses									
Current		-	-	207	-	-	-	207	-
Capital		-	-	5 000	5 145	-	-	5 000	5 145
TOTAL EXPENSES		**193 773**	**182 529**	**10 153**	**8 731**	**6 010**	**5 614**	**209 936**	**196 874**
NET SURPLUS/(DEFICIT)		**(5 861)**	**11 525**	**577**	**195**	**62**	**437**	**(5 222)**	**12 157**
OTHER COMPREHENSIVE INCOME									
Items that will not be reclassified to net surplus/deficit									
Changes in asset revaluation reserve				-		-		-	-
TOTAL OTHER COMPREHENSIVE INCOME				**-**		**-**		**-**	**-**
COMPREHENSIVE RESULT		**(5 861)**	**11 525**	**577**	**195**	**62**	**437**	**(5 222)**	**12 157**

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

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

INCOME RECOGNITION

Income encompasses both revenue and gains.

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

GRANTS AND OTHER CONTRIBUTIONS

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

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

APPROPRIATION

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

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then on passed to the relevant agencies as Commonwealth appropriation.

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

SALE OF GOODS

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

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

RENDERING OF SERVICES

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

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

4. Gain on Disposal of Assets

DCIS has no gain on disposal of assets in 2017-18 and 2016-17.

5. Purchases of Goods and Services

	2018 $000	2017 $000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and services expenses:		
Information Technology Charges	14 188	14 183
Information Technology Hardware and Software	17 075	12 955
Telecommunications	1 356	1 552
Contractors and Consultants [1]	18 270	17 059
Advertising [2]	-	52
Marketing and promotion [3]	164	119
Document production	133	58
Legal expenses [4]	77	26
Recruitment [5]	56	32
Training and study	647	680
Official duty fares	88	46
Travelling allowance	25	20

[1] Includes IT contractors and consultants, marketing and promotion.
[2] Does not include recruitment advertising or marketing and promotion advertising.
[3] Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the contractors and consultants category.
[4] Includes legal fees, claim and settlement costs.
[5] Includes recruitment-related advertising costs.

REPAIRS AND MAINTENANCE EXPENSE

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

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

	Agency		Agency		Territory Items		Territory Items	
	2018 $000	No. of Trans.	2017 $000	No. of Trans.	2018 $000	No. of Trans.	2017 $000	No. of Trans.
Write-offs, Postponements and Waivers Under the *Financial Management Act*								
Represented by:								
Amounts written off, postponed and waived by Delegates	-	-	-	-	-	-	-	-
Irrecoverable amounts payable to the Territory or an agency written off	-	-	1	4	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
Total Written Off, Postponed and Waived by Delegates	-	-	1	4	-	-	-	-

7. Cash and Deposits

	2018 $000	2017 $000
Cash on hand	54	53
Cash at bank	39 248	46 758
	39 302	**46 811**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 23.

8. Receivables

	2018 $000	2017 $000
CURRENT		
Accounts receivable	1 066	1 532
Less: Allowance for impairment losses	(19)	-
	1 047	**1 532**
Interest receivables	-	-
GST receivables	2 864	2 438
Other receivables	110	155
	2 974	**2 593**
NON-CURRENT		
Other receivables	-	-
	-	**-**
Total Receivables	**4 021**	**4 125**

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

The allowance for impairment losses represents the amount of receivables DCIS estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 19 – Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

PREPAYMENTS

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

9. Property, Plant and Equipment

	2018 $000	2017 $000
PLANT AND EQUIPMENT		
At fair value	70 042	48 850
Less: Accumulated depreciation	(11 982)	(9 335)
	58 060	**39 515**
COMPUTER SOFTWARE		
At cost	15 038	15 302
Less: Accumulated depreciation	(12 997)	(11 937)
	2 041	**3 365**
COMPUTER HARDWARE		
At cost	7 746	6 919
Less: Accumulated depreciation	(4 504)	(3 843)
	3 242	**3 076**
Total Property, Plant and Equipment	**63 343**	**45 956**

PROPERTY, PLANT AND EQUIPMENT VALUATIONS
Refer to Note 11 – Fair Value Measurement of Non-Financial Assets for additional disclosures.

2018 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS
A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying Amount as at 1 July 2017	39 515	3 364	3 077	45 956
Additions	21 395	438	1 789	23 622
Disposals	-	-	-	-
Depreciation/Amortisation	(2 850)	(1 762)	(1 623)	(6 235)
Additions/(Disposals) from asset transfers	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	-	-	-	-
Carrying Amount as at 30 June 2018	**58 060**	**2 040**	**3 243**	**63 343**

9. Property, Plant and Equipment (continued)

2017 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

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

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

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

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

Construction (Work in Progress)

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

REVALUATIONS AND IMPAIRMENT

Revaluation of Assets

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

• infrastructure assets

• Intangibles.

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

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

Impairment of Assets

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

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

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

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 17 provides additional information in relation to the asset revaluation surplus.

DCIS' property, plant and equipment assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

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

	2018	2017
Plant and Equipment	10 years	10 years
Leased Plant and Equipment	5 years	5 years
Computer Software – General (off the shelf)	2-5 years	2-5 years
Computer Software - Corporate Systems	5-10 years	5-10 years
Computer Hardware	3-6 years	3-6 years

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

10. Intangibles

DCIS had no intangible assets in 2017-18 and 2016-17.

ASSETS HELD FOR SALE

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

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

LEASED ASSETS

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

FINANCE LEASES

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

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

OPERATING LEASES

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

11. Fair Value Measurement of Non-Financial Assets

A) FAIR VALUE HIERARCHY

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

	Level 1 $000	Level 2 $000	Level 3 $000	Total Fair Value $000
2017-18				
Asset Classes				
Plant and Equipment, Computer Hardware, Computer Software (Note 9)	-	-	63 343	63 343
Total	**-**	**-**	**63 343**	**63 343**
2016-17				
Asset Classes				
Plant and Equipment, Computer Hardware, Computer Software (Note 9)	-	-	45 956	45 956
Total	**-**	**-**	**45 956**	**45 956**

There were no transfers between Level 1 and Levels 2 or 3 during 2017-18.

B) VALUATION TECHNIQUES AND INPUTS

Valuation techniques used to measure fair value in
2017-18 are:

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

There were no changes in valuation techniques from
2016-17 to 2017-18.

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

C) ADDITIONAL INFORMATION FOR LEVEL 3 FAIR VALUE MEASUREMENTS

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000
2017-18			
Fair value as at 1 July 2017	39 515	3 364	3 077
Additions	21 395	438	1 789
Disposals	-	-	-
Transfers from Level 2	-	-	-
Transfers to Level 2	-	-	-
Depreciation/Amortisation	(2 850)	(1 762)	(1 623)
Additions/(Disposals) from Asset Transfers	-	-	-
Impairments			
Gains/losses recognised in net surplus/(deficit)	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2018	**58 060**	**2 040**	**3 243**
2016-17			
Fair value as at 1 July 2016	23 084	4 945	3 272
Additions	14 955	319	1 272
Disposals	-	-	-
Transfers from Level 2	-	-	-
Transfers to Level 2	-	-	-
Depreciation/Amortisation	(2 546)	(1 900)	(1 467)
Additions/(Disposals) from Asset Transfers	4 022	-	-
Impairments			
Gains/losses recognised in net surplus/(deficit)	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2017	**39 515**	**3 364**	**3 077**

(ii) Sensitivity analysis

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

12. Payables

	2018 $000	2017 $000
Accounts payable	2 212	1 023
Accrued expenses	4 766	4 849
Total Payables	**6 978**	**5 872**

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

13. Borrowings and Advances

	2018 $000	2017 $000
CURRENT		
Loans and advances	-	-
Finance lease liabilities	-	-
	-	-
NON-CURRENT		
Loans and advances	-	-
Finance lease liabilities	-	-
	-	-
Total borrowings and advances	**-**	**-**

14. Provisions

	2018 $000	2017 $000
CURRENT		
Employee benefits		
Recreation leave	6 760	6 278
Leave loading	885	869
Recreation leave airfares	105	94
Other current provisions		
Other provisions	972	909
	8 722	**8 150**
NON-CURRENT		
Employee benefits		
Recreation leave		-
		-
Total Provisions	**8 722**	**8 150**
RECONCILIATIONS OF OTHER PROVISIONS		
Balance as at 1 July	909	851
Additional provisions recognised	972	909
Reductions arising from payments	(909)	(851)
Balance as at 30 June	**972**	**909**

DCIS employed 535 employees as at 30 June 2018
(527 employees as at 30 June 2017).

EMPLOYEE BENEFITS

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

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

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

• wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements

• Other types of employee benefits.

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

15. Other Liabilities

	2018 $000	2017 $000
CURRENT		
Unearned Revenue	-	-
	-	-
NON-CURRENT		
Other Liabilities	-	-
	-	-
Total Other Liabilities	-	-

SUPERANNUATION

Employees' superannuation entitlements are provided through the:

• Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)

• Commonwealth Superannuation Scheme (CSS)

• non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

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

16. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments
DCIS has no capital expenditure commitments.

(ii) Operating Lease Commitments
Property
DCIS leases property under non-cancellable operating leases expiring from 1 month to 25 years. Leases generally provide DCIS with a right of renewal at which time all lease terms are renegotiated.

	2018		2017	
	Internal $000	External $000	Internal $000	External $000
Within one year	309	72 215	372	73 596
Later than one year and not later than five years	897	216 862	942	234 903
Later than five years	-	163 263	203	180 041
	1 206	**452 340**	**1 517**	**488 540**

(iii) Other Expenditure Commitments
DCIS has no other expenditure commitments.

17. Reserves

ASSET REVALUATION SURPLUS

DCIS has no asset revaluation surplus in 2017-18 and 2016-17.

18. Notes to the Cash Flow Statement

RECONCILIATION OF CASH
The total of DCIS' 'Cash and deposits' of $39.3 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities	**2018 $000**	**2017 $000**
Net Surplus/(Deficit)	(5 222)	12 157
Non-cash items:		
Depreciation and amortisation	6 235	5 913
Asset write-offs/write-downs	-	-
Asset donations/gifts	-	-
(Gain)/Loss on disposal of assets	-	-
Repairs and maintenance – minor new works (non-cash)	33	465
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	104	1 642
Decrease/(Increase) in prepayments	158	(1 259)
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	1 106	1 761
(Decrease)/Increase in provision for employee benefits	509	228
(Decrease)/Increase in other provisions	63	58
(Decrease)/Increase in other liabilities	0	(15)
Net Cash from Operating Activities	**2 986**	**20 950**

NON-CASH FINANCING AND INVESTING ACTIVITIES
DCIS has no finance lease commitments.

19. Financial Instruments

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

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

Financial assets and liabilities are recognised on the Balance Sheet when DCIS becomes a party to the contractual provisions of the financial instrument. DCIS' financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. DCIS's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

A) CATEGORISATION OF FINANCIAL INSTRUMENTS

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

2017-18 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	$000	$000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	39 302	-	-	39 302
Receivables[1]	-	-	-	1 157	-	-	1 157
Total Financial Assets	**-**	**-**	**-**	**40 459**	**-**	**-**	**40 459**
Deposits held[1]	-	-	-	-	-	8 323	8 323
Payables[1]	-	-	-	-	-	6 978	6 978
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**15 301**	**15 301**

[1] Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	$000	$000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	46 810	-	-	46 810
Receivables[1]	-	-	-	1 687	-	-	1 687
Total Financial Assets	**-**	**-**	**-**	**48 497**	**-**	**-**	**48 497**
Deposits held[1]	-	-	-	-	-	4 730	4 730
Payables[1]	-	-	-	-	-	5 872	5 872
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**10 602**	**10 602**

[1] Total amounts disclosed here exclude statutory amounts

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures require financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

• financial assets at fair value through profit or loss

• held-to-maturity investments

• loans and receivables

• available-for-sale financial assets.

Financial liabilities are classified into the following categories:

• financial liabilities at fair value through profit or loss

• financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

• acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or

• part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

• a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

• the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss include deposits held and accounts payable excluding statutory deposits and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

Netting of Swap Transactions

DCIS, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the Comprehensive Operating Statement.

B) CREDIT RISK

DCIS has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, DCIS has adopted a policy of only dealing with credit-worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses,

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

Receivables

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

Internal Receivables

	Aging of Receivables $000	Aging of Impaired Receivables $000	Net Receivables $000
2017-18			
Not overdue	913	-	913
Overdue for less than 30 days	6	-	6
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**919**	**-**	**919**
2016-17			
Not overdue	1 121	-	1 121
Overdue for less than 30 days	6	-	6
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**1 127**	**-**	**1 127**

External Receivables

	Aging of Receivables $000	Aging of Impaired Receivables $000	Net Receivables $000
2017-18			
Not overdue	33	-	33
Overdue for less than 30 days	24	-	24
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	90	19	71
Total	**147**	**19**	**128**
2016-17			
Not overdue	66	-	66
Overdue for less than 30 days	254	-	254
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	86	-	86
Total	**406**	**-**	**406**

C) LIQUIDITY RISK

Liquidity risk is the risk that DCIS will not be able to meet its financial obligations as they fall due. DCIS' approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail DCIS' remaining contractual maturity for its financial assets and liabilities.

2018 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total
	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	$000	$000
ASSETS								
Cash and deposits	-	-	-	-	-	-	39 302	39 302
Receivables	-	-	-	-	-	-	1 157	1 157
Total Financial Assets	**-**	**-**	**-**	**-**	**-**	**-**	**40 459**	**40 459**
LIABILITIES								
Deposits held	-	-	-	-	-	-	8 323	8 323
Payables	-	-	-	-	-	-	6 978	6 978
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**15 301**	**15 301**

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total
	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	$000	$000
ASSETS								
Cash and deposits	-	-	-	-	-	-	46 810	46 810
Receivables	-	-	-	-	-	-	1 687	1 687
Total Financial Assets	**-**	**-**	**-**	**-**	**-**	**-**	**48 497**	**48 497**
LIABILITIES								
Deposits held	-	-	-	-	-	-	4 730	4 730
Payables	-	-	-	-	-	-	5 872	5 872
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**10 602**	**10 602**

D) MARKET RISK

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

(i) Interest Rate Risk

DCIS is not exposed to interest rate risk as financial assets and financial liabilities are non-interest bearing.

(ii) Price Risk

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

(iii) Currency Risk

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

E) NET FAIR VALUE

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

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

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

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

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

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

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	Total Carrying Amount $000	Net Fair Value Level 1 $000	Net Fair Value Level 2 $000	Net Fair Value Level 3 $000	Net Fair Value Total $000
2018					
Financial Assets					
Cash and deposits	39 302	39 302	-	-	39 302
Receivables	1 157	1 157	-	-	1 157
Total Financial Assets	**40 459**	**40 459**	**-**	**-**	**40 459**
Financial Liabilities					
Deposits held	8 323	8 323	-	-	8 323
Payables	6 978	6 978	-	-	6 978
Total Financial Liabilities	15 301	15 301	-	-	15 301
2017					
Financial Assets					
Cash and deposits	46 810	46 810	-	-	46 810
Receivables	1 687	1 687	-	-	1 687
Total Financial Assets	**48 497**	**48 497**	**-**	**-**	**48 497**
Financial Liabilities					
Deposits held	4 730	4 730	-	-	4 730
Payables	5 872	5 872	-	-	5 872
Total Financial Liabilities	**10 602**	**10 602**	**-**	**-**	**10 602**

The net fair value of financial instruments disclosed above are based on Level 1 method, the carrying amount of these financial instruments recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

There were no changes in valuation techniques during the period.

20. Related Parties

(i) Related Parties

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

- the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly;
- spouses, children and dependents who are close family members of the Portfolio Minister or KMP;
- all public sector entities that are controlled and consolidated into the all-of-government financial statements; and
- any entities controlled or jointly controlled by KMP's or the Portfolio Minister or controlled or jointly controlled by their close family members.

(ii) Key Management Personnel (KMP)

KMP of DCIS are those persons having authority and responsibility for planning, directing and controlling the activities of DCIS. These include the Minister, the Chief Executive Officer and 11 members of the executive team.

(iii) Remuneration of KMP

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

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

	2017-18 $000	2016-17 $000
Short-term benefits	2 681	2 577
Post-employment benefits	312	376
Long-term benefits	-	-
Termination benefits	-	-
Total	**2 993**	**2 953**

(iv) Related Party Transactions

Transactions with Northern Territory Government controlled entities

DCIS' primary ongoing source of income is received from the Central Holding Authority in the form of output and capital appropriation.

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

2018 Related Party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NTG Government departments	128 079	21 016	811	2 424
Associates	-	-	-	-
Subsidiaries	-	-	-	-

2017 Related Party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NTG Government departments	111 645	21 359	1 048	2 569
Associates	-	-	-	-
Subsidiaries	-	-	-	-

Other related party transactions

Given the breadth and depth of Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. All other related party transactions in excess of $10,000 have been provided in the table below.

2018 Transaction Type	Transaction value for year ended 30 June 2018 $000	Net receivable/ (payable) as at 30 June 2018 $000	Commitments as at 30 June 2018 $000
Purchases of goods	14	-	7

21. Contingent Liabilities and Contingent Assets

DCIS had no material contingent liabilities or contingent assets in 2017-18 and 2016-17.

22. Events Subsequent to Balance Date

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

23. Accountable Officer's Trust Account

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

Nature of Trust Money	Opening Balance 1 July 2017	Receipts	Payments	Closing Balance 30 June 2018
Salaries and superannuation cancelled cheques	59		(59)	-
Accounts payable cancelled cheques	31		(31)	-
RTM unrepresented cheques	22		(22)	-
	112		**(112)**	**-**

24. Schedule of Administered Territory Items

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

Administered Territory Items	2018 $000	2017 $000
TERRITORY INCOME AND EXPENSES		
Income		
Other income	112	-
Total income	**112**	**-**
Expenses		
Central Holding Authority income transferred	**112**	-
Total expenses	**112**	**-**
Territory income less expenses	**-**	**-**

25. Budgetary Information

Comprehensive Operating Statement	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
INCOME				
Appropriation				
Output	141 220	147 763	(6 543)	1
Commonwealth				
Sales of goods and services	62 382	54 944	7 438	2
Other income	1 112	70	1 042	3
TOTAL INCOME	**204 714**	**202 777**	**1 937**	
EXPENSES				
Employee expenses	55 872	56 943	(1 071)	4
Administrative expenses				
Purchases of goods and services	142 374	146 228	(3 854)	5
Repairs and maintenance	229	330	(101)	
Depreciation and amortisation	6 235	5 955	280	
Other administrative expenses	19	-	19	
Grants and subsidies expenses				
Current	207	74	133	
Capital	5 000	5 202	(202)	
TOTAL EXPENSES	**209 936**	**214 732**	**(4 796)**	
NET SURPLUS/(DEFICIT)	**(5 222)**	**(11 955)**	**6 733**	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/deficit				
Changes in asset revaluation reserve	-	-	-	
TOTAL OTHER COMPREHENSIVE INCOME				
	-	-	-	
COMPREHENSIVE RESULT	**(5 222)**	**(11 955)**	**6 733**	

Notes

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

1. Variations include increased leased property management fees from agencies $1.4 million, Chan Data Centre Relocation project $1.0 million, Client Management System Alignment project $0.6 million and Tiwi islands optic fibre telecommunications link $0.5 million offset by transfer of funding from major digital projects from 2017-18 to 2018-19 -$10.1 million.

2. Increase in one-off property leasing income $2.5 million, ICT infrastructure program of $2.8 million, application development revenue $0.7 million and demand for shared services $1.5 million.

3. Variation relates to one-off revenues for projects undertaken on behalf of agencies $1.1 million.

4. Variation includes adjustments of $1.1 million for shared services off-set by carry forward to 2018-19 for CCSRP -$2.2 million.

5. Variation is primarily the result of the following budget adjustments not reflected in the original budget: new property leasing requirements $3.0 million; increased demand for shared services $2.6 million; implementation of Office of Digital Government $0.3 million; offset by carry over of expenditure for digital projects from 2017-18 to 2018-19 -$9.7 million.

Balance Sheet

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
ASSETS				
Current assets				
Cash and deposits	39 302	14 542	24 760	1
Receivables	4 021	5 767	(1 746)	
Prepayments	8 284	7 184	1 100	
Total current assets	**51 607**	**27 493**	**24 114**	
Non-current assets				
Property, plant and equipment	63 343	136 567	(73 224)	2
Total non-current assets	**63 343**	**136 567**	**(73 224)**	
TOTAL ASSETS	**114 950**	**164 060**	**(49 110)**	
LIABILITIES				
Current liabilities				
Deposits held	8 322	8 810	(488)	
Payables	6 978	4 128	2 850	3
Provision for employee benefits	8 722	7 863	859	
Other liabilities	-	15	(15)	
Total current liabilities	**24 022**	**20 816**	**3 206**	
Non-current liabilities				
Provisions	-	-	-	
Total non-current liabilities	**-**	**-**	**-**	
TOTAL LIABILITIES	**24 022**	**20 816**	**3 206**	
NET ASSETS	**90 928**	**143 244**	**(52 316)**	
EQUITY				
Capital	90 978	161 777	(70 799)	4
Reserves	-	-	-	
Accumulated funds	(50)	(18 533)	18 483	5
TOTAL EQUITY	**90 928**	**143 244**	**(52 316)**	

Notes

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

1. Variation is the result of aligning the opening balance to reflect starting actual $32.3 million and the net outflow of cash in 2017-18 -$7.5 million

2. Variation is the result of aligning the opening balance to reflect starting actual $90.1 million and the net outflow of cash in 2017-18 -$17.4 million

3. Variation is the result of aligning the opening balance to reflect starting actual $1.7 million and the net outflow of cash in 2017-18 $1.1 million

4. Timing changes for the delivery of digital projects.

5. Opening balance adjustment from 2016-17 and a comprehensive operating deficit of $5.2 million in 2017-18.

Cash Flow Statement

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	141 220	147 763	(6 543)	1
Receipts from sales of goods and services	91 185	55 014	36 171	2
Interest received	-	-	-	
Total operating receipts	**232 405**	**202 777**	**29 628**	
Operating payments				
Payments to employees	55 260	56 943	(1 683)	3
Payments for goods and services	168 951	146 558	22 393	4
Grants and subsidies paid				
Current	207	74	133	
Capital	5 000	5 202	(202)	
Total operating payments	**229 418**	**208 777**	**20 641**	
Net cash from/(used in) operating activities	**2 987**	**(6 000)**	**8 987**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	23 485	84 944	(61 459)	5
Total investing payments	**23 485**	**84 944**	**(61 459)**	
Net cash from/(used in) investing activities	**(23 485)**	**(84 944)**	**61 459**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	3 592	-	3 592	6
Equity injections				
Capital appropriation	6 398	80 232	(73 834)	7
Other equity injection	3 000		3 000	8
Total financing receipts	**12 990**	**80 232**	**(67 242)**	
Net cash from/(used in) financing activities	**12 990**	**80 232**	**(67 242)**	
Net increase/(decrease) in cash held	(7 508)	(10 712)	3 204	
Cash at beginning of financial year	46 810	25 254	21 556	
CASH AT END OF FINANCIAL YEAR	**39 302**	**14 542**	**24 760**	

Notes

1. Variations including leased property management from agencies $1.4 million, Chan Data Centre Relocation $1.0 million, Client Management System Alignment project $0.6 million and Tiwi islands optic fibre telecommunications link $0.5 million offset by transfer of funding from major digital projects from 2017-18 to 2018-19 -$10.1 million.

2. GST receipts $22.0 million and Commonwealth paid parental leave $5.4 million not budgeted, one-off increase in property leasing income $2.5 million, ICT infrastructure program of $2.8 million, application development revenue $0.70 million, one-off revenues for projects undertaken on behalf of agencies $1.1 million and demand for shared services $1.5 million.

3. Variation includes adjustments of $1.1 million for shared services off-set by carry forward to 2018-19 for CCSRP -$2.2 million and net outflow of employees provision -$0.5 million.

4. GST payments of $22.2 million and Commonwealth paid parental leave $5.3 million not budgeted, new property leasing requirements $1.8 million; increased demand for shared services $2.6 million; implementation of Office of Digital Government $0.3 million; offset by carry over of expenditure for digital projects from 2017-18 to 2018-19 -$9.7 million.

5. Transfer of costs for digital projects from 2017-18 to 2018-19

6. AOTA balance and clearing account

7. Timing changes for delivery of digital projects: CCSRP $67.1 million, SerPro $6.0 million and Identity Management System $0.7 million

8. New Government Data Centre project

26. Budgerary Information: Administered Territory Items

Administered Territory Items	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
TERRITORY INCOME AND EXPENSES				
Income				
Other income	112	-	(112)	
Total income	**112**	**-**	**(112)**	
Expenses				
Central Holding Authority income transferred	112	-	(112)	
Total expenses	**112**	**-**	**(112)**	
Territory income less expenses	**-**	**-**	**-**	

NT FLEET

FINANCIAL REPORT

5b

Financial Statement Overview

For the year ended 30 June 2018

Financial Performance (Comprehensive Operating Statement)

NT Fleet achieved an operating result for 2017-18 of $6.5 million after tax which was $0.07 million below the final budget demonstrating alignment with planned performance.

NT Fleet will pay an income tax equivalent of $2.8 million and return a dividend of $3.3 million to government for 2017-18.

Table 1: 2017-18 and 2016-17 Actual and Final Budget Performance

	Actual $000		Final Budget $000		Variation $000	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Income	41 850	42 955	42 394	42 411	(544)	544
Expenses	32 503	32 817	32 949	32 958	(446)	(141)
Net Surplus Before Tax	**9 347**	**10 138**	**9 445**	**9 453**	**(98)**	**685**
Income Tax Expense	2 804	3 041	2 834	2 836	(30)	205
Net Surplus After Tax	**6 543**	**7 097**	**6 611**	**6 617**	**(68)**	**480**
Other Comprehensive Income	-	-	-	-	-	-
Comprehensive Result	**6 543**	**7 097**	**6 611**	**6 617**	**(68)**	**480**
Dividend (50%)	3 271	3 548	3 306	3 309	(35)	239

Total income decreased by $1.1 million in 2017-18, primarily due to a reduction in the gain on disposal of assets.

The comprehensive result was $0.5 million lower than 2016-17 primarily due to a reduction in the gain on disposal of assets, offset by lower total expenses and income tax.

Table 2: 2017-18 and 2016-17 Actual Performance

	2018 $000	2017 $000	Variation $000
Income	41 850	42 955	(1 105)
Expenses	32 503	32 817	(314)
Net Surplus Before Tax	**9 347**	**10 138**	**(791)**
Income Tax Expense	2 804	3 041	(237)
Net Surplus After Tax	**6 543**	**7 097**	**(554)**
Other Comprehensive Income	-	-	-
Comprehensive Result	**6 543**	**7 097**	**(554)**

INCOME

NT Fleet's primary income source comes from vehicle lease charges. These services, classified under the income category of goods and services in Table 3 below, represented 94.5% of NT Fleet's total income, with the remainder made up of interest, gain on disposal of assets and miscellaneous income.

Table 3: Income by Category

Year	Goods and Services		Investment		Other Income [1]		Gain on disposal of assets		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%
2017-18	39 535	94.5	345	0.8	136	0.3	1 833	4.4	41 850	100
2016-17	39 015	90.8	349	0.8	216	0.5	3 375	7.9	42 955	100

[1] Other includes miscellaneous income, such as motor vehicle registration refunds.

EXPENSES

NT Fleet incurred the majority of its expenses on depreciation and operational costs for the fleet. The increase in depreciation expense compared to the previous year is attributed to an increase in value of light commercial and heavy vehicles in the reporting year.

Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Total	
	$000	%	$000	%	$000	%	$000	%
2017-18	17 640	54.3	12 467	38.3	2 396	7.4	32 503	100
2016-17	17 076	52.0	12 858	39.2	2 883	8.8	32 817	100

Figure 1: Expenses ($million) by Category
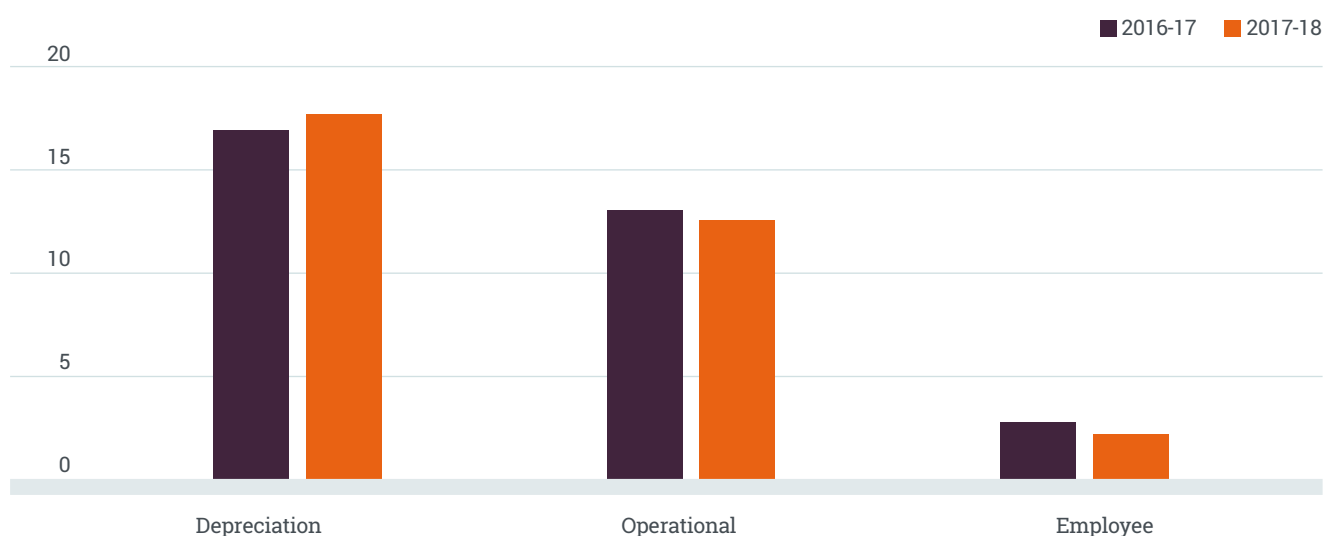
Financial Position (Balance Sheet)

NT Fleet's net financial position at the end of the 2017-18 financial year was $119.5 million, which was $3.3 million higher than the previous year's financial position. The net increase reflects the operating result of $6.5 million, offset by a dividend payable to government of $3.3 million.

The major movements in assets included a $2.1 million increase in plant and equipment, primarily due to an increase in the cost of vehicles.

Major assets at 30 June 2018 included:

- $22.7 million cash and deposits;
- $1.8 million receivables (GST receivable and outstanding service fees);

- $1.9 million assets held for sale; and
- $101.7 million property, plant and equipment (mainly motor vehicles).

Major liabilities at 30 June 2018 included:

- $2.1 million payables and accrued expenses;
- $2.8 million income tax provisions;
- $0.4 million provision for employee entitlements; and
- $3.3 million provision for dividend.

Table 5: 2017-18 and 2016-17 Actual Financial Position

	2018 $000	2017 $000	Variation $000
ASSETS			
Current Assets	26 406	26 347	59
Non-Current Assets	101 671	99 535	2 136
TOTAL ASSETS	**128 077**	**125 882**	**2 195**
LIABILITIES			
Current Liabilities	8 573	9 649	(1 076)
Non-Current Liabilities	-	-	-
TOTAL LIABILITIES	**8 573**	**9 649**	**(1 076)**
NET ASSETS	**119 504**	**116 233**	**3 271**
EQUITY	119 504	116 233	3 271
TOTAL EQUITY	**119 504**	**116 233**	**3 271**
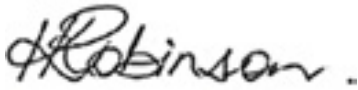
Certification of the Financial Statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018 and the financial position on that date.

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

Kathleen Robinson
Chief Executive
5 September 2018

Rex Schoolmeester
Chief Financial Officer
5 September 2018

Auditor-General

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

NT Fleet

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Opinion

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2018, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Fleet as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Information Services is responsible for the other information. The other information comprises the information included in NT Fleet's financial statement overview for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing NT Fleet's financial reporting process.

Auditor-General

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NT Fleet's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NT Fleet's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause NT Fleet to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

18 September 2018

Comprehensive Operating Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
INCOME			
Sales of goods and services		39 536	39 015
Interest revenue		345	349
Gain on disposal of assets	3	1 833	3 375
Other income		136	216
TOTAL INCOME		**41 850**	**42 955**
EXPENSES			
Employee expenses		2 396	2 883
Administrative expenses			
Purchases of goods and services	4	12 467	12 858
Depreciation and amortisation	9	17 640	17 076
TOTAL EXPENSES		**32 503**	**32 817**
SURPLUS BEFORE INCOME TAX		**9 347**	**10 138**
Income tax expense	6	2 804	3 041
NET SURPLUS		**6 543**	**7 097**
COMPREHENSIVE RESULT		**6 543**	**7 097**

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

Balance Sheet

As at 30 June 2018

	Note	2018 $000	2017 $000
ASSETS			
Current Assets			
Cash and deposits	7,18	22 663	23 925
Receivables	8	1 770	842
Prepayments	8	99	142
Assets held for sale	9	1 874	1 438
Total Current Assets		**26 406**	**26 347**
Non-Current Assets			
Property, plant and equipment	9	101 671	99 535
Total Non-Current Assets		**101 671**	**99 535**
TOTAL ASSETS		**128 077**	**125 882**
LIABILITIES			
Current Liabilities			
Payables	11,18	2 092	2 572
Income tax liabilities	12	2 804	3 041
Provisions	13	3 674	4 013
Other liabilities	14	3	23
Total Current Liabilities		**8 573**	**9 649**
Non-Current Liabilities			
Provisions	13	-	-
Total Non-Current Liabilities		**-**	**-**
TOTAL LIABILITIES		**8 573**	**9 649**
NET ASSETS		**119 504**	**116 233**
EQUITY			
Capital	16	565	565
Accumulated funds	16	118 939	115 668
TOTAL EQUITY		**119 504**	**116 233**

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

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Equity at 1 July $000	Comprehensive result $000	Transactions with owners in their capacity as owners $000	Equity at 30 June $000
2017-18					
Accumulated Funds	16	115 667	6 543	-	122 210
Dividends payable	13	-	-	(3 271)	(3 271)
		115 667	**6 543**	**(3 271)**	**118 939**
Capital – Transactions with Owners					
Equity transfers in	16	565	-	-	565
		565	**-**	**-**	**565**
Total Equity at End of Financial Year		**116 232**	**6 543**	**(3 271)**	**119 504**
2016-17					
Accumulated Funds	16	112 119	7 097	-	119 216
Dividends payable	13	-	-	(3 548)	(3 548)
		112 119	7 097	(3 548)	115 668
Capital – Transactions with Owners					
Equity transfers in	16	536	-	29	565
		536	**-**	**29**	**565**
Total Equity at End of Financial Year		**112 655**	**7 097**	**(3 519)**	**116 233**

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

Cash Flow Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services		37 616	39 060
GST receipts		5 245	5 681
Interest received		345	354
Total Operating Receipts		**43 206**	**45 095**
Operating Payments			
Payments to employees		(2 456)	(2 863)
Payments for goods and services		(11,128)	(12 907)
GST payments		(5 292)	(5 569)
Income tax paid		(3 041)	(2 967)
Total Operating Payments		**(21 917)**	**(24 306)**
Net Cash From Operating Activities	17	**21 289**	**20 789**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	3	12 682	17 489
Total Investing Receipts		**12 682**	**17 489**
Investing Payments			
Purchases of assets		(31 685)	(34 905)
Total Investing Payments		**(31 685)**	**(34 905)**
Net Cash Used in Investing Activities		**(19 003)**	**(17 416)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends paid		(3 548)	(3 461)
Total Financing Payments		**(3 548)**	**(3 461)**
Net Cash Used in Financing Activities		**(3 548)**	**(3 461)**
Net decrease in cash held		(1 262)	(88)
Cash at beginning of financial year		23 925	24 013
CASH AT END OF FINANCIAL YEAR	7	**22 663**	**23 925**

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

Index of Notes to the Financial Statements

1. Objectives and Funding

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

Key functional responsibilities are:

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

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

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

2. Statement of Significant Accounting Policies

A) STATEMENT OF COMPLIANCE

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

(i)   a Certification of the Financial Statements

(ii)   a Comprehensive Operating Statement

(iii)   a Balance Sheet

(iv)   a Statement of Changes in Equity

(v)   a Cash Flow Statement

(vi)   applicable explanatory notes to the financial statements.

B) BASIS OF ACCOUNTING

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

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

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

New and Revised Accounting Standards

The following new and revised accounting standards and interpretations were effective for the first time in 2017-18.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative:

Amendments to AASB 107 Statement of Cash Flows

This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enables users of financial statements to evaluate changes in liabilities arising from financing activities. This disclosure is illustrated in Note 17(b).

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

Standards and Interpretations issued but not yet effective

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

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers is effective for annual reporting periods beginning on or after 1 January 2018 and will be reported in the financial statements for the first time in 2018-19.

AASB 1058 Income for not-for-profit entities clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

NT Fleet does not expect a material impact from the adoption of this standard.

AASB 16 Leases

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

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

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

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

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

C) REPORTING ENTITY
The financial statements cover NT Fleet as an individual reporting entity.

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

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

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

Central Holding Authority
NT Fleet held no Territory items.

E) COMPARATIVES
Where necessary, comparative information for the 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

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

G) CHANGES IN ACCOUNTING POLICIES
There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

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

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

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

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

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

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

J) TAXATION

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

K) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

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

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

L) DIVIDENDS

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

M) INCOME RECOGNITION

Income

Income encompasses both revenue and gains.

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

Sale of Goods

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

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

Rendering of Services

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

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

3. Gain on Disposal of Assets

	2018 $000	2017 $000
Net proceeds from the disposal of non-current assets	12 682	17 489
Less: Carrying value of non-current assets disposed	(10 849)	(14 114)
Gain on the disposal of non-current assets	**1 833**	**3 375**

4. Purchases of Goods and Services

	2018 $000	2017 $000
The net surplus has been arrived at after charging the following expenses:		
Goods and services expenses:		
Contractors and consultants [1]	12	13
Document production	1	5
Legal Expenses	1	2
Recruitment [2]	4	1
Training and study	17	9
Official duty fares	4	7
Travelling allowance	1	1
Audit fees	35	47

[1] Includes IT contractors and consultants.
[2] Includes recruitment-related advertising costs.

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

NT Fleet had no write-offs, postponements, waivers, gifts
or ex-gratia payments in 2017-18 and 2016-17.

6. Income Tax Expense

	2018 $000	2017 $000
Prima facie income tax expense calculated at 30% of the surplus before income tax	2 804	3 041
	2 804	**3 041**

7. Cash and Deposits

	2018 $000	2017 $000
Cash on hand	5	4
Cash at bank	22 658	23 921
	22 663	**23 925**

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

8. Receivables

	2018 $000	2017 $000
CURRENT		
Accounts receivable	1 120	167
Less: Allowance for impairment losses	-	-
Interest receivable	29	29
GST receivable	109	62
Other receivables	512	584
Total Receivables	**1 770**	**842**

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

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

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

Prepayments

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

9. Property, Plant and Equipment

	2018 $000	2017 $000
MOTOR VEHICLES – LIGHT		
At cost	103 813	103 192
Less: Accumulated depreciation	(28 784)	(26 415)
	75 029	**76 777**
MOTOR VEHICLES – HEAVY		
At cost	44 786	41 587
Less: Accumulated depreciation	(19 915)	(20 138)
	24 871	**21 449**
COMPUTER SOFTWARE		
At cost	2 386	1 715
Less: Accumulated depreciation	(665)	(473)
	1 721	**1 242**
LEASEHOLD IMPROVEMENTS		
At cost	117	139
Less: Accumulated depreciation	(66)	(72)
	51	**67**
Total Property, Plant and Equipment	**101 672**	**99 535**

2018 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Motor Vehicles Light $000	Motor Vehicles Heavy $000	Leasehold Improvements $000	Computer Software $000	Total $000
Carrying Amount as at 1 July 2017	78 072[2]	21 592[3]	67	1 242	100 973
Additions	21 841	8 550	-	671	31 062
Disposals	(9 589)	(1 255)	(4)	-	(10 848)
Depreciation	(13 607)	(3 830)	(12)	(192)	(17 641)
Assets held for sale [1]	(1 688)	(186)	-	-	(1 874)
Additions/(Disposals) from asset transfers	-	-	-	-	-
Carrying Amount as at 30 June 2018	**75 029**	**24 871**	**51**	**1 721**	**101 672**

[1] Light and heavy vehicles held for sale as at 30 June 2018 were reclassified as Current Assets (-$1.9M)
[2] The carrying amount as at 1 July 2017 ($78.1M) = the carrying amount as at 30 Jun 2017 ($76.8M) + Assets held for sale as at 30 Jun 2017 ($1.3M)
[3] The carrying amount as at 1 July 2017 ($21.6M) = the carrying amount as at 30 Jun 2017 ($21.4M) + Assets held for sale as at 30 Jun 2017 ($0.2M)

2017 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

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

	Motor Vehicles Light $000	Motor Vehicles Heavy $000	Leasehold Improvements $000	Computer Software $000	Total $000
Carrying Amount as at 1 July 2016	76 925 [2]	20 164 [3]	31	717	97 836
Additions	27 965	5 653	18	661	34 297
Disposals	(13 358)	(756)	-	-	(14 114)
Depreciation	(13 459)	(3 469)	(12)	(136)	(17 076)
Assets held for sale [1]	(1 295)	(143)	-	-	(1 438)
Additions/(Disposals) from asset transfers	-	-	30	-	30
Carrying Amount as at 30 June 2017	**76 777**	**21 449**	**67**	**1 242**	**99 535**

[1] Light and heavy vehicles held for sale as at 30 June 2017 were reclassified as Current Assets (-$1.4M)
[2] The carrying amount as at 1 July 2016 ($76.9M) = the carrying amount as at 30 Jun 2016 ($75.2M) + Assets held for sale as at 30 Jun 2016 ($1.7M)
[3] The carrying amount as at 1 July 2016 ($20.2M) = the carrying amount as at 30 Jun 2016 ($20.0M) + Assets held for sale as at 30 Jun 2016 ($0.2M)

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

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

Construction (Work in Progress)

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

IMPAIRMENT

Impairment of Assets

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

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

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

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

NT Fleet property, plant and equipment assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

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

	2018	2017
Vehicles – Light	3-4 years	3-4 years
Vehicles – Heavy	3-10 years	3-10 years
Leasehold Improvements	10-15 years	10-15 years
Computer Software	2-10 years	2-10 years

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

Assets Held for Sale

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

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

Leased Assets

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

Finance Leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

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

Operating Leases

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

10. Fair Value Measurement of Non-Financial Assets

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

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

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

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

NT Fleet does not have any non-current assets at fair value.

11. Payables

	2018 $000	2017 $000
Accounts payable	1 383	2 180
Other accrued expenses and accrued salaries	709	392
Total Payables	**2 092**	**2 572**

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

12. Income Tax Liabilities

	2018 $000	2017 $000
Income tax payable	2 804	3 041
Total Income tax liabilities	**2 804**	**3 041**

13. Provisions

	2018 $000	2017 $000
PROVISIONS		
Current		
Employee benefits		
Recreation leave	283	315
Leave loading	51	55
Other employee benefits	4	14
Other current provisions		
Provision for dividend	3 271	3 548
Provision for fringe benefits tax	3	5
Provision for superannuation	37	42
Provision for payroll tax	19	28
Provision for workers compensation premium	6	6
Total Provisions	**3 674**	**4 013**
RECONCILIATION OF PROVISION FOR DIVIDENDS		
Balance as at 1 July	3 548	3 461
Additional provisions recognised	3 271	3 548
Reductions arising from payments	(3 548)	(3 461)
Balance as at 30 June	**3 271**	**3 548**

NT Fleet employed 27 employees as at 30 June 2018 and 30 employees as at 30 June 2017.

EMPLOYEE BENEFITS

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

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

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

• wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements

• other types of employee benefits.

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

14. Other Liabilities

	2018 $000	2017 $000
CURRENT		
Other liabilities	3	23
	3	23
NON-CURRENT		
Other Liabilities	-	-
	-	-
Total Other Liabilities	3	23

15. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments
Capital expenditure commitments primarily related to the acquisition of fleet vehicles. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2018		2017	
	Internal $000	External $000	Internal $000	External $000
Within one year	-	6 704	-	9 176
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	**6 704**	**-**	**9 176**

(ii) Operating Lease Commitments
NT Fleet leases photocopiers under operating leases which generally provide NT Fleet with a right of renewal at which time all lease terms are renegotiated. Future operating lease commitments not recognised as liabilities are payable as follows:

	2018		2017	
	Internal $000	External $000	Internal $000	External $000
Within one year	-	10	-	16
Later than one year and not later than five years	-	10	-	32
Later than five years	-	-	-	-
	-	**20**	**-**	**48**

16. Equity

Equity represents the residual interest in the net assets of NT Fleet. The Northern Territory Government's ownership interest in NT Fleet is held in the Central Holding Authority.

	2018 $000	2017 $000
CAPITAL		
Balance as at 1 July	565	536
Equity Injections		
Equity transfers	-	29
Balance as at 30 June	565	565
ACCUMULATED FUNDS		
Balance as at 1 July	115 668	112 119
Surplus for the period	6 543	7 097
Dividends payable	(3 271)	(3 548)
Balance as at 30 June	118 939	115 668
Total Equity	119 504	116 233

17. Notes to the Cash Flow Statement

RECONCILIATION OF CASH

The total of NT Fleet 'Cash and deposits' of $22.7 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

A) RECONCILIATION OF NET SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	2018 $000	2017 $000
Net Surplus	6 543	7 097
Non-cash items:		
Depreciation and amortisation	17 640	17 076
(Gain)/Loss on disposal of assets	(1 833)	(3 375)
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	(928)	253
Decrease/(Increase) in prepayments	43	(3)
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	143	(33)
(Decrease)/Increase in provision for employee benefits	(58)	5
(Decrease)/Increase in other provisions	(242)	77
(Decrease)/Increase in deferred income	(19)	(307)
Net Cash from Operating Activities	**21 289**	**20 790**

B) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2017-18	1 July $000	Cashflows		Non Cashflows		30 June $000
		Dividends Paid $000	Total cash flows $000	Dividends Declared $000	Total non-cash $000	
Dividends Paid	3 548	(3 548)	(3 548)	3 271	3 271	3 271
Total	**3 548**	**(3 548)**	**(3 548)**	**3 271**	**3 271**	**3 271**

18. Financial Instruments

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

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when NT Fleet becomes a party to the contractual provisions of the financial instrument. NT Fleet's financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. NT Fleet's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk.

A) CATEGORISATION OF FINANCIAL INSTRUMENTS

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

2017-18 Categorisation of Financial Instruments	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	$000	$000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	22 663	-	-	22 663
Receivables[1]	-	-	-	1 662	-	-	1 662
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	**-**	**-**	**-**	**24 325**	**-**	**-**	**24 325**
Deposits held[1]	-	-	-	-	-	-	-
Payables[1]	-	-	-	-	-	2 092	2 092
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**2 092**	**2 092**

[1] Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of Financial Instruments	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	$000	$000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	23 925	-	-	23 925
Receivables[1]	-	-	-	780	-	-	780
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	**-**	**-**	**-**	**24 705**	**-**	**-**	**24 705**
Deposits held[1]	-	-	-	-	-	-	-
Payables[1]	-	-	-	-	-	2 572	2 572
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**2 572**	**2 572**

[1] Total amounts disclosed here exclude statutory amounts

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

• financial assets at fair value through profit or loss
• held-to-maturity investments
• loans and receivables
• available-for-sale financial assets.

Financial liabilities are classified into the following categories:

• financial liabilities at fair value through profit or loss
• financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

• acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
• part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
• a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
• the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a

documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss include deposits held and accounts payable excluding statutory deposits and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

B) CREDIT RISK

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

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

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

Internal Receivables

	Aging of Receivables $000	Aging of Impaired Receivables $000	Net Receivables $000
2017-18			
Not overdue	224	-	224
Overdue for less than 30 days	104	-	104
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**328**	**-**	**328**
2016-17			
Not overdue	52	-	52
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	11	-	11
Overdue for more than 60 days	-	-	-
Total	**63**	**-**	**63**

External Receivables

	Aging of Receivables $000	Aging of Impaired Receivables $000	Net Receivables $000
2017-18			
Not overdue	248	-	248
Overdue for less than 30 days	471	-	471
Overdue for 30 to 60 days	73	-	73
Overdue for more than 60 days	-	-	-
Total	**792**	**-**	**792**
2016-17			
Not overdue	98	-	98
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	6	-	6
Overdue for more than 60 days	-	-	-
Total	**104**	**-**	**104**

C) LIQUIDITY RISK

Liquidity risk is the risk that NT Fleet will not be able to meet its financial obligations as they fall due. NT Fleet's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail NT Fleet's remaining contractual maturity for its financial assets and liabilities.

2018 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing $000	Total $000	Weighted Average %
	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000			
ASSETS									
Cash and deposits	22 658	-	-	-	-	-	5	22 663	1.5
Receivables	-	-	-	-	-	-	1 662	1 662	-
Total Financial Assets	**22 658**	**-**	**-**	**-**	**-**	**-**	**1 667**	**24 325**	**-**
LIABILITIES									
Payables	-	-	-	-	-	-	2 092	2 092	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**2 092**	**2 092**	**-**

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing $000	Total $000	Weighted Average %
	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000			
ASSETS									
Cash and deposits	23 921	-	-	-	-	-	4	23 925	1.52
Receivables	-	-	-	-	-	-	780	780	-
Total Financial Assets	**23 921**	**-**	**-**	**-**	**-**	**-**	**784**	**24 705**	**-**
LIABILITIES									
Payables	-	-	-	-	-	-	2 572	2 572	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**2 572**	**2 572**	**-**

D) MARKET RISK

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

(i) Interest Rate Risk

NT Fleet has limited exposure to interest rate risk as NT Fleet's financial assets and financial liabilities, are non interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk.

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on NT Fleet's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase $000	100 basis points decrease $000
30 JUNE 2018		
Financial assets – cash at bank	227	(227)
Net Sensitivity	**227**	**(227)**
30 JUNE 2017		
Financial assets – cash at bank	239	(239)
Net Sensitivity	**239**	**(239)**

(ii) Price Risk

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

(iii) Currency Risk

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

E) NET FAIR VALUE

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

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

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.
Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by NT Fleet include, but are not limited to, published sales data for land and general office buildings.

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

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

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	Total Carrying Amount $000	Net Fair Value Level 1 $000	Net Fair Value Level 2 $000	Net Fair Value Level 3 $000	Net Fair Value Total $000
2018					
Financial Assets					
Cash and deposits	22 663	22 663	-	-	22 663
Receivables	1 662	1 662	-	-	1 662
Total Financial Assets	**24 325**	**24 325**	**-**	**-**	**24 325**
Financial Liabilities					
Payables	2 092	2 092	-	-	2 092
Total Financial Liabilities	**2 092**	**2 092**	**-**	**-**	**2 092**
2017					
Financial Assets					
Cash and deposits	23 925	23 925	-	-	23 925
Receivables	780	780	-	-	780
Total Financial Assets	**24 705**	**24 705**	**-**	**-**	**24 705**
Financial Liabilities					
Payables	2 572	2 572	-	-	2 572
Total Financial Liabilities	**2 572**	**2 572**	**-**	**-**	**2 572**

There were no changes in valuation techniques during the period.

19. Related Parties

(i) Related Parties

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

- the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of NT Fleet directly;
- spouses, children and dependents who are close family members of the Portfolio Minister or KMP;
- all public sector entities that are controlled and consolidated into the whole of government financial statements;
- any entities controlled or jointly controlled by KMPs or the Portfolio Minister or controlled or jointly controlled by their close family members.

(ii) Key Management Personnel (KMP)

Key management personnel of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include the Minister for Corporate and Information Services, the Chief Executive Officer of DCIS, the Deputy Chief Executive Officer of DCIS and Director of NT Fleet.

(iii) Remuneration of Key Management Personnel

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

The aggregate compensation of key management personnel of NT Fleet is set out below:

	2017-18 $000	2016-17 $000
Short-term benefits	207	211
Post-employment benefits	34	34
Long-term benefits	13	-
Termination benefits	-	-
Total	**254**	**245**

DCIS provides management services to NT Fleet and the amount relating to KMP has been included in the figures above.

iv) Related party transactions
Transactions with Northern Territory Government controlled entities

NT Fleet's primary ongoing source of funding is received from Northern Territory Government controlled entities.

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

2018 Related Party Transactions	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
Related Party	$000	$000	$000	$000
All NT Government agencies	39 699	7 352	1 688	6 573
Associates	-	-	-	-
Subsidiaries	-	-	-	-

2017 Related Party Transactions	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
Related Party	$000	$000	$000	$000
All NT Government agencies	38 093	7 652	717	7 234
Associates	-	-	-	-
Subsidiaries	-	-	-	-

Other related party transactions
Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public, including paying stamp duty and other government fees and charges, and therefore these transactions have not been disclosed. There were no other party transactions to be reported.

20. Contingent Liabilities and Contingent Assets

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2018 or 30 June 2017.

21. Events Subsequent to Balance Date

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

22. Budgetary Information

Comprehensive Operating Statement

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
INCOME				
Sales of goods and services	39 536	38 441	1 095	1
Interest revenue	345	400	(55)	2
Gain on disposal of assets	1 833	3 200	(1 367)	3
Other income	136	140	(4)	
TOTAL INCOME	**41 850**	**42 181**	**(331)**	
EXPENSES				
Employee expenses	2 396	2 879	(483)	4
Administrative expenses				
Purchases of goods and services	12 467	12 872	(405)	
Depreciation and amortisation	17 640	17 203	437	
TOTAL EXPENSES	**32 503**	**32 954**	**(451)**	
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	**9 347**	**9 227**	**120**	
Income tax expense	2 804	2 768	36	
NET SURPLUS	**6 543**	**6 459**	**84**	
COMPREHENSIVE RESULT	**6 543**	**6 459**	**84**	

Notes

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

1. Higher than expected vehicle lease income.

2. Lower interest rates and lower than budgeted cash balance.

3. Lower than expected number of vehicles disposed.

4. Reduced employee expenditure due to transfer of staff to DCIS.

Balance Sheet

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
ASSETS				
Current assets				
Cash and deposits	22 663	26 326	(3 663)	1
Receivables	1 770	1 094	676	
Prepayments	99	139	(40)	
Assets held for sale	1 874	-	1 874	2
Total current assets	**26 406**	**27 559**	**(1 153)**	
Non-current assets				
Property, plant and equipment	101 671	101 660	11	
Total non-current assets	**101 671**	**101 660**	**11**	
TOTAL ASSETS	**128 077**	**129 219**	**(1 142)**	
LIABILITIES				
Current liabilities				
Payables	2 092	3 212	(1 120)	3
Provisions	6 478	6 456	22	
Other liabilities	3	330	(327)	
Total current liabilities	**8 573**	**9 998**	**(1 425)**	
TOTAL LIABILITIES	**8 573**	**9 998**	**(1 425)**	
NET ASSETS	**119 504**	**119 221**	**283**	
EQUITY				
Capital				
Opening balance	565	565	-	
Accumulated funds				
Opening balance	115 667	115 427	240	
Current year surplus(+)/deficit(-)	6 543	6 459	84	
Dividends payable	(3 271)	(3 230)	(41)	
TOTAL EQUITY	**119 504**	**119 221**	**283**	

Notes

The variation between the original budget position and actuals reflects a combination of the adjustment to the opening balance, changes to the budget during 2017-18 and actual transactions during the year.

Major variations include:

1. Lower than anticipated proceeds from sales of assets.

2. Assets held for sale not budgeted and are included in the budget for non-current asset.

3. Lower than expected payables due to timing of vehicle payments.

Cash Flow Statement

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	37 616	38 581	(965)	1
GST receipts	5 245	-	5 245	2
Interest received	345	400	(55)	3
Total operating receipts	**43 206**	**38 981**	**4 225**	
Operating payments				
Payments to employees	(2 456)	(2 879)	423	4
Payments for goods and services	(11 128)	(12 872)	1 744	5
GST payments	(5 292)	-	(5 292)	2
Income tax paid	(3 041)	(2 836)	(205)	
Total operating payments	**(21 917)**	**(18 587)**	**(3 330)**	
Net cash from/(used in) operating activities	**21 289**	**20 394**	**895**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	12 682	17 000	(4 318)	6
Total investing receipts	**12 682**	**17 000**	**(4 318)**	
Investing payments				
Purchases of assets	(31 685)	(32 000)	315	
Total investing payments	**(31 685)**	**(32 000)**	**315**	
Net cash from/(used in) investing activities	**(19 003)**	**(15 000)**	**(4 003)**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	(3 548)	(3 309)	(239)	
Total financing payments	**(3 548)**	**(3 309)**	**(239)**	
Net cash from/(used in) financing activities	**(3 548)**	**(3 309)**	**(239)**	
Net increase/(decrease) in cash held (Including GST)	(1 262)	2 085	(3 347)	
Cash at beginning of financial year	23 925	24 241	(316)	
CASH AT END OF FINANCIAL YEAR	**22 663**	**26 326**	**(3 663)**	

Notes

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

1. Timing in cash receipts from sales of goods and services.
2. GST receipts and payments not included in original budget.
3. Lower interest rates and cash balance in the reporting period.
4. Reduced employee expenditure due to transfer of staff to DCIS.
5. Timing in cash payments for purchase of goods and services.
6. Lower than anticipated proceeds from sales of assets.

DATA CENTRE SERVICES

FINANCIAL REPORT

5c

Financial Statement Overview

For the year ended 30 June 2018

Financial Performance (Comprehensive Operating Statement)

Data Centre Services (DCS) achieved an operating result for 2017-18 of $2.9 million after tax, $0.4 million above budget expectations. This improved operating result has been achieved primarily through lower than expected ICT related expenses for the year.

Revenue was slightly lower than budgeted due to a reduction in demand for services coupled with price reductions in midrange and enterprise storage to reflect

efficiency of services. Expenses were also slightly lower than budgeted in hardware and software expenses due to the timing of acquisitions and a subsequent reduction in depreciation expense for the new Government Data Centre.

DCS has recognised an income tax equivalent of $1.3 million and will return a dividend of $1.5 million to Government for 2017-18.

Table 1: 2017-18 and 2016-17 Actual and Final Budget Performance

	Actual $000		Final Budget $000		Variation $000	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Income	24 873	25 583	25 190	24 941	(317)	642
Expenses	20 695	21 373	21 545	21 534	849	161
Net Surplus before Tax	**4 178**	**4 210**	**3 645**	**3 407**	**532**	**803**
Income Tax Expense	1 253	1 263	1 094	1 022	(159)	(241)
Net Surplus after Tax	**2 925**	**2 947**	**2 551**	**2 385**	**373**	**562**
Other Comprehensive Income	-	-	-	-	-	-
Comprehensive Result	**2 925**	**2 947**	**2 551**	**2 385**	**373**	**562**
Dividend (50%)	1 462	1 474	1 276	1 193	186	281

DCS' financial performance for 2017-18 was consistent with the previous year. The variation in income for 2017-18 was primarily due to price reductions in midrange services.

A reduction in ICT expenditure decreased total expenses in 2017-18.

Table 2: 2017-18 and 2016-17 Actual Performance

	2018 $000	2017 $000	Variation $000
Income	24 873	25 583	(710)
Expenses	20 695	21 373	677
Net Surplus before Tax	**4 178**	**4 210**	**(32)**
Income Tax Expense	1 253	1 263	10
Net Surplus after Tax	**2 925**	**2 947**	**(22)**
Other Comprehensive Income	-	-	-
Comprehensive Result	**2 925**	**2 947**	**(22)**

INCOME

DCS' primary income source is from the provision of information technology services to clients, predominantly government agencies. These services, classified under the income category of goods and services in Table 3 below represented 99.3% of DCS' total income, with the remainder made up of interest and other miscellaneous income.

Income from mainframe services and data centre operations have been stable for the year with a minor reduction in midrange services due to a price reduction achieved through scale and efficiencies.

Table 3: Income by Business Function

Year	Mainframe		Midrange		Enterprise Storage		Data Centre Operations		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%
2017-18	10 724	43.1	8 962	36.0	2 920	11.7	2 267	9.2	24 873	100
2016-17	10 705	41.8	9 568	37.4	3 118	12.2	2 193	8.6	25 583	100

EXPENSES

DCS incurred the majority of its expenditure on ICT related expenses for hardware, software and specialist contractors, with employee expenses the second largest expense category. Property and depreciation expenses have increased from the previous year due to establishment of the new Government Data Centre.

Table 4: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2017-18	9 102	44.0	6 653	32.1	750	3.6	2 210	10.7	1 980	9.6	20 695	100
2016-17	10 526	49.3	6 568	30.7	882	4.1	1 771	8.3	1 626	7.6	21 373	100

ICT expenditure in mainframe services has decreased primarily due to structured software licensing changes. Enterprise storage costs have increased slightly reflecting demand, with other DCS business functions remaining consistent with prior years.

Table 5: Expenses by Business Function

Year	Mainframe		Midrange		Enterprise Storage		Data Centre Operations		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%
2017-18	7 534	36.4	5 971	28.9	2 435	11.8	4 755	22.9	20 695	100
2016-17	8 526	39.9	5 974	28.0	1 934	9.0	4 939	23.1	21 373	100

Figure 1: Expenses ($million) by Business Function
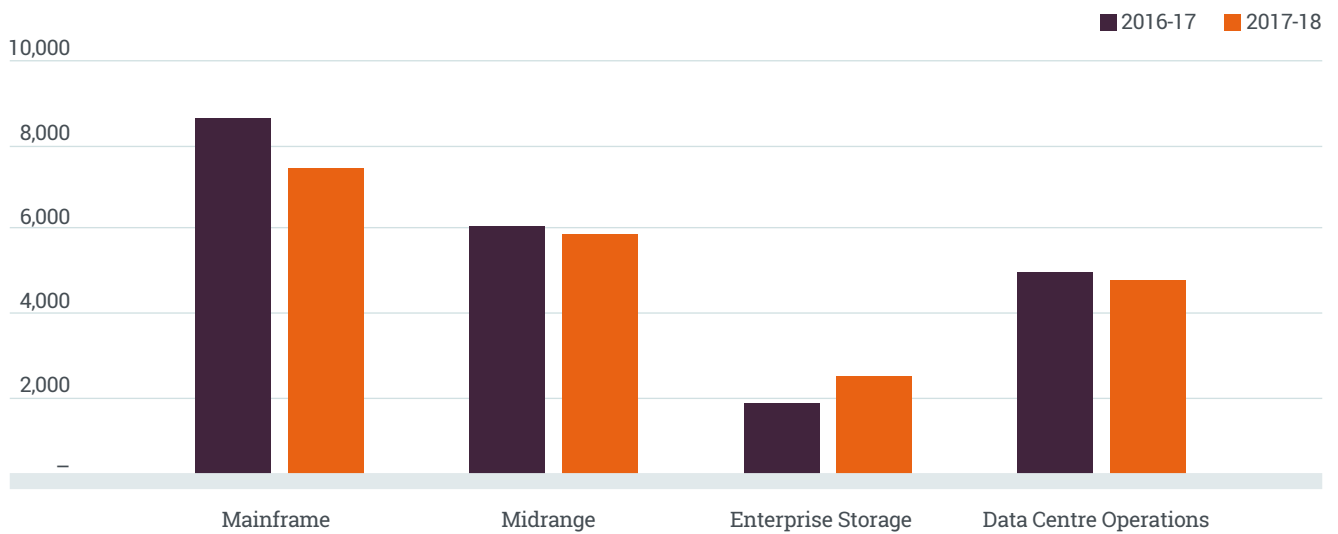
Financial Position (Balance Sheet)

DCS' net financial position at the end of 2017-18 was $21.8 million, which is $1.4 million lower than the previous year. The net decrease reflects the operating result of $2.9 million plus an injection of $0.1 million for the new Government Data Centre less the dividend payable to government of $1.4 million and a $3.0 million special dividend.

The major movements between 2016-17 and 2017-18 relate to a decrease in cash and deposits offset by increased purchases of equipment for the new Government Data Centre.

Major assets at 30 June 2018 included:

- $6.2 million cash and deposits;
- $2.1 million receivables (outstanding service fees);
- $5.7 million prepayments (software licensing and maintenance); and
- $12.2 million property, plant and equipment (including buildings and leasehold improvements).

Major liabilities at 30 June 2018 included:

- $0.6 million payables and accrued expenses;
- $1.3 million income tax expense;
- $1.5 million provision for dividends; and
- $1.0 million provision for employee entitlements.

Table 6: 2017-18 and 2016-17 Actual Financial Position

	2018 $000	2017 $000	Variation $000
ASSETS			
Current Assets	12 441	17 146	(4 705)
Non-Current Assets	13 833	10 657	3 176
TOTAL ASSETS	**26 274**	**27 803**	**(1 529)**
LIABILITIES			
Current Liabilities	4 457	4 549	(91)
Non-Current Liabilities	-	-	-
TOTAL LIABILITIES	**4 457**	**4 549**	**(91)**
NET ASSETS	**21 817**	**23 254**	**(1 438)**
EQUITY	21 817	23 254	(1 438)
TOTAL EQUITY	**21 817**	**23 254**	**(1 438)**
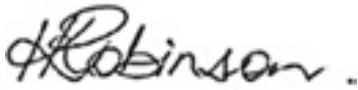
Certification of the Financial Statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018 and the financial position on that date.

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

Kathleen Robinson
Chief Executive
5 September 2018

Rex Schoolmeester
Chief Financial Officer
5 September 2018

Opinion

I have audited the accompanying financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2018, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Data Centre Services as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Information Services is responsible for the other information. The other information comprises the information included in Data Centre Services' financial statement overview for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing Data Centre Services' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Data Centre Services' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Data Centre Services' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Data Centre Services to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

18 September 2018

Comprehensive Operating Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
INCOME			
Sales of goods and services		24 723	25 354
Interest revenue		147	201
Other income		3	28
TOTAL INCOME		**24 873**	**25 583**
EXPENSES			
Employee expenses		6 653	6 568
Administrative expenses			
Purchases of goods and services	3	11 832	13 034
Depreciation and amortisation	8	1 977	1 771
Impairment losses		233	-
TOTAL EXPENSES		**20 695**	**21 373**
SURPLUS BEFORE INCOME TAX		**4 178**	**4 210**
Income tax expense	5	1 253	1 263
NET SURPLUS		**2 925**	**2 947**
COMPREHENSIVE RESULT		**2 925**	**2 947**

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

Balance Sheet

As at 30 June 2018

	Note	2018 $000	2017 $000
ASSETS			
Current Assets			
Cash and deposits	6	6 284	10 817
Receivables	7	2 082	2 513
Prepayments	7	4 075	3 816
Total Current Assets		**12 441**	**17 146**
Non-Current Assets			
Prepayments	7	1 638	2 061
Property, plant and equipment	8	12 195	8 596
Total Non-Current Assets		**13 833**	**10 657**
TOTAL ASSETS		**26 274**	**27 803**
LIABILITIES			
Current Liabilities			
Payables	10	587	510
Income tax liabilities	11	1 253	1 263
Provisions	12	2 617	2 710
Other liabilities	13	-	66
Total Current Liabilities		**4 457**	**4 549**
TOTAL LIABILITIES		**4 457**	**4 549**
NET ASSETS		**21 817**	**23 254**
EQUITY			
Capital	15	1 466	1 366
Accumulated funds	15	20 351	21 888
TOTAL EQUITY		**21 817**	**23 254**

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

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Equity at 1 July $000	Comprehensive result $000	Transactions with owners in their capacity as owners $000	Equity at 30 June $000
2017-18					
Accumulated Funds		21 888	2 925	-	24 813
Dividends payable	12	-	-	(1 462)	(1 462)
Special dividend		-	-	(3 000)	(3 000)
	15	**21 888**	**2 925**	**(4 462)**	**20 351**
Capital – Transactions with Owners		1 366	-	-	1 366
Equity transfers in		-	-	100	100
		1 366	**-**	**100**	**1 466**
Total Equity at End of Financial Year	15	**23 254**	**2 925**	**(4 362)**	**21 817**
2016-17					
Accumulated Funds		20 414	2 947	-	23 361
Dividends payable	12	-	-	(1 473)	(1 473)
	15	**20 414**	**2 947**	**(1 473)**	**21 888**
Capital – Transactions with Owners					
Equity transfers in		1 366	-	-	1 366
	15	**1 366**	**-**	**-**	**1 366**
Total Equity at End of Financial Year		**21 780**	**2 947**	**(1 473)**	**23 254**

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

Cash Flow Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services		25 000	25 635
GST receipts		2 187	2 551
Interest received		151	212
Total Operating Receipts		**27 338**	**28 398**
Operating Payments			
Payments to employees		(6 733)	(6 508)
Payments for goods and services		(11 716)	(16 296)
GST payments		(1 977)	(2 574)
Income tax paid		(1 263)	(1 544)
Total Operating Payments		**(21 689)**	**(26 922)**
Net Cash From Operating Activities	16	**5 649**	**1 476**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(5 709)	(5 719)
Total Investing Payments		**(5 709)**	**(5 719)**
Net Cash Used in Investing Activities		**(5 709)**	**(5 719)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends paid		(4 473)	(1 801)
Total Financing Payments		**(4 473)**	**(1 801)**
Net Cash Used in Financing Activities		**(4 473)**	**(1 801)**
Net decrease in cash held		(4 533)	(6 044)
Cash at beginning of financial year		10 817	16 861
CASH AT END OF FINANCIAL YEAR	6	**6 284**	**10 817**

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

Index of Notes to the Financial Statements

1. Objectives and Funding

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

DCS is funded through income generated by services provided to Northern Territory Government agencies. The financial statements encompass all funds and resources which DCS controls to undertake its functions.

2. Statement of Significant Accounting Policies

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

(i) a Certification of the Financial Statements

(ii) a Comprehensive Operating Statement

(iii) a Balance Sheet

(iv) a Statement of Changes in Equity

(v) a Cash Flow Statement

(vi) applicable explanatory notes to the financial statements.

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

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

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

New and Revised Accounting Standards
The following new and revised accounting standards and interpretations were effective for the first time in 2017-18.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative:

Amendments to AASB 107 Statement of Cash Flows
This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enables users of financial statements to evaluate changes in liabilities arising from financing activities. This disclosure is illustrated in Note 16(b).

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

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

AASB 15 Revenue from Contracts with Customers
AASB 15 Revenue from Contracts with Customers is effective for annual reporting periods beginning on or after 1 January 2018 and will be reported in the financial statements for the first time in 2018-19.

AASB 1058 Income for not-for-profit entities clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

DCS does not expect a material impact from the adoption of this standard.

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

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

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

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

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

C) REPORTING ENTITY
The financial statements cover DCS as an individual reporting entity.

DCS is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act Administrative Arrangements Order.*

The principal place of business of the GBD is: Level 3, Darwin Plaza, Smith Street Mall, Darwin NT 0800.

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

Central Holding Authority
DCS held no Territory items.

E) COMPARATIVES
Where necessary, comparative information for the 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

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

G) CHANGES IN ACCOUNTING POLICIES
There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

H) ACCOUNTING JUDGMENTS AND ESTIMATES
The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to

be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

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

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

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

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

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

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

L) DIVIDENDS

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

M) INCOME RECOGNITION

Income

Income encompasses both revenue and gains.

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

Unearned income is recognised when income is received prior to the transfer of goods and services to a customer.

Sale of Goods

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

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

Rendering of Services

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

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

3. Purchases of Goods and Services

	2018 $000	2017 $000
The net surplus has been arrived at after charging the following expenses:		
Goods and services expenses:		
Contractors and consultants [1]	3 261	3 389
Legal expenses [2]	7	2
Training and study	16	65
Official duty fares	5	3
Travelling allowance	3	2

[1] Includes IT contractors and consultants.
[2] Includes legal fees, claim and settlement costs.

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

	Agency		Agency	
	2018 $000	**No. of Trans.**	**2017** $000	**No. of Trans.**
Write-offs, postponements and waivers under the *Financial Management Act*	233	1	-	-
Amounts written off, postponed and waived by the Treasurer				
Public property written off	233	1	-	-
Total Written Off, Postponed and Waived by Delegates	233	1	-	-

5. Income Tax Expense

	2018 $000	**2017** $000
Prima facie income tax expense calculated at 30% of the surplus before income tax	1 253	1 263
	1 253	**1 263**

6. Cash and Deposits

	2018 $000	**2017** $000
Cash at bank	6 284	10 817
	6 284	**10 817**

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

7. Receivables

	2018 $000	2017 $000
Current		
Accounts receivable	29	85
Less: Allowance for impairment losses	-	-
Interest receivable	10	14
GST receivable	-	86
Other receivables (Accrued Income)	2 043	2 328
Total Receivables	**2 082**	**2 513**

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

The allowance for impairment losses represents the amount of receivables DCS estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 17 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period. This includes software licenses and related software and hardware support services. Perpetual licenses are expensed in the year they are incurred if their expected life and future economic benefit from their usage cannot be reliably determined.

8. Property, Plant and Equipment

	2018 $000	2017 $000
PLANT AND EQUIPMENT		
At cost	11 296	7 851
Less: Accumulated depreciation	(2 294)	(2 039)
	9 002	**5 812**
COMPUTER SOFTWARE		
At cost	2 483	860
Less: Accumulated amortisation	(1 095)	(564)
	1 388	**296**
COMPUTER HARDWARE		
At cost	8 932	9 312
Less: Accumulated depreciation	(7 127)	(6 824)
	1 805	**2 488**
Total Property, Plant and Equipment	**12 195**	**8 596**

2018 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying Amount as at 1 July 2017	5 812	296	2 488	8 596
Additions	3 452	1 623	635	5 710
Disposals/ Impairment losses	-	-	(234)	(234)
Transfers In/Transfers Out	100	-	-	100
Depreciation/ Amortisation	(362)	(531)	(1 084)	(1 977)
Other movements				
Carrying Amount as at 30 June 2018	**9 002**	**1 388**	**1 805**	**12 195**

2017 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

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

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying Amount as at 1 July 2016	2 511	284	1 854	4 649
Additions	3 788	171	1 760	5 719
Disposals/ Impairment losses	-	-	-	-
Transfers In/Transfers Out	-	-	-	-
Depreciation/ Amortisation	(487)	(159)	(1 126)	(1 772)
Other movements	-	-	-	-
Carrying Amount as at 30 June 2017	**5 812**	**296**	**2 488**	**8 596**

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to DCS in future years. DCS expenses license keys associated with computer hardware rather than being capitalised as the future economic benefit derived from the usage of the increased asset capability cannot be reliably assessed or measured. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (Work in Progress)

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

IMPAIRMENT

Impairment of Assets

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

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

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

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

DCS' property, plant and equipment assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

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

	2018	2017
Plant and Equipment	2-10 years	2-10 years
Computer Software	2-10 years	2-10 years
Computer Hardware	2-10 years	2-10 years

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

9. Fair Value Measurement Of Non-Financial Assets

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

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

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

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

DCS does not have any non-current assets at fair value.

10. Payables

	2018 $000	2017 $000
Accounts payable	69	134
Accrued expenses	394	376
GST Payable	124	-
Total Payables	**587**	**510**

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

11. Income Tax Liabilities

	2018 $000	2017 $000
Income tax payable	1 253	1 263
Total Income tax liabilities	**1 253**	**1 263**

12. Provisions

	2018 $000	2017 $000
CURRENT		
Employee benefits		
Recreation leave	878	940
Leave loading	95	105
Other employee benefits	12	11
Other current provisions		
Provision for dividend	1 462	1 473
Provision for fringe benefits tax	2	2
Provision for superannuation	98	106
Provision for payroll tax	70	73
Total Provisions	**2 617**	**2 710**
RECONCILIATIONS OF DIVIDENDS		
Balance as at 1 July	1 473	1 801
Additional provisions recognised	1 462	1 473
Reductions arising from payments	(1 473)	(1 801)
Balance as at 30 June	**1 462**	**1 473**

Data Centre Services employed 58 employees as at 30 June 2018 and 56 employees as at 30 June 2017.

EMPLOYEE BENEFITS

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

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

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

• wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements

• other types of employee benefits.

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

13. Other Liabilities

	2018 $000	2017 $000
CURRENT		
Unearned revenue	-	66
	-	**66**
NON-CURRENT		
Other Liabilities	-	-
	-	**-**
Total Other Liabilities	**-**	**66**

14. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments
Capital expenditure commitments primarily related to the construction of leasehold improvements. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2018		2017	
	Internal $000	External $000	Internal $000	External $000
Within one year	1 000	-	-	1 500
Later than one year and not later than five years	2 000	-	-	-
	3 000	**-**	**-**	**1 500**

(ii) Other Expenditure Commitments
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

	2018		2017	
	Internal $000	External $000	Internal $000	External $000
Within one year	-	-	-	3 249
Later than one year and not later than five years	-	-	-	-
	-	**-**	**-**	**3 249**

15. Equity

Equity represents the residual interest in the net assets of DCS. The Northern Territory Government's ownership interest in DCS is held in the Central Holding Authority.

	2018 $000	2017 $000
CAPITAL		
Balance as at 1 July	**1 366**	**1 366**
Equity Injections		
Equity transfers in	100	-
Balance as at 30 June	**1 466**	**1 366**
ACCUMULATED FUNDS		
Balance as at 1 July	**21 888**	**20 414**
Surplus for the period	2 925	2 947
Dividends payable	(1 462)	(1 473)
Special dividend	(3 000)	-
Balance as at 30 June	**20 351**	**21 888**
Total Equity	**21 817**	**23 254**

16. Notes to the Cash Flow Statement

A) RECONCILIATION OF CASH

The total of DCS 'Cash and deposits' of $6.3 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Surplus to Net Cash from Operating Activities	2018 $000	2017 $000
Net Surplus	2 925	2 947
Non-cash items:		
Depreciation and amortisation	1 977	1 771
Asset write-offs/write-downs	233	-
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	431	174
Decrease/(Increase) in prepayments	164	(2 939)
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	(65)	(360)
(Decrease)/Increase in other payables	142	54
(Decrease)/Increase in provision for employee benefits	(71)	42
(Decrease)/Increase in other provisions	(11)	2
(Decrease)/Increase in income tax liability	(10)	(281)
(Decrease)/Increase in unearned income	(66)	66
Net Cash from Operating Activities	**5 649**	**1 476**

B) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2017-18	1 July $000	Cashflows		Non Cashflows		30 June $000
		Dividends Paid $000	Total cash flows $000	Dividends Declared $000	Total non-cash $000	
Dividends Paid	1 473	(4 473)	(4 473)	4 462	4 462	1 462
Total	**1 473**	**(4 473)**	**(4 473)**	**4 462**	**4 462**	**1 462**

17. Financial Instruments

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

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when DCS becomes a party to the contractual provisions of the financial instrument. DCS' financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. DCS investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk.

A) CATEGORISATION OF FINANCIAL INSTRUMENTS

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

2017-18 Categorisation of Financial Instruments	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	$000	$000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	6 284	-	-	6 284
Receivables[1]	-	-	-	2 082	-	-	2 082
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	**-**	**-**	**-**	**8 366**	**-**	**-**	**8 366**
Deposits held[1]	-	-	-	-	-	-	-
Payables[1]	-	-	-	-	-	463	463
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance Lease Liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**463**	**463**

[1] Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of Financial Instruments	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	**Designated at fair value**					
	$000	$000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	10 817	-	-	10 817
Receivables[1]	-	-	-	2 427	-	-	2 427
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	**-**	**-**	**-**	**13 244**	**-**	**-**	**13 244**
Deposits held[1]	-	-	-	-	-	-	-
Payables[1]	-	-	-	-	-	510	510
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance Lease Liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**510**	**510**

[1] Total amounts disclosed here exclude statutory amounts

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

• financial assets at fair value through profit or loss
• held-to-maturity investments
• loans and receivables
• available-for-sale financial assets.

Financial liabilities are classified into the following categories:

• financial liabilities at fair value through profit or loss
• financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

• acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
• part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
• a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
• the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at FVTPL include deposits held and accounts payable excluding statutory deposits and accrued expenses. Financial assets at FVTPL include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

B) CREDIT RISK

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

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

Receivables

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

Internal Receivables

	Aging of Receivables $000	Aging of Impaired Receivables $000	Net Receivables $000
2017-18			
Not overdue	-	-	-
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**-**	**-**	**-**
2016-17			
Not overdue	50	-	50
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**50**	**-**	**50**

External Receivables

	Aging of Receivables $000	Aging of Impaired Receivables $000	Net Receivables $000
2017-18			
Not overdue	29	-	29
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	**29**	**-**	**29**
2016-17			
Not overdue	26	-	26
Overdue for less than 30 days	6	-	6
Overdue for 30 to 60 days	3	-	3
Overdue for more than 60 days	-	-	-
Total	**35**	**-**	**35**

C) LIQUIDITY RISK

Liquidity risk is the risk that DCS will not be able to meet its financial obligations as they fall due. DCS' approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail DCS' remaining contractual maturity for its financial assets and liabilities.

2018 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing $000	Total $000	Weighted Average %
	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000			
ASSETS									
Cash and deposits	6 284	-	-	-	-	-	-	6 284	1.5
Receivables	-	-	-	-	-	-	2 082	2 082	-
Total Financial Assets	**6 284**	**-**	**-**	**-**	**-**	**-**	**2 082**	**8 366**	**-**
LIABILITIES									
Payables	-	-	-	-	-	-	463	463	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**463**	**463**	**-**

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing $000	Total $000	Weighted Average %
	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000	Less than a Year $000	1 to 5 Years $000	More than 5 Years $000			
ASSETS									
Cash and deposits	10 817	-	-	-	-	-	-	10 817	1.52
Receivables	-	-	-	-	-	-	2 427	2 427	-
Total Financial Assets	**10 817**	**-**	**-**	**-**	**-**	**-**	**2 427**	**13 244**	**-**
LIABILITIES									
Payables	-	-	-	-	-	-	510	510	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**510**	**510**	**-**

D) MARKET RISK

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

(i) Interest Rate Risk

DCS has limited exposure to interest rate risk as DCS' financial assets and financial liabilities, are non interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk.

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on DCS' profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase $000	100 basis points decrease $000
30 JUNE 2018		
Financial assets – cash at bank	63	(63)
Net Sensitivity	**63**	**(63)**
30 JUNE 2017		
Financial assets – cash at bank	108	(108)
Net Sensitivity	**108**	**(108)**

(ii) Price Risk

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

(iii) Currency Risk

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

E) NET FAIR VALUE

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

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

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

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

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

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

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument

- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	Total Carrying Amount $000	Net Fair Value Level 1 $000	Net Fair Value Level 2 $000	Net Fair Value Level 3 $000	Net Fair Value Total $000
2018					
Financial Assets					
Cash and Deposits	6 284	6 284	-	-	6 284
Receivables	2 082	2 085	-	-	2 085
Total Financial Assets	**8 366**	**8 366**	**-**	**-**	**8 366**
Financial Liabilities					
Payables	463	463	-	-	463
Total Financial Liabilities	**463**	**463**	**-**	**-**	**463**
2017					
Financial Assets					
Cash and Deposits	10 817	10 817	-	-	10 817
Receivables	2 427	2 427	-	-	2 247
Total Financial Assets	**13 244**	**13 244**	**-**	**-**	**13 244**
Financial Liabilities					
Payables	510	510	-	-	510
Total Financial Liabilities	**510**	**510**	**-**	**-**	**510**

There were no changes in valuation techniques during the period.

18. Related Parties

(i) Related Parties

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

- the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of DCS directly;

- spouses, children and dependents who are close family members of the Portfolio Minister or KMP;
- all public sector entities that are controlled and consolidated into the all of government financial statements;
- any entities controlled or jointly controlled by KMPs or the Portfolio Minister or controlled or jointly controlled by their close family members.

(ii) Key Management Personnel (KMP)

Key management personnel of DCS are those persons having authority and responsibility for planning, directing and controlling the activities of DCS. These include the Minister for Corporate and Information Services, the Chief Executive Officer of DCIS, the Deputy Chief Executive Officer of DCIS and Director of Data Centre Services.

(iii) Remuneration of Key Management Personnel

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

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

	2017-18 $000	2016-17 $000
Short-term benefits	267	242
Post-employment benefits	29	36
Long-term benefits	-	-
Termination benefits	-	-
Total	**296**	**278**

DCIS provides management services to DCS and the amount relating to KMP has been included in the figures above.

iv) Related party transactions

Transactions with Northern Territory Government controlled entities
DCS' primary ongoing source of funding is received from Northern Territory Government controlled entities.

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

2018 Related Party Transactions Related Party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NT Government agencies	24 288	4 340	2 033	2 909
Associates	-	-	-	-
Subsidiaries	-	-	-	-

2017 Related Party Transactions Related Party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NT Government agencies	25 242	4 546	2 436	3 116
Associates	-	-	-	-
Subsidiaries	-	-	-	-

Other related party transactions
Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

19. Contingent Liabilities and Contingent Assets

DCS had no contingent liabilities or contingent assets as
at 30 June 2018 or 30 June 2017.

20. Events Subsequent to Balance Date

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

21. Budgetary Information

Comprehensive Operating Statement	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
INCOME				
Sales of goods and services	24 723	24 690	33	
Interest revenue	147	300	(153)	1
Other income	3	-	3	
TOTAL INCOME	**24 873**	**24 990**	**(117)**	
EXPENSES				
Employee expenses	6 653	6 923	(270)	
Administrative expenses				
Purchases of goods and services	11 832	11 631	201	
Depreciation and amortisation	1 977	2 716	(739)	2
Impairment losses	233	-	233	3
TOTAL EXPENSES	**20 695**	**21 270**	**(575)**	
SURPLUS BEFORE INCOME TAX	**4 178**	**3 720**	**458**	
Income tax expense	1 253	1 116	137	
NET SURPLUS	**2 925**	**2 604**	**321**	
COMPREHENSIVE RESULT	**2 925**	**2 604**	**321**	

Notes

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

1. Combination of lower interest rates and smaller cash balances.

2. Original budget estimate excessive.

3. Write-off balance of data storage system asset following an
   airconditioner unit failure at the Chan Data Centre.

Balance Sheet

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
ASSETS				
Current assets				
Cash and deposits	6 284	13 689	(7 405)	1
Receivables	2 082	2 684	(602)	2
Prepayments	4 075	2 938	1 137	3
Total current assets	**12 441**	**19 311**	**(6 870)**	
Non-current assets				
Prepayments	1 638	-	1 638	3
Property, plant and equipment	12 195	9 388	2 807	4
Total non-current assets	**13 833**	**9 388**	**4 445**	
TOTAL ASSETS	**26 274**	**28 699**	**(2 425)**	
LIABILITIES				
Current liabilities				
Creditors and accruals	587	815	(228)	
Income tax liabilities	1 253	1 263	(10)	
Provisions	2 617	2 347	270	
Total current liabilities	**4 457**	**4 425**	**32**	
TOTAL LIABILITIES	**4 457**	**4 425**	**32**	
NET ASSETS	**21 817**	**24 274**	**(2 457)**	
EQUITY				
Capital				
Opening balance	1 366	1 366	-	
Equity injections/withdrawals	100	-	100	
Accumulated funds				
Opening balance	21 888	21 606	282	
Current year surplus(+)/deficit(-)	2 925	2 604	320	
Dividends payable	(1 462)	(1 302)	(160)	
Special dividend	(3 000)	-	(3 000)	5
TOTAL EQUITY	**21 817**	**24 274**	**(2 457)**	

Notes

The variation between the original budget position and actuals reflects a combination of the adjustment to the opening balance, changes to the budget during 2017-18 and actual transactions during the year.

Major variations include:

1. The decrease in cash relates to increased expenditure on asset purchases and payment of a special dividend to the Central Holding Authority.

2. Lower than expected receivables at year end.

3. Recognition of non current software and license renewals.

4. Capital expenditure on asset purchases.

5. Special dividend declared.

Cash Flow Statement

	2017-18 Actual $000	2017-18 Original Budget $000	Variance $000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	25 000	24 690	310	
GST receipts	2 187	-	2 187	1
Interest received	151	300	(149)	
Total operating receipts	**27 338**	**24 990**	**2 348**	
Operating payments				
Payments to employees	(6 733)	(6 923)	190	
Payments for goods and services	(11 716)	(11 631)	(85)	
GST payments	(1 977)	-	(1 977)	1
Income tax paid	(1 263)	(1 022)	(241)	
Total operating payments	**(21 689)**	**(19 576)**	**(2 113)**	
Net cash from operating activities	**5 649**	**5 414**	**235**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	(5 709)	(2 120)	(3 589)	2
Total investing payments	**(5 709)**	**(2 120)**	**(3 589)**	
Net cash used in investing activities	**(5 709)**	**(2 120)**	**(3 589)**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	(4 473)	(1 193)	(3 280)	3
Total financing payments	**(4 473)**	**(1 193)**	**(3 280)**	
Net cash used in financing activities	**(4 473)**	**(1 193)**	**(3 280)**	
Net increase/(decrease) in cash held	(4 533)	2 101	(6 634)	
Cash at beginning of financial year	10 817	11 588	(771)	
CASH AT END OF FINANCIAL YEAR	**6 284**	**13 689**	**(7 405)**	

Notes

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

1. GST receipts and payments not included in the original budget.
2. Increase for asset acquisition program relating to new Government Data Centre.
3. Increase due to special dividend paid to the Central Holding Authority.

APPENDICES

6

Appendix I Shared Corporate Services Price List

Service	Cost Measure (in general per monthly charge)	Price ($)
Across Government Contracts		
Across Government Contracts	Per full time employee	3.57
Contract Services		
Contract administration	Per contract issued	1 326.93
Full tender procurement	Per contract issued	5 985.50
Tier 2 quotations	Per quotation issued	113.71
Tier 3 quotations	Per quotation issued	2 084.12
Tender management	Per tender issued	2 373.80
Corporate Reporting		
Human resource corporate reporting	Per full time employee	3.85
General ledger transaction reporting	Per general ledger transaction	0.18
Finance Services		
Payments through interface	Per interfaced payment transaction	0.35
Internet payments	Per internet payment transaction	56.62
Manual payments	Per manual payment transaction	16.98
EIMS	Per EIMS payment processed	9.80
Accounts receivable manual invoices	Per accounts receivable manual invoice processed	49.57
Accounts receivable electronic invoices	Per accounts receivable electronic invoice processed	21.24
Advance cheques/petty cash	Per advance cheque/petty cash transaction	23.40
Accounts receivable RTM receipts	Per issue of electronic accounts receivable RTM receipt	8.26
Accounts receivable bank accounts	Per bank account managed	100.13
Manual receipt	Per manual receipt transaction	32.21
Manual ledger transfer	Per manual ledger transfer invoice	27.04
Credit card management	Per corporate credit card issued	34.48
Tax BAS/GST return	Per line per tax BAS/GST return	0.71
FBT return	Per line per tax FBT return	27.28
Payroll tax return	Per cost code per payroll tax return	8.78
Financial systems	Percentage data storage/usage	7 106.25
Asset disposals	Number of asset disposals	81.50
Asset additions	Number of new asset additions	92.13
Asset records maintenance	Number of assets in financial register	5.48

Service	Cost Measure (in general per monthly charge)	Price ($)
Human Resource Services		
Entry level recruitment	Number of entry-level administrative staff employed in billing month	6.67
Employment programs	Number of apprentices/trainees employed in month	679.53
Human resource system	Number of paid employees	30.97
Job evaluation services	Per position evaluated under JES system	186.33
Payroll services	Number of paid employees	14.86
Payroll manual transactions	Number of manual payroll transactions processed	13.36
Payroll auto transactions	Number of automatic payroll transactions processed	3.71
Employee commencements	Number of employee commencements processed	349.12
Payroll terminations	Number of employee cessations processed	290.44
Recruitment advertising	Per advertising request	280.74
Recruit temporary/nominal move	Per temporary or nominal move	20.28
Executive Contract Officers	Number of paid Executive Contract Officers	70.93
ICT Services		
Agency Services Manager	Per allocation of ICT managers	10 471.63
Agency Services Director	Per allocation of ICT directors	14 930.39
Security	Per ICT equipment	4.23
ICT contract management	Per ICT equipment	3.47
Property Management		
Leased property management	Per square metre of leased building	1.17
Records System Services		
TRM administration	Per full time employee	1.67

Appendix II Audits by the Auditor-General

For the Year Ended 30 June 2018

DCIS End of Year Review (Shared Services) for the year ended 30 June 2017

AUDIT OBJECTIVE To review the adequacy of selected aspects of end of financial year controls over accounting and material financial transactions performed by DCIS on the behalf of Northern Territory Government Agencies. The audit focused on:

- June journal entries
- end-of-year receipting
- prescribed ledger completion processes
- annual leave and long service leave data provided by Personnel Information Payroll System
- trust accounts
- controls and processes applied by DCIS to capture year end balances.

AUDIT OUTCOME No significant weaknesses in controls were identified during the audit, and accounting and control procedures examined in relation to the end of financial year processes were found to be generally satisfactory. No major matters were identified during the audit.

ACTION No action required.

DCIS End of Year Review for the year ended 30 June 2017

AUDIT OBJECTIVE To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances for DCIS with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statements (TAFS).

The review focused on the accrual accounting aspects of the 30 June 2017 financial data contained in the agency's

Government Accounting System (GAS) general ledger and consolidated by the Department of Treasury and Finance into the TAFS.

AUDIT OUTCOME No matters were identified during the audit.

ACTION No action required.

NT Fleet Financial Statement Audit for the year ended 30 June 2017

AUDIT OBJECTIVE To conduct sufficient audit work to form an opinion on the financial statements of NT Fleet for the year ended 30 June 2017.

AUDIT OUTCOME An unmodified audit opinion was issued on the financial statements of NT Fleet. No matters were identified during the audit.

ACTION No action required.

Data Centre Services Financial Statement Audit for the year ended 30 June 2017

AUDIT OBJECTIVE To conduct sufficient audit work to form an opinion on the financial statements of Data Centre Services for the year ended 30 June 2017.

AUDIT OUTCOME An unmodified audit opinion was issued on the financial statements of Data Centre Services. One matter was identified during the audit:

- accounting treatment of license and software expenditure requires further consideration.

ACTION Independent advice has been received on the accounting treatment for licenses and software which will form the basis for an internal guideline and processes to strengthen compliance with Australian Accounting Standards.

Asset Management System Audit

AUDIT OBJECTIVE To assess the effectiveness of general computer controls relating to ASNEX, specifically focussing on the ongoing development of ASNEX.

AUDIT OUTCOME No matters were identified during the audit.

ACTION No action required.

DCIS Governance Framework – Lighthouse Review

AUDIT OBJECTIVE To gain an understanding of the systems and processes NT Government agencies have in place to manage governance arrangements and demonstrate effective governance controls are in place and operational. The audit focused on:

- performance orientation
- openness, transparency and integrity
- effective collaboration.

AUDIT OUTCOME Whilst the agency has a variety of robust systems and processes in place to manage its governance arrangements and has demonstrated that effective governance controls are in place and operational, the review identified seven better practice observations providing opportunities to enhance the agency's systems and processes.

OBSERVATIONS

- timely updating of documentation
- self-assessment of committees' performance
- enhance identification, monitoring and testing of compliance with legislation
- formally map stakeholders
- centralised program to facilitate two-way interaction with key stakeholders and the public
- enhance the Disclosure of Interest form to include evidence of review
- enhance employees' understanding of conflicts of interest.

ACTION Work is continuing to incorporate relevant observations into DCIS' governance framework.

DCIS Governance over Cloud Services

AUDIT OBJECTIVE To assess the adequacy of governance and oversight of cloud services including:

- policies and procedures
- risk assessment approach and toolkits
- definition of key architectural standards and patterns
- cloud vendor management
- security event logging and monitoring
- management of personal cloud services risk.

AUDIT OUTCOME The review did not identify any issues or control weaknesses. The review made five recommendations for DCIS to consider in embedding the Cloud Services Policy across government:

- analyse outcomes of agency survey of cloud services
- compile a central register of external cloud services
- define whether existing cloud services should be retrospectively assessed
- consider delivering formal training to agency staff
- consider establishing across government contracts for cloud services.

ACTION

- Agency survey results are being analysed to better understand and improve cloud services management across government.
- Agencies will be reminded of the need to also record cloud service applications in the NTG's central Business Applications Register.
- DCIS will consult with agencies to determine staff training requirements regarding application of the Cloud Services Policy, if required, training will be delivered to assist agencies.
- Potential application of the policy to agency pre-existing arrangements will be referred to the ICT Leadership Group and ICT Governance Board for consideration and advice.

DCIS Performance Management System Audit – Grants Management System – Progress of Whole of Government System

AUDIT OBJECTIVE To assess the performance management system/s in place in DCIS that enable it to manage the design and implementation of the across government technology-based grants management system (GrantsNT).

AUDIT OUTCOME The evidence provided during the audit demonstrated that DCIS:

- had developed a robust performance management system to enable it to manage the design and implementation of the across government GrantsNT system
- the business case was well-presented and appropriately detailed
- robust governance framework implemented and actively applied during the project
- extensive communication with agencies managing grants, other NTG stakeholders and non-government sectors during project requirements and architecture phases
- performance monitoring of the project resulting in it being well managed with independent quality assurance
- sound budget management.

The audit also noted that DCIS was developing a coordinated across government approach for implementation of the GrantsNT system and recommended clearly defined process and responsibilities for implementation, with agencies to work closely with DCIS.

The audit included a separate component relating to grants administration, framework and policy which does not involve DCIS.

ACTION Development of the GrantsNT system is completed, with positive feedback from stakeholders.

A comprehensive implementation plan has been developed in consultation with agencies. The implementation phase commences in third quarter 2018 and will extend for at least 12 months.

Government Accounting System (GAS) Controls Audit for the year ended 30 June 2018

AUDIT OBJECTIVE To determine whether there is reasonable assurance that there are satisfactory internal controls for central maintenance of GAS and financial services provided to agencies, and adequate and effective communication with agencies on functions performed for them, including:

• ledger reconciliation

• financial reporting

• accounts payable processing

• accounts receivable, including collection of public money and Operating Accounts

• advances and Official Bank accounts

• preparation of the NT Government Business Activity Statement for Goods and Services Tax (GST).

AUDIT OUTCOME Audit procedures performed confirmed generally satisfactory internal controls relating to the central maintenance of GAS and financial services provided to agencies. Three matters were identified during the audit:

• Three instances (sample of 22) of a control weakness in relation to the cash receipt clearing account reconciliation process for deposits older than four weeks due to an interface issue from the Department of Trade, Business and Innovation's licencing system (LORIS) to GAS.

• user access to both Accounts Payable and Vendor modules was incorrectly provided to an employee resulting in inadequate segregation of duties in GAS for a period.

• GAS profile reports, due six monthly, were not sent out to agencies in the last half of 2017 in accordance with standard operating procedures to assist agencies to review agency employee system access.

ACTION DCIS investigated and identified isolated issues in relation to the specifications of LORIS refund journals which resulted in interface issues between LORIS and GAS. System fixes are being determined with manual processes occurring to ensure transactions are reconciled.

DCIS rectified the employee access at time of audit with additional segregation of duties checks incorporated in procedures and staff reminded of requirements. Work is progressing to investigate a system solution to prevent conflicting roles.

A new module has been implemented in the DCIS ticketing system which auto-generates tasks on a recurrent basis ensuring access and other control reports are completed and provided as required in Standard Operating Procedures.

NT Fleet Interim Financial Statements Audit 2017-18

AUDIT OBJECTIVE To facilitate the end of year audit of the NT Fleet financial statements required by section 10 of the *Financial Management Act*; identify and examine any significant new issues impacting on the audit for the year end; and in accordance with section 13 of the *Audit Act*, address any control and compliance issues arising from an examination of the accounts and records.

AUDIT OUTCOME The accounting and internal procedures relating to NT Fleet's activities were found to be generally satisfactory. No matters were identified.

ACTION No action required.

IT Control Environment Review

AUDIT OBJECTIVE To understand, risk assess and test the internal control structure within the service-wide IT mainframe environment at DCIS/Data Centre Services with particular reference to mainframe operations for the Government Accounting System (GAS) , Personnel Information and Payroll System (PIPS), and Payroll and Payment Management System (PAPMS).

Activities in scope for the audit included considering the:

• design and operating effectiveness of access management controls including controls over the appropriateness of security roles provided in GAS, PIPS and PAPMS

• key controls relating to operations administration and backups

• application security including password management and privileged user access management

• physical security.

AUDIT OUTCOME One matter was identified:

• a disaster recovery test of the recovery of the GAS, PIPS and PAPMS applications from tape had not been performed by Data Centre Services within the review period, and Data Centre Services was unable to confirm timing of previous testing.

ACTION DCIS is working with Data Centre Services to implement periodic tests of the disaster recovery processes for GAS, PIPS and PAPMS to ensure applications can be recovered and are functional from a backup source. This testing needs to be planned around milestones for the Data Centre Transition Program.

PIPS Controls Compliance Audit for the year ended 30 June 2018

AUDIT OBJECTIVE To determine whether there is reasonable assurance that there are satisfactory internal controls for the PIPS payroll and leave recording functions provided to agencies and adequate and effective communication with agencies on functions performed for them, including:

- accuracy and reliability of payroll and leave information held in PIPS
- procedures deter and protect against fraud
- process for prompt identification of overpayments and process for recovery.

AUDIT OUTCOME The audit procedures performed showed generally satisfactory internal controls in relation to PIPS payroll and leave recording functions provided to agencies. Two audit matters were identified:

- internal control procedures performed by Payroll and Employment Services could be enhanced
- resolution of the 'Manual Payment Audit – Action Plan' in relation to the large salary error made was still in progress.

ACTION DCIS is continuing to educate and promote requirements to employees regarding internal controls, and has a dedicated program to examine and update Payroll and Employment Services Standard Operating Procedures. Most of the identified matters are due to timing delays, including actions required by agencies.

An internal business process review has been undertaken with actions identified to strengthen processes and reduce the risk of overpayments. Actions taken include:

- re-examination of all high value salary payments in 2017-18 to the time of audit, with all confirmed as accurate
- enhancements to exception and control reports
- enhancements to system messages, alerts and confirmation actions
- provision of refresher training for staff with audit control responsibilities.

DCIS is examining opportunities to improve the electronic capture and reporting of error adjustments and overpayments.

A Shared Services Assurance and Improvement governance committee has been established to oversight implementation actions, consider further system, process and reporting improvements and coordinate compliance programs.

Agency Compliance Audit for the year ended 30 June 2018

AUDIT OBJECTIVE To examine selected aspects of the systems in use by DCIS as required in particular by Treasurer's Directions Part 3, Section 1, and the Procurement Directions, with the objective of obtaining reasonable assurance that those selected requirements were being achieved.

AUDIT OUTCOME The accounting and control procedures examined provide reasonable assurance that the responsibilities of the Accountable Officer will be met if those systems continue to operate in the manner identified in the audit. No matters were identified.

ACTION No action required.

Appendix III Internal Audit/Review

For the Year Ended 30 June 2018

CABINET INFORMATION SECURITY

OBJECTIVE Annual review of the department's Cabinet information access and handling controls, accountability and security culture.

FINDINGS Review confirmed compliance with Cabinet Handbook.

ACTION No action required.

OFFICIAL TRAVEL

OBJECTIVE Assess department travel transactions for compliance with the Travel Policy Framework, legislation and policies.

FINDINGS All TRIPS movement requisitions (MRs) were reviewed and compliance with the Travel Policy was generally satisfactory with some minor non-compliance instances:

- Two of 209 MRs not approved in TRIPS prior to travel commencement – confirmed prior approval given.
- Six of 209 MRs not approved by the appropriate delegate.
- 61 of 209 MRs acquitted more than 10 days after travel.

ACTIONS Specific business areas were reminded of Travel Policy requirements. Training and feedback provided to improve awareness. Further information incorporated into the Accounting and Property Manual to guide staff. Acquittal of MRs is monitored and follow up action taken in a timely fashion. Delegations for approval of amendments improved to mitigate processing delays.

AIR SERVICE PROVIDERS TO NTG

OBJECTIVE Undertake an operational and technical audit, assessing compliance of the aviation contractors on government's aviation services panel.

FINDINGS Audits of 24 air service providers were completed. All providers met the NTG Aviation Operations Specifications. Issues identified were limited to minor matters including:

- adequacy of insurance liability coverage for aircraft
- satellite phones for aircraft
- documented processes to verify pilots outback flying experience.

ACTIONS Corrective action, including insurance requirements and processes to ensure pilots have adequate outback flying experience, were resolved quickly with no impact to services. Matters relating to contract requirements were identified for consideration in developing the next contract.

EMPLOYEE ASSISTANCE PROGRAM

OBJECTIVE Assess contractor compliance with key contract requirements regarding delivery of employment assistance programs to NTG.

FINDINGS Overall compliance with contract requirements and expected practice appears strong and has improved since the previous audit. Findings included:

- some instances of non-compliance with invoicing and reporting requirements identified
- process issues in relation to EAP entitlements
- contract management processes not always followed.

ACTIONS Issues relating to compliance with contract requirements, including invoicing were discussed with contractors at May and September 2018 contract management meetings. Contract management processes and EAP entitlements will be considered in developing next panel contract.

BUSINESS CONTINUITY PLAN (BCP) TESTING

OBJECTIVE Determine whether BCPs for key business units and relevant ICT Service providers are adequate and responsible staff are able to respond to a disruption to business.

FINDINGS Testing confirmed effective business continuity management programs are in place. There were six opportunities noted to further enhance, streamline and develop practices to strengthen the programs.

ACTIONS Actions completed and ongoing commitment to improving practices with respect to incident assessment, communications, planning impact analysis and staff preparedness. Further testing to be undertaken in 2018-19.

PROCUREMENT ASSESSMENT

OBJECTIVE Test compliance with the Procurement Rules, including assessment of the effectiveness of DCIS' implementation of the Buy Local Plan; incorporating compliance with local content requirements within a broader audit focus.

FINDINGS Independent review determined department controls have been designed effectively and are underpinned by governance procedures. Two instances were identified where procurement policies were not adhered to:

- a tier 2 procurement incorrectly went to market as a tier 1
- a NT Fleet asset was replaced under a maintenance contract.

ACTIONS Feedback and education was provided to both business areas including, need for market research during the planning stage; assessment to determine numbers of quotations for tier suppliers; and requirement for a specific procurement activity for supplies. Training sessions were delivered by the Chief Procurement Officer across the department and will be conducted on a regular basis.

CORPORATE CREDIT CARD (INCLUDING CABCHARGE) REVIEW

OBJECTIVE Analyse DCIS, NT Fleet and DCS corporate credit card and cab charge transactions for 2016-17 to assess compliance with legislation, NTG procurement policy; TDs; NTG Credit Card Policy and DCIS Accounting and Property Manual.

FINDINGS The review confirmed satisfactory controls and processes are in place with no inappropriate use or fraud identified. A sample of 88 transactions from a population of 1049 transactions was tested with two matters identified:

- purchase of a desk did not comply with Territory Enterprise requirements
- approval for payment of one transaction occurred after the payment was made.

ACTIONS The Chief Procurement Officer delivered training sessions across the department, which are to be conducted on a regular basis. The relevant business unit and card holder was reminded of the requirement to comply with credit card policy and processes.

PROCUREMENT AUDIT

OBJECTIVE Audit compliance with legislation, policy and procedures for all tier procurement activities, including Value for Territory.

FINDINGS The independent audit confirmed the department has a strong commitment to compliance and continuous improvement, with skilled individuals and robust processes for procurement. Two exceptions were identified for low value procurements:

- one instance from sample of 26 tier 1 and 2 transactions did not consult ICNNT to identify potential Territory Enterprises prior to inviting offers from outside the Territory
- one instance from sample of 26 tier 1 and 2 activities without evidence of adequate assessment.

ACTIONS Feedback and education was provided to areas identified during the audit. The Chief Procurement Officer delivered training sessions across the department, which are to be conducted on a regular basis.

PROCUREMENT REVIEW

OBJECTIVE Review of NT Fleet's tier 1 procurements to assess compliance with procurement rules, including implementation of the Buy Local Plan.

FINDINGS All of the sampled 50 transactions reviewed met the Buy Local requirements. Matters identified for action included:

- prior approval not evidenced for 12 of 50 transactions sampled
- 20 out of 50 transactions recorded an approval stamp but the delegate could not be clearly identified.

ACTIONS Feedback and education was provided to NT Fleet and officers attended training provided by the Chief Procurement Officer. Recommendations provided to improve controls were accepted, including procedures updated and record keeping and documentation requirements improved.

SALARY OVERPAYMENT REVIEW

OBJECTIVE Assess factors that contributed to significant overpayment error and identify additional controls or enhancements to current controls.

FINDINGS The review identified process improvements assist to mitigate the risk of manual salary errors, including changes to certification, additional quality assurance and independent review processes, better exception reporting and management review, continuing automation programs.

ACTIONS Multiple actions have been completed or progressed, including:

- reporting enhancements for payroll exception and control reports
- system enhancements for messages, alerts and confirmation actions
- process enhancements for manual transaction certification, workflow and additional independent checking
- refresher training provided for payroll staff with audit control responsibilities
- examining opportunities to improve the electronic capture and reporting of salary errors
- Shared Services Assurance and Improvement governance committee established to oversight implementation of actions; consider further system, process and reporting improvements; and coordinate compliance programs.

Appendix IV Department Insurance Claims

Departmental Self Insurance

Risk Category	Number of claims		Value of claims ($)		Average cost of claims ($)	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Workers compensation[1]	6	7	24 261	182 572	4 044	26 081
Motor vehicles	3	5	3 428	8 894	1 143	1 779

[1] Figures provided are for all submitted claims during the financial year, including new, ongoing and finalised claims.

Government Business Division Commercial Insurance

NT FLEET

Risk Category	Number of claims		Value of claims ($)		Average cost of claims ($)	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Workers compensation	-	-	-	-	-	-
Motor vehicles	-	1	-	227	-	227

DATA CENTRE SERVICES

Data Centre Services has lodged one claim on its commercial insurance in 2017-18 (no claims in 2016-17) relating to faulty equipment in the new data centre during commissioning phase. This claim was not settled by 30 June 2018 and will be reported in the 2018-19 Annual Report.

Appendix V Accommodation Costs for Non-Government Organisations

For the Year Ended 30 June 2018

Non-Government Organisation	Building	Supporting Agency	Cost ($)
Adult Mental Health Team	Civic Plaza, Palmerston	Top End Health Services	70 700
Amateur Fishermen's Association of the Northern Territory	Malak Shopping Centre, Malak	Department of Primary Industry and Resources	43 400
Association of Independent Schools of the Northern Territory	NAB Building, Darwin	Department of Education	79 300
Australia Day Council	NAB Building, Darwin	Department of the Chief Minister	56 100
Bushmob	CfAT Building, Alice Springs	Department of Health	206 700
Camp Quality / CanTeen	82 Wood Street, Darwin	Department of Health	38 700
Cancer Council of the Northern Territory	Anangu House, Alice Springs	Department of Health	32 500
Cancer Council of the Northern Territory	Casi House, Casuarina	Department of Health	52 500
Cancer Council of the Northern Territory	Katherine Government Centre, Katherine	Department of Health	8 300
CREATE Foundation	Anangu House, Alice Springs	Territory Families	10 200
Deaf NT Inc.	Casuarina Plaza, Casuarina	Department of Health	17 100
Down Syndrome Association of NT Inc.	Rapid Creek Shopping Centre, Rapid Creek	Department of Health	26 650
Duke of Edinburgh's Award NT Division	Goyder Centre, Palmerston	Department of Education	29 950
Genealogical Society of the Northern Territory Inc.	84 Smith Street, Darwin	Department of Tourism and Culture	45 000
Girls Academy	Goyder Centre, Palmerston	Department of Education	7 500
Good Beginnings	Randazzo Centre, Katherine	Department of Health	34 200
Heart Foundation NT	Darwin Central, Darwin	Department of Health	62 700
Keep Australia Beautiful Council Northern Territory	NAB Building, Darwin	Department of the Chief Minister	13 900
SIDS & Kids NT	Rapid Creek Shopping Centre, Rapid Creek	Department of Health	14 800
L'here Artepe Aboriginal Corporation	Leichhardt Building, Alice Springs	Department of the Chief Minister	33 100
Life Education	Goyder Centre, Palmerston	Department of Education	15 000

Non-Government Organisation	Building	Supporting Agency	Cost ($)
Multicultural Council of the Northern Territory Inc. and Multilingual Broadcasting Council Northern Territory Inc.	Malak Shopping Centre, Malak	Department of the Chief Minister	101 140
Multicultural Community Services of Central Australia Inc.	Youth and Community Centre, Alice Springs	Department of the Chief Minister	44 000
Northern Territory Badminton Association Inc.	19 Albatross Street, Winnellie	Department of Tourism and Culture	165 360
Northern Territory Council of Government School Organisations	Ethos House, 270 Trower Road, Casuarina	Department of Education	27 250
Northern Territory Council of Social Services Inc.	Anangu House, Alice Springs	Territory Families	20 170
NT Friendship and Support, Disability Respite Centre	Randazzo Centre, Katherine	Department of Health	17 100
Pensioners Workshop Association Inc.	48 Albatross St, Winnellie	Department of the Chief Minister	33 500
Red Cross	Tennant Creek Government Centre	Department of Infrastructure, Planning and Logistics	Nil
Red Cross Drop in Centre	Casuarina Recreation Centre, Casuarina	Department of Tourism and Culture	94 800
Top End Women's Legal Service Inc.	17 Lindsay Street, Darwin	Department of the Attorney-General and Justice	66 500
Industry Skills Advisory Council	The Avenue, Parap	Department of Trade, Business and Innovation	224 250
Victims of Crime NT Inc.	NAB Building, Darwin	Department of the Attorney-General and Justice	89 200
YMCA of the Top End	Satepak House, Palmerston	Department of Tourism and Culture	120 000
Total expenditure			**1 901 570**

Appendix VI Gifted and Loaned Vehicles

Gifted Vehicles	$ (GST Inc)
Larrakia Nation Aboriginal Corporation	24 660
Sub Total	**24 660**

Loaned Vehicles	$ (GST Inc)
Barunga Festival	4 873
Bush Bands Program Alice Springs	6 775
Camp Quality	938
Classic Outback Trial	3 994
Corrugated Iron Youth Arts	6 749
Darwin Aboriginal Arts Fairs	3 193
Darwin Festival	53 462
Freds Pass Rural Community Show Inc	2 080
Incite Arts, Alice Springs	997
Katherine Regional Arts	4 387
Midnight Basketball Darwin	10 039
Music NT/ Saltwater Divas Darwin	1 277
Music NT/Sista Sounds	8 077
Music NT/Regional Areas Music Program	3 335
National Indigenous Music Awards	1 971
Nightcliff Seabreeze Festival	3 855
NT Writers Festival	3 076
Remote Media Festival	1 601
Scouts Australia NT Branch	4 734
SIDS & Kids NT	9 218
Skinnyfish Music for Beat the Grog	1 054
Finke Desert Race	17 956
Teachabout	10 127
The Redback and Run Larapinta Stage Race	5 269
Tracks Dance Company	5 718
Yothu Yindi Foundation of Garma Festival	38 589
Sub Total	**213 344**
Total Value of Gifted and Loaned Vehicles	**238 004**

Appendix VII ICT Governance Board Membership

As at 30 June 2018

Ms Kathleen Robinson
Chief Executive, DCIS (Chair)

Mr Craig Allen
Commissioner for Public Employment,
Office of the Commissioner for Public Employment

Mr Alister Trier
Chief Executive,
Department of Primary Industry and Resources

Mr David Braines-Mead
Deputy Under Treasurer,
Department of Treasury and Finance

Mr Andrew Cowan
Deputy Chief Executive,
Department of the Chief Minister

Ms Sibylle Brautigam
Deputy Chief Executive,
Department of Trade, Business and Innovation

Ms Meredith Day
Acting Chief Executive,
Department of the Attorney-General and Justice.
Mr Craig Smyth proxy for Ms Day.

Mr Grant Nicholls
Deputy Commissioner,
Capability and Specialist Services,
Northern Territory Police, Fire and Emergency Services

Ms Lisa Watson
Deputy Chief Executive,
Governance and Business Services,
Department of Health

Mr Chris Hosking
Deputy Chief Executive,
DCIS (Chair of the Security Leadership Group)

Ms Sandie Matthews
Executive Director Digital Government,
DCIS (Chair of the ICT Leadership Group)

Secretariat services are provided by the
Office of Digital Government, DCIS.

Appendix VIII MIAC and MDAC Membership

Ministerial Digital Advisory Council Membership

AS AT 30 JUNE 2018

Mr Steven Rowe (Chair)

Mr Richard Baker

Ms Jude Ellen

Ms Lauren Ganley

Mr Daniel Gerich

Mr Kevin Grey

Ms Karen Hawkes

Dr Steven Rogers

Mr Simon Watt

Ms Barbara White

Ms Sharmila Pakaraja (AISA representative)

Mr Benjamin Smith (ACS representative)

Ms Wilma Weaver (itSMF representative)

Mr Scott Wright (ICTNT representative)

Ms Sandie Matthews (NTG representative)

Ms Kathleen Robinson (NTG representative)

Secretariat services are provided by the Office of Digital Government, DCIS

FORMER MINISTERIAL ICT ADVISORY COUNCIL (MIAC) MEMBERS

The Ministerial ICT Advisory Council was replaced with MDAC on 16 May 2018. Previous members of MIAC are represented below:

Mr Steven Rowe (Chair)

Mr Richard Baker

Ms Magdaline Coleman

Mr Daniel Davis

Professor Friso De Boer

Ms Jude Ellen

Ms Karen Hawkes

Dr Steven Rogers

Mr Simon Watt

Mr Benjamin Smith (ACS representative)

Mr Scott Wright (ICTNT representative)

Ms Kathleen Robinson (NTG representative)

Appendix IX Glossary

Acronym	In full
AASB	Australian Accounting Standards Board
ACS	Australian Computer Society
ADSL	Asymmetric digital subscriber line
AECDS	Aboriginal Employment and Career Development Strategy
AEP	Aboriginal Employment Program
AIS	Asset Information System
AISA	Australian Information Security Association
AMS	Asset Management System
ANCAP	Australasian New Car Assessment Program
ANZLIC	Australia and New Zealand Land Information Council
AOTA	Accountable Officer's Trust Account
APRO	Agencies Purchase Requisitions Online
ASNEX	Asset Systems Nexus
ATO	Australian Taxation Office
ATSIEP	Aboriginal and Torres Strait Islander Employment Aspirations Program
BAR	Business Application register
BAS	Business activity statement
BAU	Business as usual
BCP	Business Continuity Plan
BDC	Back up data centre
BDR	Banned Drinker Register
BOXI	Business Objects XI (NTG's Finance and HR Reporting Solution)
BP	Business Plan
CARS	Client Acquisition Requisition System
CfAT	Centre for Appropriate Technology
CBD	Central Business District
CCIS	Community Care Information System
CCSRP	Core Clinical Systems Renewal Program
CDU	Charles Darwin University
CE	Chief Executive
CIO	Chief Information Officer
CPSU	Community and Public Sector Union
CSS	Commonwealth Superannuation Scheme
DCIS	Department of Corporate and Information Services

Acronym	In full
DCM	Department of the Chief Minister
DCS	Data Centre Services
DHCD	Department of Housing and Community Development
DIPL	Department of Infrastructure, Planning and Logistics
DoH	Department of Health
DTBI	Department of Trade, Business and Innovation
DTC	Department of Tourism and Culture
DTF	Department of Treasury and Finance
ECMS	Electronic Card Management System
EDI	Electronic Data Interchange
EEO	Equal Employment Opportunities
EIMS	Electronic Invoice Management System
ELG	Executive Leadership Group
EMB	Executive Management Board
ePass	Northern Territory Government's Identity Management System
EPS	Enterprise Project Services
EPU	Employment Programs Unit
EV	Electronic Vehicles
FBT	Fringe Benefit Tax
FOI	Freedom of Information
FTE	Full time equivalent
FVTPL	Fair Value Through Profit or Loss
GAS	Government Accounting System
GBD	Government Business Division
GDC	Government Data Centre
GITAA	Geospatial Information technology Association of Australia
GOC	Government Owned Corporations
GST	Goods and Services Tax
GTNT	Group Training Northern Territory
HR	Human Resources
IBIS	Internal Billing Invoice System
ICAC	Independent Commissioner Against Corruption
ICT	Information and Communications Technology

Acronym	In full
ICTNT	ICT Industry Association of the Northern Territory
IGB	ICT Governance Board
ILG	ICT Leadership Group
IMC	Information Management Committee
IP	Innovation Program
IRG	Incident Response Group
itSMF	IT Service Management Forum
JES	Job Evaluation System
KMP	Key Management Personnel
KPI	Key Performance Indicator
LIG	Location Intelligence Group
LORIS	Licensing System
MDAC	Ministerial Digital Advisory Council
MFD	Multi-Function Device
MIAC	Ministerial ICT Advisory Council
MIPS	Million Instructions Per Second
MLA	Member of the Legislative Assembly
MOG	Machinery of Government
NAB	National Australia Bank
NABERS	National Australian Built Environment Rating System
NAIDOC	National Aboriginal and Islander Day Observance Committee
NBN	National Broadband Network
NP	National Partnership
NT	Northern Territory
NTAGO	Northern Territory Auditor-General's Office
NTG	Northern Territory Government
NTGPASS	NT Government and Public Authorities' Superannuation Scheme
NTPFES	Northern Territory Police, Fire and Emergency Services
NTPS	Northern Territory Public Sector
NTTC	Northern Territory Treasury Corporation
OCPE	Office of the Commissioner for Public Employment
PAPMS	Payroll and Payment Management System
PHEV	Plug in Hybrid Electric Vehicles

Acronym	In full
PIPS	All-of-Government Payroll System
PPE	Personal Protective Equipment
PSI	Public Sector Instrument
PWC	Power Water Corporation
QTOL	Quotations and Tenders Online System
RSPCA	Royal Society for the Prevention of Cruelty to Animals
RTM	Receiver of Teritory Monies
SIEM	Security Information and Event Management
SLG	Security Leadership Group
SP	Strategic Plan
TAFS	Treasurer's Annual Financial Statements
TDO	Tender Documents Online System
TF	Territory Families
TRIPS	Travel Request Information Processing System
TRM	Territory Records Manager
TRS	Transforming the Records System
TSS	Tyre Stewardship Shceme
VC	Video conferencing
VDI	Virtual Desktop Infrastructure
VET	Vocational Education and Training
WHS	Work Health and Safety

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