



Northern
Territory
Government

DEPARTMENT OF CORPORATE AND INFORMATION SERVICES

Annual Report

2007/2008



Purpose

The Department of Corporate and Information Services was established by an Administrative Arrangements Order on 19 October 1998 to provide a broad range of services to all Northern Territory Government agencies.

This annual report is prepared in accordance with section 28 of the *Public Sector Employment and Management Act*. It presents the Minister with a summary of the activities of the Department in 2007-08.

The report provides insight into activities undertaken by the Department towards achieving its business outcomes as identified in the 2007-08 Budget. The report also provides qualitative and quantitative commentary on progress towards achieving Departmental goals.

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

REPRESENTATION LETTER

The Hon Kon Vatskalis MLA
Minister for Business and Employment
Parliament House
DARWIN NT 0800

Dear Minister

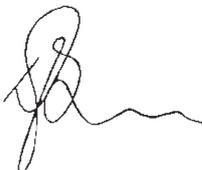
In accordance with the provisions of section 28 of the *Public Sector Employment and Management Act*, I am pleased to provide you with the annual report of the Department of Corporate and Information Services for 2007-08.

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

- a) proper records of all transactions affecting the Department are kept and employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions;
- b) procedures within the Department afford proper internal control and a current description of such procedures is recorded in the accounting and property manual which has been prepared in accordance with the requirements of the *Financial Management Act*;
- c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts or records;
- d) in accordance with section 15 of the *Financial Management Act*, the internal audit capacity available to the Department is adequate, and the results of internal reviews have been reported to me;
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions;
- f) Employment Instructions issued by the Commissioner for Public Employment have been satisfied; and
- g) in respect of my responsibilities pursuant to section 131 of the *Information Act*, I advise that to the best of my knowledge and belief, the Department has implemented processes to achieve compliance with the archives and records management provisions as prescribed in Part 9 of the Act.

I have sought and obtained appropriate assurances from senior Departmental executives on the above matters.

Yours sincerely



Dennis Bree
Chief Executive

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OVERVIEW AND HIGHLIGHTS

Chief Executive's Forward

On 18 August 2008 the Chief Minister, the Hon Paul Henderson MLA, announced changes to the structure of the public service. Some responsibilities of the Department of Business, Economic and Regional Development (DBERD) and the Department of Employment, Education and Training (DEET) were combined with the Department of Corporate and Information Services (DCIS) in the creation of the Department of Business and Employment (DBE). This Annual Report 2007-08 encompasses a full financial year of DCIS' activities.

This past year has been one of challenge and continued growth for DCIS. In February 2008 we farewelled Minister McAdam and welcomed Minister Bonson as Minister for Corporate and Information Services. Also at this time the new portfolio of Information, Communication and Technology Policy was created and headed up by Minister Henderson placing strategic emphasis on positioning the Northern Territory to become a national leader in electronic service delivery, particularly in health and education and e-government support for business.

Some of the highlights of 2007-08 are:

- Implementing the recommendations from the Corporate Services Review (CSR) with government approving funding and identifying efficiency targets over the next three to five years. A Program Management Office was established to ensure CSR projects and initiatives are delivered within a strategic framework which supports the overall goals of the program.
- Developing an enhanced level of disaster recovery capability. This remains a critical issue for government and Data Centre Services commenced a process to undertake an independent investigation of the risks inherent in the current model and develop a range of costed options to mitigate the risks.
- Joint funding with Telstra and Rio Tinto of an optic fibre link from Jabiru to Nhulunbuy with links to nine remote communities. This will enable the operation of health and police information systems and creates the potential for remote professional development and clinical support and virtual classrooms.
- Successfully responding to the impact of the Federal Intervention on DCIS. HR Services processed high volumes of short-term contract positions for medical staff, together with additional staff in core front line services areas such as policing and education. Northern Territory Property Management managed to meet the strong demand for leased commercial property throughout the NT and NT Fleet met the increased demand to provide short-term hire vehicles across the regions.
- Completion of ePASS2 in June 2008. ePASS2 is the enhanced identity and access management system for government employees that will deliver significant improvements in managing IT resources and services for NTG personnel and (eventually) public access to government services.
- In May 2008 the Northern Territory Government experienced a widespread corruption of its IT network. This required the mobilisation of the ICT Incident Response Committee to manage the incident and the subsequent restoration of services. This proved an effective test of our incident response protocols and identified opportunities to further strengthen and improve our capability and processes in managing whole-of-Government IT incidents.

The year ahead will be one of significant change for DBE and will see the evolution of the agency. For the Corporate and Information Services Division (CIS), the year ahead will continue to be one of challenge. The government recommendations from the Corporate Services Review will continue, providing challenges to the agency of implementing major business process and system enhancements to improve performance in our major service areas of accounting and payroll and also improving reporting services to agencies.

CIS' strategic issues for 2008-09 will have a strong focus on:

- supporting the government strategy to respond to climate change by developing and implementing green policies in the areas of fleet, procurement, leasing and IT
- assisting government to meet Closing the Gap targets, taking particular responsibility for three initiatives of cross-cultural training, boosting Indigenous employment in the NTPS via the administrative stream, and supporting Indigenous employment through procurement policy
- coordinating development and implementation of e-services strategy, with particular emphasis on e-services applications in education, health and e-government support to business
- responding to emerging NTPS needs by identifying other corporate service areas where we can provide more efficient and effective support services to NTPS agencies to help them better deliver on their service mandate to the community
- managing the next round of major information and communications technology contracts, including computers, telecommunications and messaging services, by developing a sourcing strategy to meet the needs of government.

The Government moves forward in 2008-09 to new challenges posed by continuing population, business and industrial growth patterns. The efforts of DCIS, led by Graham Symons in 2007-08, have set down a good footing for those challenges which will continue to be addressed and met by the newly formed Department of Business and Employment.

Overview

Our Organisation

The Department of Corporate and Information Services (DCIS) is the shared corporate services provider to all Northern Territory Government (NTG) agencies, including financial, human resources, tendering, procurement policy, information and communications technology, records management, property management, fleet and printing services.

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

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

The organisation comprises around 700 staff (by budget allocation), with the majority working in the department (567 based on allocated budget), and the remainder spread across the GBDs.

The total budget for 2007-08 is just over \$109 million, excluding the GBDs, which are separate budget entities. Refer to page 6 for more financial information.

The DCIS service delivery model incorporates principal processing centres in Darwin and Alice Springs and regional service centres in Katherine, Tennant Creek and Nhulunbuy.

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

Our Critical Success Factors

DCIS' Corporate Plan expired in June 2008 and much work and effort has been put into the formation of the new Strategic Plan 2008-11. The Plan sets strategic priorities and focuses on supporting the department to realise the tactical issues facing it over the next three years. The Plan also stresses the importance of its employees; providing a capable and committed workforce underpins the success of the department meeting its strategic priorities.

Our Purpose: To provide reliable, responsive, effective and efficient corporate support solutions for the Northern Territory Government.

Our Values:

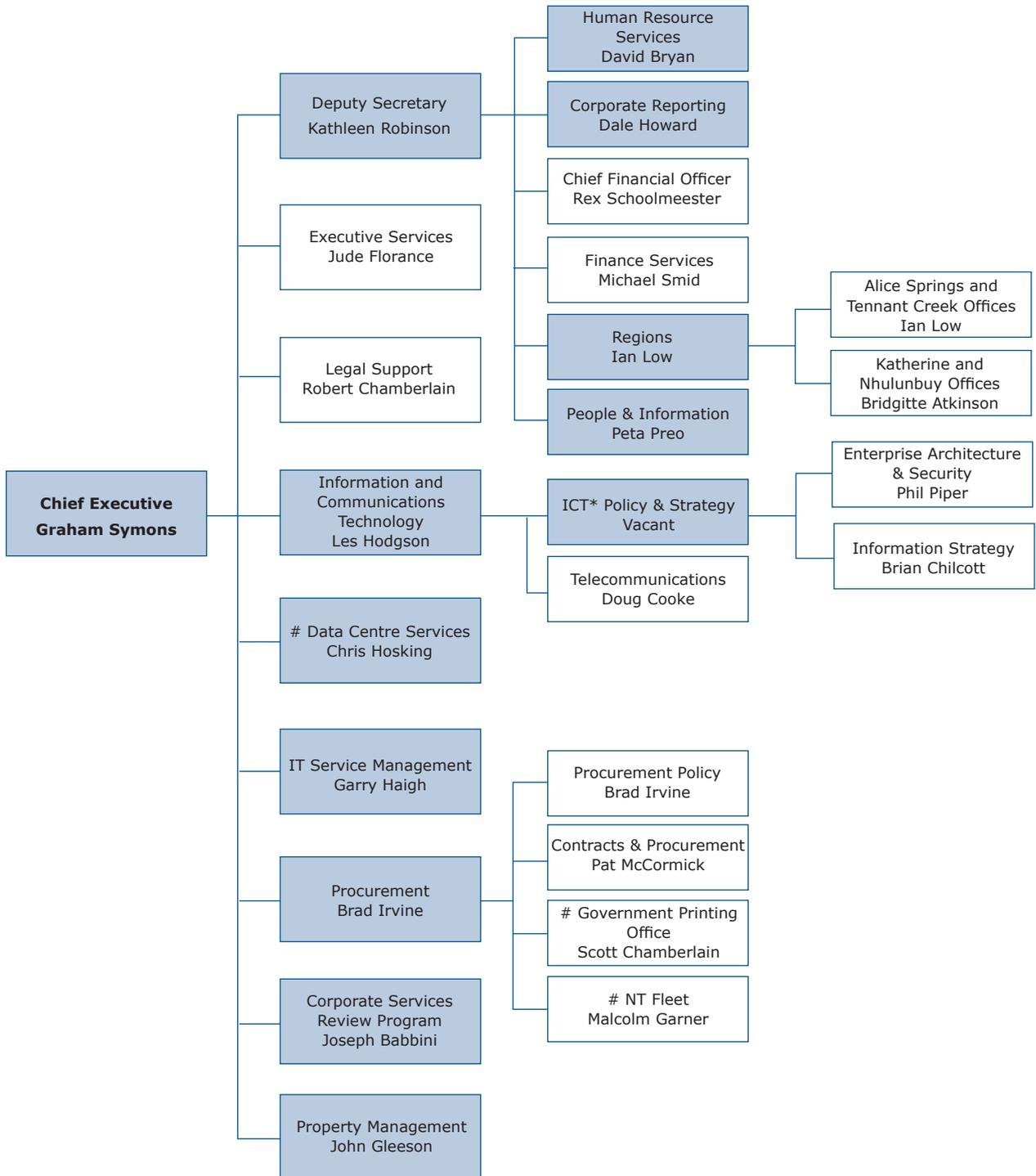
- Professionalism
- Accountability
- Respect
- Growth

Our Strategic Issues

- Climate Change
- Indigenous Outcomes
- Emerging NTPS Needs
- Advances in Technology
- NT Geography and Demography
- ICT Sourcing

Executive Structure

as at 30 June 2008



- # Government Business Divisions
- * ICT - Information and Communications Technology
- Executive Management Board Members

Our Services

DCIS provides a broad range of shared corporate services, including:

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

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

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

- the recruitment and employment of staff within the NT Public Sector (NTPS)
- supporting programs designed to facilitate staff development across the NTPS
- coordinating employment programs for graduates, new apprentices and indigenous cadets
- the procurement and payment of goods and services.

In addition, DCIS fulfils two whole-of-government policy responsibilities – information and communications technology (ICT) policy and procurement policy.

The Department continues to progress a range of initiatives designed to provide cost-effective corporate services that address our customers’ needs. Details of our performance highlights for 2007-08 and priorities for 2008-09 can be found in the performance reports starting on page 10.

Our People

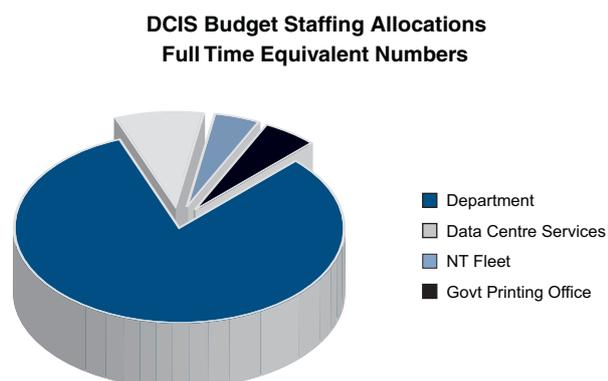
DCIS strives to provide a positive and productive working environment that provides a platform for open and honest communication, empowers staff, treats staff fairly and equitably and encourages staff to take personal responsibility. DCIS actively promotes occupational health and safety within the work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

DCIS supports and promotes staff learning and development through its Corporate Capability Plan, which facilitates networking and learning opportunities through various in-house programs and external leadership and development programs.

DCIS staffing is allocated across the department and GBDs as follows (based on allocated budget for full-time equivalent (FTE) staff):

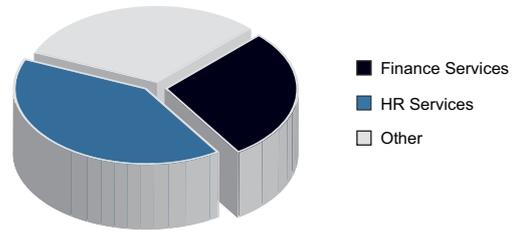
- Department – 567
- Data Centre Services – 59
- NT Fleet - 30
- Government Printing Office – 36

Within the department, the majority



of staff work in the two main processing and system areas of Finance Services (162) and Human Resource Services (229), which together account for around 56% of the department's staff. The remaining 44% of staff work in the areas of procurement services, property management, information, communications and technology services, and internal corporate management.

**Staff Distribution within the Department
FTE Numbers**



Further details of DCIS' staff profile and human resource strategies and achievements are provided in the Our People section starting at page 41.

Our Customers and Stakeholders

A key priority for DCIS is continuous improvement of our relationship with our customers and stakeholders.

Our customers are:

- government agencies and business divisions
- government employees and prospective employees

Other stakeholders are:

- business and industry, particularly the ICT industry
- the Territory community

DCIS' approach and responses are consistent across all groups, with an emphasis on prompt and reliable service delivery, open communication and a consultative approach that encourages input and feedback.

Our Finances

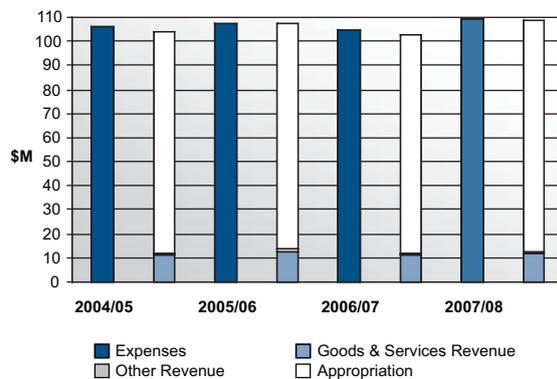
The DCIS group comprises four budget entities, being the Department and three GBs.

DCIS is primarily funded by appropriation from the Central Holding Authority (called Output Revenue) for its corporate services provision to government agencies (around 90% of revenue). The remaining revenue is earned from charges for services.

DCIS expenses comprise property leasing costs (increasing to over 41%), employee costs (decreasing to 34%) and operational costs (below 7%), which are mostly related to IT support costs to operate and maintain whole-of-government corporate systems. The employee costs were significantly down primarily as a result of not being able to recruit staff to permanent positions until the outcome of the Corporate Services Review was approved.

DCIS notionally charges government agencies and actually charges government business

DCIS - Expenditure and Revenue Trends

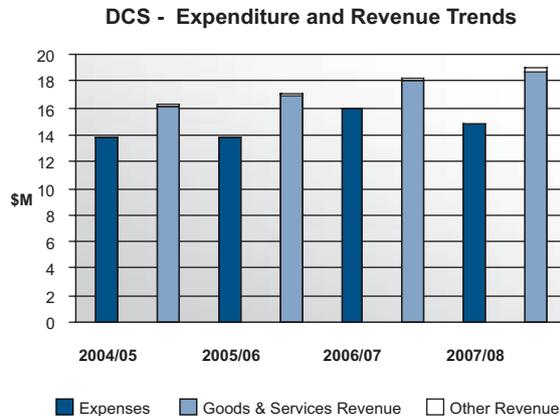


divisions for the services it provides. Our overall aim is to provide cost-effective services, with our service prices based on a cost recovery model. The price list as at 30 June 2008 can be viewed at Appendix B.

Data Centre Services

Data Centre Services revenue continues to grow, primarily due to continued occupancy growth in the data centre, increased utilisation of mid-range computing services and storage and backup services. Expenses have reduced significantly from the prior year due to the capitalisation of \$1.7 million in development costs associated with the ePASS2 project, which was completed in June 2008.

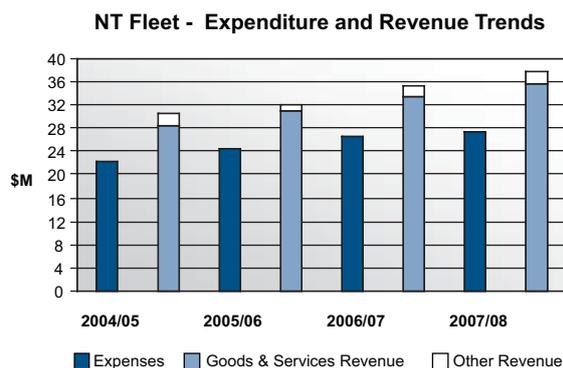
Data Centre Services net surplus after tax for 2007-08 was \$1.0 million higher than anticipated at \$3.0 million.



NT Fleet

NT Fleet continues to operate profitably with increased revenues from vehicle hire contracts, vehicle maintenance recovery, investment income and gains on disposal of assets at auction. Expenses also increased primarily from higher depreciation offset by a decrease in vehicle repairs and maintenance.

NT Fleet's net surplus after tax for 2007-08 was \$7.3 million, some \$0.54 million higher than anticipated.

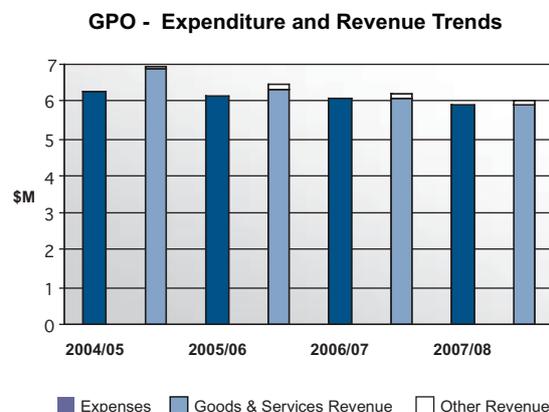


Government Printing Office

Printing revenue continued to trend down due to reduced demand from client agencies.

Cognisant of the revenue trends, the Government Printing Office has been carefully managing costs and achieving lower expenses over the last 2 years. This is a significant achievement in an environment of annually increasing wage costs and inflation, particularly price rises in raw materials such as paper.

The Government Printing Office has continued to make a profit, achieving a net surplus after tax of \$0.1 million for 2007-08.



Financial Statements

Financial statements for each of the four budget entities are included in this report commencing at page 47. The audited statements for the three government business divisions received unqualified audit opinions.

Highlights

Corporate Services Review

The Corporate Services Review is a multi-year whole-of-government reform program that will take a number of years to fully implement. The Review is focused on improving and streamlining back-office functions through a structured business process re-engineering approach.

2007-08 saw significant impact across the agency as implementation projects commenced.

Corporate Service Reviews completed in 2007-08:

- Procurement Administration: Identify process and system improvements for the administration of higher volume/lower cost goods and services
- Receiver of Territory Money (RTM): Identify cost-effective processes and system improvements for the administration of counter cash services
- Human Resources (HR) Reporting: Identify cost effective HR reporting solutions for the Northern Territory Government (NTG)
- Human Resources Information Systems (HRIS): Provide high level options for the provision of a HRIS for the Northern Territory Government in to the future
- Payroll: Identify processes and improvements for paying employees' salary and related payments.

Service Highlights

2007-08 marked another busy and productive year for DCIS, with major achievements and highlights across all business units and the government business divisions.

- Implementation of the Corporate Services Review (CSR) recommendations began, and as a multi-year reform program, will continue into 2008-09 and beyond. A Program Management Office was established to ensure the CSR projects and initiatives are delivered within a strategic framework which supports the overall goals of the program. Further, a Corporate Reporting branch was established. Part of its charter will be to assess future business and technology directions for the Financial and HR data warehouse repository and reporting framework requirements to ensure effective and accurate information management practices.
- Working with the Office of the Commissioner for Public Employment, HR Services successfully implemented the requirements of the various collective agreements arising from enterprise bargaining.
- Finance Services successfully implemented the Regional Air Charter trial for whole-of-government to centralise bookings of air charter travel by agencies between Darwin and Ramingining and record all other government air charter travel across the Territory.

- Upgrade of the NTG's record management system (TRIM) from version 5.2.3 to version 6.2.1 commenced, to assist agencies to comply with records management standards.
- NT Fleet instigated a more pro-active approach as to the suitability of fuel efficient vehicles being procured for client use. The fleet has shown a decrease in emissions across the reporting period from 2006-07 to 2007-08 from 281gm/km to 269gm/km travelled by NT Fleet managed vehicles.
- Data Centre Services continued to expand its managed computing services for government agencies with significant uptake of virtual server computing solutions and a resulting 20% growth in revenues within midrange services.
- Completion of ePASS2 in June 2008. ePASS2 is the enhanced identity and access management system for government employees that will deliver significant improvements in managing IT resources and services for NTG personnel and (eventually) public access to government services.

Regional Highlights

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

The key achievements of our regional offices during 2007-08 include:

- considerable input into the Corporate Services Review including detailed work in relation to structure and staffing options and models
- restructure of the Nhulunbuy Office to provide specific local customer services and facilitate the transfer of transactional services to the Katherine Office.

Looking Ahead 2008-09

For the Corporate and Information Services division of the newly formed Department of Business and Employment, an important challenge is the development of clear strategies with business and the community to improve e-government initiatives across all sectors to make it easier for people and business to engage with government and to improve delivery of core government services in regional and remote areas.

The department will continue to implement the recommendations from the Corporate Services Review. Other initiatives that are planned for 2008-09 are described throughout this report.

OUTPUT PERFORMANCE REPORTING

Overview

The performance measures and targets included in this annual report are consistent with the 2007-08 Budget Paper No 3 which reflects the current output framework.

The output framework provides government and the agency with the tools necessary to effectively monitor, evaluate and improve performance in delivering services.

Output Group - Corporate Services



This output group is responsible for providing cost-effective corporate shared services to government agency customers. It includes the outputs of Finance Services, Human Resource Services, Procurement Policy and Services, and Information and Communication Technology Services.

Finance Services

Overview

This output is responsible for services including accounts payable, corporate credit cards, accounts receivable, corporate tax returns, asset register management, financial systems, banking services, ledgers and finance reconciliations and financial reporting.

More specifically this output:

- delivers finance services to government agencies
- provides support, maintenance and development of the Government Accounting System (GAS), a financial reporting warehouse, and a number of smaller corporate financial systems that are linked to GAS
- provides regular finance-related training and awareness sessions for agencies.

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • <i>Coordinate across-government business process reviews of major corporate services, including accounts payable, accounts receivable and financial reporting.</i> 	<ul style="list-style-type: none"> ✓ The following reviews were completed to identify processes and system improvements for: <ul style="list-style-type: none"> – Procurement Administration – Receiver of Territory Money.
<ul style="list-style-type: none"> • <i>Increase the use of electronic information transfer to improve accounts payable processing turnaround.</i> 	<ul style="list-style-type: none"> ✓ Achieved. Increased usage of electronic data uploading facilities across agencies has improved DCIS' processing turnaround.
<ul style="list-style-type: none"> • <i>Finalise implementation of Westpac's Corporate Online application into government agencies.</i> 	<ul style="list-style-type: none"> ✓ Completed. Agencies now have electronic access to bank account information.
<ul style="list-style-type: none"> • <i>Finalise development and roll-out of the automated Ledger Transfer Facility (LTF) for inter-government transactions.</i> 	<ul style="list-style-type: none"> ◇ Development completed, with rollout scheduled for 2008-09.
<ul style="list-style-type: none"> • <i>Introduce the Receipts Processing System (RePS) into selected client agencies to assist in reducing manual processing of receipts.</i> 	<ul style="list-style-type: none"> ✓ Completed. New security layers were introduced to RePS allowing implementation to selected client agencies. Further enhancements to the system and rollouts planned for 2008-09.
<ul style="list-style-type: none"> • <i>Continue with development and implementation of Form Trap Phase II, enabling electronic delivery of invoices to corporate clients and interface with the RePS system via barcode scanning technology.</i> 	<ul style="list-style-type: none"> ✓ Completed. Barcodes incorporated in invoices created from GAS, which can now be scanned by DCIS RTM Offices.
<ul style="list-style-type: none"> • <i>Introduction of BPay as a method for customers to pay GAS created invoices over the phone or by internet.</i> 	<ul style="list-style-type: none"> ✓ Completed. BPay implemented and customer usage has increased.
<ul style="list-style-type: none"> • <i>Travel Request Information Processing System (TRIPS) – improve functionality and make the system available to all agencies.</i> 	<ul style="list-style-type: none"> ✓ TRIPS - rolled out to the majority of agencies with a suite of reports available to users. Further enhancements are planned for 2008-09
<ul style="list-style-type: none"> • <i>Electronic Card Management System (ECMS) - automate the reconciliation process.</i> 	<ul style="list-style-type: none"> ◇ First step achieved by gaining access to raw information from the system owner. Final completion is expected in 2008-09.
<ul style="list-style-type: none"> • <i>Implement GAS wizard access via the web in order to improve processing and reduce the dependency on specialised software.</i> 	<ul style="list-style-type: none"> ✓ GAS wizards have been upgraded to allow access from the web, improving processing due to less load related outages.
<ul style="list-style-type: none"> • <i>Upgrade to Accounts Receivable (AR) Wizard</i> 	<ul style="list-style-type: none"> ✓ The AR wizard was upgraded as per the recommendations from the Corporate Services Review (CSR).

Initiative or Activity	Achievement
<ul style="list-style-type: none"> Develop and present training and awareness sessions for customers. 	<ul style="list-style-type: none"> ✓ ECMS - training sessions held throughout the year and updated to meet client needs. – GST and FBT - seminars developed and delivered. – GAS - online tutorials developed and made available via the DCIS Intranet site.
<ul style="list-style-type: none"> Evaluate electronic registration options for GAS training courses to automate the current manual registration process. 	<ul style="list-style-type: none"> ◇ Evaluation completed. Project completion expected in 2008-09.
<ul style="list-style-type: none"> Enhance agency extracts and business views in the financial reporting data warehouse to increase efficiency and reduce server requirements. 	<ul style="list-style-type: none"> ✗ Not achieved due to technical resourcing being redirected to CSR projects. This will be reviewed in 2008-09.

✓ Achieved ◇ Partially Achieved ✗ Not Achieved → Continues into 2008-09

Finance Services Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Creditor invoices processed ¹	340 000	340 000	341 708
Debtor invoices processed ²	32 000	32 000	34 400
Assets recorded ²	15 000	17 000	18 004
Financial system cost	\$7.4M	\$7.1M	\$7.1M
Quality			
Processing error rate	<0.5%	<0.5%	<0.04%
System availability	100%	100%	100%
Timeliness			
Creditor invoices processed <8 days	>90%	>90%	97%
Average days to collect debts ³	35	45	46
Average days to record assets	10	10	10

Notes:-

- Creditor invoices includes ledger transfers but excludes payments via corporate credit card.
- Debtor invoices processed and assets recorded have exceeded the estimate as a result of additional activity due to the Federal Intervention.
- The measure takes into consideration the value and quantity of invoices outstanding and is influenced by factors outside the Branch's control, such as the current economic climate, as is reflected in an increase in the industry average days to collect debts.

Priorities for 2008-09

- Continue to implement a number of corporate system and process improvements, as part of a multi-year program to streamline the provision of corporate services across government, including:
 - further enhance the functionality of the travel requisition systems (TRIPS) and roll-out the system to all government agencies
 - introduce RePS into revenue collection sites across government
 - revise and implement new credit management policies
 - enhance credit card reporting
 - improve system automation and process standardisation across finance services.
- Enhance the Fixed Asset Wizard to remove the need to rely on external unsupported software.
- Enhance financial reporting to agencies to better meet their management information and statutory reporting requirements.

Human Resource Services

Overview

This output is responsible for payment of salaries, recruitment of employees, provision of employee support services, management of the Personnel Information and Payroll System (PIPS), and human resource reporting.

More specifically this output:

- delivers payroll and other human resource administration services across government to assist agencies, employees and prospective employees, including apprentices
- provides support, maintenance and development of the government's core IT systems of PIPS, the employee self-service interface to PIPS (known as myHR) and the payment disbursement system (PAPMS)
- coordinates the delivery of short course training, employment programs and job evaluation services for government agencies
- coordinates the NTPS Traineeship Program with a particular focus on employing Indigenous apprentices in remote areas to build skills and a local workforce
- provides workers compensation administration and Occupational Health and Safety (OH&S) advisory services.

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • <i>Coordinate across-government business process reviews of major corporate services, including, human resource reporting and payroll services.</i> 	<ul style="list-style-type: none"> ✓ The following reviews were completed to identify processes, reporting solutions and system options or improvements: <ul style="list-style-type: none"> – Human Resources (HR) Reporting – Human Resources Information Systems – Payroll.
<ul style="list-style-type: none"> • <i>Improvements to human resource reporting to meet agency management information and statutory reporting requirements.</i> 	<ul style="list-style-type: none"> → During 2007-08, DCIS: <ul style="list-style-type: none"> – developed a manual of the most frequently requested HR reports – established and made available a suite of HR reports for agency Chief Executives.
<ul style="list-style-type: none"> • <i>Implement a staffing restructure for Payroll Services to reflect changes in work value and work load at an additional cost of \$0.45 million per annum.</i> 	<ul style="list-style-type: none"> ✓ Completed. The payroll staff are now aligned with comparative positions across the NTPS with more equitable distribution of tasks.
<ul style="list-style-type: none"> • <i>Provision of additional funding of \$1.6 million over the next three years to assist with the employment of 200 apprentices within Government, as part of the Jobs Plan Initiatives.</i> 	<ul style="list-style-type: none"> → During 2007-08: <ul style="list-style-type: none"> – 108 apprentices were employed of whom 61% are Indigenous – placements in regional and remote localities include Alice Springs, Alli Curung, Anyinginyi, Borroloola, Canteen Creek, Congress, Elcho Island, Elliott, Gapuwiyak, Hermannsburg, Kalkaringi, Katherine, Maningrida, Mataranka, Milingimbi, Minyerri, Miwatj, Ngukurr, Nhulunbuy, Papunya, Ramingining, Tennant Creek, Ti Tree, Willowra, Woolaning and Yuendumu – disciplines include, but are not limited to, zoology, horticulture, dental assisting, retail travel sales and business administration.
<ul style="list-style-type: none"> • <i>Complete a public tendering process for a new apprenticeship management service provider.</i> 	<ul style="list-style-type: none"> ✓ Completed. Contract issued.
<ul style="list-style-type: none"> • <i>Continue to monitor the workers compensation Service Level Agreement (SLA) between DCIS and the Territory Insurance Office and modify where required to improve service efficiency.</i> 	<ul style="list-style-type: none"> ✓ Reviewed in February 2008 with slight modifications agreed to by both parties. The current SLA will run until June 2009.
<ul style="list-style-type: none"> • <i>Make myHR shared computer access functionality available to all government employees, to enable employees such as nurses, bus drivers and physical grades to take advantage of the myHR facility.</i> 	<ul style="list-style-type: none"> ✓ This function was developed and implemented. <p>Use of myHR across government has stabilised between 56-58% and requires major system automation projects to be completed for further increase in usage.</p>

Initiative or Activity	Achievement
<ul style="list-style-type: none"> HR Services response to the Federal Intervention. 	<p>✓ The Intervention created high volumes of short-term contract positions for medical staff and other staff in core front line services areas such as policing and education. This additional work has been successfully managed by Recruitment and Payroll Services.</p>

✓ Achieved ◇ Partially Achieved × Not Achieved → Continues into 2008-09

Human Resource Services Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Employees paid ¹	17 700	17 700	18 411
Commencements and terminations processed	13 000	13 000	12 801
Human resource system cost ²	\$7M	\$6.2M	\$6.0M
Number of half days training delivered ³	6 000	6 000	5 359
Quality			
Pay transactions processed:			
- electronically via myHR	58%	56%	56%
- manually via PIPS	42%	44%	44%
Number of workers compensation claims processed in statutory time limits	100%	100%	95.6%
Training course participant satisfaction	90%	90%	97%
Timeliness			
Pay transactions processed in applicable pay period	98%	98%	98%
Number of job evaluation system matters processed within 10 days ⁴	100%	-	-

Notes:-

- Measure reflects a point-in-time head-count of government employees (including part-time staff) and includes staff of entities that are not agencies, such as Power and Water Corporation and the Batchelor Institute of Indigenous Tertiary Education. This head-count measure is different to full-time equivalent (FTE) staffing levels reported elsewhere and is indicative of client demand and activity in HR Services.
- The method of calculating overall system costs originally factored in a proportion of ICT expenditure not directly relating to the HR system.
- Lower performance is due to reduced agency demands.
- Measure not continued as the volume and nature of the service is such that 100% is always achieved.

Priorities for 2008-09

- Develop strategies to support the Closing the Gap initiative including:
 - programs to facilitate an increase in the number of Indigenous people employed in the Northern Territory Public Service (NTPS) administrative stream
 - delivery of cross-cultural training programs for NTPS employees.
- Coordinate the Northern Territory Public Sector Traineeship Program with a focus on employing Indigenous apprentices in remote areas to build skills and local workforces.
- Implement a number of corporate system and process improvements as part of a multi-year program to streamline the provision of corporate services across government, including improve system automation and process standardisation across human resource services.
- Implement a new HR reporting framework.

Procurement Policy and Services

Overview

This output is responsible for providing contract, tendering and advisory services for the procurement of works, services and goods valued above \$50 000. It is also responsible for developing procurement policy and the provision of secretariat services for the Government Procurement Council and the Procurement Review Board.

More specifically this output:

- administers the *Procurement Act* and its subordinate legislation, which includes providing advice to agencies on compliance requirements, engaging industry stakeholders and proposing amendments to the legislation
- establishes and administers across-government common use contracts
- provides advisory and consulting services to agencies on procurement. This includes advice and assistance with procurement planning, specifying requirements, tender assessment and preparing recommendations
- places a strong focus on effective two-way communication with industry through regular contact with a number of industry groups including the Chamber of Commerce, NT Industry Capability Network and Contractor Accreditation Limited to ensure the needs of industry are considered when implementing new policy
- works closely with the Department of Business, Economic and Regional Development (DBERD) to ensure that the relationship with industry is fostered to achieve successful outcomes for both sectors.

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> Continue to develop the Agencies Purchase Requisitions Online (APRO) system to capture data following tender assessment, incorporate Procurement Review Board approvals workflow and provide enhanced agency reporting. 	<p>◇ The Industry Participation workflow design phase is complete.</p> <p>Changes made with APRO to accommodate the mandatory disclosure of weightings in tender documentation where the estimated value exceeds \$1m became effective in November 2007.</p> <p>Agency reporting was enhanced.</p> <p>The recommendation/PRB enhancements are about 75% complete. System now awaits testing and implementation.</p>
<ul style="list-style-type: none"> Implement changes to standard tender response schedules to simplify and clarify requirements. 	<p>✓ Minor modifications to response schedules were implemented. Further changes are expected in 2008-09 after consultation with industry.</p>
<ul style="list-style-type: none"> Develop a business case for interfacing with the Australian Business Register to more efficiently allow tenderers to identify themselves and reduce repetitive data entry when registering to acquire tender documents. 	<p>✗ → Project was suspended due to higher competing priorities. Remains important and is re-scheduled for 2008-09.</p>
<ul style="list-style-type: none"> Work closely with the Department of Business, Economic and Regional Development (DBERD) and attends industry forums to improve the relationship with potential tenderers. 	<p>✓ Presentations delivered during October Business Month, with DBERD Procurement Liaison, covering value for money procurement in all regions.</p> <p>Presentation on lower value procurement delivered to the NT Chamber of Commerce.</p> <p>Participation in the 'Meet the Buyers' forums.</p> <p>Data is provided regularly to the DBERD Procurement Liaison Officer to assist with a quarterly report to industry.</p>
<ul style="list-style-type: none"> Develop and present information sessions targeting agency needs in the areas of government procurement policy and tendering requirements. 	<p>✓ A number of procurement awareness sessions for agencies were delivered throughout the year covering general procurement and the use of the electronic tender assessment tool.</p> <p>Agencies were kept informed on both policy and tendering issues at regular scheduled client meetings and bi-monthly procurement managers meetings.</p>
<ul style="list-style-type: none"> Review procurement services cost structure with a view to passing on efficiencies to our clients in the form of reduced pricing for services. 	<p>✓ Cost study was completed. No price reductions resulted due to higher than predicted numbers of tenders processed and increasing unit costs.</p>

✓ Achieved ◇ Partially Achieved ✗ Not Achieved → Continues into 2008-09

Procurement Services Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Tenders managed	600	747	770
Tenders developed	200	228	245
Across-government contracts administered ¹	New measure	7	7
Quality			
Addenda issued ²	<20%	<20%	29.2
Procurement Review Board rejection rate ³	<5%	<5%	2.6%
Timeliness			
Average days to issue tenders	7	7	4
Average days to prepare papers for the Procurement Review Board	5	5	4

Notes:-

1. Across-government contracts are established and maintained by Contract and Procurement Services (CAPS) where there is a need demonstrated by agencies to achieve economies of scale for high volume or frequently purchased commodities and with the endorsement of the Government Procurement Council. The CAPS service includes management of the approval and tendering process, coordination of tender assessment and ongoing administration of the contracts.
2. CAPS prepares Request for Tender documentation based on agencies' technical specifications. Addenda are issued when agencies need to clarify specifications, supply additional information or correct errors. This is primarily a measure of CAPS' activity, not performance quality.
3. Number of papers prepared by CAPS for the Procurement Review Board not approved on first presentation, which provides an indication of the quality of business papers.

Priorities for 2008-09

- Develop procurement strategies to support Indigenous employment as part of the Government's Closing the Gap initiatives.
- Develop procurement policy which takes into account environmental sustainability.
- Develop a business case for interfacing with the Australian Business Register to more efficiently allow tenderers to identify themselves and reduce repetitive data entry when registering to acquire tender documents.
- Continue the development of the APRO system to capture data following tender assessment, incorporate Procurement Review Board approvals workflow and provide enhanced agency reporting.

Information and Communications Technology Services

Overview

This output is responsible for the management of outsourced ICT services, the monitoring of IT security in government, the development of ICT and records management policies and standards, administration of the whole-of-government records management system, and the management of Commonwealth programs to improve communications facilities in remote NT communities.

More specifically this output:

- develops and maintains ICT policies, standards and procedures and formulates whole-of-government ICT strategies. This policy role encompasses IT systems and data communications, including internet and telephones
- provides ICT security advice, incident response coordination and management of the NT Government’s internet and intranet web sites
- identifies economic development opportunities for the ICT industry in the NT and delivers government components of the NT ICT Industry Strategic Plan to help grow the local ICT industry
- develops telecommunications and broadcasting policy, including establishing strategies to improve telecommunications services particularly to remote communities in the Territory
- coordinates funding submissions to boost the provision of contemporary telecommunications services across the Territory
- provides government agencies with an advisory service to support management of their IT requirements and ICT environment
- develops, negotiates and manages the whole-of-government contracts for the provision of ICT infrastructure and services across government. These contracts include computers and associated equipment, telecommunications (phones, faxes, mobiles), electronic messaging and mainframe applications, along with ongoing user support services
- manages relationships between client agencies and service providers, including dispute resolution and ensures outsourced IT services meet government agencies’ business requirements
- develops records management policy, maintains the records management system and provides records management support to agencies.

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • <i>Develop a sourcing strategy for the 3rd generation of major ICT outsourcing contracts in 2009-10 to ensure maximum benefits to the government and continued reliability of systems and infrastructure.</i> 	<ul style="list-style-type: none"> ✓ DCIS Governance group formed, project team established and consultancy to complete sourcing strategy let. The strategy is expected to be ready for Cabinet consideration early 2009, leading to a tender process in mid 2009.
<ul style="list-style-type: none"> • <i>Develop an e-government balanced scorecard to measure the availability of online services by agencies to customers.</i> 	<ul style="list-style-type: none"> ✓ Completed. e-government scorecard developed with agencies.
<ul style="list-style-type: none"> • <i>Develop a roadmap for government in managing the identities of citizens and businesses needing to interact online with us.</i> 	<ul style="list-style-type: none"> ◇ Consultancy being evaluated in electronic service delivery in the areas of e-Health, e-Learning and e-Business.
<ul style="list-style-type: none"> • <i>Progress an application development strategy to lower the cost and speed up development of applications which support online services.</i> 	<ul style="list-style-type: none"> ✓ An application strategy is being drafted.

Initiative or Activity	Achievement
<ul style="list-style-type: none"> Through the Enterprise Architecture Framework, identify efficiencies to be gained where common systems and processes may lead to time and cost savings. 	<ul style="list-style-type: none"> ✓ Efficiencies identified, resulting in migration to a single email system and web content management system across agencies.
<ul style="list-style-type: none"> Prepare a business case for the upgrade to TRIM Context version 6 release 2. 	<ul style="list-style-type: none"> ✓ Completed. Upgrade project started.
<ul style="list-style-type: none"> Progressively review and plan the implementation of electronic documents records management (EDRM) solutions across government. 	<ul style="list-style-type: none"> ✓ EDRM strategy being implemented across government agencies.
<ul style="list-style-type: none"> Revise the records management Certificate III training module and develop Certificate IV training modules to assist agencies to comply with the records management provisions of the Information Act. 	<ul style="list-style-type: none"> ✗ Not progressed. Now scheduled for completion in 2009-10.
<ul style="list-style-type: none"> Upgrade the Local Area Network to 100 Mb 	<ul style="list-style-type: none"> ✓ Completed.
<ul style="list-style-type: none"> Progress the desktop transformation project across government, refreshing computers, laptops and other devices that are due for upgrade. 	<ul style="list-style-type: none"> ✓ Project ahead of schedule with completion expected December 2008.
<ul style="list-style-type: none"> Assist in advising and developing the export capability of the local ICT industry. 	<ul style="list-style-type: none"> ✓ Achieved. An export facility opened in Singapore by the NT ICT industry in November 2007 and in use by three NT ICT companies as a base for their Asian operations, funded via the NTG's sourcing contracts.
<ul style="list-style-type: none"> Monitor the progress of initiatives incorporated in the NT ICT Strategic plan. 	<ul style="list-style-type: none"> ✓ Ongoing initiatives progressed as follows: <ul style="list-style-type: none"> – Development of skilled ICT resources: <ul style="list-style-type: none"> – DCIS, Fujitsu and Charles Darwin University (CDU) continued the skills road show to NT High Schools – 5 overseas ICT specialists were placed with local ICT companies – NT Government ICT sourcing contracts provided employment for 11 ICT graduates – survey of NT ICT workers completed by NT Branch of Australian Computer Society in August 2007. – Development of 'Worlds Best Practice' within the NT ICT Industry. Training by service provider under contract obligations is ongoing. Courses included the IT Infrastructure Library (ITIL) and Project Management.
<ul style="list-style-type: none"> Continue to encourage skills development and recognise academic achievement 	<ul style="list-style-type: none"> ✓ <ul style="list-style-type: none"> – DCIS provided \$12 000 in scholarship funding through CDU for IT and Business scholarships. – \$500 prize awarded to the highest achieving Year 12 Territory high school student in IT studies.

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • Continue monitoring the maintenance flights of IT service provider technicians to remote communities. 	<ul style="list-style-type: none"> ✓ Ongoing. The service is part of a commitment under the Industry Development Deed and part of service delivery under the contract.
<ul style="list-style-type: none"> • Complete the Advanced Training project, providing train the trainer and advanced ICT skills training in remote communities for Indigenous residents. 	<ul style="list-style-type: none"> ✓ Training completed with the final report being prepared, fulfilling commitments with the Commonwealth Government.
<ul style="list-style-type: none"> • Continue to focus on accessing Commonwealth Government funding for improved telecommunications services in the Territory, including telecommunications infrastructure in remote areas and wholesale competition through a second fibre optic cable connecting the NT to other jurisdictions. 	<ul style="list-style-type: none"> → Commonwealth Government activity has been focused on the National Broadband Network (NBN). The tender for the NBN is expected to close in the 3rd quarter of 2008. Strong representation has been made to the Regional Telecommunications Independent Review Committee which is expected to report to the Commonwealth Government in August 2008.
<ul style="list-style-type: none"> • Through a focused information campaign, improve the uptake of digital TV and reduce the reliance on NT House as a television broadcasting site for Darwin. 	<ul style="list-style-type: none"> → No action this year. Program delayed to bring the activity into a closer alignment with the Commonwealth Government's revised timeline for the cessation of analogue TV.
<ul style="list-style-type: none"> • Transfer Archival Heritage to the Department of Natural Resources, Environment and the Arts. 	<ul style="list-style-type: none"> ✓ Completed October 2007, with minimal impact on customers.
<ul style="list-style-type: none"> • Maintain a focus on providing relevant, accurate and user-friendly information to government employees and prospective employees. 	<ul style="list-style-type: none"> ✓ Completed. DCIS web site was redesigned and launched to provide more user-friendly services to NTPS.
<ul style="list-style-type: none"> • Make Microsoft Office Suite licences available to NTPS staff under the 'home use' agreement. 	<ul style="list-style-type: none"> ✓ Completed. Note: Recent changes to FBT legislation resulted in this initiative being suspended pending an ATO ruling.
<ul style="list-style-type: none"> • Enable not for profit community groups and non-government organisations to apply for 'refurbished' government computers at little or no cost. 	<ul style="list-style-type: none"> ✓ 'Computers for the Community' initiative launched October 2007; 398 computers have been provided to community organisations.

✓ Achieved ◇ Partially Achieved × Not Achieved → Continues into 2008-09

Information and Communications Technology Services Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Laptops/workstations available at any one time	10 700	11 500	11 900
Agency information technology support hours	38 400	38 400	38 200
Average monthly user service calls to helpdesk ¹	14 000	9 000	9 500
Quality			
Agency score card for desktop services (out of 10)	7.5	7.5	7.5
Outsourced services provided within agreed service levels ²	100%	100%	72.4%
Records management system availability	99%	99%	99.8%
Timeliness			
Severe desktop faults restored within the service level agreement (4 hours)	90%	100%	99.6%
Records management system work requests resolved within 2 days	100%	100%	99%

Notes:-

1. The original estimate included all helpdesk contacts – incident calls, incident emails and ePASS catalogue requests for new services. The revised estimate relates to incident calls only.
2. Outsourced contracts comprise messaging, desktop and telecommunications. 98% of the messaging contracts were delivered in accordance with contract agreements, while only 58% of the desktop contracts and 62% of the telecommunications contracts were delivered in accordance with contracted timeframes, thus giving overall compliance of 72.4%

Priorities for 2008-09

- Prepare for the next round of ICT outsourced service contracts which are due to go to tender in late 2008-09.
- Work with all ICT service providers to achieve reduced carbon emissions associated with services delivered under new outsourced contracts.
- Progress strategies to enhance communications infrastructure in the Territory, particularly in remote communities.
- Assess the application of emerging information technologies that could lead to cost and service efficiencies across government.
- Develop a strategy to enhance the Territory's capacity in electronic service delivery in cooperation with relevant agencies.
- Establish direction for the electronic identity of NT citizens using on-line government services.

Output Group - Office Leasing Management

Cost-effective lease and facility management services to agencies.

This output group is responsible for the management of leased properties, security and cleaning services which meet the service demands of government agencies.

Overview

This output:

- manages commercial accommodation leased by the NT Government. The portfolio currently consists of more than 155 leases over approximately 173,000 m² of space leased throughout the Northern Territory
- develops and implements government office accommodation leasing and procurement strategies
- provides corporate real estate services to government agencies including accommodation strategies, lease negotiation, contract procurement and tenant advocacy. This includes managing relationships with landlords, developers and other government agencies which supply tenancy services.

Property leasing matters are overseen by the Government Office Accommodation Committee (GOAC), which is responsible for providing a whole-of-government approach in coordinating and managing the office accommodation portfolio. GOAC is comprised of the Chief Executives of DCIS, Treasury, the Department of Planning and Infrastructure and the Commissioner for Public Employment.

Performance

Initiative or Activity	Achievement
• <i>Commence office accommodation lease for 4500m² in Chinatown, Darwin.</i>	✓ Achieved. The key tenants are Police, Fire & Emergency Services and the Department of Planning & Infrastructure.
• <i>In conjunction with the Government Real Estate Group and the Department of Planning and Infrastructure, draft a national sustainability framework for government occupied office premises.</i>	→ Participation in three working groups working towards the draft framework: Green Leasing, Asset Management and Effective Portfolio Utilisation.

Initiative or Activity		Achievement
<ul style="list-style-type: none"> Implement the 2007-08 whole-of-government Accommodation Plan and arrange for savings to be realised. 	✘	The draft Plan was not implemented. The focus of the plan was lease relinquishment. The year was dominated by strong growth in the portfolio.
<ul style="list-style-type: none"> Develop the 2008-09 whole-of-government Accommodation Plan in consultation with agencies. 	✘	A consultancy tender for the provision of policy technical advice, industry/client consultation and portfolio planning was advertised with no suitable tenders received. A revised tender specification will be readvertised in 2008-09.
<ul style="list-style-type: none"> Review the Government's standard property lease document, the Memorandum of Common Provisions. 	✓	The review was completed. Three new standard lease documents are drafted ready for use as part of a broader policy framework.
<ul style="list-style-type: none"> In conjunction with the Business Improvement Centre, develop a business case for the development of remotely monitored environment sensing equipment. 	✘	This project was amalgamated with the replacement of the leased property management system project.
<ul style="list-style-type: none"> Evaluate current and future requirements for a leased property management system. 	◇	A Request for Information was issued and is being evaluated.
<ul style="list-style-type: none"> Support Closing the Gap by meeting strong demand for leased commercial property throughout the NT. 	✓	Achieved, with demand ongoing at this point in time.

✓ Achieved ◇ Partially Achieved ✘ Not Achieved → Continues into 2008-09

Office Leasing Management Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Property portfolio leases	143	143	156
Area leased ('000m ²)	173	173	173
Average cost per m ²	\$258	\$258	\$264
Quality			
Leases renewed before expiry ¹	85%	85%	79%
Timeliness			
Rental payments made on time	99.8%	99.8%	99.8%

Notes:-

- Due to the development of the New Memorandum of Common Provisions and Environmental Policies, some building owners have remained on monthly tenancy agreements. This will allow building owners time to consider the implications before entering into a long term lease.

Priorities for 2008-09

- Work with property owners to achieve reduced carbon emissions in leased government accommodation.
- Develop a policy framework to ensure the leased property portfolio is managed strategically in accordance with performance standards and objectives, including energy efficiency and environmental sustainability.
- Work with the Department of the Chief Minister to develop policy and procedures for land leasing in remote communities for non-housing infrastructure.
- Develop and implement policies for a Green Leasing Strategy to support the government's Climate Change Policy.

Output Group - Data Centre Services



Government's critical business systems operate in a computing environment that is flexible, reliable and secure, with high levels of access and availability.

This output group delivers a range of information technology services to all NT Government agencies.

Overview

This output:

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

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • Consolidate application hosting by upgrading virtual server infrastructure (equipment purchase of \$0.15 million). 	<ul style="list-style-type: none"> ✓ DCS continued to upgrade its virtual server infrastructure expanding from 160 to over 200 virtual servers in the 2007-08 year. DCS' virtual computing capability also diversified through the addition of Solaris virtualisation technology in addition to the existing VMWare deployment.
<ul style="list-style-type: none"> • Upgrade the Chan Data Centre environmental controls. 	<ul style="list-style-type: none"> ✓ Data Centre environmental controls were strengthened through: <ul style="list-style-type: none"> – Improved security cameras and CCTV monitoring system – Upgraded security screening for physical access to the facility – Upgrade of major air-conditioning units for cooling the machine room – Upgrade of the diesel generator for redundant power supply. – Installation of bollards
<ul style="list-style-type: none"> • Develop the business case for an alternative operating system on the government's mainframe servers. 	<ul style="list-style-type: none"> ✓ This initiative resulted in DCS acquiring the technology to deploy the Linux open source operating system on the government's IBM mainframe. A number of IT systems have been deployed on this.
<ul style="list-style-type: none"> • Upgrade one of the existing Z-890 mainframe servers to a Z-9 business class device. 	<ul style="list-style-type: none"> ✓ Successfully completed and in production.
<ul style="list-style-type: none"> • Provide the host environment for the government's shared services portal. 	<ul style="list-style-type: none"> ✗ Not progressed. The options for a preferred technology will be considered in 2008-09.
<ul style="list-style-type: none"> • Finalise the electronic passport2 system (ePASS2) to manage all government employee identity information and communication technology service requests. 	<ul style="list-style-type: none"> ✓ Completed in June 2008, ready for deployment across government in July 2008 upon completion of final testing.
<ul style="list-style-type: none"> • Complete the implementation of uniform service management processes, procedures and tools in accordance with the IT Infrastructure Library (ITIL) framework. 	<ul style="list-style-type: none"> ✓ The ITIL framework was successfully deployed within DCS and improvements to standard processes for managing service delivery and the customer interface are being realised.
<ul style="list-style-type: none"> • Implement measures to mitigate the risks associated with a Data Centre disaster scenario and strengthen capability to respond to a disaster or major business interruption. 	<ul style="list-style-type: none"> → Process commenced to undertake an independent investigation of the risks inherent in the current model and develop a range of costed options to mitigate the risks. <p>An extensive review of disaster recovery planning to strengthen NTG's ability to respond to a range of possible incidents that could potentially disrupt delivery of ICT services across government was begun. This will result in a comprehensive framework for managing incident responses.</p>

Initiative or Activity	Achievement
<ul style="list-style-type: none"> Develop a strategic forward plan for future enterprise storage requirements. 	✓ The strategic technology direction was finalised and acquisition for the new solution will occur in 2008-09.
<ul style="list-style-type: none"> Commence a benchmarking study of midrange services to examine market parity. 	◇ Not completed and will carry forward into 2008-09.
<ul style="list-style-type: none"> Develop a strategic capital replacement framework for major IT infrastructure over a 4-year rolling replacement program. 	✓ The replacement program has been developed and is due to commence in 2008-09.

✓ Achieved ◇ Partially Achieved × Not Achieved → Continues into 2008-09

Data Centre Services Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Billable mainframe (CPU) seconds processed per month	1.65M	1.65M	1.91M
Servers hosted in secure data centre facility ¹	375	375	374
Servers managed – mid-range services ¹	230	230	330
Databases hosted – mid-range services ¹	300	300	310
Gigabytes of Storage Area Network (SAN) ²	15 000	15 000	23 985
Quality			
Unplanned outages per month – mainframe services	0	0	0
Unplanned outages per month – mid-range services	3	3	3
Timeliness			
Response time for mainframe services (<5 seconds)	98.5%	98.5%	98.2%
Performance report for mid-range services provided to clients each month	<10 days	<10 days	<10 days

Notes:-

- Data Centre Services provides full security monitoring and backup power facilities, resulting in more agencies and external clients electing to transfer administration of servers and databases from their local premises to the Chan Data Centre.
- Data Centre Services provides an enterprise strength Storage Area Network and there is a significant trend for agencies to utilise this infrastructure as an efficient means of centralised backup for business data.

Priorities for 2008-09

- Expand fully managed computing services for agencies.
- Deliver more efficient application hosting and reduced carbon emissions through server virtualisation technologies.
- Contain the carbon footprint of the Chan Data Centre within an energy intensive business environment that is experiencing significant and sustained growth.
- Implement measures to mitigate the risks associated with a Data Centre disaster scenario and strengthen capability to respond to a disaster or major business interruption.

- Implement the second phase of the ePASS2 system to manage government employee identity information and ICT service requests.
- Implement a central service desk as the next phase of adopting the ITIL service delivery framework.
- Complete the benchmarking study of midrange services to examine market parity.

Output Group - Government Printing Office



Printing and publications that meet client requirements in respect of time, cost, quality and security.

This output group is responsible for delivering cost-effective printing and publishing services to the Northern Territory Parliament and government agencies through a centralised operation in a secure environment.

Overview

This output:

- provides specialised printing requirements for government, including the Daily Hansard, Bills, Acts, subordinate legislation and Gazettes
- manages printing needs for government agencies, including annual reports, budget papers, ballot papers, stationery, brochures, posters, and other reports, publications and promotional material
- works in partnership with the private sector printing industry to outsource a consistent portion of print jobs in order to best meet its customers' specific printing requirements.

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • <i>Continue to work in partnership with private sector printing firms to support private industry by outsourcing work fairly and equitably.</i> 	<ul style="list-style-type: none"> ✓ Outsourced over 27% of work to the private sector.
<ul style="list-style-type: none"> • <i>Foster professional relationships with the Office's panel contractors.</i> 	<ul style="list-style-type: none"> ✓ Achieved by regular contact with panel contractors and regular reporting to panel contractors on successful and unsuccessful tenders.

Initiative or Activity	Achievement
<ul style="list-style-type: none"> Evaluate and introduce technology relevant to the demands of our customers and seek to reduce printing and distribution costs. 	<ul style="list-style-type: none"> ✓ Achieved significant reduction in costs that allowed a profit with reduced sales. No new technology installed.
<ul style="list-style-type: none"> Transition to a contemporary print management system utilising digital imaging technology that will deliver better service and allow customers to achieve efficiency gains. 	<ul style="list-style-type: none"> ✗ Not achieved, awaiting further consideration of the recommendations of the business analysis review conducted in early 2008. → Document reproduction upgrade expected to be finalised and installed in 2008-09.
<ul style="list-style-type: none"> Continue to improve the Prism Print Management Information System for the benefit of the Government Printing Office and customers. 	<ul style="list-style-type: none"> ◇ Minimal improvement in Prism during 2007-08. Further improvements planned for 2008-09.
<ul style="list-style-type: none"> Upgrade lighting in production areas to Australian Standards. 	<ul style="list-style-type: none"> ✓ Completed March 2008. Significant reductions on power usage with average savings realised of \$1,450 per month.
<ul style="list-style-type: none"> Implement a customer feedback questionnaire to ascertain customer satisfaction with the Office's services to assist in assessing performance. 	<ul style="list-style-type: none"> ✗ Not achieved due to staff shortages in Sales and Service area. Implement during 2008-09. →

✓ Achieved ◇ Partially Achieved ✗ Not Achieved → Continues into 2008-09

Printing Services Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Jobs undertaken	3 200	3 450	3 111
Proportion of printing sales outsourced	18%	25%	27.6%
Quality			
Jobs reworked	<0.1%	<0.1%	.002%
Timeliness			
Quotes provided within required timeframes	99%	99%	98.7%
Jobs completed within required timeframes	99%	97.5%	97.6%

Priorities for 2008-09

- Continue to build business relationships with customers and suppliers.
- Enhance efficiency to better achieve the GPO's business objectives and deliver more streamlined services to customers.
- Consider ways to reduce the GPO's carbon footprint through lowering energy usage and greenhouse gas emissions.
- Continue the transition to a contemporary print management system that will deliver better service and allow customers to achieve efficiency gains.
- Implement a customer feedback questionnaire to ascertain customer satisfaction with the Office's services to assist in assessing performance.

Output Group - NT Fleet



A safe, environmentally friendly and cost effective Government vehicle fleet.

This output group is responsible for management of the NT Government's vehicle fleet, including light and heavy vehicles and plant and equipment, except for Northern Territory Police, Fire and Emergency Services. This encompasses vehicle acquisition and disposal, contract management, vehicle usage monitoring, coordination of maintenance and repairs, and reporting to agencies.

Overview

This output:

- provides policy advice to government on vehicle fleet matters and fleet planning and operational advice to agencies
- works closely with agencies to acquire a more modern fleet, which is fit for purpose, fuel efficient and environmentally friendly. In addition there is a significant working relationship with vehicle sellers, repairers and auctioneers
- provides 'not for profit' community based organisations with vehicles as a gift or loan following successful application to the government's Community Benefit Fund. A list of vehicles gifted or loaned through this government initiative can be viewed at Appendix F.

Performance

Initiative or Activity	Achievement
<ul style="list-style-type: none"> • <i>Working with agencies to minimise the cost of owning and operating the government fleet.</i> 	<ul style="list-style-type: none"> ✓ Benchmarking to ascertain a comparison of costs in line with national trends is ongoing. NT Fleet continually strives to provide the most cost effective prices for acquisition and maintenance which is in turn passed on to our client base.
<ul style="list-style-type: none"> • <i>Undertake a heavy vehicle replacement program, including a focus on replacing ageing elevating work platforms (EWP) for the Power and Water Corporation.</i> 	<ul style="list-style-type: none"> ✓ A number of EWP units were refurbished. A number of ageing units were replaced. This program will be completed in 2008-09.

Initiative or Activity	Achievement
<ul style="list-style-type: none"> Review NT Fleet business systems to establish the strategic ICT direction. 	→ A draft Terms of Reference and business case have been prepared which will result in engagement of a consultant to conduct a review in 2009.
<ul style="list-style-type: none"> Implement the 'pool vehicle booking system' across government and monitor usage. 	→ Pool vehicle booking system has been made available to all government agencies with 45% currently active. Usage is expected to increase significantly over the next year.
<ul style="list-style-type: none"> Implement a range of strategies from the 'Fleet Stages of Excellence' model to improve the effectiveness of service delivery and strengthen customer relationships. 	→ Significant progress has been made towards increasing customer awareness of vehicle suitability through improved product marketing. A comprehensive unfair wear and tear document is nearing completion and will be the guide for both NT Fleet and agencies in determining responsibility for associated costs. Tyre management has been improved considerably through a user pays system.
<ul style="list-style-type: none"> Meeting the demands of the Federal Intervention. 	✓ The Intervention impacted significantly on short-term vehicle hire across all regions. The withholding of disposal vehicles will be reflected in lower returns and lower numbers of vehicles available for disposal in the short term.
<ul style="list-style-type: none"> Increase numbers of 4-cylinder vehicles in the fleet thus reducing greenhouse gases emissions. 	✓ 4-cylinder vehicles now comprise 59% of the fleet. This has led to a 10% reduction in greenhouse gas emissions over the 2003-04 base year.

✓ Achieved ◇ Partially Achieved × Not Achieved → Continues into 2008-09

NT Fleet Budget Performance Indicators

Performance Measures	2007-08 Original Estimate	2007-08 Revised Estimate	2007-08 Actual
Quantity			
Light vehicles managed	2 430	2 485	2 613
Light vehicles disposed	1 100	900	946
Quality			
Age profile of light vehicle fleet (less than 2 years old)	80%	80%	76%
Four cylinder vehicles in fleet	52%	56%	59%
Timeliness			
Vehicles offered for sale within 45 days ¹	95%	95%	58%

Notes:-

- Until recently NT Fleet has not been able to accurately calculate the number of days between de-allocation of a vehicle from an agency to making the vehicle available for auction. With improved data collection methods, NT Fleet expects a considerable improvement in this KPI during the 2008-09 financial year.

Priorities for 2008-09

- Further enhance the fleet management information provided to clients.
- Continue to achieve an acceptable return on the asset base.
- Develop and implement a Green Fleet Strategy as part of the government's Climate Change Policy.
- Continue to work with agencies to acquire a safer, more environmentally friendly fleet, and minimise the cost of owning and operating the fleet.
- Finalise the elevating work platforms replacement program.
- Increase the usage of the 'pool vehicle booking system' across government.
- Implement a range of strategies from the 'Fleet Stages of Excellence' model to improve the effectiveness of service delivery and strengthen customer relationships.

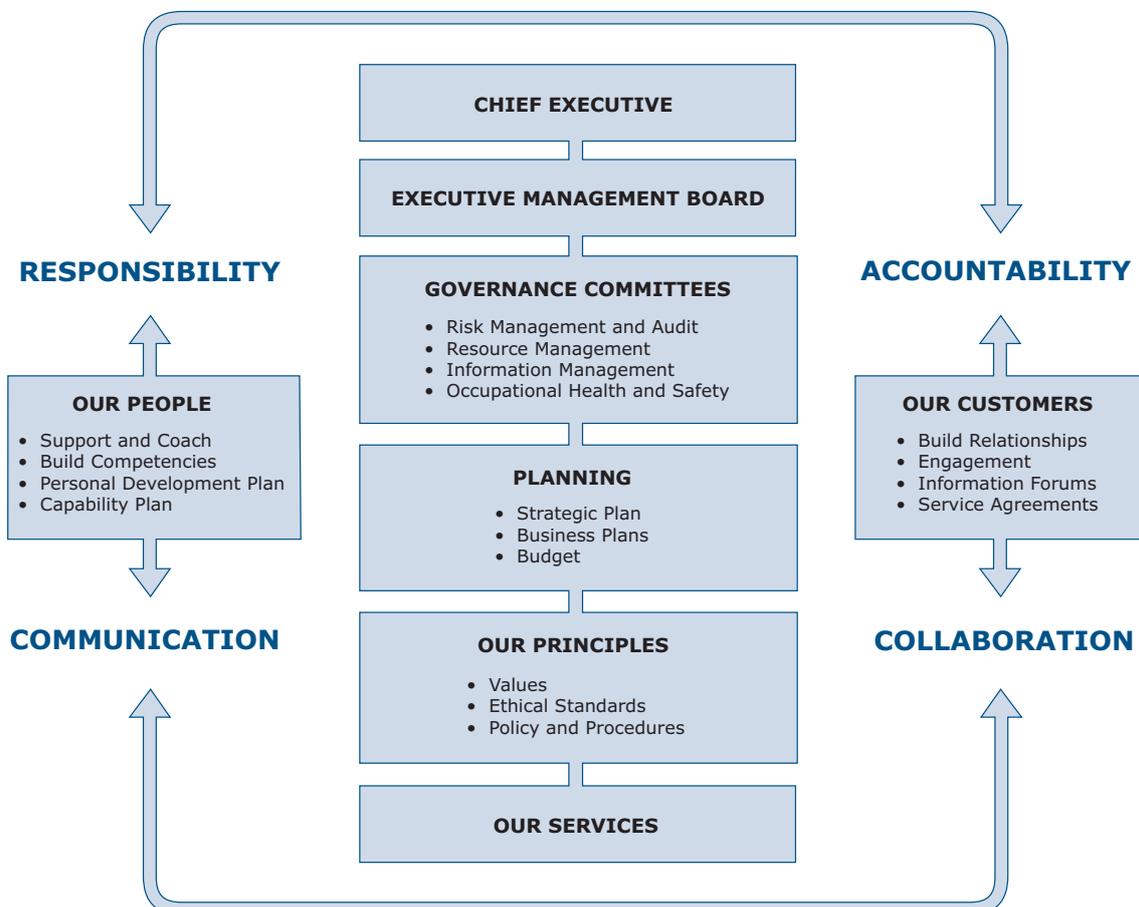
CORPORATE GOVERNANCE

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

Corporate Governance Framework

The DCIS Governance Framework:

- provides a structured framework through which DCIS is directed, controlled and held to account for its actions
- facilitates and guides the necessary planning, budgeting and management of performance
- requires accountability for the stewardship of resources, at the same time encourages effective and efficient use of these resources
- supports the Chief Executive and the Executive Management Board in providing leadership of DCIS
- strategically links management, principles and services with our people and customers.



Executive Management Board

Chaired by the Chief Executive, the Executive Management Board meets monthly to:

- provide advice and assist the Chief Executive in governing the department and meeting statutory responsibilities
- facilitate a co-operative approach to the delivery of organisational strategies and to monitor and review departmental performance.

In the last year one meeting was held in a regional office. The minutes of the Board meetings are made available to branch heads for discussion at team meetings with staff. Key decisions are also reported in the Chief Executive's newsletter to staff.

Members of the Executive Management Board are highlighted in the Executive Structure on page 4.

Governance Committees

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

Risk Management and Audit Committee

The Risk Management and Audit Committee:

- oversees risk management activities, audit and review programs for DCIS
- monitors progress against recommendations arising from audits and reviews conducted under these programs
- oversees reviews which are required under the conditions of the ICT outsourcing contracts.

During 2007-08 DCIS commenced development of a number of key governance frameworks including a risk management framework. The framework will provide a structured approach to risk management through the development of key procedures and business processes designed to identify, analyse, monitor and report on key risks across the department. This approach will enable risk mitigation strategies to be developed in relation to strategic and operational risks and will further strengthen the department's current risk management processes for major projects and programs.

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

With DCIS' whole-of-government roles in providing corporate services and maintaining critical corporate systems, the NT Auditor-General's Office continued its full audit program during 2007-08. The audit findings were mostly satisfactory with some isolated instances of control breakdowns, non-observance of procedures and minor issues noted. A summary of the findings for this year's external audits can be viewed at Appendix C.

As part of its lead role with the Corporate Services Review, DCIS has undertaken a comprehensive internal review program. This has been supplemented with internally managed business process improvement reviews and expert reviews of specialised areas. A summary of internal reviews conducted in 2007-08 is provided at Appendix D.

Resource Management Committee

The Resource Management Committee:

- oversees and advises on HR resourcing requirements for DCIS and its business divisions
- reviews and endorses recruitment action
- actively monitors unattached officers.

In 2007-08 the Committee continued to actively and cohesively manage human resources and employment strategies across the department. The process was invaluable during the recent Corporate Services Review, facilitating the placement of redeployed officers within a three month period.

Chaired by the Deputy Secretary, the members are the Director Information Technology Service Management, Executive Director Procurement and the Director People and Information. The Committee meets weekly and reports regularly to the Executive Management Board. Procedures governing the functions and Terms of Reference have been developed and disseminated across the department and business divisions.

In 2008-09 the Committee's role will be expanding further to undertake a HR governance role.

Occupational Health and Safety Steering Committee

The DCIS Occupational Health and Safety (OH&S) Steering Committee:

- ensures that mechanisms are in place to identify and address OH&S issues
- ensures that site-specific OH&S committees meet on a regular basis
- ensures the department's OH&S guidelines are available and understood by staff.

The Committee is chaired by the Director People and Information and comprises representatives from each work site, together with a regional representative.

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

The Committee has commenced preparation for achieving compliance with the requirements of the *Workplace Health and Safety Act* and this will be the focus of 2008-09.

Information Management Committee

During 2007-08, a review of the Information Management Committee's role and structure resulted in a new Terms of Reference and a revised membership being approved by the Executive Management Board late in the year. This provides the Committee with a more strategic focus on ICT requirements and investment for the department that is more closely aligned to corporate governance, departmental strategy and broader business needs.

The Committee is chaired by the Deputy Secretary, with the Director Data Centre Services, Executive Director Procurement and Director Human Resource Services as members.

The Committee progressed the development of an ICT Governance Framework for the department as part of an overarching corporate governance framework. The Framework is to be supported by a set of ICT Application Standards, internal policies and procedures and a detailed inventory of existing ICT systems. This Framework will provide a structured and strategic approach to the management of information and communication technology in the department.

A consultant was engaged to assist in the development of the Framework with a management report received in June 2008. Several of the report's recommendations have been actioned while others continue to be developed or considered by the Committee. The ICT Governance Framework is planned to be finalised late 2008.

Ethical Standards

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

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

DCIS recognises that any conflict of interest, whether real or perceived, erodes confidence in the integrity of the department specifically, or government in general. All Directors and Executive Directors are required to declare private and other interests which might result in a conflict of interest. If interests which might result in a conflict are identified appropriate action is taken to resolve such conflict or prevent it from arising. Completed declarations are held as evidence of disclosure and, as such, provide some protection from unfounded allegations of bias concerning agency advice or decisions.

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

Planning

Strategic Plan

The DCIS Corporate Plan 2005-2008 expired in June 2008. The planning process for a new Strategic Plan began early 2008. Facilitated by the People and Development team, staff input sessions were conducted across the department and regions, with 15 sessions held in total. Discussions centred on where the agency was heading, what the employees sought from an employer, what staff thought was our purpose and our priorities and how we could achieve them. This process was followed by a Senior Officers Forum, where the information collected was further analysed, with the end result forming the basis for the Strategic Plan.

The resultant Strategic Plan 2008-11 sets the strategic priorities and focuses on supporting the department to realise the tactical issues facing it over the next three years. The Plan also stresses the importance of its employees; providing a capable and committed workforce underpins the success of the department meeting its strategic priorities.

Business Plans

The Strategic Plan defines our purpose, values and strategic issues and sets our strategic priorities for the ensuing three years. Business plans for individual services that provide practical tasks and projects to be completed in the coming year, contribute to the overall departmental objectives and support the Strategic Plan. These business plans are developed in consultation with staff and stakeholders and progress against planned projects is reported to the Executive Management Board on a monthly basis. This provides a regular update on key organisational goals and ensures a coordinated approach to our business initiatives.

Performance Measures

DCIS has developed and adopted specific performance measures which are designed to provide the organisation with an overview of how well each service line is performing in relation to our customers, our people and our processes. The measures are compiled from a range of data sources.

Key Performance Indicators (KPIs) for 2007-08 align with the 2005-08 Corporate Plan and focus on qualitative and timeliness measures rather than the more traditional quantitative measures.

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

KPIs comparing actual performance against targets for the 2007-08 year are reported extensively in the performance reporting beginning on page 10.

Communication

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

- Senior Officers' Forum - provides a key avenue for communication and information sharing, involving around 60 executives and senior managers within the department. The main aim of the Senior Officers' Forum in 2007-08 was to develop innovative ideas and initiatives to contribute to the DCIS Strategic Plan 2008-11
- Internet website - presents information about DCIS to the broader community
- Intranet website - is the department's main business communication tool and contains information on services, procedures and forms utilised by both DCIS and agencies in the delivery of corporate services. In 2007-08 this site was extensively overhauled to provide more user-friendly services to the NTPS

- Intranet Staff Only website - for use by DCIS staff only, contains forms and procedures utilised within DCIS and information on employment and news within the department
- Chief Executive's Newsletter – issued regularly to keep staff informed of corporate initiatives and developments, key staff achievements, across agency projects and significant customer interactions. It is posted on the staff-only intranet site.

Accountabilities

Statutory Accountability

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

Legislation Administered

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

The *Procurement Act* and subordinate legislation provide a cohesive framework for the procurement of supplies by government agencies and aim at achieving value for money from expenditure on supplies by way of procedures and processes that are transparent to all suppliers.

Delegations

DCIS maintains a full suite of delegations covering procurement, financial and human resource management activities. The delegations allow appropriately authorised staff members to undertake specific responsibilities of the Accountable Officer prescribed in the *Financial Management Act*, the *Procurement Act* and the *Public Sector Employment and Management Act*. A comprehensive review of the delegations is scheduled for 2008-09.

Accounting and Property Manual

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

Policies and Standard Operating Procedures

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

As the government's corporate shared services provider, DCIS also has a requirement to develop and maintain policies and procedures that have a whole-of-government focus.

Legal Services

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

Information Act Requests

In 2007-08 DCIS received one application under the *Information Act* to access personal information, that was finalised within 30 days of receipt of application. A total of 18 pages of information was released in full to the applicant.

In accordance with the Act, the Freedom of Information Annual Statistical Return for DCIS has been reported to the Information Commissioner and this information is incorporated in the Commissioner's annual report.

Ombudsman Enquiries

There was one preliminary enquiry in 2007-08 which did not proceed to investigation.

Environmental Management

Energy Smart Building Policy

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

DCIS has responsibility for a variety of buildings including normal office buildings; the Government Printing Office and the Chan Data Centre that both have specific requirements.

Energy Saving Measures

Office buildings

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

Chan Data Centre

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

Government Printing Office

- During 2007-08 the Printing Office upgraded its lighting requirements to conform to current Australian Standards. This has provided more consistent lighting, reduced energy consumption with average cost savings of \$1 450 per month.

In addition, NT Property Management works closely with the Department of Planning and Infrastructure to achieve energy efficiencies in government leased accommodation. Energy usage reports have been prepared for all significant leases, with recommendations implemented during lease negotiations. During 2007-08 a Green Leasing Policy was under development to ensure that energy efficiency, carbon reduction and waste management are key considerations when leasing commercial property. The Policy will take into account matters such as energy efficiency, environmental sustainability of building materials and recycling. Different targets are likely to be established for new and existing buildings. A consultation paper on Green Leasing will be prepared for consultation with agencies and the property industry in 2008-09.

Other Environmental Management Initiatives

Procurement

- Development of a Northern Territory Government 'Sustainable' Procurement Policy will be progressed in 2008-09. Further to this, proposed consultation with agencies and industry representatives is required to identify the overarching objectives in relation to government procurement activities and to ensure enhanced sustainable procurement practices and outcomes are achieved. The Northern Territory Government 'Sustainable' Procurement Policy will encompass all government business that nominates 'green' initiatives as part of tendering or contractual requirement.

NT Fleet

- Over the reporting period NT Fleet have replaced 6 cylinder vehicles with more fuel efficient, cost effective 4 cylinder vehicles, which now represent 59% of the fleet. This has led to a 10% reduction in greenhouse gas emissions over the 2003-04 base year. In its efforts to further reduce greenhouse gas emissions NT Fleet is developing a green fleet strategy with stage 1 implementation commencing January 2009. The mainstay of the strategy will be the acquisition of smaller more fuel efficient vehicles which will further lower gas emissions and minimise both capital and operating costs.

OUR PEOPLE

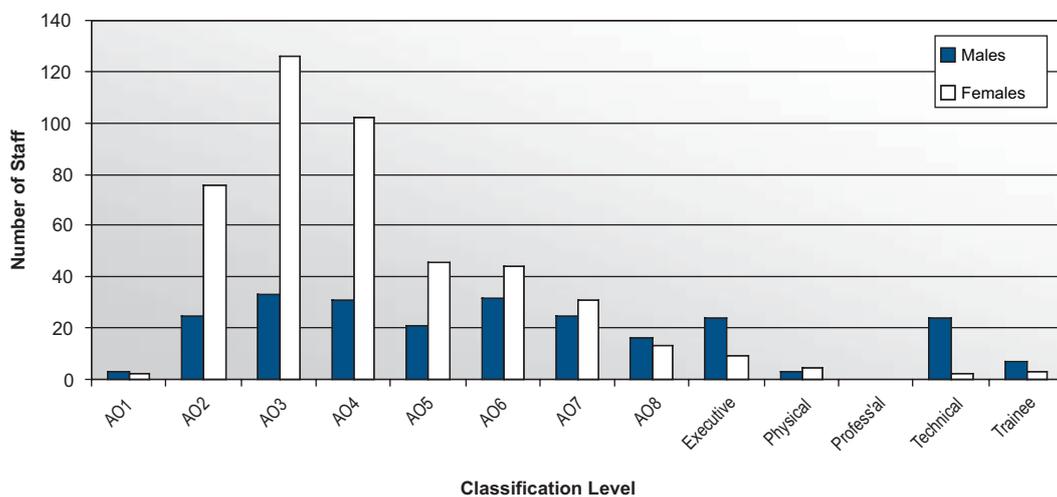
Overview

The department's services are delivered through its people. Our business outcomes are underpinned by the corporate objective of valuing and enabling capable people. We are committed to supporting and developing our people to guide their performance and build skills and competencies.

Our Staff in Profile

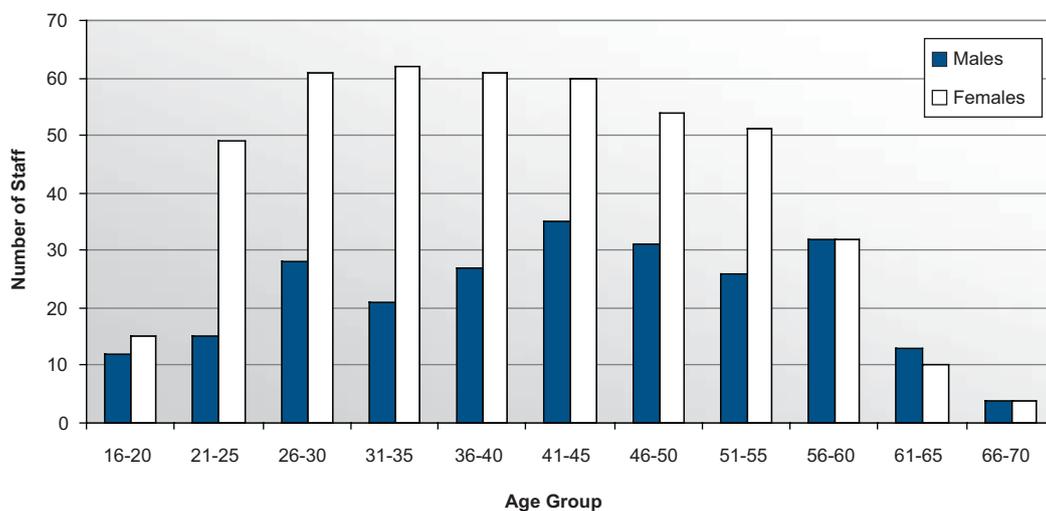
At 30 June 2008, 710 people (by head count) were employed across DCIS in a range of classifications, with over half the staff being in the AO2 and AO4 classifications.

Staffing by Gender and Classification



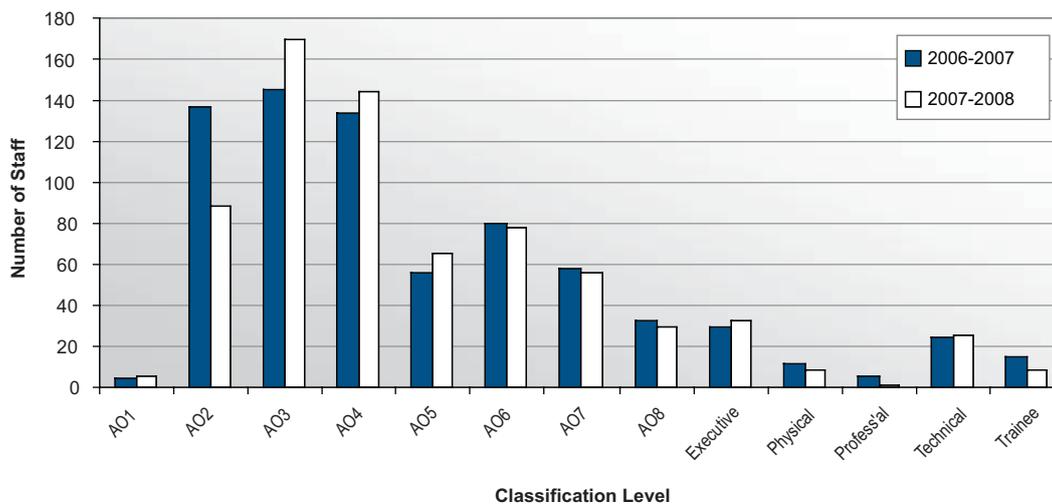
The distribution of age is fairly even across the department, with females representing over 70% of staff.

Staffing by Gender and Age



Staffing numbers reduced over the year by 3.1%, with the greatest variance in the AO2 classification. The graph below depicts actual staffing levels at a point in time and highlights the volatility being experienced in staff numbers at the AO2-AO4 levels, which is indicative of the shortage in skilled administrative staff. Entry level employees at the AO2 level are quickly gaining higher duties opportunities, many in other agencies. During 2007-08 many entry level staff gained the skills to move into AO3 and AO4 level positions. Subsequent backfilling of vacant AO2 positions has then presented challenges for the department. Increases in business office skills apprentices are planned for future years to respond to this skills shortage.

Variation in Staff Numbers



Supporting and Growing Our People

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

The following table outlines a number of corporate initiatives progressed or undertaken to support and develop our people during 2007-08.

Program / Process	Action
<p><i>Personal Planning Process (3P)</i></p> <p>3P is a mechanism for staff and their supervisors to establish a shared understanding of work unit objectives and identify personal professional development needs on an annual basis.</p>	<p>The completion of a work plan and professional development plan by all staff encourages personal responsibility for learning and development needs</p> <p>Through this process the agency’s corporate learning needs are identified and incorporated in the Corporate Capability Plan.</p>
<p><i>Corporate Capability Plan</i></p> <p>The Corporate Capability Plan identifies and maps the department’s capability gaps. The Plan is used throughout the year to guide development initiatives and drive the content and availability of a number of programs.</p>	<p>Focus areas identified for development in the 2007-08 Corporate Capability Plan were:</p> <ul style="list-style-type: none"> - leadership - change management - cross cultural awareness. <p>These areas were addressed through formal and informal development programs.</p>

Program / Process	Action
<p><i>Support Program and Information Network (SPIN)</i></p> <p>The SPIN sessions provide a forum for staff to network and learn through sharing information and experiences related to a specific topic or theme. Sessions are conducted by human resource consultants from the People and Development Unit and guest speakers from within DCIS.</p>	<p>SPIN session topics during 2007-08 included:</p> <ul style="list-style-type: none"> - Change Management; and Revisiting Change in the Workplace - Effective Feedback - Career Self Management - Worklife Balance - Workforce Planning. <p>110 staff attended SPIN sessions during 2007-08. Participants evaluate each SPIN session and the feedback has been consistently positive.</p>
<p><i>Leadership Programs</i></p> <p>DCIS continues to support specialised management programs.</p> <p><i>Women in Leadership</i></p> <p>DCIS supports women to undertake development programs at different stages of their career.</p> <p><i>Executive Coaching</i></p> <p>DCIS supports the development of senior managers at Executive Officer Level 1 and above through an executive coaching program.</p>	<p>During 2007-08 the following leadership programs were accessed by staff:</p> <ul style="list-style-type: none"> - Three staff undertook the Public Sector Management Program, all female. - Seven staff members attended the Discovery program. - Four staff members attended the Springboard for Women program - Two in-house Certificate IV Frontline Management programs for payroll and finance staff have been conducted. - People Aiming Towards Higher Skills (PATHS). This management capabilities framework identifies leadership capabilities from the AO3 to AO8 levels. This was identified as a key initiative for 2007-08 as a career mapping tool for self-assessment of current capabilities and future development needs. - Ongoing informal mentoring and coaching is actively promoted within the department to grow and encourage women into senior positions.
<p><i>Graduates and Apprentices</i></p> <p>DCIS supports an active apprenticeship and graduate program to improve staff retention and build skills and knowledge.</p>	<ul style="list-style-type: none"> - Five apprentices placed within DCIS graduated in 2007-08. Eight apprentices continued or commenced within DCIS in 2007-08 - Two graduates continued with the graduate program. A further two graduates commenced the two-year program in 2007-08.
<p><i>Staff Sensing</i></p> <p>Annual program to ascertain the views of staff on important and current business issues.</p>	<p>This year the focus was on the development of DCIS' Strategic Plan. Over 200 staff attended one of the 15 focus groups conducted. The outcomes identified focus areas for the Strategic Plan and the HR Strategic Plan.</p>

Program / Process	Action
<p><i>Chief Executive's Rewards and Recognition Scheme</i></p> <p>The Scheme acknowledges the most significant individual or team performance as well as a small number of certificates of commendation for other notable achievements.</p>	<p>During 2007-08, one award process was conducted with the following awardees:</p> <ul style="list-style-type: none"> - Chief Executive's Award: Michael Fong - Commendation Certificates: Kuldip Singh, Sheree Hansen, Jackie Pen-Dennis, Gary Turnbull, Debbie Broadbridge, Vernon Lowe, Helen Robinson, Dean Broughton and Colin McDonald.
<p><i>Chief Executive's Newsletter</i></p> <p>Forum for updating staff on key topics and happenings within DCIS.</p>	<p>In 2007-08 six newsletters were issued. Many featured a team profile, which provided an insight into the various teams in the organisation and their function.</p>
<p><i>Employee Assistance Program</i></p> <p>Provides a confidential range of professional counselling services for staff and their immediate families, independent of both DCIS and the NTPS.</p>	<p>Two principle providers - Darwin Clinical Psychologists and the Employee Assistance Service - have delivered training and development courses, facilitated workshops and management planning sessions and provided mediation, career counselling and management coaching.</p>

Initiatives Planned for 2008-09

In keeping with the department's commitment to grow and support our people, key initiatives planned for 2008-09 across DCIS include:

- At a corporate level one of the key human resource initiatives in 2008-09 is the development of an Employment Strategy.
- Provide ongoing training, growth and development opportunities for staff across the department, further multi-skill our employees through the encouragement of participation in leadership programs, staff rotations, executive coaching and continuing support for the graduate and apprenticeship programs.
- Finance Services will establish a training program for new staff. The program will be based on in-house training - plus the branch will continue to conduct in-house staff skills development sessions for existing staff where needed and provide rotational opportunities across work units.
- Casuarina Office will develop and present short, specific internal staff training courses on topical employment issues such as changes to conditions and change management.

Legislative Compliance

Reporting Against Employment Instructions

DCIS' performance against each instruction is reported below.

Employment Instruction and Agency Requirements	Action
<p><i>Number 1 – Recruitment</i></p> <p>Agency to develop procedures on recruitment and selection for internal use.</p> <p>CE required to report annually on the number of employees in each designation and variations since last report.</p>	<p>DCIS implemented policy and established procedures for use by managers and selection panels.</p> <p>During 2007-08, 198 vacancies were advertised, 167 staff commenced and 156 separations were processed.</p> <p>Eight appeals were lodged in 2007-08. Upheld (3); withdrawn by applicant (1); vacancy withdrawn (4).</p>
<p><i>Number 2 - Probation</i></p> <p>CE to develop a probationary process for the agency and convey details of the probationary process to employees within their first week of reporting for duty.</p>	<p>DCIS' probation policy has been implemented and is distributed to staff through workplace induction.</p>
<p><i>Number 3 – Natural Justice</i></p> <p>The rules of natural justice to be observed in all dealings with employees.</p>	<p>The agency endeavours to observe the principles of natural justice in all dealings with employees.</p> <p>The Supervisors' Toolkit includes a short guide to natural justice principles.</p>
<p><i>Number 4 – Performance Management</i></p> <p>CE to report annually to the Office of the Commissioner for Public Employment (OCPE) on management training and staff development programs.</p> <p>CE to develop and implement performance management systems for their agency.</p>	<p>Management training and staff development activities and performance management are reported through the 3P program, as described in this annual report.</p> <p>Further information on management and staff development programs are included in this section of the annual report.</p>
<p><i>Number 5 – Medical Incapacity</i></p> <p>No agency action or reporting requirements.</p>	<p>DCIS managers liaise with the People and Development (P&D) Unit and the OCPE for specific advice on resolving medical incapacity as required and on a case by case basis.</p>
<p><i>Number 6 – Inability to Discharge Duties</i></p> <p>CE to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p> <p>CE may establish procedures regarding inability within their agency.</p>	<p>DCIS managers liaise with the P&D Unit and the OCPE seeking specific advice and assistance as required and on a case by case basis.</p>
<p><i>Number 7 – Discipline</i></p> <p>CE to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p> <p>CE may establish procedures regarding discipline within their agency.</p>	<p>DCIS has implemented performance management policy and procedures. The Supervisor's Toolkit provides DCIS supervisors with a quick reference guide to managing the discipline process.</p> <p>There was no formal disciplinary action required in DCIS for 2007-08.</p>

Employment Instruction and Agency Requirements	Action
<p><i>Number 8 – Grievances</i></p> <p>CE shall establish written procedures for the agency that should outline steps for dealing with grievances and be available to employees.</p>	<p>The Supervisors’ toolkit includes a quick reference guide to managing grievances.</p> <p>Five internal grievances were received in 2007-08. The basis for these: discrimination and harassment (1), dissatisfaction with a selection process (2), physical altercation (1) and inappropriate behaviour (1). All matters were addressed through internal grievance management processes.</p>
<p><i>Number 9 – Now incorporated in Employment Instruction 1</i></p>	
<p><i>Number 10 – Employee Records</i></p> <p>Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.</p>	<p>DCIS is responsible for storing NT Government agency personnel files.</p> <p>Any requests by DCIS employees to access their employee records are made through the P&D Unit.</p>
<p><i>Number 11 – Equal Employment Opportunity</i></p> <p>CE to devise and implement programs to ensure equal employment opportunities and outcomes are achieved.</p> <p>CE to report annually to the OCPE on programs and initiatives agency has developed.</p>	<p>DCIS has an Equal Employment Opportunity Committee that monitors and ensures equal opportunity throughout the department. A mandatory requirement in all DCIS job descriptions allows for the assessment of all applicants’ understanding of equal employment opportunity principles.</p>
<p><i>Number 12 – Occupational Health and Safety</i></p> <p>CE to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.</p> <p>CE to report annually to the OCPE on occupational health and safety programs.</p>	<p>DCIS has an OH&S framework comprising a representative steering committee to ensure appropriate monitoring of the health and safety of staff. OH&S committees for each work site are tasked with monitoring and addressing site-specific OH&S issues.</p> <p>Management is committed to providing a safe workplace and uses the 10 point OH&S management system. DCIS fully funds flu vaccinations.</p> <p>Understanding of OH&S principles is a mandatory requirement in all DCIS job descriptions.</p> <p>In 2007-08 agency compliance against the new <i>Workplace Health and Safety Act</i> was commenced. This project is due to be completed in 2008-09.</p>
<p><i>Number 13 – Code of Conduct</i></p> <p>CE may issue guidelines regarding acceptance of gifts and benefits to employees. CE may issue agency specific Code of Conduct.</p>	<p>New staff are provided with the NTPS Principles and Code of Conduct as part of their commencement package. The Code is also an integral component in the DCIS Orientation Program that is mandatory for all new DCIS staff.</p>
<p><i>Number 14 – Part-time Employment</i></p> <p>CE to advise unions on a six-monthly basis of number of part-time employees by salary stream.</p>	<p>DCIS is supportive of part-time working arrangements and other flexible work arrangements and has a policy as part of the department’s Flexible Work Practices policy.</p>

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Department of Corporate and Information Services
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2008

Financial Performance

The Department's financial performance in 2007-08 was in line with expectations resulting in an overall net result close to the targeted shortfall with slightly higher levels of both income and expenses. The net increase in the deficit was \$0.2M higher than forecast, which is within 0.2% of budgeted expenditure.

Both income and expenses increased from the prior year, primarily the result of a one-off Information and Communications Technology (ICT) capital grant of \$5.0M and increases in property leasing costs partially offset by employee cost reductions.

Table 1: 2007-08 Actual and Budget Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2008	2007	2008	2007	2008	2007
Income	108 693	102 502	108 422	102 365	271	137
Expenses	109 579	104 631	109 079	104 302	(500)	(329)
Surplus/(Deficit)	(886)	(2 129)	(657)	(1 937)	(229)	(192)

Income

By far the majority of the Department's income is sourced from appropriation from the Central Holding Authority (called Output Revenue). The Department's services are provided free-of-charge to general government agencies, although notional charges are recorded and reflected in each agency's budget and output costs. Government business divisions are charged for the Department's services with this income included in goods and services revenue. Additionally, the costs for some specific services, such as salary packaging administration and training courses, are recouped from the recipients.

Table 2: Revenue by Category

Year	Output Revenue		Goods and Services Revenue		Grants Revenue		Other Revenue		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	96 224	88.5	11 884	11	471	0.4	114	0.1	108 693	100
06-07	90 738	88.5	11 248	11	395	0.4	121	0.1	102 502	100

Expenses

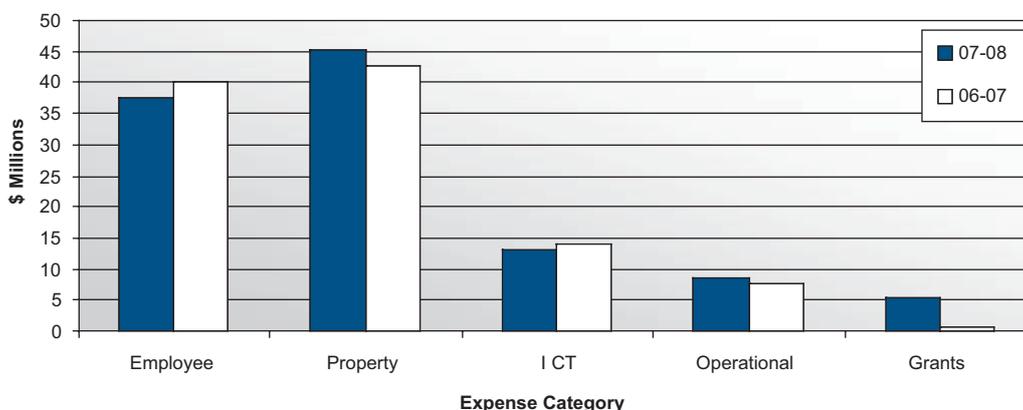
Property costs (primarily office lease rents) comprise the largest expense category for the Department. Property and ICT costs, which together form over 50% of the Department's total expenses, are mostly reflected in longer term fixed contracts. Employee costs are the second major expense category with ongoing efforts being made to contain and reduce these costs, as demonstrated by a \$2.4M (6.1%) decrease in employee expenses from 2006-07 to 2007-08. Initiatives and improvements implemented during 2007-08 have enabled corporate services to client agencies, to be provided at a lower resourcing level.

Table 3: Expenses by Category

Year	Employee		Property		ICT		Operational		Grants		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	37 557	34.3	45 260	41.3	12 982	11.8	8 493	7.8	5 287	4.8	109 579	100
06-07	39 998	38.2	42 580	40.7	14 032	13.4	7 538	7.2	483	0.5	104 631	100

Figure 1 shows the Department's expenses by the various categories across the financial years.

Figure 1: Expenses by Category Across Financial Years



Financial Position

The Department's net asset position at the end of 2007-08 is \$3.1M, compared with a 2006-07 net asset position of \$3.7M.

Total current assets increased by around \$0.3M. Cash and deposits were lower, however, this was offset by increases in receivables and prepayments. Non-current assets were reduced due to depreciation on the existing asset base.

Current liabilities increased by around \$0.5M primarily the result of a number of system enhancements and consultancies concluding late in June. Non-current liabilities were increased due to additional amounts for employee related provisions, such as the recreation leave provision, associated with staff movements across the Department over the year.

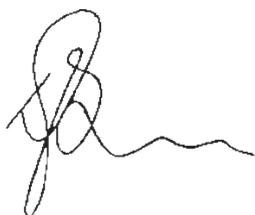
Department of Corporate and Information Services
FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Income 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 2008 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.



.....
Dennis Bree
CHIEF EXECUTIVE
11 September 2008



.....
Rex Schoolmeester
CHIEF FINANCE OFFICER
11 September 2008

Department of Corporate and Information Services
INCOME STATEMENT
For the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
INCOME			
<i>Grants and Subsidies Revenue</i>			
Current		471	395
Output Revenue		96 224	90 738
Sales of Goods and Services		11 884	11 248
Interest Revenue		15	26
Gain on Disposal of Assets		11	-
Other Income		88	95
TOTAL INCOME	3	108 693	102 502
EXPENSES			
Employee Expenses			
Administrative Expenses		37 557	39 998
Purchases of Goods and Services	4	65 960	63 334
Repairs and Maintenance		232	248
Depreciation and Amortisation	7	543	563
Other Administrative Expenses		-	5
<i>Grants and Subsidies Expenses</i>			
Current		287	483
Capital		5 000	-
TOTAL EXPENSES	3	109 579	104 631
NET (DEFICIT)	11	(886)	(2 129)

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

Department of Corporate and Information Services

BALANCE SHEET

As at 30 June 2008

	Note	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and Deposits	5	476	1 508
Receivables	6	2 328	1 513
Prepayments		3 510	2 925
Other Assets		(2)	-
Total Current Assets		6 312	5 946
Non-Current Assets			
Property, Plant and Equipment	7	6 203	6 529
Total Non-Current Assets		6 203	6 529
TOTAL ASSETS		12 515	12 475
LIABILITIES			
Current Liabilities			
Deposits Held		388	297
Payables	8	2 947	2 462
Provisions	9	4 240	4 404
Other Liabilities	10	100	-
Total Current Liabilities		7 675	7 163
Non-Current Liabilities			
Provisions	9	1 729	1 634
Total Non-Current Liabilities		1 729	1 634
TOTAL LIABILITIES		9 404	8 797
NET ASSETS		3 111	3 678
EQUITY			
	11		
Capital		4 247	3 928
Reserves		324	324
Accumulated Funds		(1 460)	(574)
TOTAL EQUITY		3 111	3 678

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

Department of Corporate and Information Services
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
BALANCE OF EQUITY AT 1 JULY		3 678	16 275
Capital	11		
Balance at 1 July		3 928	14 396
Equity Injections		352	32
Equity Withdrawals		(33)	(10 500)
Balance at 30 June		4 247	3 928
Reserves			
Balance at 1 July		324	324
Increase/(Decrease) in Asset Revaluation Reserve		-	-
Balance at 30 June		324	324
Accumulated Funds	11		
Balance at 1 July		(574)	1 555
(Deficit) for the Period		(886)	(2 129)
Balance at 30 June		(1 460)	(574)
BALANCE OF EQUITY AT 30 JUNE		3 111	3 678

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

Department of Corporate and Information Services

CASH FLOW STATEMENT

For the year ended 30 June 2008

	Note	2008 \$'000 (Outflows) / Inflows	2007 \$'000 (Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
<i>Grants and Subsidies Received</i>			
Current		471	395
Output Revenue Received		96 224	90 738
Receipts From Sales of Goods And Services		18 218	30 868
Interest Received		15	24
Total Operating Receipts		114 928	122 025
Operating Payments			
Payments to Employees		(37 626)	(40 227)
Payments for Goods and Services		(73 240)	(70 681)
<i>Grants and Subsidies Paid</i>			
Current		(287)	(483)
Capital		(5 000)	-
Total Operating Payments		(116 153)	(111 391)
Net Cash From/(Used In) Operating Activities	12	(1 225)	10 634
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of Assets	7	(11)	-
Total Investing Payments		(11)	-
Net Cash From/(Used In) Investing Activities		(11)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits Received		91	(36)
<i>Equity Injections</i>			
Other Equity Injections	11	113	-
Total Financing Receipts		204	(36)
Financing Payments			
Equity Withdrawals	11	-	(10 500)
Total Financing Payments		-	(10 500)
Net Cash From/(Used In) Financing Activities		204	(10 536)
Net Increase/(Decrease) in Cash Held		(1 032)	98
Cash at Beginning of Financial Year		1 508	1 410
CASH AT END OF FINANCIAL YEAR	5	476	1 508

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

Department of Corporate and Information Services
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

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2. Statement of Significant Accounting Policies
3. Income Statement by Output Group
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4. Purchases of Goods and Services
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17. Accountable Officer's Trust Account
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19. Variation to the Treasurer's Annual Financial Statement

1. OBJECTIVES AND FUNDING

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

The Department is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to conduct its functions and deliver outputs. For reporting purposes, outputs delivered by the Department are summarised into two Output Groups. Note 3 provides summary financial information in the form of an Income Statement by Output Group.

The Department has the following output groups and outputs:

Corporate Services

- Finance Services
- Human Resource Services
- Procurement Policy and Services
- Information and Communications Technology Services

Office Leasing Management

- Office Leasing Management.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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

Except where stated, the financial statements have also been prepared in accordance

with the historical cost convention.

(b) Agency and Territory Items

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

Central Holding Authority

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

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

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

(c) Comparatives

Where necessary, comparative information for the 2006-07 financial year has been reclassified to provide consistency with current year disclosures.

(d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2007-08 as a result of management decisions.

(f) Goods and Services Tax

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

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

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

(g) Income Recognition

Income encompasses both revenue and gains.

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

Output Revenue

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

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

Grants and Other Contributions

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

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

Sale of Goods

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

Rendering of Services

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

Interest Revenue

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

Disposal of Assets

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

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

Funding is received for repairs and maintenance works associated with Departmental assets as part of Output Revenue. Costs associated with repairs and maintenance works on Department assets are expensed as incurred.

(i) Interest Expenses

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

(j) Cash and Deposits

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

beneficial owner – refer also to Note 17.

(k) Receivables

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

The allowance for impairment losses represents the amount of receivables the Agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an ageing schedule in Note 6. Reconciliation of changes in the allowance accounts is also presented.

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

(l) Property, Plant and Equipment

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

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

Revaluations

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

- Land; and
- Buildings.

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

The unique nature of some of the heritage and cultural assets may preclude reliable measurement. Such assets have not been recognised in the financial statements.

Depreciation and Amortisation

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

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

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

	<u>2008</u>	<u>2007</u>
Buildings	50 Years	50 Years
Plant and Equipment	10 Years	10 Years

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

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

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

(m) Leased Assets

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

Finance Leases

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

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

Operating Leases

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

(n) Payables

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

(o) Employee Benefits

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

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

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

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

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

(p) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

(q) Contributions by and Distributions to Government

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

The Statement of Changes in Equity and Note 11 provide additional information in relation to contributions by, and distributions to, Government.

(r) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 14 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

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

3. INCOME STATEMENT BY OUTPUT GROUP

	Note	Corporate Services		Office Leasing Management		Total	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
INCOME							
<i>Grants and Subsidies Revenue</i>							
Current		471	395	-	-	471	395
Output Revenue		54 650	51 683	41 574	39 055	96 224	90 738
Sales of Goods and Services		7 407	6 959	4 477	4 289	11 884	11 248
Interest Revenue		15	26	-	-	15	26
Gain on Disposal of Assets		11	-	-	-	11	-
Other Income		88	95	-	-	88	95
TOTAL INCOME		62 642	59 158	46 051	43 344	108 693	102 502
EXPENSES							
Employee Expenses		36 340	38 870	1 217	1 128	37 557	39 998
<i>Administrative Expenses</i>							
Purchases of Goods and Services	4	21 142	21 134	44 818	42 200	65 960	63 334
Repairs and Maintenance		232	248	-	-	232	248
Depreciation and Amortisation	7	527	547	16	16	543	563
Other Administrative Expenses		-	5	-	-	-	5
<i>Grants and Subsidies Expenses</i>							
Current		287	483	-	-	287	483
Capital		5 000	-	-	-	5 000	-
TOTAL EXPENSES		63 528	61 287	46 051	43 344	109 579	104 631
NET (DEFICIT)	12	(886)	(2 129)	-	-	(886)	(2 129)

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

	2008 \$'000	2007 \$'000
4. PURCHASES OF GOODS AND SERVICES		
The net (deficit) has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Information Technology	11 250	12 114
Office Leasing	44 532	41 937
Consultants ⁽¹⁾	2 428	2 642
Advertising ⁽²⁾	490	416
Marketing and Promotion ⁽³⁾	35	30
Document Production	41	113
Legal Expenses ⁽⁴⁾	152	173
Recruitment ⁽⁵⁾	182	112
Training and Study	474	389
Official Duty Fares	136	142
Travelling Allowance	40	42
(1) Includes marketing, promotion and IT consultants.		
(2) Does not include recruitment advertising or marketing and promotion advertising.		
(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.		
(4) Includes legal fees, claim and settlement costs.		
(5) Includes recruitment related advertising costs.		
5. CASH AND DEPOSITS		
Cash on Hand	56	57
Cash at Bank	420	1 451
Total Cash and Deposits	476	1 508
6. RECEIVABLES		
Current		
Accounts Receivable	816	567
Less: Allowance for Impairment Losses	-	-
	816	567
Interest Receivable	1	1
GST Receivable	1 029	455
Other Receivables	482	490
	1 512	946
Total Receivables	2 328	1 513
Ageing of Receivables		
Not Overdue	803	494
Overdue for less than 30 Days	3	8
Overdue for 30 to 60 Days	4	33
Overdue for more than 60 Days	6	32
Total Receivables	816	567

	2008 \$'000	2007 \$'000
7. PROPERTY, PLANT AND EQUIPMENT		
Land		
At Fair Value	1 400	1 400
Buildings		
At Fair Value	5 152	5 000
Less: Accumulated Depreciation	(2 947)	(2 848)
	2 205	2 152
Plant and Equipment		
At Cost	1 093	1 100
Less: Accumulated Depreciation	(723)	(715)
	370	385
Computer Software		
At Fair Value	3 332	3 333
Less: Accumulated Amortisation	(1 104)	(741)
	2 228	2 592
Computer Hardware		
At Fair Value	265	328
Less: Accumulated Depreciation	(265)	(328)
	-	-
Total Property, Plant and Equipment	6 203	6 529

Impairment of Property, Plant and Equipment

Department property, plant and equipment assets were assessed for impairment as at 30 June 2008. No impairment adjustments were required as a result of this review.

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2007-08 is set out below:

	Land	Buildings	Plant & Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2007	1 400	2 152	385	2 592	-	6 529
Additions	-	-	11	-	-	11
Depreciation and Amortisation	-	(100)	(81)	(362)	-	(543)
Additions/(Disposals) from Asset Transfers	-	152	54	-	-	206
Carrying Amount as at 30 June 2008	1 400	2 204	369	2 230	-	6 203

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

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

	2008 \$'000	2007 \$'000
8. PAYABLES		
Accounts Payable	533	443
Accrued Expenses	2 414	2 019
Total Payables	2 947	2 462
9. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	3 025	3 064
Leave Loading	473	519
Recreation Leave Airfares	195	251
<i>Other Current Provisions</i>		
Other Provisions	547	570
	4 240	4 404
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	1 729	1 634
	1 729	1 634
Total Provisions	5 969	6 038
<p>The Department employed 529 employees as at 30 June 2008 (561 employees as at 30 June 2007).</p>		
10. OTHER LIABILITIES		
Current		
Other Liabilities	100	-
Total Other Liabilities	100	-

11. EQUITY

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

Capital**Balance as at 1 July***Equity Injections*

Capital Appropriation

Equity Transfers In

Equity Withdrawals

Capital Withdrawal

Equity Transfers Out

Balance as at 30 June**Reserves****Asset Revaluation Reserve***(i) Nature and Purpose of the Asset Revaluation Reserve*

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

*(ii) Movements in the Asset Revaluation Reserve***Balance as at 1 July**

Increment/(Decrement) - Land

Increment/(Decrement) - Buildings

Balance as at 30 June**Accumulated Funds****Balance as at 1 July**

(Deficit) for the Period

Balance as at 30 June**Total Equity**

	2008 \$'000	2007 \$'000
Balance as at 1 July	3 928	14 396
<i>Equity Injections</i>		
Capital Appropriation	113	-
Equity Transfers In	239	32
<i>Equity Withdrawals</i>		
Capital Withdrawal	-	(10 500)
Equity Transfers Out	(33)	-
Balance as at 30 June	4 247	3 928
Reserves		
Asset Revaluation Reserve		
<i>(i) Nature and Purpose of the Asset Revaluation Reserve</i>		
<i>(ii) Movements in the Asset Revaluation Reserve</i>		
Balance as at 1 July	324	324
Increment/(Decrement) - Land	-	-
Increment/(Decrement) - Buildings	-	-
Balance as at 30 June	324	324
Accumulated Funds		
Balance as at 1 July	(574)	1 555
(Deficit) for the Period	(886)	(2 129)
Balance as at 30 June	(1 460)	(574)
Total Equity	3 111	3 678

12. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of Departmental Cash and Deposits of \$476 000 recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

Reconciliation of Net (Deficit) to Net Cash from Operating Activities

	2008 \$'000	2007 \$'000
Net (Deficit)	(886)	(2 129)
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	543	563
Asset Write-Offs/Write-Downs	-	3
Non-Cash Maintenance	-	9
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(815)	13 229
(Increase) in Prepayments	(584)	(441)
Decrease in Other Assets	2	-
(Decrease)/Increase in Payables	484	(292)
(Decrease) in Provision for Employee Benefits	(46)	(287)
(Decrease) in Other Provisions	(23)	(21)
Increase in Other Liabilities	100	-
Net Cash From Operating Activities	(1 225)	10 634

13. FINANCIAL INSTRUMENTS

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

(a) Credit Risk

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

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

(b) Net Fair Value

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

(c) Interest Rate Risk

The Department has limited exposure to interest rate risk in relation to Department financial assets and financial liabilities. The Department's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the start of the year.

13. FINANCIAL INSTRUMENTS (Continued)

	Fixed Interest Maturity						Total \$'000
	Weighted Average Interest Rate %	Variable Interest \$'000	Under 1 Year \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	
2008 Financial Assets							
Cash and Deposits	6.57	229	-	-	-	247	476
Receivables		-	-	-	-	2 328	2 328
Total Financial Assets		229	-	-	-	2 575	2 804
Financial Liabilities							
Deposits Held		-	-	-	-	388	388
Payables		-	-	-	-	2 947	2 947
Total Financial Liabilities		-	-	-	-	3 335	3 335
Net Financial Assets/(Liabilities)		229	-	-	-	(760)	(531)

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

	2008 \$'000	2007 \$'000
14. COMMITMENTS		
(i) Operating Lease Commitments		
The Department leases property under non-cancellable operating leases expiring from 1 month to 25 years. Leases generally provide the Department with a right of renewal at which time all lease terms are renegotiated. The Department also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:		
Within one year	34 005	33 879
Later than one year and not later than five years	78 454	82 326
Later than five years	55 161	66 770
	167 620	182 975
(ii) Other Expenditure Commitments		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	62	69
Later than one year and not later than five years	79	115
Later than five years	-	-
	141	184

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Department had no material contingent liabilities or contingent assets as at 30 June 2008 or 30 June 2007.

16. EVENTS SUBSEQUENT TO BALANCE DATE

The Administrative Arrangements Order was revised on 18 August 2008. The changes to the Administrative Arrangements Order under the *Financial Management Act* come into effect from 1 July of the financial year in which they occur. The Department of Corporate and Information Services has been amalgamated in total and together with other functions such as Business Development (from the former Department of Business, Economic and Regional Development) and Employment (from the former Department of Employment, Education and Training), into the new Department of Business and Employment from 1 July 2008.

The amounts to be transferred from other departments into the new Department of Business and Employment are still currently being negotiated and as such there will be no disclosure of any financial information that could impact on the Department in this report. The Department of Corporate and Information Services was not impacted in the 2007-08 financial year by these changes.

No other 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.

17. 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 2007 \$'000	Receipts \$'000	Payments \$'000	Closing Balance 30 June 2008 \$'000
Superannuation Returned Cheques	3	18	21	-
	3	18	21	-

18. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

	2008 \$'000	No. of Trans.	2007 \$'000	No. of Trans.
Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i>				
Represented by:				
<u>Amounts written off, waived and postponed by Delegates</u>				
Losses or deficiencies of money written off	-	1	-	-
Public property written off	-	-	3	1
Total written off, waived and postponed by Delegates	-	1	3	1

The Department had no write-offs, postponements or waivers authorised by the Treasurer in 2006-07 or 2007-08.

19. VARIATION TO THE TREASURER'S ANNUAL FINANCIAL STATEMENT

There are no differences between the financial information incorporated in the Agency financial statements and the Treasurer's Annual Financial Statement (TAFS).

FINANCIAL STATEMENTS

Data Centre Services

Data Centre Services
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2008

Financial Performance

Data Centre Services has produced another strong after tax surplus of \$3M for the 2007-08 financial year, an increase of \$1.4M over the previous year's financial result, and \$1.1M better than estimated. From this operating result Data Centre Services will be returning taxes of \$1.3M and a dividend declared at \$1.5M to Government.

Data Centre Services has continued income growth in 2007-08, recording an increase of \$0.7M over the 2006-07 income. This increase can be attributed to the business growth in Mid-Range Services and also increased demand for storage and backup services. Expenses have reduced significantly from the prior year due to the capitalisation of \$1.7M in development costs associated with the Identity and Access Management project – ePASS2, which was completed in 2007-08 and went live on 21 September 2008.

Table 1: 2007-08 Budget and Actual Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2008	2007	2008	2007	2008	2007
Income	19 003	18 266	18 989	17 978	14	288
Expenses	14 754	16 000	16 248	16 457	1 494	457
Income Tax Expense	1 275	680	822	456	(453)	(224)
Surplus/(Deficit)	2 974	1 586	1 919	1 065	1 055	521

Income

Data Centre Services receives goods and services revenue by providing information technology solutions to Government agencies, with external clients representing around 5% of total revenues. Revenue growth has been maintained by the continued occupancy growth in the data centre, increased utilisation of mid-range computing services and storage and backup services.

Table 2: Revenue by Category

Year	Goods and Services		Interest		Other		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	18 721	98.5	246	1.3	36	0.2	19 003	100.0
06-07	18 080	99.0	184	1.0	2	0.0	18 266	100.0

Expenses

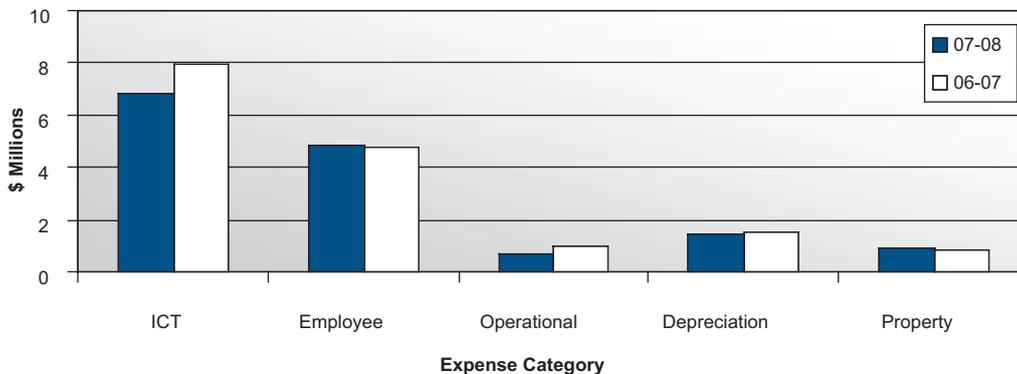
In the provision of services, Data Centre Services incurs significant expenditure in employee costs, IT contractors and information technology related costs for software and hardware. Revenue growth has been slightly offset by cost overruns experienced with the delayed completion of the ePASS2 project. Following the completion, resources committed to the project will be redeployed to service other business functions and operations. Data Centre Services will continue to explore efficiencies in software licensing and maintenance and exploiting new technologies to contain expenditure growth in information technology related costs.

Table 3: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		Total	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	6 827	46.3	4 874	33.0	700	4.7	1 425	9.7	928	6.3	14 754	100
06-07	7 938	49.6	4 738	29.6	982	6.1	1 485	9.3	857	5.4	16 000	100

Figure 1 shows Data Centre Services' expenses by the various categories across the financial years.

Figure 1: Expenses by Category Across Financial Years



Financial Position

Data Centre Services has maintained a strong financial position in 2007-08 increasing Net Assets from \$6.5M to \$8.1M. The increased cash position has allowed Data Centre Services to fund capital acquisitions from cash reserves, eliminating the need to fund through finance leases. The two significant items increasing non-current assets were the \$1.7M capitalisation of software development for ePASS2 and the acquisition of the new z9 mainframe of \$0.7M.

The increase in liabilities can be attributed to the increased provisions for tax and dividends as a result of improved operating surplus for 2007-08.



AUDITOR-GENERAL

Independent Auditor's Report to the Minister for Business and Employment Data Centre Services Year Ended 30 June 2008

I have audited the accompanying financial report of Data Centre Services, which comprises the income statement, balance sheet, statement of changes in equity and cash flow statement and accompanying notes to the financial statements for the year ended 30 June 2008.

The Responsibility of the Chief Executive for the Financial Report

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

Auditor's Responsibility

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

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

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

Audit Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of Data Centre Services as of 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

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

10 November 2008

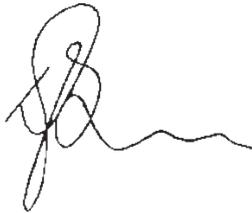
Data Centre Services FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Income 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 2008 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.



.....

Dennis Bree
CHIEF EXECUTIVE
3 November 2008



.....

Rex Schoolmeester
CHIEF FINANCE OFFICER
3 November 2008

Data Centre Services
INCOME STATEMENT
For the year ended 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
INCOME			
Sales of Goods and Services		18 721	18 080
Interest Revenue		246	184
Other Income		36	2
TOTAL INCOME		19 003	18 266
EXPENSES			
Employee Expenses		(4 874)	(4 738)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	3	(8 510)	(9 761)
Depreciation and Amortisation	7	(1 425)	(1 485)
Other Administrative Expenses		55	8
Interest Expenses		-	(24)
TOTAL EXPENSES		(14 754)	(16 000)
Income Tax Expense	4	(1 275)	(680)
NET SURPLUS	12	2 974	1 586

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

Data Centre Services

BALANCE SHEET

As at 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and Deposits	5	4 507	4 052
Receivables	6	2 087	1 883
Prepayments		1 304	1 035
Total Current Assets		7 898	6 970
Non-Current Assets			
Property, Plant and Equipment	7	4 885	2 610
Total Non-Current Assets		4 885	2 610
TOTAL ASSETS		12 783	9 580
LIABILITIES			
Current Liabilities			
Payables	8	804	667
Income Tax Liabilities	9	1 275	680
Provisions	10	2 080	1 315
Other Liabilities	11	316	271
Total Current Liabilities		4 475	2 933
Non-Current Liabilities			
Provisions	10	197	167
Total Non-Current Liabilities		197	167
TOTAL LIABILITIES		4 672	3 100
NET ASSETS		8 111	6 480
EQUITY			
Capital	12	475	331
Accumulated Funds		7 636	6 149
TOTAL EQUITY		8 111	6 480

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

Data Centre Services
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
BALANCE OF EQUITY AT 1 JULY		6 480	5 681
Capital	12		
Balance at 1 July		331	325
Equity Injections		144	6
Balance at 30 June		475	331
Accumulated Funds	12		
Balance at 1 July		6 149	5 356
Surplus for the Period		2 974	1 586
Dividends payable		(1 487)	(793)
Balance at 30 June		7 636	6 149
BALANCE OF EQUITY AT 30 JUNE		8 111	6 480

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

Data Centre Services
CASH FLOW STATEMENT
For the year ended 30 June 2008

	NOTE	2008 \$'000 (Outflows) / Inflows	2007 \$'000 (Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from Sales of Goods and Services		19 709	19 003
GST Receipts		1 856	1 639
Interest Received		235	184
Total Operating Receipts		21 800	20 826
Operating Payments			
Payments to Employees		(4 810)	(4 695)
Payments for Goods and Services		(10 210)	(10 984)
GST Payments		(1 243)	(1 097)
Income Tax Paid		(680)	(977)
Interest Paid		-	(24)
Total Operating Payments		(16 943)	(17 777)
Net Cash From Operating Activities	13	4 857	3 049
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of Assets		(3 609)	(1 309)
Total Investing Payments		(3 609)	(1 309)
Net Cash (Used In) Investing Activities		(3 609)	(1 309)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Finance Lease Payments		-	(457)
Dividends Paid	10, 12	(793)	(1 139)
Total Financing Payments		(793)	(1 596)
Net Cash (Used In) Financing Activities		(793)	(1 596)
Net Increase in Cash Held		455	144
Cash at Beginning of Financial Year		4 052	3 908
CASH AT END OF FINANCIAL YEAR	5	4 507	4 052

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

Data Centre Services
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

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15. Commitments
16. Contingent Liabilities and Contingent Assets
17. Events Subsequent to Balance Date
18. Write-offs, Postponements and Waivers

1. OBJECTIVES AND FUNDING

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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

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

(b) Central Holding Authority

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

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

(c) Comparatives

Where necessary, comparative information for the 2006-07 financial year has been reclassified to provide consistency with current year disclosures.

(d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2007-08 as a result of management decisions.

(f) Goods and Services Tax

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

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

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

(g) Income Recognition

Income encompasses both revenue and gains.

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

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

Sale of Goods

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

Rendering of Services

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

Interest Revenue

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

Disposal of Assets

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

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

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

(i) Interest Expenses

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

(j) Taxation

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

(k) Cash and Deposits

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

(l) Receivables

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

The allowance for impairment losses represents the amount of receivables Data Centre Services estimates are likely to be uncollectible and are considered doubtful.

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

(m) Property, Plant and Equipment***Acquisitions***

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

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

Complex Assets

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

Subsequent Additional Costs

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

Depreciation and Amortisation

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

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

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

	<u>2008</u>	<u>2007</u>
Plant and Equipment	2 - 5 Years	2 - 5 Years
Computer Software and Hardware	2 - 4 Years	2 - 4 Years

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

Impairment of Assets

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

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

Impairment losses are recognised in the Income Statement. 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 Income Statement as income.

(n) Leased Assets

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

Finance Leases

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

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

Operating Leases

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

(o) Payables

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

(p) Employee Benefits

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

are measured at present value, calculated using the Government long term bond rate.

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

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

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

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

(q) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

(r) Contributions by and Distributions to Government

Data Centre Services may receive contributions from Government where the Government is acting as owner of Data Centre Services. Conversely, Data Centre Services 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 Data Centre Services as adjustments to equity.

The Statement of Changes in Equity and Note 12 provide additional information in relation to contributions by, and distributions to, Government.

(s) Dividends

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

(t) Commitments

Disclosures in relation to commitments are shown at Note 15 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

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

	2008 \$'000	2007 \$'000
3. PURCHASES OF GOODS AND SERVICES		
The net surplus has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Consultants ⁽¹⁾	1 886	3 254
Marketing and Promotion ⁽²⁾	15	-
Legal Expenses ⁽³⁾	-	23
Recruitment ⁽⁴⁾	10	10
Training and Study	69	75
Official Duty Fares	12	10
Travelling Allowance	4	3
Corporate Support from Other Agencies	263	397
Audit Fees	11	32
(1) Includes marketing, promotion and IT consultants.		
(2) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.		
(3) Includes legal fees, claim and settlement costs.		
(4) Includes recruitment related advertising costs.		
4. INCOME TAX EXPENSE		
Current Year Profit	4 249	2 266
Prima facie income tax expense calculated at 30% on the surplus	1 275	680
Total Income Tax Expense	1 275	680
5. CASH AND DEPOSITS		
Cash at Bank	4 507	4 052
Total Cash and Deposits	4 507	4 052

	2008 \$'000	2007 \$'000
6. RECEIVABLES		
Current		
Accounts Receivable	337	424
Less: Allowance for Impairment Losses	(2)	(57)
	335	367
Interest Receivable	29	18
GST Receivable	25	-
Other Receivables	1 698	1 498
Total Receivables	2 087	1 883
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At Cost	370	448
Less: Accumulated Depreciation	(136)	(63)
	234	385
Computer Software		
At Cost	2 317	6
Less: Accumulated Amortisation	(197)	(2)
	2 120	4
Computer Hardware		
At Cost	5 585	4 123
Less: Accumulated Depreciation	(3 054)	(1 902)
	2 531	2 221
Total Property, Plant and Equipment	4 885	2 610

Impairment of Property, Plant and Equipment

Data Centre Services' property, plant and equipment assets were assessed for impairment as at 30 June 2008. No impairment adjustments were required as a result of this review.

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

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2007-08 is set out below:

	Plant & Equipment	Leased Computer Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2007	385	-	4	2 221	2 610
Additions/Transfer In	(141)	-	2 314	1 462	3 917
Transfer (Out)	(214)	-	(3)	-	(217)
Depreciation/Amortisation	(78)	-	(195)	(1 152)	(1 425)
Carrying Amount as at 30 June 2008	234	-	2 120	2 531	4 885

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2007-08 is set out below:

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

	2008 \$'000	2007 \$'000
8. PAYABLES		
Accounts Payable	447	262
Accrued Expenses	357	321
GST Payable	-	84
Total Payables	804	667
9. INCOME TAX LIABILITIES		
Income Tax Payable	1 275	680
Total Income Tax Liabilities	1 275	680
10. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	344	338
Leave Loading	81	87
Other Employee Benefits – Recreation Leave Airfares	9	31
<i>Other Current Provisions</i>		
Provision for Dividend	1 487	793
Provision for Fringe Benefits Tax	4	5
Provision for Superannuation	53	-
Provision for Payroll Tax	39	48
Provision for Workers Compensation Premium	13	13
Provision for Public Liability Insurance	50	-
	2 080	1 315
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	197	167
	197	167
Total Provisions	2 277	1 482
Reconciliation of Dividends		
Balance as at 1 July 2007	793	1 139
Reductions Arising from Payments	(793)	(1 139)
Additional Provisions Recognised	1 487	793
Balance as at 30 June 2008	1 487	793

Data Centre Services employed 57 employees as at 30 June 2008 (59 employees as at 30 June 2007).

	2008 \$'000	2007 \$'000
11. OTHER LIABILITIES		
Current		
Deferred Revenue	316	271
Total Other Liabilities	316	271
12. EQUITY		
Equity represents the residual interest in the net assets of Data Centre Services. The Government's ownership interest in Data Centre Services is held in the Central Holding Authority as described in Note 2(b).		
Capital		
Balance as at 1 July	331	325
<i>Equity Adjustments</i>		
Equity Transfers In	144	6
Balance as at 30 June	475	331
Accumulated Funds		
Balance as at 1 July	6 149	5 356
Surplus for the Period	2 974	1 586
Dividends Payable	(1 487)	(793)
Balance as at 30 June	7 636	6 149
Total Equity	8 111	6 480
13. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
The total of Data Centre Services Cash and Deposits of \$4.5M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
Reconciliation of Net Surplus to Net Cash from Operating Activities		
Net Surplus	2 974	1 586
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	1 425	1 485
Assets Written Down	4	-
Repairs and Maintenance - minor new works - non-cash	49	-
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(204)	98
Decrease/(Increase) in Prepayments	(269)	30
(Decrease) in Accounts Payable	185	62
(Decrease)/Increase in Other Payables	(48)	163
Increase in Provision for Employee Benefits	8	105
(Decrease)/Increase in Other Provisions	93	(122)
(Decrease)/Increase Income Tax Liabilities	595	(296)
(Decrease)/Increase in Deferred Income	45	(62)
Net Cash From Operating Activities	4 857	3 049

Non-Cash Financing and Investing Activities

Finance Lease Transactions

During the financial year Data Centre Services acquired \$nil (2007: \$nil) plant and equipment / computer equipment and software by means of finance leases.

14. FINANCIAL INSTRUMENTS

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

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

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

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

(a) Credit Risk

Credit risk is the risk of financial loss and/or increased costs due to the failure of a counterpart to meet its financial obligations.

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

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

Data Centre Services has limited credit risk exposure (risk of default).

(b) Liquidity Risk

Liquidity risk is the risk that Data Centre Services will not be able to meet its financial obligations as they fall due.

The entity's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

(c) Net Fair Value

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

The carrying amount for Accounts Receivable have been adjusted for Impairment Losses as detailed in Note 6 to these statements and is considered immaterial to the carrying value of the asset.

(d) Interest Rate Risk

Interest rate risk is the risk of financial loss and/or increased costs due to adverse movements in the values of financial assets and liabilities as a result of changes in interest rates.

Data Centre Services exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities are set out in the following tables. The average interest rate is based on the outstanding balance at the end of the year.

Data Centre Services operating accounts earns quarterly interest at a variable interest rate (NT Treasury's Corporation's weighted average cash return less 50 basis points)

Assuming the financial assets and liabilities as at 30 June 2008 were to remain until maturity or settlement without any action by Data Centre Services to alter the resulting interest rate risk exposure, an immediate and sustained increase of 1 per cent in market interest rates across all maturities would not have an impact on the net income of plus or minus \$45k and is considered not material to Data Centre Services.

Data Centre Services has limited interest rate risk

14. FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Total Carrying Amount \$'000
			Under 1 Year \$'000	1 to 5 Years '000	Non- Interest Bearing \$'000	
2008 FINANCIAL ASSETS						
Cash and Deposits	6.57	4 507	-	-	-	4 507
Receivables		-	-	-	2 087	2 087
Total Financial Assets		4 507	-	-	2 087	6 594
FINANCIAL LIABILITIES						
Payables		-	-	-	804	804
Employee Benefits		-	-	-	630	630
Income Tax Payable		-	-	-	1 275	1 275
Dividends Payable		-	-	-	1 487	1 487
Total Financial Liabilities		-	-	-	4 196	4 196
Net Financial Assets/(Liabilities)		4 507	-	-	(2 109)	2 398

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Total Carrying Amount \$'000
			Under 1 Year \$'000	1 to 5 Years '000	Non- Interest Bearing \$'000	
2007 FINANCIAL ASSETS						
Cash and Deposits	5.89	4 052	-	-	-	4 052
Receivables		-	-	-	1 883	1 883
Total Financial Assets		4 052	-	-	1 883	5 935
FINANCIAL LIABILITIES						
Payables		-	-	-	667	667
Employee Benefits		-	-	-	623	623
Finance Lease Liabilities		-	-	-	680	680
Dividends Payable		-	-	-	793	793
Total Financial Liabilities		-	-	-	2 763	2 763
Net Financial Assets/(Liabilities)		4 052	-	-	(880)	3 172

The contractual cash flows for the financial assets and liabilities approximates the carrying amounts.

15. COMMITMENTS**Expenditure Commitments**

Non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

Within one year

2008 \$'000	2007 \$'000
-	643
<u>-</u>	<u>643</u>

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Data Centre Services had no contingent liabilities or contingent assets as at 30 June 2008 or 30 June 2007.

17. EVENTS SUBSEQUENT TO BALANCE DATE

Data Centre Services had no events subsequent to balance date as at 30 June 2008.

18. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

Data Centre Services had no write-offs, postponements or waivers in 2007-08 or 2006-07.

FINANCIAL STATEMENTS

Government Printing Office

Government Printing Office
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2008

Financial Performance

With careful cost restraint, and continued fostering of professional relationships with our customers and suppliers the Government Printing Office has continued to make a profit, achieving a net surplus after tax of \$0.1M for 2007-08.

Advances in electronic transmission of documents and personal computing technology are impacting the printing industry globally and leading to specialisation and business changes. Cognisant of the revenue trends, the Government Printing Office has been carefully managing costs and achieving lower expenses over the last 2 years. This is a significant achievement in an environment of annually increasing wage costs and inflation, particularly price rises in raw materials such as paper.

Table 1: 2007-08 Budget and Actual Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2008	2007	2008	2007	2008	2007
Income	6 013	6 203	6 055	6 356	(42)	(153)
Expenses	5 868	6 053	5 914	6 001	46	(52)
Income Tax Expense	43	45	42	107	(1)	62
Surplus/(Deficit)	102	105	99	248	3	(143)

Income

Income from printing services represents over 98% of the Government Printing Office total income. Income decreased slightly from \$6.1M in 2006-07 to \$5.9M in 2007-08.

Expenses

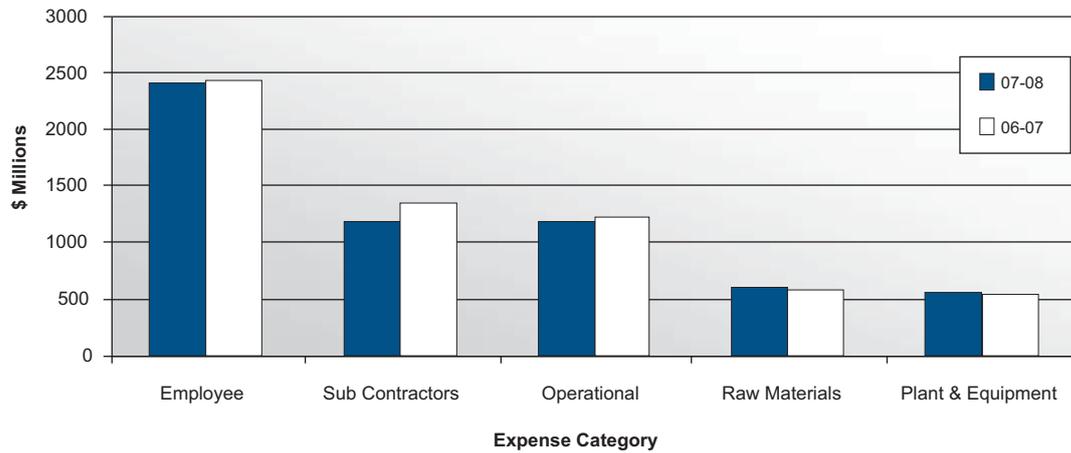
Employee costs comprise the largest expense category for the Government Printing Office. Table 2 below shows the composition of major expense categories.

Table 2: Expenses by Category

Year	Employee		Sub Contractors		Operational		Raw Materials		Plant & Equipment		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	2 402	40.9	1 165	19.9	1 163	19.8	591		547	9.3	5 868	100
06-07	2 416	39.9	1 328	22.0	1 213	20.0	565	9.3	531	8.8	6 053	100

Figure 1 shows the Government Printing Office's expenses by the various categories across the financial years.

Figure 1: Expenses by Category Across Financial Years



Financial Position

The financial position increased slightly as a result of the \$0.1M surplus. Total current assets have increased by around \$0.5M, however, this has been offset by a reduction in non-current assets of \$0.3M, due to depreciation and amortisation.



AUDITOR-GENERAL

Independent Auditor's Report to the Minister for Business and Employment Government Printing Office Year Ended 30 June 2008

I have audited the accompanying financial report of Government Printing Office, which comprises the income statement, balance sheet, statement of changes in equity and cash flow statement and accompanying notes to the financial statements for the year ended 30 June 2008.

The Responsibility of the Chief Executive for the Financial Report

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

Auditor's Responsibility

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

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

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

Audit Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of Government Printing Office as of 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

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

10 November 2008

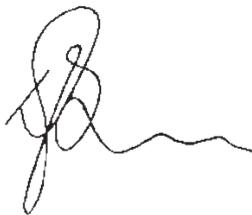
Government Printing Office FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the Agency's financial performance and cash flows for the year ended 30 June 2008 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.



.....

Dennis Bree
CHIEF EXECUTIVE
3 November 2008



.....

Rex Schoolmeester
CHIEF FINANCE OFFICER
3 November 2008

Government Printing Office
INCOME STATEMENT
For the year ended 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
INCOME			
Sales of Goods and Services		5 871	6 053
Interest Revenue		133	136
Gain on Disposal of Assets	3	-	6
Other Income		9	8
TOTAL INCOME		6 013	6 203
EXPENSES			
Employee Expenses		(2 402)	(2 416)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	4	(3 042)	(3 224)
Repairs and Maintenance		(133)	(126)
Depreciation and Amortisation	9	(291)	(287)
TOTAL EXPENSES		(5 868)	(6 053)
Income Tax Expense	5	(43)	(45)
NET SURPLUS	14	102	105

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

Government Printing Office
BALANCE SHEET
As at 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and Deposits	6	2 516	2 035
Receivables	7	569	570
Inventories	8	234	218
Prepayments		39	14
Total Current Assets		3 358	2 837
Non-Current Assets			
Property, Plant and Equipment	9	767	1 035
Total Non-Current Assets		767	1 035
TOTAL ASSETS		4 125	3 872
LIABILITIES			
Current Liabilities			
Payables	10	379	314
Income Tax Liabilities	11	43	45
Provisions	12	439	384
Other Liabilities	13	76	-
Total Current Liabilities		937	743
Non-Current Liabilities			
Provisions	12	167	160
Total Non-Current Liabilities		167	160
TOTAL LIABILITIES		1 104	903
NET ASSETS		3 021	2 969
EQUITY			
Capital	14	373	373
Accumulated Funds		2 648	2 596
TOTAL EQUITY		3 021	2 969

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

Government Printing Office
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
BALANCE OF EQUITY AT 1 JULY		2 969	2 917
Capital	14		
Balance at 1 July		373	373
Equity Injections		-	-
Equity Withdrawals		-	-
Balance at 30 June		373	373
Accumulated Funds	14		
Balance at 1 July		2 596	2 544
Surplus for the Period		102	105
Dividends Payable		(50)	(53)
Balance at 30 June		2 648	2 596
BALANCE OF EQUITY AT 30 JUNE		3 021	2 969

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

Government Printing Office
CASH FLOW STATEMENT
For the year ended 30 June 2008

	NOTE	2008 \$'000 (Outflows) / Inflows	2007 \$'000 (Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from Sales of Goods and Services		6 549	6 362
Interest Received		129	138
Other Operating Receipts		9	8
Total Operating Receipts		6 687	6 508
Operating Payments			
Payments to Employees		(2 326)	(2 358)
Payments for Goods and Services		(3 759)	(3 966)
Income Tax Paid		(45)	(102)
Total Operating Payments		(6 130)	(6 426)
Net Cash From Operating Activities	15	557	82
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from Asset Sales	3	-	6
Total Investing Receipts		-	6
Investing Payments			
Purchases of Assets	9	(23)	(753)
Total Investing Payments		(23)	(753)
Net Cash (Used In) Investing Activities		(23)	(747)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends Paid	12, 14	(53)	(436)
Total Financing Payments		(53)	(436)
Net Cash (Used In) Financing Activities		(53)	(436)
Net Increase/(Decrease) in Cash Held		481	(1 101)
Cash at Beginning of Financial Year		2 035	3 136
CASH AT END OF FINANCIAL YEAR	6	2 516	2 035

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

Government Printing Office
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

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1. OBJECTIVES AND FUNDING

The Government Printing Office operates as a Government Business Division and delivers cost effective printing and publishing services to the Northern Territory Government from premises located at Parap in a secure environment, specifically designed for efficient production of a diverse range of products and services.

The Government Printing Office is a self-funded organisation. It generates its income from sales of printed products and services to Government agencies.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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

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

(b) Central Holding Authority

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

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

(c) Comparatives

Where necessary, comparative information for the 2006-07 financial year has been reclassified to provide consistency with current year disclosures.

(d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with

amounts of \$500 or less being rounded down to zero.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2007-08 as a result of management decisions.

(f) Goods and Services Tax

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

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

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

(g) Income Recognition

Income encompasses both revenue and gains.

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

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

Sale of Goods

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

Rendering of Services

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

Interest Revenue

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

Disposal of Assets

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

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

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

(i) Interest Expenses

Interest expenses are expensed in the period in which they are incurred.

(j) Taxation

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

(k) Cash and Deposits

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

(l) Inventories

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

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

(m) Receivables

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

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

(n) Property, Plant and Equipment

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

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

Depreciation and Amortisation

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

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

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

	<u>2008</u>	<u>2007</u>
Plant and Equipment	2 - 20 Years	2 - 20 Years
Computer Hardware and Software	1 - 5 Years	1 - 5 Years

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

Assets Held for Sale

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

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

Impairment of Assets

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

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

Impairment losses are recognised in the Income Statement. 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 Income Statement as income.

(o) Leased Assets

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

Finance Leases

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

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

Operating Leases

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

(p) Payables

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

(q) Employee Benefits

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

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

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

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

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

(r) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

(s) Contributions by and Distributions to Government

The Government Printing Office may receive contributions from Government where the Government is acting as owner of the Government Printing Office. Conversely, the Government Printing Office may make distributions to Government. In accordance with

the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the Government Printing Office as adjustments to equity.

The Statement of Changes in Equity and Note 14 provide additional information in relation to contributions by, the distributions to, Government.

(t) Dividends

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

(u) Commitments

Disclosures in relation to commitments are shown at Note 17 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

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

	2008 \$'000	2007 \$'000
3. GAIN ON DISPOSAL OF ASSETS		
Net proceeds from the disposal of non-current assets	-	6
Less: Carrying value of non-current assets disposed	-	-
Gain on Disposal of Non-Current Assets	-	6
4. PURCHASES OF GOODS AND SERVICES		
The net surplus has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Consultants ⁽¹⁾	29	-
Recruitment ⁽²⁾	1	-
Training and Study	4	5
Official Duty Fares	1	3
Travelling Allowance	1	5
Corporate Support from Other Agencies	70	94
Audit Fees	23	22
(1) Includes marketing, promotion and IT consultants.		
(2) Includes recruitment related advertising costs.		
5. INCOME TAX EXPENSE		
Current Year Profit	145	150
Prima facie income tax expense calculated at 30% on the surplus	43	45
Total Income Tax Expense	43	45
6. CASH AND DEPOSITS		
Cash on Hand	12	12
Cash at Bank	2 504	2 023
Total Cash and Deposits	2 516	2 035
7. RECEIVABLES		
Current		
Accounts Receivable	556	561
Interest Receivable	13	9
Total Receivables	569	570
8. INVENTORIES		
General Inventories		
At Cost	161	174
	161	174
Work in Progress		
At Cost	73	44
	73	44
Total Inventories	234	218

	2008 \$'000	2007 \$'000
9. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At Cost	4 647	4 637
Less: Accumulated Depreciation	(3 912)	(3 649)
	735	988
Computer Hardware		
At Fair Value	339	331
Less: Accumulated Depreciation	(313)	(290)
	26	41
Computer Software		
At Fair Value	480	475
Less: Accumulated Amortisation	(474)	(469)
	6	6
Total Property, Plant and Equipment	767	1 035

Impairment of Property, Plant and Equipment

Property, plant and equipment assets were assessed for impairment as at 30 June 2008. No impairment adjustments were required as a result of this review.

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2007-08 is set out below:

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2007	988	6	41	1 035
Additions	10	5	8	23
Depreciation / Amortisation	(263)	(5)	(23)	(291)
Carrying Amount as at 30 June 2008	735	6	26	767

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

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2006	493	27	49	569
Additions	735	-	18	753
Depreciation / Amortisation	(240)	(21)	(26)	(287)
Carrying Amount as at 30 June 2007	988	6	41	1 035

	2008 \$'000	2007 \$'000
10. PAYABLES		
Accounts Payable	126	112
Accrued Expenses	191	132
GST Payables	62	70
Total Payables	379	314
11. INCOME TAX LIABILITIES		
Income Tax Payable	43	45
Total Income Tax Liabilities	43	45
12. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	197	194
Leave Loading	41	43
Other Employee Benefits – Recreation Leave Airfares	73	69
<i>Other Current Provisions</i>		
Provision for Dividends	50	53
Provision for Fringe Benefits Tax	2	3
Provision for Workers Compensation Premium	10	12
Provision for Payroll Tax	12	10
Provision for Superannuation	54	-
	439	384
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	167	160
	167	160
Total Provisions	606	544
Reconciliation of Dividends		
Balance as at 1 July 2007	53	436
Reductions Arising from Payments	(53)	(436)
Additional Provisions Recognised	50	53
Balance as at 30 June 2008	50	53
The Government Printing Office employed 38 employees as at 30 June 2008 (38 employees as at 30 June 2007).		
13. OTHER LIABILITIES		
Current		
Deferred Income	76	-
Total Other Liabilities	76	-

	2008 \$'000	2007 \$'000
14. EQUITY		
Equity represents the residual interest in the net assets of the Government Printing Office. The Government's ownership interest in the Government Printing Office is held in the Central Holding Authority as described in Note 2(b).		
Capital		
Balance as at 1 July	373	373
Capital Adjustments	-	-
Balance as at 30 June	373	373
Accumulated Funds		
Balance as at 1 July	2 596	2 544
Surplus for the Period	102	105
Dividends Payable	(50)	(53)
Balance as at 30 June	2 648	2 596
Total Equity	3 021	2 969
15. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
The total of Government Printing Office Cash and Deposits of \$2.5M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
Reconciliation of Net Surplus to Net Cash from Operating Activities		
Net Surplus	102	105
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	291	287
(Gain) on Disposal of Assets	-	(6)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Accounts Receivable	4	(80)
Decrease/(Increase) in Inventories	(16)	67
Decrease/(Increase) in Prepayments	(25)	3
Decrease/(Increase) in Interest Receivable	(4)	3
Decrease/(Increase) in Accrued Revenue	5	(15)
(Decrease)/Increase in Payables	65	(98)
(Decrease) in Income Tax Liabilities	(2)	(57)
Increase in Provision for Employee Benefits	12	45
Increase in Other Provisions	49	10
(Decrease)/Increase in Deferred Income	76	(182)
Net Cash From Operating Activities	557	82

16. FINANCIAL INSTRUMENTS

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

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

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

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

(a) Credit Risk

Credit risk is the risk of financial loss and/or increased costs due to the failure of a counterpart to meet its financial obligations.

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

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

The Government Printing Office has limited credit risk exposure (risk of default).

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Therefore, no differences in the carrying amount of financial assets have been recognised.

(c) Interest Rate Risk

Interest rate risk is the risk of financial loss and/or increased costs due to adverse movements in the values of financial assets and liabilities as a result of changes in interest rates.

Government Printing Office's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities are set out in the following tables. The average interest rate is based on the outstanding balance at the end of the year.

Government Printing Office's operating accounts earns quarterly interest at a variable interest rate (NT Treasury's Corporation's weighted average cash return less 50 basis points).

Assuming the financial assets and liabilities as at 30 June 2008 were to remain until maturity or settlement without any action by the Government Printing Office to alter the resulting interest rate risk exposure, an immediate and sustained increase of 1 per cent in market interest rates across all maturities would not have an impact on the net income of plus or minus \$25k and is considered not material to the Government Printing Office

(d) Liquidity Risk

Liquidity risk is the risk of financial loss and/or increased costs due to unanticipated events or errors in cash flow forecasts which result in additional borrowing costs, reduced investment income, or an inability to meet financial or operational commitments as they fall due.

The entity's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

16. FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Non- Interest Bearing \$'000	Total Carrying Amount \$'000
			Under 1 Year \$'000	1 to 5 Years \$'000	Over 5 Years \$'000		
2008 FINANCIAL ASSETS							
Cash and Deposits	6.57	2 504	-	-	-	12	2516
Receivables		-	-	-	-	569	569
Total Financial Assets		2 504	-	-	-	581	3 085
FINANCIAL LIABILITIES							
Payables		-	-	-	-	379	379
Employee Benefits		-	-	-	-	478	478
Dividends Payable		-	-	-	-	50	50
Total Financial Liabilities		-	-	-	-	907	907
Net Financial Assets/(Liabilities)		2 504	-	-	-	(326)	2 178

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Non- Interest Bearing \$'000	Total Carrying Amount \$'000
			Under 1 Year \$'000	1 to 5 Years \$'000	Over 5 Years \$'000		
2007 FINANCIAL ASSETS							
Cash and Deposits	5.89	2 023	-	-	-	12	2 035
Receivables		-	-	-	-	570	570
Total Financial Assets		2 023	-	-	-	582	2 605
FINANCIAL LIABILITIES							
Payables		-	-	-	-	314	314
Employee Benefits		-	-	-	-	466	466
Dividends Payable		-	-	-	-	53	53
Total Financial Liabilities		-	-	-	-	833	833
Net Financial Assets/(Liabilities)		2 023	-	-	-	(251)	1 772

The contractual cash flows for the financial assets and liabilities approximates the carrying amounts.

17. COMMITMENTS**Expenditure Commitments**

Non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

Within one year

49

25

Later than one year and not later than five years

33

34

-

-

82

59

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Government Printing Office had no contingent liabilities or contingent assets as at 30 June 2008 or 30 June 2007.

19. EVENTS SUBSEQUENT TO BALANCE DATE

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

20. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

The Government Printing Office wrote off an invoice for \$64.16 as irrecoverable in 2007-08 but had no postponements or waivers. There were no write-offs, postponements or waivers in 2006-07.

FINANCIAL STATEMENTS

NT Fleet

NT Fleet
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2008

Financial Performance

NT Fleet produced an after tax surplus of \$7.3M for 2007-08, an increase of \$1.1M over the previous year's financial result and \$0.5M better than estimated. This improvement is primarily due to increased vehicle hire revenue, partially offset by associated higher expenses. Increases in hire revenue are due to a combination of more vehicles in the fleet (the average light vehicle fleet increased in size from 2,462 to 2,509 vehicles in 2007-08) and changes in vehicle hire rates. The size of the fleet is dictated by agency business needs and hire rates are influenced by a number of vehicle-related costs.

Table 1: 2007-08 Budget and Actual Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2008	2007	2008	2007	2008	2007
Income	37 783	35 341	36 898	34 495	885	846
Expenses	27 320	26 505	27 201	26 487	(119)	(18)
Income Tax Expense	3 139	2 651	2 909	2 402	(230)	(249)
Surplus/(Deficit)	7 324	6 185	6 788	5 606	536	579

Income

The major increases in revenue in 2007-08 were from vehicle contract hire \$1.1M, vehicle maintenance recovery \$0.8M, investment income \$0.3M and gain on disposal of assets \$0.3M. The gain on disposals was mainly due to higher than expected prices at auction for commercial vehicles.

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

Table 2: Revenue by Category

Year	Operational		Investment		Other		Asset		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	35 551	94.1	379	1.0	80	0.2	1 773	4.7	37 783	100
06-07	33 625	95.1	95	0.3	103	0.3	1 518	4.3	35 341	100

Expenses

Total expenses for NT Fleet increased from \$26.5M in 2006-07 to \$27.3M in 2007-08. The increase is primarily due to an additional \$1.2M in depreciation offset by a \$0.5M decrease in vehicle repairs and maintenance.

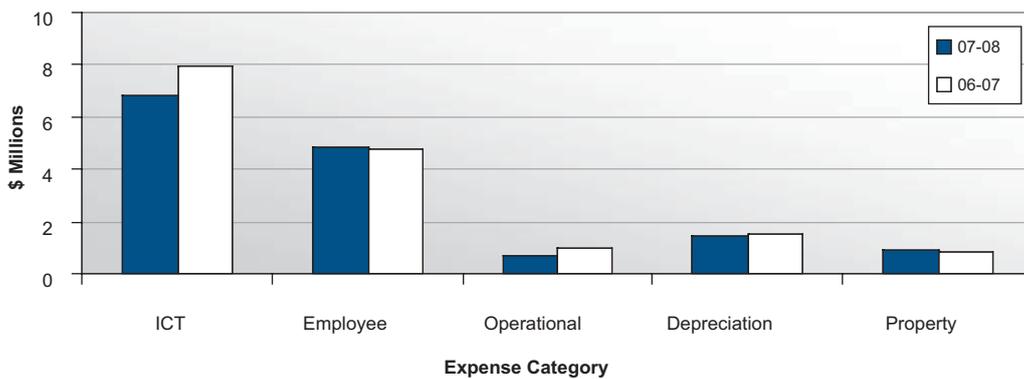
Depreciation costs are higher in 2007-08 due to an increase in the number of vehicles managed, lower residual values and a younger fleet, including heavy vehicles. Repairs and maintenance costs are approximately 5.9% lower than for the previous year attributable to the number of new heavy vehicles introduced into the fleet in the previous 12-month period. The removal of fleet-provided tyres for leased vehicles also results in lower maintenance costs. Other expense categories, including employee costs, have remained consistent across the two financial years.

Table 3: Expenses by Category

Year	Depreciation		Vehicle R&M		Employee		Operational		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
07-08	15 622	57.2	7 709	28.2	2 120	7.8	1 869	6.8	27 320	100
06-07	14 447	54.5	8 195	30.9	2 060	7.8	1 803	6.8	26 505	100

Figure 1 shows NT Fleet’s expenses by the various categories across the financial years.

Figure 1: Expenses by Category Across Financial Years



Financial Position

NT Fleet’s asset position at the end of 2007-08 is \$76.9M, compared with a 2006-07 net asset position of \$73.4M. This increase is primarily due to modernisation of the fleet and the heavy vehicle replacement program, which established a rolling capital replacement program for heavy vehicles to improve reliability and maximise value in the provision of a heavy vehicle fleet for Government agencies.



AUDITOR-GENERAL

Independent Auditor's Report to the Minister for Business and Employment NT Fleet Year Ended 30 June 2008

I have audited the accompanying financial report of NT Fleet, which comprises the income statement, balance sheet, statement of changes in equity and cash flow statement and accompanying notes to the financial statements for the year ended 30 June 2008.

The Responsibility of the Chief Executive for the Financial Report

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

Auditor's Responsibility

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

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

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

Audit Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of NT Fleet as of 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

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

10 November 2008

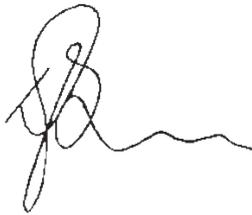
NT Fleet FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Income 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 2008 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.



.....
Dennis Bree
CHIEF EXECUTIVE
3 November 2008



.....
Rex Schoolmeester
CHIEF FINANCE OFFICER
3 November 2008

NT Fleet
INCOME STATEMENT
For the year ended 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
INCOME			
Sales of Goods and Services		35 551	33 625
Interest Revenue		379	95
Gain on Disposal of Assets	3	1 773	1 518
Other Income		80	103
TOTAL INCOME		37 783	35 341
EXPENSES			
Employee Expenses		(2 120)	(2 060)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	4	(1 584)	(1 747)
Vehicle Repairs and Maintenance		(7 709)	(8 195)
Depreciation and Amortisation	9	(15 622)	(14 447)
Interest Expenses		(285)	(56)
TOTAL EXPENSES		(27 320)	(26 505)
Income Tax Expense	5	(3 139)	(2 651)
NET SURPLUS	15	7 324	6 185

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

NT Fleet
BALANCE SHEET
As at 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and Deposits	6	8 775	4 353
Receivables	7	1 293	623
Inventories	8	10	8
Prepayments		4	-
Total Current Assets		10 082	4 984
Non-Current Assets			
Property, Plant and Equipment	9	83 085	80 995
Total Non-Current Assets		83 085	80 995
TOTAL ASSETS		93 167	85 979
LIABILITIES			
Current Liabilities			
Payables	10	3 076	2 383
Income Tax Liabilities	11	3 139	2 651
Provisions	12	3 982	3 369
Other Liabilities	13	1 874	-
Total Current Liabilities		12 071	8 403
Non-Current Liabilities			
Provisions	12	122	173
Borrowings and Advances	14	4 000	4 000
Total Non-Current Liabilities		4 122	4 173
TOTAL LIABILITIES		16 193	12 576
NET ASSETS		76 974	73 403
EQUITY			
Capital	15	437	528
Accumulated Funds		76 537	72 875
TOTAL EQUITY		76 974	73 403

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

NT Fleet
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2008

	NOTE	2008 \$'000	2007 \$'000
BALANCE OF EQUITY AT 1 JULY		73 403	70 311
Capital	15		
Balance at 1 July		528	528
Equity Injections		20	-
Equity Withdrawals		(111)	-
Balance at 30 June		437	528
Accumulated Funds	15		
Balance at 1 July		72 875	69 783
Surplus for the Period		7 324	6 185
Dividends Payable		(3 662)	(3 093)
Balance at 30 June		76 537	72 875
BALANCE OF EQUITY AT 30 JUNE		76 974	73 403

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

NT Fleet
CASH FLOW STATEMENT
For the year ended 30 June 2008

	NOTE	2008 \$'000 (Outflows) / Inflows	2007 \$'000 (Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from Sales of Goods and Services		40 942	39 071
Interest Received		346	83
Total Operating Receipts		41 288	39 154
Operating Payments			
Payments to Employees		(2 121)	(2 053)
Payments for Goods and Services		(13 564)	(15 465)
Interest Paid		(286)	-
Income Tax Paid		(2 651)	(2 276)
Total Operating Payments		(18 622)	(19 794)
Net Cash From Operating Activities	16	22 666	19 360
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from Asset Sales	3	18 699	22 539
Total Investing Receipts		18 699	22 539
Investing Payments			
Purchases of Assets		(33 850)	(39 523)
Total Investing Payments		(33 850)	(39 523)
Net Cash (Used In) Investing Activities		(15 151)	(16 984)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of Borrowings	14	-	4 000
Total Financing Receipts		-	4 000
Financing Payments			
Dividends Paid	12, 15	(3 093)	(2 655)
Total Financing Payments		(3 093)	(2 655)
Net Cash From/(Used In) Financing Activities		(3 093)	1 345
Net Increase in Cash Held		4 422	3 721
Cash at Beginning of Financial Year		4 353	632
CASH AT END OF FINANCIAL YEAR	6	8 775	4 353

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

NT Fleet
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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2. Statement of Significant Accounting Policies
- INCOME**
3. Gain on Disposal of assets
- EXPENSES**
4. Purchases of Goods and Services
5. Income Tax Expense
- ASSETS**
6. Cash and Deposits
7. Receivables
8. Inventories
9. Property, Plant and Equipment
- LIABILITIES**
10. Payables
11. Income Tax Liabilities
12. Provisions
13. Other Liabilities
14. Borrowings and Advances
- EQUITY**
15. Equity
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16. Notes to the Cash Flow Statement
17. Financial Instruments
18. Commitments
19. Contingent Liabilities and Contingent Assets
20. Events Subsequent to Balance Date
21. Write-offs, Postponements and Waivers

1. OBJECTIVES AND FUNDING

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

Key functional responsibilities are:

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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

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

(b) Central Holding Authority

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

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to

individual agencies, such as unfunded superannuation and long service leave.

(c) Comparatives

Where necessary, comparative information for the 2006-07 financial year has been reclassified to provide consistency with current year disclosures.

(d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2007-08 as a result of management decisions.

(f) Goods and Services Tax

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

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

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

(g) Income Recognition

Income encompasses both revenue and gains.

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

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

Sale of Goods

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

Rendering of Services

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

Interest Revenue

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

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the

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

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

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

(i) Interest Expenses

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

(j) Taxation

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

(k) Cash and Deposits

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

(l) Inventories

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

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

(m) Receivables

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

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

(n) Property, Plant and Equipment

Acquisitions

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

equipment below the \$5 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate portion 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.

Software (Work in Progress)

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

Depreciation and Amortisation

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

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

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

	<u>2008</u>	<u>2007</u>
Vehicles – light	2 – 3 Years	2 – 3 Years
Vehicles – heavy	3 – 10 Years	3 – 10 Years
Leasehold improvements	10 – 15 Years	10 – 15 Years
Computer software	1 – 5 Years	1 – 5 Years

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

Assets Held for Sale

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

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

Impairment of Assets

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

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

the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Income Statement. 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 Income Statement as income.

(o) Leased Assets

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

Finance Leases

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

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 recognised as a deduction of the lease expense over the term of the lease.

(p) Payables

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

(q) Borrowings

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

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

(r) Employee Benefits

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

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

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

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

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

(s) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

(t) 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 and Note 15 provide additional information in relation to contributions by, the distributions to, Government.

(u) Dividends

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

(v) Commitments

Disclosures in relation to capital and other commitments, including lease commitments, are shown at Note 18 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

Commitments are those contracted as at 30 June where the amount of the future

commitment can be reliably measured.

	2008 \$'000	2007 \$'000
3. GAIN ON DISPOSAL OF ASSETS		
Net proceeds from the disposal of non-current assets	18 699	22 539
Less: Carrying value of non-current assets disposed	(16 926)	(21 021)
Gain on Disposal of Non-Current Assets	1 773	1 518
4. PURCHASES OF GOODS AND SERVICES		
The net surplus has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Document Production	8	8
Recruitment ⁽¹⁾	1	4
Training and Study	11	17
Official Duty Fares	8	13
Travelling Allowance	7	5
Audit Fees	29	10
Corporate Support from Other Agencies	339	357
(1) Includes recruitment related advertising costs.		
5. INCOME TAX EXPENSE		
Current Year Profit	10 463	8 836
Prima facie income tax expense calculated at 30% on the surplus	3 139	2 651
Total Income Tax Expense	3 139	2 651
6. CASH AND DEPOSITS		
Cash on Hand	1	1
Cash at Bank	8 774	4 352
Total Cash and Deposits	8 775	4 353

	2008 \$'000	2007 \$'000
7. RECEIVABLES		
Current		
Accounts Receivable	896	245
Interest Receivable	45	12
GST Receivable	16	-
Other Receivables	336	366
Total Receivables	1 293	623
8. INVENTORIES		
Raw Materials and Stores	10	8
Total Inventories	10	8
9. PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles – Light		
At Cost	91 496	87 475
At Capitalised Cost	44	44
Less: Accumulated Depreciation	(20 576)	(16 984)
	70 964	70 535
Motor Vehicles - Heavy		
At Fair Value	22 750	20 909
Less: Accumulated Depreciation	(10 889)	(10 631)
	11 861	10 278
Software (Work in Progress)		
At Capitalised Cost	239	160
	239	160
Leasehold Improvements		
At Capitalised Cost	23	23
Less: Accumulated Depreciation	(2)	(1)
	21	22
Total Property, Plant and Equipment	83 085	80 995

Impairment of Property, Plant and Equipment

NT Fleet's property, plant and equipment were assessed for impairment as at 30 June 2008. No impairment adjustments were required as a result of this review.

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2007-08 is set out below:

	Motor Vehicles Light	Motor Vehicles Heavy	Software (Work in Progress)	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2007	70 535	10 278	160	22	80 995
Additions	30 669	4 002	79	-	34 750
Disposals	(26 649)	(2 162)	-	-	(28 811)
Accumulated Depreciation on Disposals	10 369	1 516	-	-	11 885
Asset Transfers Out	(138)	-	-	-	(138)
Accumulated Depreciation on Transfers	26	-	-	-	26
Depreciation	(13 848)	(1 773)	-	(1)	(15 622)
Carrying Amount as at 30 June 2008	70 964	11 861	239	21	83 085

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

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

	2008 \$'000	2007 \$'000
10. PAYABLES		
Accounts Payable	2 792	1 866
Accrued Interest	55	56
Accrued Expenses	229	270
GST Payable	-	191
Total Payables	3 076	2 383
11. INCOME TAX LIABILITIES		
Income Tax Payable	3 139	2 651
Total Income Tax Liabilities	3 139	2 651
12. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	163	191
Leave Loading	29	37
Recreation Leave Fares	36	17
<i>Other Current Provisions</i>		
Provision for Dividend	3 662	3 093
Provision for Fringe Benefits Tax	4	2
Provision for Payroll Tax	31	15
Provision for Superannuation	49	6
Provision for Workers Compensation Premium	8	8
	3 982	3 369
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	122	173
	122	173
Total Provisions	4 104	3 542
Reconciliation of Dividends		
Balance as at 1 July 2007	3 093	2 655
Reductions Arising from Payments	(3 093)	(2 655)
Additional Provisions Recognised	3 662	3 093
Balance as at 30 June 2008	3 662	3 093

NT Fleet employed 32 employees as at 30 June 2008
(32 employees as at 30 June 2007).

	2008 \$'000	2007 \$'000
13. OTHER LIABILITIES		
Current		
Deferred Income	1 874	-
Total Other Liabilities	1 874	-
14. BORROWINGS AND ADVANCES		
Non Current		
Loans and Advances	4 000	4 000
Total Borrowings and Advances	4 000	4 000
15. EQUITY		
Equity represents the residual interest in the net assets of NT Fleet. The Government's ownership interest in NT Fleet is held in the Central Holding Authority as described in Note 2(b).		
Capital		
Balance as at 1 July	528	528
<i>Equity Injections</i>		
Equity Transfers In	20	-
<i>Equity Withdrawals</i>		
Equity Transfers Out	(111)	-
Balance as at 30 June	437	528
Accumulated Funds		
Balance as at 1 July	72 875	69 783
Surplus for the Period	7 324	6 185
Dividends Payable	(3 662)	(3 093)
Balance as at 30 June	76 537	72 875
Total Equity	76 974	73 403

16. NOTES TO THE CASH FLOW STATEMENT**Reconciliation of Cash**

The total of NT Fleet Cash and Deposits of \$8.8M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

Reconciliation of Net Surplus to Net Cash from Operating Activities**Net Surplus****7 324****6 185***Non-Cash Items:*

Depreciation and Amortisation

15 622

14 447

(Gain) on Disposal of Assets

(1 773)

(1 518)

Repairs and Maintenance – minor new works – non-cash

20

-

Changes in Assets and Liabilities:

(Increase) in Receivables

(651)

(1)

(Increase) in Interest Receivable

(33)

(11)

(Increase) in Prepayments

(4)

-

(Increase) in Inventories

(2)

(3)

Decrease/(Increase) in Other Receivables

30

(185)

(Decrease)/Increase in Payables

25

(96)

(Decrease) in Accrued Expenses

(41)

(11)

(Decrease)/Increase in Provision for Employee Benefits

(68)

10

(Decrease)/Increase in Other Provisions

62

(7)

(Decrease)/Increase in GST Payable

(207)

249

Increase in Income Tax Liabilities

488

375

(Decrease)/Increase in Deferred Income

1 874

(74)

Net Cash From Operating Activities**22 666****19 360**

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 NT Fleet include cash and deposits, receivables and payables. NT Fleet has limited exposure to financial risks as discussed below.

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

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

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

(a) Credit Risk

Credit risk is the risk of financial loss and/or increased costs due to the failure of a counterparty to meet its financial obligations.

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

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

NT Fleet has limited credit risk exposure (risk of default).

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Therefore, no differences in the carrying amount of financial assets have been recognised.

(c) Interest Rate Risk

Interest rate risk is the risk of financial loss and/or increased costs due to adverse movements in the values of financial assets and liabilities as a result of changes in interest rates.

NT Fleet's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities are set out in the following tables. The average interest rate is based on the outstanding balance at the end of the year.

NT Fleet's operating accounts earns quarterly interest at a variable interest rate (NT Treasury's Corporation's weighted average cash return less 50 basis points)

Assuming the financial assets and liabilities as at 30 June 2008 were to remain until maturity or settlement without any action by NT Fleet to alter the resulting interest rate risk exposure, an immediate and sustained increase of 1 per cent in market interest rates across all maturities would have an impact on the net income of plus or minus \$50k and is considered not material to NT Fleet.

NT Fleet has limited exposure to interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk of financial loss and/or increased costs due to unanticipated events or errors in cash flow forecasts which result in additional borrowing costs, reduced investment income, or an inability to meet financial or operational commitments as they fall due.

The entity's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

17. FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Total Carrying Amount \$'000
			Under 1 Year \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	
2008 Financial Assets						
Cash and Deposits	6.57	8 774	-	-	1	8 775
Receivables		-	-	-	1 293	1 293
Total Financial Assets		8 774	-	-	1 294	10 068
Financial Liabilities						
Payables		-	-	-	3 076	3 076
Employee Benefits		-	-	-	350	350
Government Loan	7.10	-	-	4 000	-	4 000
Dividends Payable		-	-	-	3 662	3 662
Total Financial Liabilities		-	-	4 000	7 088	11 088
Net Financial Assets/(Liabilities)		8 774	-	(4 000)	(5 794)	(1 020)

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Total Carrying Amount \$'000
			Under 1 Year \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	
2007 Financial Assets						
Cash and Deposits	5.89	4 352	-	-	1	4 353
Receivables		-	-	-	623	623
Total Financial Assets		4 352	-	-	624	4 976
Financial Liabilities						
Payables		-	-	-	2 383	2 383
Employee Benefits		-	-	-	418	418
Government Loan	7.10	-	-	4 000	-	4 000
Dividends Payable		-	-	-	3 093	3 093
Total Financial Liabilities		-	-	4 000	5 894	9 894
Net Financial Assets/(Liabilities)		4 352	-	(4 000)	(5 270)	(4 918)

The contractual cash flows for the financial assets and liabilities approximates the carrying amounts.

	2008 \$'000	2007 \$'000
18. COMMITMENTS		
(i) Capital Expenditure Commitments		
Estimated capital expenditure contracted for at balance date but not provided for and payable:		
Within one year	9 808	8 772
	9 808	8 772
(ii) Operating Lease Commitments		
NT Fleet leases office equipment under a non-cancellable operating lease expiring on 30 April 2010. Future operating lease commitments not provided for in the financial statements and payable are as follows:		
Within one year	4	4
Later than one year and not later than five years	3	7
	7	11
(iii) Operating Lease Commitment Receivables		
Received not later than one year	28 539	26 439
Received one year and not later than five years	17 174	17 805
	45 713	44 244

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2007 or as at 30 June 2008.

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. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

NT Fleet had no write-offs, postponements or waivers as at 30 June 2007 or as at 30 June 2008.

APPENDICES

APPENDIX A

List of Acronyms

3P	Personal Planning Process
APRO	Agency Procurement Requisitions Online (IT system)
CAPS	Contracts and Procurement Services (DCIS business unit)
CIS	Corporate and Information Services (DBE business unit)
DBE	Department of Business and Employment (agency)
DBERD	Department of Business, Economic and Regional Development (agency)
DCIS	Department of Corporate and Information Services (the Department)
DCS	Data Centre Services (GBD)
ECMS	Electronic Card Management System
EDRM	Electronic Document Records Management
ePASS	Electronic Passport
GAS	Government Accounting System (IT system)
GBD	Government Business Division
GOAC	Government Office Accommodation Committee
GST	Goods and Services Tax
FTE	Full Time Equivalent
HRIS	Human Resources Information Systems (IT systems)
ICT	Information and Communications Technology
ITIL	Information Technology Infrastructure Library
JES	Job Evaluation System
KPI	Key Performance Indicator
NTPS	Northern Territory Public Sector
OCPE	Office of the Commissioner for Public Employment (agency)
OH&S	Occupational Health and Safety
P&D	People and Development (DCIS business unit)
PAPMS	Payroll and Payment Management Services (IT system)
PIPS	Personnel Information and Payroll System (IT system)
PSMP	Public Sector Management Program
RePS	Receipts Processing System (IT system)
SLA	Service Level Agreement
SPIN	Support Program and Information Network (development program)
TRIM	Tower Records and Information Management (IT system)
TRIPS	Travel Request Information Processing System (IT system)

APPENDIX B

DCIS Service Price List

As at 30 June 2008

Service	Cost Measure	Price (\$)
FINANCE SERVICES		
Accounts Payable		
- Invoice processed 1-5 lines	Per invoice	13.10
- Invoice processed 6 -10 lines	Per invoice	25.50
- Invoice processed >10 lines	Per invoice	40.50
- Ledger Transfer	Per invoice	12.00
- Regional travel	Per travel request	20.65
- RTM advance cheques	Per cheque	25.80
- Deskbank payments	Per payment	86.00
- Credit card management	No. of credit cards (pa)	420.00
Accounts Receivable		
- Invoice manual requisition	Per invoice	61.00
- Invoice electronic requisition	Per invoice	25.00
- Receiver statements – manual	Per statement	50.00
- Receiver statements – pay online	Per statement	10.00
- RTM	Per receipt	5.20
- Bank account management	Per bank account (pa)	2 496.00
Asset Accounting		
- Asset accounting	No. of assets (pa)	81.60
- Disposals	Per asset disposed	28.00
Taxation Services		
- BAS lodgement	Per line per return	0.40
- FBT Tax	Per line comprising FBT liability	22.00
- Payroll Tax	Per cost code per return	6.50
Financial Reporting		
- Auto	Per page produced	1.25
Financial Systems		
	DASD usage (per 1% per annum)	72 000.00
CONTRACT AND PROCUREMENT SERVICES		
CAPS		
- Tender Management	Per tenders managed	2 000.00
- Standard RFT	Per standard RFT	1 500.00
- Complex RFT	Per complex RFT	4 100.00
- Addenda/Extension	Per addenda/extension	540.00
- CAPS Advisory Service	Per no. of paid employees (pa)	20.00
- CAPS Whole of Govt Contracts	Per no. of paid employees (pa)	20.00
- RFQ Administration	Per no. of quotations entered	200.00
Couriers/Despatch		
	Per drop off/ pick up	12.00
HUMAN RESOURCE SERVICES		
HR System		
	Per no. of paid employees (pa)	345.00
Job Evaluation Services		
	Per JESd position	250.00
Payroll Services		
- Per Employee Charge	Per no. of paid employees (pa)	155.00
- Per PTR Charge - Auto	Per PTR - auto	3.00
- Per PTR Charge - Manual	Per PTR - manual	10.00
- Commencement / Termination	Per commencement / termination	260.00
Recruitment Services		
- New Starter	Per new starter	510.00
- Temporary or Nominal Move	Per temporary or nominal move	30.00

Service	Cost Measure	Price (\$)
Entry Level Recruitment	Per no. of admin staff (pa)	70.00
Short Courses	Per person / half day	135.00
Employment Programs	No. of apprentices	2 480.00
Venue Management		
- Venue Management - Belvedere House A/S L1	Per half day	50.00
- Venue Management - Belvedere House A/S L2	Per half day	120.00
- Venue Management - Sadgroves Room	Per half day	50.00
- Venue Management - Timor Room	Per half day	100.00
- Venue Management - Frances Bay Room	Per half day	150.00
- Venue Management - Kath Govt Centre	Per half day	90.00
OH&S	Per hour	110.00
Workers Compensation	Per hour	83.00
INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICES		
ICT Policy & Strategy	Per no. of desktops (pa)	110.00
IT Service Management		
- Contract Services	Per no. of desktops (pa)	165.00
- Agency Services	Allocation of FTE - Managers (pa)	130 000.00
	Allocation of FTE - Directors (pa)	175 000.00
Records Policy & Systems	Per no. of paid employees (pa)	65.00
PROPERTY MANAGEMENT		Cost
Leased Property Management	Overheads	3.47%

APPENDIX C

Audits by the Auditor-General

For year ending 30 June 2008

Audit	Audit Outcome/ Recommendation Summary	Action
NT Fleet Financial Statement Audit 2006-07	No audit issues raised.	No action required.
Government Printing Office Financial Statement Audit 2006-07	No audit issues raised.	No action required.
Data Centre Services Financial Statement Audit 2006-07	No audit issues raised.	No action required.
End of Year Compliance Audit 2006-07	Recommended that all variances be cleared at year-end.	Processes modified and reconciliations completed to identify variances.
IT Control Environment	<p>Review and align incident and change management procedures.</p> <p>Data Centre Services to investigate a forum with ICT Security to ensure consistency with internet security.</p> <p>Formal virus response procedure should be developed.</p>	<p>Procedures updated and workflow software installed.</p> <p>Internet security procedures updated reviewed and circulated to ICT Security.</p> <p>Virus response procedure being considered.</p>
GAS Controls 2007-08	<p>GAS user profiles to be reviewed quarterly and conflicting profiles addressed immediately with reports signed to evidence reviews.</p> <p>Approved credit management policies to be in place, collection status of debtors updated and reviewed reports evidenced.</p> <p>Accounting and Property Manual should be complied with to reduce exposure.</p>	<p>Profiles modified and requirement to evidence profile reviews reiterated.</p> <p>Credit management policies under review as part of the Corporate Services Review.</p> <p>Accounting and Property Manual to be updated and additional training provided to staff.</p>
Telecommunications Contract – Post Implementation	<p>Formalise a risk framework for contract management and strategic risks.</p> <p>Processes should continue to be implemented to ensure agencies receive service credits.</p> <p>Performance based payments should be considered as incentives for improved performance by service providers.</p>	<p>DCIS Risk Management Framework under development.</p> <p>Auditor-General's report outlines continuing actions to resolve service credit variances, including an audit of outstanding credits.</p> <p>Payments regime to be considered in the next sourcing strategy.</p>

Audit	Audit Outcome/ Recommendation Summary	Action
NT Fleet Interim Financial Statement Audit 2007-08	<p>Reconciliations are not prepared on a regular basis and reviewed by an independent person.</p> <p>Review useful lives and estimated disposal values of heavy vehicles or machinery.</p> <p>Documents to be completed and evidenced in line with disposal and acquisition policies and procedures.</p> <p>Delegations Manual should be updated on a timely basis.</p>	<p>Staffing issues resolved and reconciliations reviewed as required in procedures.</p> <p>Depreciation and asset valuation process for heavy vehicles will be reviewed.</p> <p>Compliance with processes reiterated.</p> <p>Procurement delegations updated.</p>
IT Environment	<p>Deficiencies regarding offsite backup tape storage and testing and alternate facilities to Chan Data Centre.</p> <p>Change management procedures and evidence of testing to be followed.</p> <p>Formalise PAPMS administration procedures and disable user accounts in a timely manner.</p>	<p>Offsite storage and testing to be reviewed and alternate facilities proposed in coming year.</p> <p>Change management procedures updated.</p> <p>PAPMS administration procedures to be finalised and review processes implemented.</p>
PIPS Controls 2007-08	<p>Non compliance with commencement and termination procedures.</p> <p>Exception reports to be promptly followed up and cleared.</p> <p>Timesheets to be approved by agencies and reviewed prior to processing.</p> <p>ePOD controls should be reviewed to ensure they are designed and implemented effectively.</p>	<p>Adherence to procedures reiterated with staff.</p> <p>Exception report procedures reviewed and streamlined.</p> <p>Timesheet procedures improved.</p> <p>Intensive ePOD training provided, monitoring improved and automated control reports developed.</p>

APPENDIX D

Internal Reviews

For year ending 30 June 2008

Review	Description	Outcome
Northern Territory Government (NTG) ICT Disaster Recovery Preparedness	Review by Walter Turnbull – review of all disaster recovery documentation and assessment of preparedness to respond to a disaster-level event.	Review completed in February with the following findings: <ul style="list-style-type: none"> • NTG is well prepared for cyclone-related disaster events. • Documentation and procedures are satisfactory. • Further work is required in response to more diverse disaster-related events. Development of an ICT All Hazards Response Framework has commenced to address responses to diverse disaster events.
Government Printing Office Business Analysis	Review by Heidelberg Graphic Equipment Ltd - machine room audit, manufacturing audit and benchmarking.	Review completed in May 2008 with the following findings: <ul style="list-style-type: none"> • Several production process improvements were identified and will be implemented. • Equipment standards were of a satisfactory level however higher utilisation and throughput could be achieved with new equipment.
Procurement Administration Review	Review by Unisys – a review of business processes and procedures for the procurement of higher volume/lower cost goods and services by NTG agencies.	Review completed in April. Three stage recommendations were presented; <ol style="list-style-type: none"> 1. Agencies move to one Procure-to-Pay process. 2. Upgrade systems such as APRO to interface with NT accounting system. 3. Full delivery of an e-Procurement solution.
Office Services Review	Internal review by DCIS Contract and Procurement Unit. A review of current activities and practices of the Office Services Division with recommendations for service improvements.	Recommendations included: <ul style="list-style-type: none"> • Clarifying the role and services provided by Office Services. • Improving the communication between Office Services and business units. • Consideration given to the purchase of an IT application for lodging and tracking jobs.
Banking Review	Internal review by DCIS Finance Services. Streamline business processes for providing end-to-end banking services to NTG agencies in relation to receipting, payments and reconciliations.	DCIS implemented a web enabled system, Westpac's Corporate Online system, linked to this review.

Review	Description	Outcome
Receiver of Territory Money (RTM) Review	Internal review by DCIS CSR Program Office - review of business processes and procedures for providing over the counter cash services for the receipting and disbursement of cash and cheques.	Review completed in March. Recommendations primarily focussed on DCIS RTM processes, procedures and policy.
Taxation Review	Internal review by DCIS Finance Services - review of business processes and procedures for providing taxation services to NTG agencies in relation to GST, Fringe Benefits tax and Payroll Tax.	Review completed in April. Recommendations primarily focused on streamlining processes and updating policies and procedures within DCIS.
Post Incident Review of NTG ICT Disaster Recovery Plans	Internal post incident review by DCIS ICT Security and Standards Unit – review of DCIS’ whole-of-government ICT response to Cyclone Helen in January 2008.	<p>The review was completed in January and made several recommendations including:</p> <ul style="list-style-type: none"> • Regular testing of disaster recovery plans. • Improved lines of communication. • Further consideration of when disaster recovery plans are invoked. • Clarification of the role of the ICT Counter Disaster Committee during hazards was required.

APPENDIX E

Gifted Furniture and Fittings

For the period 1 July 2007 to 30 June 2008

Organisation Name	Items Gifted	Value (\$)
Balunu Foundation	14 chairs	140.00
	2 x 4 drawer filing cabinets	40.00
	1 bookshelf	20.00
	12 small tables	120.00
	2 computer work-stations	30.00
	1 storage cabinet	20.00
Brown's Mart Community Arts	10 desks	100.00
	11 chairs	110.00
	4 bookcases	40.00
	1 adjustable document holder	5.00
	1 television (repairs required)	20.00
	1 set of drawers	10.00
The Scout Association of Australia, Northern Territory Branch	2 computer work-stations	30.00
	2 desks	20.00
TOTAL		705.00

APPENDIX F

Gifted and Loaned Vehicles

For the period 1 July 2007 to 30 June 2008

Gifted and Loaned Vehicles	Cost (\$)
Gifted Vehicles	
Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation	30 000
FORWAARD (Foundation of Rehabilitation with Aboriginal Alcohol Related Difficulties)	14 000
Groote Eylandt and Milyakburra Youth Development	29 000
Mental Health Carers NT	9 000
Katherine Senior Citizens Association	30 000
Keep Australia Beautiful	63 000
Central Australian Aboriginal Corporation	16 000
Melaleuca Refugee Centre	16 000
HPA Incorporated	12 363
Riyala Incorporated (Frog-watch)	20 000
Larrakia Nation	17 000
NT Bushfire Council	8 472
SUBTOTAL	264 835
Loan Vehicles	
Music NT	3 495
24HR Art	3 000
Darwin Festival	1 008
Gap Youth Centre/ NT Writers Centre	4 882
Yothu Yindi	30 000
Bass in the Grass	1 470
Alice Springs Netball Association	2 800
SUB TOTAL	46 655
GRAND TOTAL	311 490

APPENDIX G

Accommodation Costs for Non-Government Organisations

For the period 1 July 2007 to 30 June 2008

Non-Government Organisation	Building	Cost (\$)
Amateur Fishing Association of the NT	Malak Shopping Centre	34 520
Association of Independent Schools of the Northern Territory	Darwin Central	20 064
Asthma Foundation	Eurilpa House, Alice Springs	3 799
Austrade	Development House, Darwin	19 264
Australia Day Council	Darwin Central	20 064
Australian Association of Young People In Care	Casuarina Plaza	9 240
Bushfires Council	Lot 1718/19 Albatross Street, Winnellie	100 533
Camp Quality	Lot 521 Pavonia Place, Nightcliff	38 088
Cancer Council	44 Bath Street, Alice Springs	27 469
Cancer Council	Casi House, Casuarina	48 000
Cancer Council	Randazzo Centre, Katherine	14 057
Child Birth Eduction	Casuarina Plaza	6 776
Childrens' Services Support Program	Eurilpa House Alice Springs	26 789
Deaf Association	Casuarina Plaza	14 507
Downs Syndrome Association	Rapid Creek Shopping Centre	17 315
Duke of Edinburgh Award	Berrimah Star Centre	70 840
Employee Assistance Services ¹	Eurilpa House, Alice Springs	14 590
Environmental Hub ²	Rapid Creek Shopping Centre	22 909
Family Planning Association	Eurilpa House, Alice Springs	14 011
Gagadju Association	Government Centre, Jabiru	16 693
Genealogy Society	Cavenagh Court, Darwin	36 494
Good Beginings	Randazzo Centre, Katherine	28 114
Greening Australia and CLMA	Leichhardt Building, Alice Springs	32 913
GROW	Casuarina Plaza	18 480
Health Connections	Government Centre, Katherine	36 437
Heart Foundation	Darwin Central	40 283
Keep Australia Beautiful Council	Stuart Park Shopping Centre	36 240
Kidsafe NT and SIDS	Rapid Creek Shopping Centre	22 853
Lerrluk Indigenous Housing Advisory Service	Government Centre, Katherine	14 941
L'here Artepe Aboriginal Corporation	Leichhardt Building, Alice Springs	32 807
Mental Health Association of Central Australia	Hansen House, Alice Springs	21 799
Multicultural Community Services of Central Australia	20 Parsons Street, Alice Springs	10 876
Multicultural Council NT and Multilingual Broadcasting Council NT	Malak Shopping Centre	69 584
National Association for the Prevention of Child Abuse and Neglect ³	Rapid Creek Shopping Centre	7 169
Pensioners Workshop	Pensioners' Workshop, Winnellie	23 008
Radio Larrakia	Greek Community Centre, Nightcliff	15 582
Red Cross	Casuarina Recreation Centre	66 759
Territory Business Council	Randazzo Centre, Katherine	35 547

Non-Government Organisation	Building	Cost (\$)
Top End Business Development Council ⁴	Lot 1718/19 Albatross Street, Winnellie	31 958
Training Advisory Council	Darwin Plaza	65 143
Training Advisory Council	Winlow House, Darwin	137 424
Various Arts Organisations Warehouse	Tiger Place, Winnellie	18 781
Various Community Arts and Craft Groups	96 Winnellie Road, Winnellie	138 301
Victims of Crime NT	La Grande, Darwin	42 501
Volunteers Australia	Darwin Central	40 129
YMCA	Satepak House, Palmerston	77 948
YWCA ⁵	Highway House, Palmerston	19 390
	TOTAL	1 660 989

Notes:

- 1) Ceased June 2008
- 2) Commenced October 2007
- 3) Ceased May 2008
- 4) Ceased August 2007
- 5) Net of \$15,000/pa contribution by NGO

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Further information about the Department of Business and Employment can be obtained from our web site at <http://www.nt.gov.au/dbe> or by contacting Corporate Support Services on (08) 8999 1715.