DEPARTMENT OF
**CORPORATE AND
INFORMATION SERVICES**

ANNUAL **REPORT**

18/19

NORTHERN
TERRITORY
GOVERNMENT

Letter of Representation to the Minister

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

Dear Minister

In accordance with section 28 of the *Public Sector Employment and Management Act 1993*, I am pleased to submit the 2018-19 annual report on the activities and achievements of the Department of Corporate and Information Services (DCIS).

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

a.   proper records of all transactions affecting DCIS are kept and employees under my control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations and Treasurer's Directions

b.   procedures within DCIS afford proper internal control, a current description of such procedures are recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the *Financial Management Act 1995*

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

d.   in accordance with section 15 of the *Financial Management Act 1995*, the internal audit capacity available to DCIS is adequate, and the results of internal audits have been reported to me

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

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

g.   DCIS is working in compliance with the archives and records management provisions as prescribed in Part 9 of the *Information Act 2002*.

Yours sincerely

Kathleen Robinson
Chief Executive
30 September 2019

Our Report

The Department of Corporate and Information Services annual report provides a comprehensive record of the department's functions and performance for 2018-19 and progress towards the department's strategic goals and priorities.

The primary purpose is to report the department's performance in 2018-19 to the Minister for Corporate and Information Services.

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

The DCIS annual report informs readers and provides an:

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

How to use

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

- **The Department** outlines the organisation's purpose, primary functions and objectives.
- **Achievements** reports DCIS' output performance in 2018-19 and results against measures published in Budget Paper No. 3.
- **Corporate Governance** details DCIS' corporate governance model and performance.
- **Our People** provides an overview of DCIS' people, human resource management, legislative requirements and formally acknowledges employee achievements.
- **Financial Reports** provides financial statements and related notes for DCIS and the two government business divisions of NT Fleet and Data Centre Services.
- **Appendices** lists more detailed information that needs to be disclosed and is adjunct to the main report.

Throughout the report abbreviations have been used and written in full in Appendix IX.

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

Our Performance Symbols

COMPLETED: Finalised within this reporting period.

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

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

Contents

Chief Executive's Foreword

Kathleen Robinson

2018-19 in Review

The NT Government has maintained a dedicated and effective shared corporate services model with DCIS since 1998, and in October 2018 we celebrated DCIS' 20th birthday in purple style. In recent years, the agency's remit has expanded from shared services delivery to include assurance, leadership and advisory roles with an increasingly strong ICT and digital focus to help transform the way government delivers services for Territorians.

What seemed aspirational all those years ago for DCIS to be the "go to" agency for delivering projects, expert professional advice and solutions that benefit Territorians, is becoming a reality.

I am incredibly proud of the work our people are doing and the successes we are achieving and I am pleased to present the annual report of the DCIS for the year ending 30 June 2019. The report provides a comprehensive account of the department's functions and performance against key responsibilities, approved budgets and resources.

Our people are key to the department's strategy. We maintain our commitment to developing capability in our leaders and staff through supportive guidance, our emerging leaders program and other leadership and skills development programs. We will continue to support, empower and develop staff to drive quality service, performance and innovation through a collaborative business partnering approach.

Creation and release of the Digital Territory Strategy, following extensive consultation with agencies, industry and community, marked a major achievement for the year. The strategy focuses on embracing digital technology to drive economic growth and build a more digitally inclusive society. The Digital Territory Strategy provides an enabling framework, from connecting communities to the adoption of digital technologies. The strategy is supported by annual Action Plans. The first Action Plan for 2018-19 set out 60 digital actions across five digital directions, with good progress made by the action leads across these diverse initiatives. The next Action Plan in 2019-20 will include a report back on progress and achievements from the first plan.

While the department's collective achievements and priorities are described and showcased throughout this report, I've taken this opportunity to provide a snapshot of some significant accomplishments and focus areas aligned to our new 2019-2021 Strategic Plan.

Leading Digital Government

- Developed the NT Open Data Portal with 250 datasets – giving access to a broad range of government data free of charge and providing a valuable source of information for anyone to use.

- Continued to progress the three major digital transformation programs DCIS is delivering in behalf of frontline agencies:

  - CCSRP program for Health – completion of the design phase

  - SerPro program for NT Police – completion of the planning phase

  - CMSA program for Territory Families – working through the procurement phase.

- Coordinated delivery of mobile phone and / or ADSL broadband services to another four remote NT communities under the NT Government / Telstra

> "The strength of the team is each individual member. The strength of each member is the team."
>
> *Phil Jackson*

It's been a year of growth and innovation as DCIS' staff continue to take changes in their stride and meet the challenges that arise. We pride ourselves on being a high performance, customer-focussed organisation and our teams continue to focus on delivering and exceeding the expectations of our client agencies and government.

Strategic focus

Our new Strategic Plan 2019-2021 was launched at my staff roadshows over February and March 2019. The new Plan renews our commitment to supporting agencies through upholding our values and delivering quality services, transformative solutions and trusted advice. We also reflected on our key achievements over the past three years from the previous 2016-2018 Strategic Plan.

Remote Telecommunications Co-investment Program (2015-2018) and commenced feasibility planning for the 2019-2022 program.

- Partnered with Vocus Group for a project to deliver an undersea optic fibre link to the Tiwi Islands that will provide the backbone for enabling better telecommunications services.

- Implemented the GrantsNT system – delivering a contemporary and efficient approach to accessing and managing NT Government grants through an end-to-end digital solution.

- Progressed transition of the government's ICT environment from the Chan Building to the new Government Data Centre and procured a Back-up Data Centre facility in partnership with private enterprise.

Delivering Shared Solutions

- Introduced the NTG Leased Property Stimulus Scheme with building owners across the Territory that have existing NT Government leases invited to invest capital in their buildings and surroundings in exchange for an extension of the lease term (subject to assessment).

- Implemented the new Single Touch Payroll requirements - meeting the ATO deadline and ceasing distribution of paper payment summaries to employees.

- Established a digital solution to meet changed requirements for the new Accounting Standard AASB 16 Leases, which will significantly impact DCIS' financial statements from 2019-20.

- Incorporated PHEV and electric vehicles as pool vehicle options in government's fleet.

- Completed procurements for multiple complex across government contracts – media services, advertising, EAP, air charters and aerial work, involving broad industry and stakeholder engagements.

- Commenced preparations to implement the Root and Branch agency and all-of-government budget savings, which included closing the print management unit within DCIS and assisting contracted printing business and agencies make a smooth transition to new arrangements.

Investing in Capability

- Created and delivered a disability employment pilot program within Payroll Services, with the two participants now successfully transitioned to our workforce.

- Implemented a new digital myPlan tool with online workflows to improve staff experiences and reporting functionality to help support staff and guide corporate capability planning.

- Held the Digital Futures events - expanding on our public engagement, with a focus on encouraging women to consider a career in technology, comprising an Inspiring Women into Technology session and a My Path to Tech session for Territory school students from years 9 – 11.

- Conducted the Emerging Leaders Plus Program - attracting current and future leaders from across DCIS, with 21 people completing the program and attending the graduation ceremony graciously hosted by the Northern Territory Administrator, Her Honour Vicki O'Halloran AO.

Recognition

It was pleasing to see DCIS staff gain recognition for their considerable efforts and commitment to making improvements for government and agencies.

The department won two awards in the 2018 Chief Minister's Excellence in the Public Sector Awards from four shortlisted nominations:

- Strengthening Cyber Security - Strengthening Government Integrity and Public Administration category

- Virtual Desktop Infrastructure at Royal Darwin Hospital (in collaboration with the Department of Health) – Making NT a Better Place to Live through Innovation category.

The Virtual Desktop Infrastructure project also won a national Australian Computer Society Digital Disruptor Award. This is a great achievement as the first NT recipient a of digital disruptor award and represents the culmination of years of dedicated effort and a positive partnership with Department of Health clinicians and ICT staff.

Future reforms

The NT Government's *A plan for budget repair – final report* released in April 2019 sets out a major reform agenda, including the centralisation of corporate support services in DCIS, referred to as the CSR3 program. While this program commences 1 July 2019, the preparation work got underway in the final quarter of 2018-19 and implementing the CSR3 reforms will continue to be a priority and a major focus of DCIS activity across 2019-20. From July, DCIS will welcome a substantial cohort of staff from across government to create a newly formed Enterprise Corporate Services function. This expansion of the agency will test us and excite us with fresh new challenges to innovate and improve. I am looking forward to getting to know our new people.

> "It was important for us to partner with the Northern Territory Government. I think we have really broken the barriers and changed the perception with the Digital Futures event."
>
> *– Sharmila Packiaraja, Branch Chair, AISA*

Along with the significant ICT enterprise projects already underway, the plan for budget repair report has tasked DCIS with carriage of a major digital transformation reform program through seven digital initiatives.

The diversity of the programs our teams are delivering are a testament to the skills and expertise of our staff and the support we provide to government, public servants, Territory businesses and the wider community.

It is an honour to be involved with a department at the helm of leading corporate reforms and digital transformation across the Territory and I would like to express my sincere thanks to all the DCIS team for making this possible. I look forward to the next year as this is a time of important change and an opportunity for DCIS to demonstrate our values as we embrace new staff and our expanded role.

Kathleen Robinson
Chief Executive
30 September 2019

Celebrating 20 Years of DCIS

On 14 October 1998 DCIS was created and was operational in a record-breaking six weeks by 30 November 1998. DCIS' first Chief Executive Sarah Butterworth stated at the time "As a 'fledgling' agency our future is bright and exciting. We have much to achieve and I remain confident in the ability of the whole team to deliver what is expected and more. I look forward to working with all staff on the challenges that face us."

Now 20 years on, in October 2018 DCIS proudly celebrated its 20th anniversary with morning teas across the Territory. DCIS adopted purple as its colour from the beginning and to bring back our history the morning teas were a sea of purple… everywhere. Thanks to the generosity of DCIS Deputy Chief Executive, Chris Hosking, all staff received a violet crumble at the celebrations to represent the initial welcome pack given to new staff in 1998 that unsurprisingly, had a distinctly purple colour.

DCIS' milestones over the years have been many and varied from the Y2K bug to supporting the roll out of remote telecommunications across the Territory, plus countless across government systems and major process enhancements to better support agencies with their day to day business.

DCIS' current Chief Executive Kathleen Robinson echoes the words of Sarah Butterworth to carry the agency into the future. DCIS staff and values are at the core of its business and its success. DCIS continues to take a values-led approach in supporting agencies to achieve and driving innovation.

01

The Department

Overview

Improve government through services and solutions that exceed expectations.

Now in our 21st year, DCIS' continued purpose is to support agencies to achieve their goals by delivering high calibre services, transformative solutions and trusted advice.

The department specialises in digital information and enterprise support services provided to all government agencies and staff enabling them to effectively deliver their core business. We operate in an environment of ongoing change, increasing accountability and continuous improvement.

The range of DCIS services include:

Corporate Support Services – financial and human resource administration, contract services, property leasing services, and management of the government vehicle fleet.

Information and Communications Technology (ICT) Services – network architecture and management, cyber security, contract management, central service coordination, corporate systems operation, ICT infrastructure, and data management.

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

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

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

We seek to identify and implement business efficiency improvements, particularly through technology-led solutions, leveraging economies of scale and business process reforms.

In 2018-19, DCIS comprised the Department of Corporate and Information Services and two government business division (GBDs) – NT Fleet and Data Centre Services (DCS).

Our organisation structure is on page 11.

As at 30 June 2019, DCIS employed 641 full-time equivalent (FTE) staff, with the majority (561) working in the department and the remainder in the GBDs. DCIS maintains service outlets in Darwin, Palmerston, Casuarina, Katherine and Alice Springs.

The department's total budget for 2018-19 was $213.3 million, excluding the GBDs, which are separate budget entities. Refer to the Financial Reports section starting at page 93 for detailed financial information and explanations of our financial performance across all budget entities.

Improving Business Outcomes

Innovative Solutions

Stakeholder Collaboration

Organisation Structure

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

The structure of the organisation is regularly reviewed to ensure alignment to the department's strategic direction, with dynamic changes occurring across the department early in the next financial year to realign us with Corporate Service Reform (CSR3) and changes in the 2019 Budget.

The department's organisation structure is outlined at Figure 1.

▸ **Figure 1**

Minister for Corporate and Information Services

Chief Executive
Kathleen Robinson

Director Executive Services
Jude Florance

Deputy Chief Executive
Chris Hosking

Senior Director ICT Services
Greg Connors

Senior Director Enterprise Project Services
Paul Gooding

Government Business Divisions

Director Architecture
Joshua Gooding

Director Cyber Security
Adam Smith

Director ICT Service Delivery and Integration
Ken Conway

Senior Director Data Centre Services
Scott Thomson

Director NT Fleet
Joseph Babbini

Senior Director Business Services
David Keirs

Senior Director NT Property Management
David Bryan

Senior Director Contracts Services
Bronwyn Riedel

Senior Director Corporate Systems
Gary Russell

Senior Director Shared Services
Vacant

Director Finance Services
Michel Smid

Director HR Services
Sandra Papandonakis

Director Regions
Wayne Sanderson

Executive Director Digital Government
Vacant

Senior Director Digital Strategy
Greg Moo

Senior Director Digital Policy and Telecommunications
Doug Cooke

Director Data Strategy
Garey Neenan

Director ICT Governance
Kevin Thomas

Director Digital Communications
Helen Perry

Director Cyber Strategy
Sonia Peters

Corporate Statement

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

Development of the new the Strategic Plan 2019-2021 gave rise to changes to the corporate statement, resulting in a new vision statement and a new value – *respectful*.

The new statement is aspirational with a key focus on both services and solutions.

‣ **Figure 2**

Our Purpose

We are here to:

Support agencies to achieve their goals by delivering high calibre services, transformative solutions and trusted advice

Our Vision

We aspire to:

Improve government through services and solutions that exceed expectations

Our Commitment

We will work to:

- ⊘ Deliver quality services consistently and on time
- ⊘ Involve our clients in design and delivery of contemporary solutions
- ⊘ Provide reliable, constructive guidance and advice
- ⊘ Manage our business risks to protect service continuity
- ⊘ Demonstrate our values in our behaviours and actions

Our Values

We are:

Our values align with the NTPS values

Honest	we tell the truth
Professional	we work to a high standard
Respectful	we are considerate in our interactions
Accountable	we take responsibility for our actions
Innovative	we commit to improving

Department of **Corporate and Information Services**

Strategic Priorities

For DCIS, 2019 has marked the launch of our new agency strategic plan. The Strategic Plan 2019-2021 was launched across the department through presentations by the Chief Executive and staff discussions during February and March 2019.

The Executive Management Board (EMB) reviewed agency performance against the 2016-2018 Strategic Plan and reflected on key achievements over the past three years.

Strategic Plan 2019-2021

The department's Strategic Plan 2019-2021 outlines strategic priorities and actions for the agency in delivering services to the NT Government.

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

The Strategic Plan was launched along with a refreshed corporate statement to better encapsulate all of the services and work undertaken by DCIS. It is intentionally flexible and able to accommodate new programs and emerging priorities allowing the department to continue to meet government's needs over the life of the plan.

An overview of the Strategic Plan 2019-2021 is detailed below.

Leading Digital Government:
Accelerate digital opportunities to connect, enable and service the Territory

1.1 Drive transformational digital enterprise projects to deliver modern government services that improve the customer experience and outcomes for government.

1.2 Increase access to telecommunications and digital services in remote Territory communities and advocate for greater connectivity to improve digital inclusion.

1.3 Share and realise the value of government data assets to gain deeper insights for setting policy and improving services.

1.4 Protect government's digital eco-system from cyber threats to secure confidential information and enable service continuity.

1.5 Engage constructively with industry, community, and education sectors to increase digital opportunities for the benefit of Territorians and accelerate economic growth.

1.6 Support government's digital transformation through clear strategy and standards, effective communications and assurance, reliable services and robust foundations.

Delivering Shared Solutions:
Advance enterprise corporate services enabling agencies to focus on core business.

2.1 Contribute to government outcomes and corporate effectiveness through innovative approaches to service improvement and efficiency that leverages expertise, capacity and technology.

2.2 Co-design creative and adaptive business solutions that respond effectively to changing priorities and circumstances.

2.3 Explore collaborative ways to strengthen and integrate enterprise corporate service delivery to add demonstrable value for government.

2.4 Enhance corporate data governance, business intelligence and reporting to better inform agency decisions.

2.5 Initiate and drive projects that refocus and reform corporate business processes to deliver contemporary streamlined and scalable services.

2.6 Support government through professional corporate services, reliable enterprise systems and trusted strategic advice.

Investing in Capability:
Inspire a capable, innovative and high performing workforce

3.1 Build an enviable reputation for the department through service excellence, exceptional leadership, authentic client engagement and always striving to exceed expectations.

3.2 Equip our people with the skills, resilience and adaptability to overcome challenges, reach their full potential and achieve the department's vision.

3.3 Provide a safe, inclusive and values-driven work environment for all our people that encourages diversity and is recognised as a great place to work.

3.4 Invest in developing and skilling leaders who will forge the department's future.

3.5 Provide sound direction, proactive management and effective governance over our use of resources and information.

3.6 Progress our vision to improve government through a skilled, committed and responsive workforce, underpinned by robust governance and a supportive, professional culture.

Clients and Stakeholders

DCIS is committed to engaging constructively with agencies, industry, community and education sectors to deliver better services, increase digital opportunities for the benefit of Territorians and encourage economic growth.

The DCIS Service Framework sets out a collaborative model for delivering corporate support services across government agencies and is underpinned by our core service principles of partnership, reliability, accountability and innovation.

The framework is representative of a sustainable business approach that is responsive to a changing environment and adaptable to meet emerging needs.

Our clients

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

Our stakeholders

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

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

Legislature

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

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

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

Services

Providing services that support government and agencies in effectively managing their activities, assets and resources, to deliver value to the community.

Corporate support services for government agencies

The major central corporate support service lines include:

- Finance Services: accounts payable, accounts receivable, ledgers, banking and corporate card administration, taxation services, and asset accounting services.

- Human Resource Services: payroll services, employment actions, job evaluation administration, recruitment services and employment programs.

- Contract Services: quotations and tenders administration, contract administration and across government contracts.

- Property Management: property lease acquisitions, management and advice to support the accommodation requirements of agencies, and cleaning and security services for leased buildings.

The department's corporate support service lines are assisted by internal units that work across service lines and are reported within the service outputs.

- Corporate Systems: operates and supports government's central business systems (including payroll, accounting, procurement, assets, fleet, records management and identity management); and provides help desk services, systems administration and business intelligence reporting.

ICT Services

The department manages the NT Government's ICT environment and has a substantial role in ensuring ICT infrastructure and services are maintained to underpin service delivery across government.

The major services delivered include:

- ICT sourcing and contract management, includes hardware, end-user devices, telephony and ICT services

- ICT network architecture and management

- cyber security operations

- ICT services on behalf of agencies.

Digital Government

The department has a digital leadership and strategy role for government through the Office of Digital Government and delivery of enterprise digital transformation projects that modernise and support government agencies.

Office of Digital Government

- Digital Strategy: designs and develops digital strategy and action plans in consultation with stakeholders, monitors agency and stakeholder performance in delivery of digital actions, assists agencies to meet delivery expectations and coordinates status reporting.

- Digital Policy: develops all-of-government ICT policies and standards, including records management and data standards.

- Telecommunications: monitors opportunities to improve communications outcomes across the Northern Territory, liaises with the Australian Government (which has responsibility for telecommunications) and telecommunications providers and manages co-investment programs.

- ICT Governance: assesses and tests major agency ICT investment proposals, provides project assurance and oversight of important agency ICT projects, develops guidance for agencies and supports key governance committees and the Ministerial Digital Advisory Council.

- Data Strategy: develops data strategy and data governance framework, promotes and facilitates data sharing, coordinates a central government open data portal and works with agencies to build data analytics capabilities.

- Digital Communications: manages and maintains nt.gov.au (government's primary internet site) and NTG Central (all-of-government intranet), monitors government's web environment and advises agencies on managing their websites.

- Cyber Strategy: develops cyber strategy and policy, provides cyber security governance, coordinates cyber security incident management protocols and delivers user awareness initiatives across the Territory.

Enterprise Project Services

- Transformation Programs: delivers very complex, high value, and / or high-risk ICT programs and multi-year digital transformation initiatives for core frontline services through an inter-agency collaborative approach under the ICT Governance Framework.

- Project management: delivers ICT projects to improve DCIS' digital solutions for government.

There are three major digital transformation programs managed by the team:

- Core Clinical Systems Renewal Program (CCSRP) - to provide a contemporary end-to-end clinical solution for NT Health that replaces four aging systems and greatly increases digital services available to clinicians.

- SerPro Program – to replace the policing system for the Northern Territory Police Force.

- CMSA Program – to deliver a new child protection and youth justice case management system and data exchange for Territory Families.

NT Fleet

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

NT Fleet

Data Centre Services

Business Services

Data Centre Services

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

Business Services

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

Charges

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

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

The pricing model calculates and distributes costs related to service delivery equitably across all service lines.

Service usage information for each client, such as transactional volume data, is extracted from core business systems with unit costs applied to determine client service charges.

During 2018-19 DCIS completed a major review of its products/services and pricing. Agency budgets were adjusted as part of the development of the 2019-20 budget and a new pricing list was implemented with effect from 1 July 2019. One of the main reasons for the review was to more closely align the services provided by DCIS with the new national COFOG reporting requirements.

Performance and Accountability

DCIS Value: Accountable - we take responsibility for our actions.

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

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

Regional Activities

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

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

Services provided in Alice Springs:

- Recruitment services
- Accounts receivable services
- Payroll debt recovery
- Receiver of Territory Monies services
- Contracts and procurement services
- ICT services
- Leased property services
- Vehicle fleet services
- Stamp duty collection for the Territory Revenue Office

Services provided in Katherine:

- Receiver of Territory Monies services
- Accounts receivable services
- ICT services

Alice Springs Staff

Katherine Staff

2018-19 regional highlights

- Expanded agency engagement in the regions, through participation in inter-agency meetings and reviewing emergency procedures related to Northern Territory Emergency Services.
- Improved communication of DCIS initiatives and activities to agency staff in regional centres through two agency forums in Alice Springs.
- Continued to play a significant role in developing improvements to the eRecruit system, including automating bulk recruitment processes which are providing efficiencies in recruitment processing.
- Contributed to developing functionality within eRecruit to allow registered users to save, edit and cancel search criteria within the Employment Opportunities Online search page. Users can now also subscribe to email notifications on saved job searches.
- Continued an aged debt recovery project for Department of Health debts. This project has had benefits for all agencies via improvements to the Government Accounting System (GAS) and accounts receivable processes.
- Integrated agency receipting processes into DCIS systems to reduce double handling of transactions.
- Continued to expand the delivery of DCIS' corporate systems training to agency staff located in regions across the NT utilising face-to-face sessions and Skype for Business, reducing the need to travel (84 staff trained with an 89.7% satisfaction level).
- Participated in the Alice Springs Skills, Careers and Employment Expos.
- Continued stamp duty collection on behalf of the Territory Revenue Office (214 transactions).

Regional Priorities for 2019-20

- Continue to integrate agency receipting processes into DCIS systems to reduce double handling of transactions.
- Encourage Aboriginal employment in regional offices.
- Continue to improve debt recovery outcomes for agencies.
- Build relationships with schools and local service providers to encourage participation in employment programs.
- Encourage regional participation in training and leadership programs.
- Continue the review of DCIS regional engagement and provide findings to the Executive Management Board.
- Investigate opportunities to expand agency forums across the regions.
- Contribute to improve FBT reporting via improvements to the ePod system.
- Seek to improve processes associated with identification and recovery of salary overpayments.

02

Achievements

Overview

Departmental responsibilities are linked to government priorities and directions

The profile of DCIS is evolving and expanding the breadth of support the department provides to government and agencies.

This section reports on DCIS' performance in delivering outputs and achieving service plans. Information on performance, achievements and key projects is reported for priorities identified in the previous year's annual report.

Aligning with our Strategic Plan, DCIS has two primary business dimensions.

Delivering Shared Solutions

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

This role is reported though the Output Group: Shared Services, with five outputs working across multiple service lines.

These essential support services underpin activities right across government through ensuring suppliers and staff are engaged and paid, ICT services and devices are operational, and office premises are available.

Leading Digital Government

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

This role is reported through the Output Group: Digital Government and includes two outputs.

The Shared Services and Digital Government Output Groups essentially represent the department, with the two government business divisions reported as separate business lines. Work units across DCIS support the achievement of outputs.

The department's business support services are reported through the Output Group: Corporate and Governance.

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

Strategic Plan Report Card

Strategic Plan 2016-2018

This plan came to the end in December 2018. From a reporting perspective, the plan has been monitored, and strategic priorities/actions for the department, reported at a high level throughout the life of the plan.

The final progress update report against the actions was presented to the EMB in January 2019; individual tasks in business plans contributed to the progress of strategic priorities. The strategic priorities comprise a mix of specific projects and priorities that continue across years or are of an ongoing nature. For the 2016-2018 plan, 43 tasks were completed and 35 remained as ongoing or multi-year priorities that commenced in the period and are due to be completed or continue into future years.

Strategic Plan 2019-2021

Development of the new plan began in July 2018, with a small working group established to develop, contemporise and map a plan with the agility to adapt to changing environments and government directions over the next few years.

The plan was then socialised to a broader group across the department for further feedback and presented to EMB for endorsement in January 2019. The new plan is aspirational and moves the emphasis from services to solutions.

The plan:

- recognises the department's increasing digital roles
- presents a focus on shared solutions
- supports people across all activities and elements of the plan.

The first six-monthly status reports will be provided to the EMB in July. As this plan is focused on 'enterprise' concepts rather than individual actions, a new reporting format is under development that will capture progress and ensure the department's annual business plans are aligned.

What We Achieved by Output

Our performance symbols, detailed on page 4 are used to explain where each initiative is tracking in terms of its project cycle. Performance achievements are also aligned to our strategic planning framework and the Digital Territory Strategy using the following reporting symbols:

SP **Strategic Plan** - links to the department's strategic plan

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

DTS **Digital Territory Strategy** - is a DCIS initiative in the strategy

Output Group: Shared Services

BP3 Outcome: Robust business support services and solutions that enable government and agencies to focus on core business

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

Output: Finance Services

BP3: Provide finance services to agencies through operations, systems, data, initiatives and advice that support agencies in managing their finances and assets

This output is responsible for:

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

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

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

	Previous years			Current year		
Key Performance Indicators	**2015-16 Actual**	**2016-17 Actual**	**2017-18 Actual**	**2018-19 Estimate**	**2018-19 Actual**	**2019-20 Budget**
Payments processed	494 373	522 340	519 695	500 000	508 639	500 000
Invoices paid within 30 days	87%	90%	91%	90%	88%	90%
Debts processed	45 076	61 036	93 897	86 000	126 846	88 000
Average number of days to collect debt	54	57	54	55	52	55
Processing accuracy	100%	100%	100%	100%	100%	100%
Asset work orders processed	117 033	124 870	133 172	140 000	135 205	140 000
ASNEX service tickets completed within service standards	98%	75%	93%	82%	84%	90%

Movements between 2018-19 estimate and actual budget

Debts processed – greater than anticipated increase attributable to changed process and system for healthcare billing introduced by DoH in mid-2017.

Asset work orders processed – milder seasonal conditions experienced during 2018-19 resulted in a lower than expected demand for maintenance repairs.

Movements between 2018-19 actual and 2019-20 budget

Debts processed – 2018-19 actual results with increased healthcare billing indicate that 2019-20 Budget estimate will likely need to be increased. Transactions will continue to be monitored and estimate adjusted if required.

ASNEX service tickets completed within service standards – as service desk processes continue to be embedded and improved, it is expected that performance will show steady improvement.

Trend analysis comments

Debts processed – new healthcare billing arrangements that commenced in 2017 have significantly increased debts to be administered.

Performance Achievements in 2018-19

COMPLETED

Aligned to	Description of achievement
BP	Completed the planning stage for the ECMS upgrade.
SP BP DTS	Transitioned GrantsNT system to steady state operation.
SP BP	Investigated options and identified accounting treatments and a digital solution to meet new Accounting Standard AASB 16 Leases.
BP	Drafted business requirements for a travel request approval system.
BP	Identified functionality needs and digital system improvements for procure-to-pay services through researching digital invoicing, data interchange and exploring product trends and solutions.
BP	Developed the business case for a new digital invoicing solution, including a comprehensive options analysis.
SP BP DTS	Closed the ASNEX program in accordance with the DCIS Project Management Framework, including documentation of business benefits.

IN PROGRESS

Aligned to	Description of achievement	Timeframe
SP BP	Upgrading Progen system, implementing new module and processes to ensure correct accounting treatment of leased assets under new Accounting Standard AASB 16 Leases.	Q3 2019
SP BP DTS	Coordinating change management and engagement with agencies and grant applicants as a key part of the rollout of GrantsNT solution.	Q4 2019
SP BP DTS	Establishing agency and across government reports from GrantsNT.	Q1 2020
BP	Reviewing feasibility of implementing a digital solution to support an increase in Fuel Tax Credits claims from the Australian Government.	Q2 2020

ONGOING

Aligned to	Description of achievement
SP BP	Managing agency requests prioritisation and delivery of future enhancements to digital systems for finance and asset management, including ASNEX, GrantsNT and TRIPS, to meet emerging business needs.
SP BP	Monitoring developments with the New Payments Platform initiative being delivered by the banking industry to identify benefits and challenges for the NT Government.
SP BP	Assisting agencies to improve processing of supplier invoices through increasing the lodgement of supplier invoices via digital channels.

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

Future Priorities

- Acquire a new digital invoicing and payments system, with procure-to-pay functionality, to replace the existing EIMS system.
- Commence implementation of new digital invoicing system.
- Roll out Progen and new procedures to relevant agencies to meet Accounting Standard AASB 16 Leases requirements.
- Implement upgrade for corporate cards management system and roll out to agencies.
- Review Asset Accounting unit structure and processes to deliver on Root and Branch budget efficiency targets.
- Determine requirements and architecture for new budget management system.
- Design, develop and implement all-of government budget system as recommended in *A Plan for Budget Repair - final report*.
- Continue working with banking contractor on New Payments Platform initiatives and payment card industry compliance requirements.

Over
74 000
incoming payments receipted

49 300
assets maintained in the fixed asset register

The GrantsNT system became available to NT Government agencies from November 2018.

GrantsNT is a system utilised by applicants and government to manage grants. The system improves the user experience for grant recipients and provides easier access to grants through improved search functionality to identify available grants.

GrantsNT provides a streamlined and traceable grants administration process for agencies, along with improved financial reconciliation and management.

By mid-2018, 80 grants had been uploaded in GrantsNT and over 200 payments made. Over 800 individuals and 350 organisations have registered in the system, with more than 600 grant applications submitted.

The centralisation of grant information in GrantsNT enables improved reporting and auditing of grant expenditure across government.

Output: Human Resource Services

BP3: Provide human resource services to agencies through operations, systems, data, initiatives and advice that support agencies in managing their human resources

This output is responsible for:

- assisting agencies, employees and prospective employees by centrally delivering recruitment, employment and payroll administration services across government
- coordinating employment programs for graduates, trainees and Aboriginal employees, with a focus on increasing the number of Aboriginal employees within government
- providing support, maintenance and development of the government's core human resource systems, including myHR and PIPS
- coordinating the review and classification of position levels through the JES function
- delivering a suite of human resource management and workforce development reports.

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

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

Key Performance Indicators[1]	Previous years			Current year		
	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Estimate	2018-19 Actual	2019-20 Budget
Payroll transactions (PTRs) processed	1.2M	1.2M	1.2M	1.25M	1.2M	1.25M
PTRs processed per payroll officer per month[2]	n/a	n/a	n/a	1 040	1 049	1 050
Commencements and terminations processed	13 883	13 164	12 470	13 500	12 829	13 500
Average days to commence new employees[2]	n/a	n/a	n/a	3.5	3.6	3.5
Client queries resolved on first contact	77%	73%	72%	78%	70%	78%

[1] The KPI: *vacancies published* was not continued as it doesn't reflect performance and is replaced with new measures which provide quantitative performance measures
[2] New measure

Movements between 2018-19 estimate and actual budget

Commencements and terminations processed – variation reflects agency activity.

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

Movements between 2018-19 actual and 2019-20 budget

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

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

Trend analysis comments

Commencements and terminations processed – fluctuations are due to employee turnover and general movement across the public sector.

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

Performance Achievements in 2018-19

✓ COMPLETED

Aligned to	Description of achievement
BP	Implemented the new Single Touch Payroll requirements and met the ATO deadline. Distribution of payment summaries to employees has ceased and is now managed by the ATO.
BP	Facilitated development programs to increase career progression for current and past graduates of the AEP.
BP	Successfully undertook a disability employment pilot program with Payroll Services. Two participants have now transitioned to the workforce.
BP	Refreshed the workplace incident management system.
BP	Completed payroll function and associated records management transfer from DCM to DCIS.
BP	Established a pilot for a disability specific traineeship program, to improve career opportunities in the NT Government for people with a disability.
SP	Ran two successful AEPs in Katherine with 100% completions.
SP	Completed one Aboriginal and Torres Strait Islander Employment Aspirations Program with Katherine Clontarf and Stars Academy.
SP	Established the Shared Services Assurance and Improvement Committee to oversight business improvement projects, internal controls and compliance and monitor implementation of actions.
BP	Enhanced payroll audit reporting to modify presentation and improve readability to make it easier for staff to address exceptions.
BP	Implemented new online employee self-service functions in the HR system for cancelling leave and allowing eligible shift workers who work Sundays to have leave adjusted.
BP	Applied address validation for residential and postal addresses in the HR systems, prompting employees to update every six months, and explored system options to enable increased data capture.
BP	Rolled out 'myResignation' self-service module to NTPFES.
BP	Undertook a disaster recovery test of the core HR systems, PIPS and PAPMS.

○ IN PROGRESS

Aligned to	Description of achievement	Timeframe
BP	Reviewing payroll audit reporting, processing and system improvements to remove unnecessary information or exceptions at the source, to reduce risk and processing effort.	Q2 2020
BP	Developing a technical solution for presentation and process management of payroll audit reports.	Q4 2020
BP	Designing a new interface to receive time and attendance information from rostering systems into the HR system to generate employee payments.	Q4 2020
BP	Analysing salary error data for causal factors, relationships, trends and patterns to develop mitigation strategies.	Q3 2020
SP BP	Reviewing employment programs service delivery to develop a revised business model for management of traineeship and graduate programs.	Q2 2020
SP	Modernising systems and forms to incorporate gender neutral referencing.	Q3 2020
BP	Developing a commencements solution for eRecruit to enable digital on-boarding of new employees as part of the payroll digital transformation program.	Q1 2020

⬭ **ONGOING**

Aligned to	Description of achievement
SP **BP**	Building relationships with schools and agencies to promote NT Government employment programs and facilitate some placements in regional locations.
SP	Continuing the payroll digital transformation program to automate prioritised functions that require manual intervention.
SP	Streamlining the processing of payments for some staff working on rosters.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **DTS** Digital Territory Strategy

Future Priorities

- Build and extend the Aboriginal Employee Development Program supporting the NT Government Indigenous Employment and Career Development Strategy 2015-2020.

- Continue conversion of manually intensive processes to digital solutions, including delivery of myCommencements module and portal and enhanced payroll audit reporting.

- Analyse employment programs business model for service delivery options.

- Develop processes and procedures to manage Executive Contract Officer pay freeze.

- Investigate and document functional requirements for a new system to record employee overpayments and track recovery of payments.

- Develop business case for automated salary packaging solution.

- Establish an Entitlements Master Code matrix linking the enterprise agreement with classification code, location, allowances and awards.

15
Clontarf and Stars students completed the first Aboriginal and Torres Strait Islander Education Program in Katherine.

Over **2600** calls and **6600** emails received each fortnightly pay cycle.

Diversity in the workplace

Payroll Services designed and implemented an Inclusion Employment Program in 2018-19.

After research on matching skills to tasks, DCIS found that people on the autism spectrum would likely have skills to match the mathematical requirements of payroll calculations.

With assistance from the Disability Employment Industry two applicants were put forward and offered a six month temporary contact to be trained in payroll processing.

These two employees are now permanent members of our payroll team and produce high volume low error transactions.

Department of **Corporate and Information Services**

Output: Contract Services

BP3: Provide across government contracts and contract services to agencies through operations, systems, data, procurement initiatives and advice that support agencies in managing their procurements and contracts

This output is responsible for:

- establishing and administering across government common use contracts
- providing tender management services for agency procurements with an estimated value of $100 000 or more
- notifying respondents and awarding tenders with an estimated value of $100 000 or more on behalf of departments
- publishing details of quotations and tenders awarded with an estimated value of $15 000 or more
- supporting and managing the procurement business systems used across all-of-government and by businesses
- facilitating printing services for departments (to mid-2019).

The work units within DCIS that contribute to this output are Contracts and Procurement Services, Across Government Contracts, Corporate Systems, Corporate Reporting and Business Services.

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

	Previous years			Current year		
Key Performance Indicators[1]	**2015-16 Actual**	**2016-17 Actual**	**2017-18 Actual**	**2018-19 Estimate**	**2018-19 Actual**	**2019-20 Budget**
Tenders released to market	938	914	954	830	789	850
Tender responses processed	4 889	4 503	4 196	4 000	3 833	4 100
Proportion of responses lodged electronically	97%	98%	98%	100%	97%	100%
Contracts awarded	1 224	1 154	1 198	1 000	887	1 000
Across-government contractors managed	168	181	233	225	218	230

[1] The following KPIs have been discontinued:
Number of across-government contracts - across government contracts have remained at a steady number and are not anticipated to change substantially.
Print requests managed – print management function no longer centralised in DCIS as of 1 July 2019 (part of the Budget 2019 root and branch review).

Movements between 2018-19 estimate and actual budget

Tenders released to market – reflects agency procurement activity, lifecycle of contracts and increase in use of across government contracts.

Tender responses processed – variation reflects market activity.

Contracts awarded – change is relative to the number of tenders released to market.

Movements between 2018-19 actual and 2019-20 budget

Tenders released to market – reflects estimated agency procurement activity and lifecycle of contracts. The Budget estimate will be monitored and adjusted if required.

Tender responses processed – Budget estimate will be monitored in the context of any changes in the Tenders released to market measure and may need to be revised.

Contracts awarded – changes are linked to movement in the number of tenders and the timing of panel contract renewals.

Trend analysis comments

Tenders released to market – reflects agency procurement activity.

Tender responses processed – responses received are aligned to procurement activity.

Contracts awarded – changes relate to procurement lifecycle of contracts and increase in use of across government contracts.

Performance Achievements in 2018-19

COMPLETED

Aligned to	Description of achievement
BP	Procured and established the Media Services contract awarded to a provider for both campaign and functional advertising requirements for all media-buying and implementation requirements across a multitude of media.
BP	Procured and established the Advertising in the NT panel contract for traditional and contemporary advertising channels.
BP	Procured and established the EAP panel contract including contractors with a physical presence in Darwin, Katherine, Tennant Creek, Nhulunbuy and Alice Springs.
BP DTS	Developed agency implementation toolkit for Contrax and supporting materials.
BP	Completed the procurement for aviation sector wide panel contracts for air charters and aerial work to prequalify operators to deliver services to NT Government's standards for safety, amenity and range of work, and to support remote service delivery for health, education, housing and environmental protection.
SP BP	Developed a suite of contract management reports which will continue to be monitored as agency requirements are adjusted.
BP	Completed multiple industry and stakeholder consultations in support of all completed and planned procurements progressed during the year.

IN PROGRESS

Aligned to	Description of achievement	Timeframe
BP	Progressing procurement for brokerage services for NT Government staff relocations to source removalists who can relocate staff household goods where required.	Q3 2019
BP	Progressing procurement for a refreshed records storage and retrieval contract to provide centralised services for holding, protecting and retrieving physical records in support of NT Government's business and archival requirements. The new contract will consider business activity transitioning to digital technologies.	Q4 2019
BP	Examining datasets and business needs to facilitate better analysis of contracts data.	Q1 2020
SP BP DTS	Supporting agencies with usage of Contrax system.	Q2 2020

ONGOING

Aligned to	Description of achievement
SP BP	Supporting procurement reforms by analysing, designing, developing and implementing procurement systems enhancements.
BP	Identifying methods to improve sharing of contract information across government, such as videos, webinars and information sessions.
BP	Enhancing industry engagement and advice about future across government contract opportunities.
BP	Maintaining focus on contract performance and relationship management processes through engaging with industry and supporting agencies and suppliers.

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

Future Priorities

- Establish a digital solution to support efficient and transparent acquiring and recording of services from panel contracts.
- Investigate and develop a suite of procurement templates in Tender Documents Online for all of government use.
- Procure and replace the staff relocations contract.
- Procure and replace the records storage contract.
- Review methods of engaging with key staff in agencies to better identify and understand agency needs during contract planning phases, and to better manage agency transition to and use of across government contracts after award.
- Develop reports that help agencies analyse contract data.
- Procure and replace the stationery panel across government contract.
- Analyse requirements for the next waste management and collection services panel across government contract covering general waste, recyclables, secure destruction, medical and hazardous waste.
- Refresh the procurement systems roadmap based on business need and stakeholder consultation.
- Review opportunities for improving services to agencies, including stakeholder engagement during contract development, transition arrangements in support of new contractors and access to contract usage data and reports.
- Amalgamate procurement services function through collaboration with DCIS procurement business areas and agencies.

93%
of across government contractors are Territory Enterprises

26 615
entities are registered in QTOL

EAP
panel contract

The EAP across government contract supports the NT Government's employee assistance program by establishing a panel of professional counselling service providers for confidential short-term support to help NT Government's employees and their immediate families deal with a variety of work-related and personal issues that may impact on work performance. All eight providers are Territory Enterprises.

The RFT was publicly released in October 2018 and awarded in February 2019. Under the contract, there are multiple methods available to access counselling services including face-to-face, by telephone or video conferencing. Face-to-face counselling is available in Darwin, Katherine, Tennant, Alice Springs and Nhulunbuy, and can be arranged in regional and remote locations.

In preparation for this RFT, an industry consultation forum was held with more than 10 businesses attending, followed by an agency consultation forum with over 15 agency representatives attending.

Output: Information and Communications Technology Services

BP3: Provide ICT services to agencies through operations, systems, data, initiatives and advice that support agencies in managing their information, and centrally deliver ICT sourcing, contract management, cyber security and enterprise architecture to effectively manage government's ICT environment

This output is responsible for:

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

- maintaining the government's TRM system, including information and records management system support to agencies
- coordinating development services for agency mainframe business applications
- administering identity management for the Northern Territory Government through the ePASS system.

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

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

Key Performance Indicators	Previous years			Current year		
	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Estimate	2018-19 Actual	2019-20 Budget
Laptops/workstations	18 099	18 650	19 476	18 500	19 853	18 500
ICT services provided within agreed service levels	100%	100%	100%	100%	100%	100%
Severe desktop faults restored within service level agreement	100%	100%	100%	100%	100%	100%
ICT Service Centre queries resolved on first contact	n/a	68%	71%	70%	68%	70%

Movements between 2018-19 estimate and actual budget

Laptops/workstations – increase reflects a combination of temporary growth due to construction projects and major digital programs, additional mobile devices and initial underestimation of numbers.

ICT Service Centre queries resolved on first contact – contracted service level is 60%. The ICT Service Centre has taken on new services including incidents, service requests and queries to agency support teams for resolution.

Movements between 2018-19 actual and 2019-20 budget

Laptops/workstations – based on 2018-19 actual, the Budget estimate for 2019-20 is low. The estimate will be monitored and is expected to require revision.

Performance Achievements in 2018-19

✔ COMPLETED

Aligned to	Description of achievement
BP	Implemented first phase of Network Access Control project to enhance network security and improve network management and support.
BP	Established agency readiness for the transition to Windows 10 environment through testing of agency business systems.
SP	Deployed the Contrax system for management of ICT Services contracts.
BP	Engaged with the local digital industry to identify potential opportunities for future sourcing activities to enhance local industry capability.
BP	Determined NT Government licensing direction and procurement approach for Microsoft™ software and completed procurement negotiations.
BP DTS	Strengthened desktop security controls to continue aligning NT Government with the Australian Government's Essential 8 cyber security mitigation controls.
SP	Prepared and implemented a centralised recorded voice announcement and VoIP technology at police stations, alleviating unwanted calls to local police stations and Police triple zero call centre.
SP	Applied Service Station Automated Notification technology to assist Police with petrol drive offs.
SP	Developed and implemented secondary disaster recovery for Police triple zero telephone service.
BP	Conducted audit of services prior to NBN rollout, with 600 services cancelled.
BP	Developed a training framework to enhance and support records management capabilities.

◐ IN PROGRESS

Aligned to	Description of achievement	Timeframe
BP	Finalising procurement of a contemporary ICT Service Centre Toolset and digital services catalogue solution.	Q3 2019
SP BP DTS	Creating design plans for a Cyber Security Operations Centre.	Q1 2020
BP	Continuing implementation of Network Access Control project to enhance network security and improve network management and support.	Q4 2019
SP BP	Scoping, designing and implementing ICT infrastructure requirements for the NT Government BDC.	Q4 2019
SP BP DTS	Implementing geo redundancy for the NT Government voice network as part of the new GDC.	Q2 2020
BP	Engaging ICT industry for procurement activities related to renewal of major ICT services contracts, incorporating substantial industry consultation.	Q3 2019
BP	Enabling implementation of a contemporary identity management solution by removing customised services.	Q3 2020
BP	Applying TRM system setting and configuration to standardise administration effort.	Q3 2019
BP	Continuing to improve the TRM environment to provide a contemporary and standardised record keeping environment for the NT Government.	Q3 2019

○ ONGOING

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

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

Future Priorities

- Implement a contemporary technology solution to support the NT Government's ICT Service Centre, improving the provisioning of services via a digital services catalogue and enabling identity management solution architecture to be refined.
- Undertake planning, approval and implementation of Microsoft Azure offering to extend the NT GDC capability to the cloud.
- Prepare for the deployment of Office 365 subscription services within the NT Government.
- Establish WebEx in the cloud to provide a more contemporary collaboration platform for NT Government.
- Support and assist with GDC migration and commissioning activities.

- Maintain focus on strong cyber security controls.
- Review current WAN links across NT Government sites to identify opportunities for consolidation.
- Identify and migrate ISDN services to SIP technology to achieve efficiencies.
- Continue to implement intrusion prevention systems to detect and prevent vulnerabilities throughout the NT Government network.
- Progress design and preparations to establish a cyber security operations centre.
- Undertake public tenders to procure ICT specialist services panel contract, end-user computing services, and ICT Service Centre to sustain the pipeline of ICT services being sourced from industry.
- Consider the sourcing mix of ICT services across government, agency business requirements and cost effective service delivery models.

Virtual Desktop Infrastructure – RDH

Winner of a national ACS Digital Disruptor Award

Winner of a Chief Minister's Excellence in the Public Sector Award (Making NT a Better Place to Live through Innovation category)

DCIS and the DoH won two awards in 2018 for the VDI Project at RDH, including the prestigious national ACS Digital Disruptor Award and the Chief Minister's Excellence Award for Innovation.

This solution has made a number of significant advancements to better support patients in one of the most fast-paced and critical areas of government service delivery, where the time taken to access patient records can affect health outcomes. VDI technology in the Emergency Department enables hospital staff to spend more time with their patients and less time interacting with technology.

The VDI project aimed to remove reliance upon shared generic logons, used for fast computer access in a busy ED where medical staff can logon to a device up to 200 times per shift, with a tool providing the same fast access, but with improved cyber security and other benefits for busy staff.

The VDI project was technically complex, with 10 different products configured to provide rapid six-second logon, hot-desking with slim desktops, tap on-tap off connection to the same desktop session across any device in the ED, auto print to the nearest printer, secure external access, auditable access to improve security of patient information and improved cyber security. The tool can also be extended to installation on iPads. This VDI configuration and requirements represent the first such complex VDI installation in a hospital ED in Australia.

This is the first time the NT has taken out the national ACS Digital Disruptor Award.

255
locally-based jobs through **97%** of contracts with Territory Enterprises (up from 92% in 2017-18)

Over **80M** non-legitimate emails blocked from entering NTG's ICT environment

Output: Property Leasing Services

BP3: Provide property leasing services through operations, systems, data, initiatives and advice to effectively support the accommodation requirements of agencies

This output is responsible for:

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

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

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

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

Key Performance Indicators	Previous years			Current year		
	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Estimate	2018-19 Actual	2019-20 Budget
Property leases	194	199	201	200	199	200
Area leased (000 m²)	202	204	210	218	218	217
Average cost per m²	$420	$419	$423	$428	$428	$430

Movements between 2018-19 estimate and actual budget

Nil significant movements.

Movements between 2018-19 actual and 2019-20 budget

Nil significant movements.

Trend analysis comments

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

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

Performance Achievements in 2018-19

⬡ COMPLETED

Aligned to	Description of achievement
BP	Relocated DPIR Fisheries Division from Berrimah Farm to a new, purpose-built leased facility.
BP	Designed and released a NT Government Leased Property Stimulus Scheme that will see private-sector capital investment in buildings leased by government through 2019 and 2020.
BP	Relocated arts groups from Frog Hollow to Harbour View Plaza.
BP	Established new contracts for Cleaning Services in leased buildings.
BP	Leased space to enable relocation of the Communicable Disease Control clinic from the Alice Springs Hospital campus to the town centre.
BP	Upgraded the leased property business system to the latest version.
BP	Relocated NTPFES Airwing to a short-term hangar facility at Darwin Airport until a review of services is completed.

IN PROGRESS

Aligned to	Description of achievement	Timeframe
SP BP	Monitoring the construction of Manunda Place to commence a new lease of 10 000 m² of office space in the Darwin CBD in 2020.	Q3 2020
BP	Progressing accommodation planning for DoH and Top End Health Services.	Q1 2020
BP	Implementing the NT Government Leased Property Stimulus Scheme.	Q4 2020
BP	Procuring a new warehouse and office facility for Central Australia Health Services Stores in Alice Springs.	Q4 2019

ONGOING

Aligned to	Description of achievement
SP	Continuing to explore ways to improve outcomes from government's leased property portfolio.
SP BP	Considering leased accommodation needs for client agencies as required.
SP BP	Assisting DoH and DCIS to prepare for relocation to Manunda Place.
SP BP	Commencing coordination of the logistics team for the Corporate Services Reform Program.

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

Future Priorities

- Maintain oversight of Manunda Place construction and fitout program, and the agency relocation program.
- Complete make good on leased buildings being vacated.
- Monitor delivery of approved programs under the NT Government Leased Property Stimulus Scheme.
- Identify and plan for office relocations that will enable new Enterprise Corporate Services teams to come together as part of the Corporate Services Reform Program.
- Deliver Budget Repair savings from the Leased Property budget.
- Oversight refurbishments of the Katherine Government Centre and NT House
- Arrange for lease of a new West Daly Region Government Business Centre in Wadeye.
- Complete procurement and arrange leases required to support the 'Back on Track' program.
- Award contract to deliver a contemporary stores warehouse and office facility for Central Australia Health Services.
- Work with Central Australia Health Services and DIPL to oversight the construction and commissioning of new contemporary stores facility in Alice Springs.
- Work with agencies to develop a government office accommodation plan for Tennant Creek.
- Procure a new security patrol services panel contract for leased buildings.

Manunda Place – Activating the Darwin Central Business District

Manunda Place is on track to be completed mid-2020, with DCIS maintaining oversight of the construction and fitout phases throughout 2019 - 2020. The new nine-story office complex will become the corporate headquarters for the Department of Health. Energy House is also being upgraded with a new 320 bay public car park in Litchfield Street.

The construction works are valued at $75 million and will create over 250 jobs during the construction phase.

99% priority building works requests closed within 3 days

32 LPSS applications being progressed

Output Group: Digital Government

BP3 Outcome: Transformative digital solutions, strategy and advice that accelerates digital opportunities to connect, enable and service the Territory.

Output: Digital Government

BP3: Provide policy and strategy advice and coordination across digital disciplines, data sharing, major digital projects, government's central online presence, digital industry engagement and telecommunications advocacy.

This output is responsible for:

- promoting the Digital Territory Strategy to increase digital opportunities for Territorians and coordinating annual action plans
- coordinating telecommunications infrastructure programs and advocating with the Australian Government and providers on telecommunications and broadcasting issues, particularly for remote NT residents
- assisting the ICT Governance Board with evaluating ICT investment proposals and providing oversight to major ICT projects under the NT Government ICT Governance Framework
- developing all-of-government digital policies, standards and guidelines
- researching and identifying technology trends, requirements and public sector digital initiatives to determine applicability and suitability to the NT Government context
- providing advice on digital innovation and pragmatic digital technology solutions

- designing data strategies and models to enable effective and intelligent use of government data
- researching and advising requirements to improve sharing of government data to inform policy setting and facilitate service delivery
- oversighting a Cyber Security Governance Framework addressing government's cyber security posture, approach and roadmap
- coordinating the Ministerial Digital Advisory Council
- maintaining and improving all-of-government web platforms, nt.gov.au and NTG Central
- identifying web technology trends and applying best practice guidance for agencies to enhance and improve the usability of government's web presence.

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

	Previous years			Current year		
Key Performance Indicators	**2015-16 Actual**	**2016-17 Actual**	**2017-18 Actual**	**2018-19 Estimate**	**2018-19 Actual**	**2019-20 Budget**
Stage gate reviews undertaken	n/a	14	18	12	12	12
Major projects overseen by the ICT Governance Board	21	27	22	25	26	25
Cyber security programs/events delivered	n/a	12	56	19	20	20
Service tickets processed for nt.gov.au	n/a	n/a	2 380	2 500	2 825	2 600
Service tickets processed for NTG Central[1]	n/a	n/a	n/a	2 300	2 601	2 300
Open government datasets[1]	n/a	n/a	n/a	200	251	300

[1] New measure.

Movements between 2018-19 estimate and actual budget

Service tickets processed for nt.gov.au – increase attributed to a number of campaign sites being decommissioned and content migrated to nt.gov.au.

Service tickets processed for NTG Central – difficult to initially estimate with no reference point and volume was underestimated.

Open government datasets – additional agency datasets continued to be identified.

Movements between 2018-19 actual and 2019-20 budget

Service tickets processed for NTG Central – based on 2018-19 actual results, the 2019-20 Budget estimate appears low and will likely require revision.

Trend analysis comments

Major projects overseen by the ICT Governance Board – fluctuations relate to changes in project activity across agencies.

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

Service tickets processed for nt.gov.au – increase relates to continual improvement activities.

Performance Achievements in 2018-19

⊙ COMPLETED

Aligned to	Description of achievement
SP BP DTS	Released the Digital Territory Strategy and associated 2018-19 Digital Territory Action Plan in October 2018.
SP BP DTS	Delivered mobile phone services and / or ADSL broadband to four NT remote communities under the NT Government/Telstra Remote Telecommunications Co-investment Program (2015-2018) – Mt Liebig, Kintore, Yarralin and Atitjere. Three communities to be completed in 2019 - 2020 Alpurrurulam, Belyuen and Bulla.
SP DTS	Organised and hosted the inaugural Digital Futures events in May 2019 as key events in the digital event calendar.
SP BP DTS	Launched the open data portal in May 2019 with 250 NT Government datasets.
BP DTS	Published the Digital Services Policy and Standard.
SP BP DTS	Delivered the 2018 Cyber Security Awareness Program, hosting 20 events and introducing a digital campaign aimed at NT Government employees to increase cyber security awareness and promote cyber smart practices.
SP BP	Delivered an Intensive Data Management course to increase data literacy and capacity.
SP BP DTS	Commenced feasibility planning for the 2019 – 2022 NT Government/Telstra Remote Telecommunications Co-investment Program.
SP DTS	Commenced researching requirements to introduce a Cyber Security Vocational Education and Training curriculum in the Northern Territory.
SP BP DTS	Completed the CfAT mobile hotspot program, including the agreed maintenance period.
BP	Provided update to the ICT Series of Treasurer's Directions.

◌ IN PROGRESS

Aligned to	Description of achievement	Timeframe
SP BP DTS	Overseeing Vocus Group's delivery of an optic fibre link to the Tiwi Islands to improve telecommunications services.	Q4 2019
SP BP DTS	Monitoring works projects to deliver services for the remaining three communities under the 2015-2018 NT Government/Telstra Remote Telecommunications Co-investment Program.	Q2 2020
SP BP DTS	Developing the 2019-20 Digital Territory Action Plan and report back on the 2018-19 Action Plan.	Q4 2019
BP	Updating and finalising the ICT All Hazards plan and related emergency management protocols to reflect the contemporary cyber security threat landscape and ICT incident response plans.	Q3 2019
BP DTS	Continuing to develop a digital cyber security induction program for NT Government agencies.	Q4 2019
SP BP	Liaising with service providers and stakeholders to seek new and improved telecommunications services options for remote NT communities.	Q2 2020
SP DTS	Planning the next Digital Futures events to be held in May 2020.	Q2 2020
SP	Working with the Australian Government to assist in establishing a joint Cyber Security Centre presence in the NT in partnership with the Department of Home Affairs (subject to Australian Government approval).	Q1 2020

| SP BP DTS | Investigating and piloting web form solutions to reduce manual processes and assess suitability in NT Government environment. | Q4 2019 |
| BP DTS | Researching enterprise search solutions for online government services. | Q2 2020 |

⬡ ONGOING

Aligned to	Description of achievement
SP BP DTS	Advocating with the Australian Government and service providers to explore ways to expand and improve remote telecommunications.
SP BP DTS	Identifying priority sites with feasibility studies for the 2019 – 2022 NT Government/Telstra Remote Telecommunications Co-investment Program.
SP	Working with agencies to explore collaborative approaches, policy settings, and change management requirements to underpin data sharing across government and identify digital service improvements.
SP BP DTS	Working with agencies to identify new datasets to be published on the NT Government open data portal.
SP DTS	Capturing NT-based 'digital stories' to showcase local talent, digital innovation and opportunities.
BP DTS	Engaging with the local ICT industry to foster skills development, innovation and better information sharing.
SP BP	Maintaining a rolling review program to update digital and information management policies and standards.
BP DTS	Improving the usability and accessibility of nt.gov.au and NTG Central.
BP	Examining online collaboration platforms to improve knowledge sharing on digital services and technology.
SP DTS	Enhancing nt.gov.au to better meet the needs of readers and provide an improved user experience.
BP	Continuing industry engagement, through MDAC, to explore ways for the local digital industry to build capability and support NT economic growth.
SP BP	Engaging with agencies, other jurisdictions and research bodies to consider ways to build data analytics capability.
SP BP DTS	Developing and delivering cyber security strategies and end user awareness programs to increase security capability in collaboration with key stakeholders, including education and industry partners.

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

64 remote sites with mobile communications representing about **60%** of the remote Territory population

60 actions in the 2018-19 Digital Territory Action Plan

In 2018-19 DCIS delivered **Cyber Security Awareness Month** to increase awareness of cyber security threats and cyber smart practices, delivering 20 presentations with over 610 people attending.

Darwin business presentation featured:
- Ethical hacker
- ACSC
- Centre for Defence Industry Capability
- Defence Security
- Vetting Service

Alice Springs presentation featured:
- AISA presented alongside an
- Ethical hacker
- ACSC
- Technical workshops
- 'chase the flag' event

In addition, ICT staff across government were briefed by an ethical hacker, the ACSC and CDU's Associate Professor in Cyber Security.

Presentations were held for senior Territorians in Alice Springs, Darwin, Palmerston and surrounds, supported by AISA volunteer members representing the ICT industry and CDU.

The program included delivery of a digital awareness campaign across the NT Government.

Future Priorities

- Commence implementing the digital transformation initiatives set out in the *A Plan for Budget Repair – final report*:
  - adopt a digital-first mindset in relation to government service delivery
  - develop a digital government transformation plan to identify technologies that could create efficiencies in the delivery of government services across the Territory
  - undertake a whole of government ICT system stocktake
  - develop and maintain a five-year ICT system roadmap outlining priority projects and major system replacement requirements
  - develop and implement a single integrated budget management system for agencies (note this will be reported in the Enterprise Projects output in 2019-20)
  - develop an automation roadmap for Territory Government service delivery
  - rationalise the number of bespoke/standalone ICT systems across the NTPS.
- Prepare the 2020-21 Digital Territory Action Plan and report back on the 2019-20 Action Plan.
- With CfAT, deliver the 2019-2020 program of mobile hotspots.
- Coordinate a tripartite program with the Australian Government and Telstra to install mobile phone infrastructure in Kakadu National Park.
- Undertake scoping study to test the viability of commercial data centre operations in Darwin.
- Consider digital business attraction opportunities for the NT.

- Develop a Data Governance Framework for the NT Government.
- Implement a cyber-security incident exercise program.
- Develop and run the 2019 Cyber Security Awareness Program and support NT participation in the national Schools Cyber Security Challenges.
- Implement online cyber security awareness training across government.
- Develop opportunities to increase cyber security capability in the ICT sector.
- Maintain engagement activities with the ICT industry and hold a Digital Industry Forum to identify priority issues for the industry.
- Progress movements of common government services to online channels in line with digital transformation initiatives.
- Implement managed service infrastructure for government websites.
- Establish an online presence to promote digital services principles.
- Review digital frameworks, including the ICT Governance Framework and Cyber Security Governance Framework and Roadmap.
- Investigate with industry and agencies new skills requirements to support the digital transformation of the NT economy and update the NTG ICT Capability Framework.
- Acquire digital forms solutions to reduce manual processes.

Output: Enterprise Projects

BP3: Provide project management expertise, discipline, operations and advice to deliver transformational digital solutions for agencies to modernise and improve government service delivery

This output is responsible for:

- supporting government to transform ICT services needed by frontline staff to undertake their core business
- ensuring business systems projects and initiatives are successfully delivered within a strategic framework which supports the overall goals of the program
- providing an integrated view of each program and progress to all stakeholders
- working collaboratively, through co-design, with business units and client agencies to deliver effective change and realise benefits through achieving program deliverables
- providing agencies with project management leadership and advice of digital business solutions.

Key Performance Indicators	Previous years			Current year		
	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Estimate	2018-19 Actual	2019-20 Budget
Digital programs and projects managed on behalf of agencies	6	7	9	9	9	9
Enterprise digital projects in progress[1]	n/a	n/a	n/a	8	6	8
Digital projects completed	3	3	3	3	2	0

[1] New measure.

Movements between 2018-19 estimate and actual budget

Enterprise digital projects in progress – comprises across government and frontline support digital transformation programs. Initial estimate was higher than actual result.

Movements between 2018-19 actual and 2019-20 budget

Digital projects completed – reflects program timing with major ICT programs delivered across multiple years.

Trend analysis comments

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

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

Digital projects completed – project completion rates reflect the life cycles of individual projects.

Performance Achievements in 2018-19

✓ COMPLETED

Aligned to	Description of achievement
	CCSRP
BP DTS	Engaged more than 1500 NT Health clinicians and health professionals through the facilitation of over 600 system design workshops, to collaboratively document the detailed solution design requirements.
BP DTS	Captured 4800 detailed design requirements to configure the new core clinical system.
BP	Selected, via a naming competition, 'Acacia' for the new core clinical system.
BP DTS	Completed the Benefits Management Strategy that identifies how the program will support NT Health to achieve the benefits outlined in the business case.
BP DTS	Prepared approximately 9000 manual and 4000 automated test cases across the core system and foundation projects.
BP DTS	Executed over 3500 test cases for the legacy data migration and integration projects.
SP BP DTS	Developed a holistic clinical change management approach for NT Health areas impacted by the new clinical solution.

	SerPro
BP DTS	Completed the detailed program planning phase.
SP BP DTS	Developed a comprehensive design and implementation plan articulating the approach to roll-out SerPro.
BP DTS	Engaged over 300 Police Officers across the NT in planning the requirements for a new policing solution.
BP DTS	Developed and released an educational video showcasing SerPro to assist police officers get ready for the transition to a new policing solution.
BP	Developed the champions network kit to support and guide SerPro champions.
	CMSA
SP BP DTS	Completed first phase public tender for procurement of a modern digital client management system with integrated data exchange functionality.
SP DTS	Worked with Territory Families practitioners, staff and stakeholders to co-design solution and confirm CMSA business requirements.
BP DTS	Released Phase 2 tender to the short-listed tenderers containing 800 detailed requirements; with procurement activity to conclude in 2019-20.
BP	Assisted Territory Families with process to name the system; staff selected CARE and designed a new icon.
SP BP	Established an inter-agency governance model to oversight the CMSA digital transformation program.
	Other Digital Projects
SP BP	Completed design of new myCommencement solution for eRecruit to allow employees commencing with NT Government to have a consistent digital on-boarding experience and reduce repetitive manual tasks.
SP BP	Developed a business case on behalf of DTF for a digital solution to support NT Government superannuation functions.
SP BP	Finalised high level functional and non-functional requirements and drafted business rules and calculation formulas for superannuation defined benefits with information handed over to NT Superannuation Office.
BP DTS	Developed analysis for DCM on digital solutions requirements, including reporting and legislation management systems.
BP	Created guidelines to assist agencies with management of contracts related to ICT systems and digital solutions.
SP BP	Initiated the Enterprise Budget Management System (named Sage) multi-agency working group to ensure buy-in and collaboration for capturing business requirements and overseeing product delivery.

⟳ IN PROGRESS

Aligned to	Description of achievement	Timeframe
	CCSRP	
BP DTS	Designing and configuring the new integrated clinical system with NT Health and the vendor.	Q4 2020
SP BP DTS	Completing the clinical safety framework for utilisation of Acacia across NT Health.	Q1 2020
BP DTS	Finalising overall schedule, deployment planning and model.	Q1 2020
BP	Completing legacy data field mapping to the new Health Enterprise Data Warehouse.	Q2 2020
SP BP	Procuring and implementing an equipment management solution for NT Health Services.	Q2 2020
BP DTS	Designing, building and testing data migration, synchronisation and health systems integration.	Q4 2020
BP	Completing Acacia system testing across the spectrum of NT Health services to validate readiness for deployment.	Q2 2021
SP BP DTS	Implementing foundation technology projects to enable digital transformation through CCSRP, including: ■ safely migrating data from legacy systems ■ Health Interoperability Platform ■ Enterprise Master Person Index solution ■ new digital mobility solutions for frontline health workers.	Q4 2021
SP	Developing regional implementation plans with each region for the rollout of the new Acacia system.	Q4 2021
	SerPro	
BP DTS	Configuring of the system based on approved business requirements.	Q4 2020

Department of **Corporate and Information Services**

BP	Completing the first SerPro survey to capture initial views of sworn officers' requirements in terms of training, communication and engagement.	Q3 2019
SP BP DTS	Bringing together governance of the SerPro and Veritas programs to align delivery of these programs.	Q3 2019
BP DTS	Completing design and development of training materials.	Q1 2020
SP BP DTS	Implementing change management plans for policing functions impacted by the introduction of the new SerPro system.	Q2 2020
SP BP DTS	Undertaking system testing to ensure readiness.	Q1 2021
	CMSA	
BP DTS	Concluding tender process and awarding contract to the preferred proponent.	Q1 2020
SP BP DTS	Commencing design and configuration of the CARE system.	Q4 2020
SP BP	Establishing the data projects stream to focus on the breadth of data needs and liaise with policy areas that are addressing the authorising environment to facilitate data sharing.	Q3 2019
	Other Digital Projects	
SP	Collating and categorising high-level requirements for the Sage system from key agencies as a baseline for the new product.	Q4 2019
SP BP DTS	Configuring, planning and testing to synchronise the new service centre tool with business requirements for the ePass replacement solution.	Q2 2020
SP BP DTS	Planning, progressing and implementing new identity management system.	Q4 2020
SP BP	Acquiring a suitable solution to replace the obsolete EIMS digital invoicing system.	Q2 2020
BP	Completing system testing of interfaces and product implementation of myCommencement solution.	Q1 2020

⚙ **ONGOING**

Aligned to	Description of achievement
SP BP	Continuing to deliver mission critical digital systems on behalf of the NT Government.
SP BP DTS	Overseeing the Governments' digital transformation agenda, including programs such as CCSRP (Health), SerPro (Police) and CMSA (Territory Families).
BP	Managing complex clinician engagement and change management requirements across all centres and staff.
SP BP	Providing advice and guidance to agencies in preparing business cases, scoping digital system requirements, setting up governance models and managing ICT projects.
SP BP	Developing and enhancing project management tools and capabilities to provide an effective service to agencies.
SP	Taking-up new agency projects as requested and within resourcing capacity, including reporting portals, user-centred digital workflow solutions and modern business applications.

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

CCSRP
over
600
CCSRP
workshops with
stakeholders

SerPro
Over
300
Police Officers
briefed

CMSA
800
business
requirements
identified

Future Priorities

CCSRP

- Undertake solution configuration, build and confirmation activities.
- Continue implementation planning in close connection with NT Health staff and the vendor.
- Work to integrate retained systems with Acacia solution.
- Begin to transfer legacy data.
- Commence change and engagement process to prepare people, process and technology in readiness for deployment of Acacia.
- Prepare for and move into the testing phase for Acacia.

SerPro

- Continue to progress the design, build and configuration of the SerPro solution in line with the Program Management Plan.
- Continue to build stakeholder engagement through regional roadshows and workshops in line with the Change Management Strategy.
- Commence the rollout of long-lead training in line with the Training Strategy.

CMSA

- Award a contract to the preferred proponent.
- Commence detailed implementation planning.
- Develop the Change Management Plan for the Program.
- Complete Project Implementation Planning Study for the design and development of the CARE system.
- Develop a detailed technical design for CMSA, including data requirements.

Other Digital Projects

- Define deliverables, engage stakeholders and develop a project plan for a data sharing authorisation project.
- Deliver myCommencement solution.
- Commence development of Sage budget management system.
- Progress NTGPay digital invoicing implementation project.
- Progress project to replace the ePass identity management system.
- Acquire and implement business system for the Independent Commissioner Against Corruption.
- Confirm status of the Veritas program (digital courts management solution) through health check assessment and consider and update project plans based on findings.
- Take-up new agency projects as requested, including reporting portals, user-centred digital workflow solutions and modern business applications.

SerPro
– NT Police Force's
new case management system

Program SerPro is underway to replace the NT Police Force's exsisting case management system, PROMIS.

SerPro will implement a new integrated case management system across the NT Police Force using a commercial 'off the shelf' system (NicheRMS).

SerPro will deliver a number of benefits including:

- enhanced information flow and accuracy with reduced duplication of data entry effort
- increased ability to respond to changes in government priorities, legislation, policy initiatives and reporting requirements
- greater reporting capability to inform decision-making
- opportunities to streamline business processes and the justice continuum
- use of contemporary and emerging technologies (e.g. mobile solutions).

SerPro will transform the NTPF's policing functions and help support frontline police officers by significantly improving access to policing records digitally, right across the Territory in real time, regardless of location and enable use on mobile devices.

SerPro will be delivered over the course of the next two years.

Output Group: Corporate and Governance

Output: Corporate and Governance

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

Output: Shared Services Provided

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

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

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

Performance Achievements in 2018-19

◉ COMPLETED

Aligned to	Description of achievement
SP	Developed and communicated the DCIS Strategic Plan 2019-2021 to staff.
BP	Conducted 27 fraud and corruption awareness sessions, achieving a 98.7% attendance rate across the department.
BP	Reviewed the department's Fraud and Corruption Control Policy to ensure alignment with the NT Auditor-General's Fraud Assessment Framework Review and Treasurer's Direction on Fraud Control.
BP	Facilitated 27 biennial operational and fraud risk assessments.
SP	Developed policies and procedures to enable DCIS to support staff and meet its obligations under ICAC legislation.
BP	Implemented a new digital myPlan format with workflows to improve staff experiences and reporting functionality for corporate capability planning.
SP BP	Developed the DCIS Capability Investment Strategy 2019-2021, consolidating the Workforce Strategy, Corporate Capability Plan and Indigenous Employment Career Development Strategy.
SP BP	Implemented actions for accepted matters provided in the strategic risk assessment of the agency's work health and safety environment.
BP	Migrated DCIS SharePoint sites to the Microsoft™ SharePoint 2016 version.
BP	Implemented action plans related to the 2016 NTPS People Matter Survey, in consultation with the Staff Consultative Committee, and updated actions to capture outcomes of the 2018 Pulse Survey.
BP	In consultation with DTF, considered the effects of revised Australian Accounting Standard AASB 16 Leases and identified a system solution for implementation for the NT Government.
BP	Considered the effects for DCIS of Australian Accounting Standards related to income for not-for-profit entities and revenue from contracts with customers, which came into effect on 1 January 2019.
BP	Undertook an audit of the active generic email accounts to ensure all accounts are still required and in use.
BP	Developed and implemented an agency communications policy and annual communications plan.
SP BP	Completed the business planning process for the 2018-19 year, and monitored performance through quarterly reporting to Executive Management Board.
SP BP	Reviewed and revised the department's complaints management systems.

◌ IN PROGRESS

Aligned to	Description of achievement	Timeframe
BP	Creating an Aboriginal Employment Career Development Reference Group to promote and guide AECD implementation across DCIS.	Q3 2019
BP	Improving functionality and workflows in the new digital myPlan and investigating integration with TRM.	Q3 2019
BP	Progressing outcomes from scenario testing of business continuity plans.	Q4 2019

BP	Enhancing information management and workflows through better use of SharePoint and TRM.	Q4 2018
SP	Developing agency-wide reporting for the 2019-2021 Strategic Plan.	Q3 2019
SP	Revising the department's Corporate Governance Framework to ensure it facilitates compliance with legislative and policy changes.	Q1 2020
BP	Supporting implementation of the digital system to enable compliance with the new Australian Accounting Standard AASB 16 Leases.	Q1 2020
BP	Rolling out Windows 10, along with Office 2016 across the department.	Q4 2019

⬤ ONGOING

Aligned to	Description of achievement
SP BP	Supporting the NT Government's Traineeship Program, Graduate Program, Aboriginal Cadet Support Program and Aboriginal Employment Program through ongoing participation.
BP	Maintaining strong focus on achieving Aboriginal employment targets through targeted actions and cultural competency training for all staff.
BP	Delivering annual wellness programs to encourage a focus on health conscious behaviours and habits.
BP	Delivering procurement training sessions to agency staff targeted to Tier 1 and 2 procurements and Buy Local Policy requirements.
BP	Considering training priorities in response to strategic issues and myPlan data, through the Capability Investment Strategy, to maintain a workforce that is skilled, capable and motivated.
BP	Developing online e-learning TRM training videos for DCIS staff.
BP	Educating staff on corporate governance topics, such as fraud and corruption awareness, gifts and benefits, employment screening, conflict of interests and risk management.
BP	Coordinating annual testing of selected business continuity management plans.
SP	Implementing outcomes from scenario testing of business continuity plans for the continuous improvement of processes and plan further testing.
BP	Progressing the Enterprise Information Management strategy.
BP	Reviewing DCIS Service Statements and related service standards to inform new or amended services.

Our Reporting Symbols: SP Strategic Plan   BP Business Plan   DTS Digital Territory Strategy

Future Priorities

- Facilitate the transfer of budget and resources associated with *A Plan for Budget Repair - final report* and implement new budget structures reflecting the organisational change.
- Update the Shared Services Price List to reflect the effects of machinery of government changes due to transferring corporate services to DCIS.
- Develop a Compliance Framework.
- Investigate online learning opportunities to deliver internal training sessions.

- Review and modify business support processes to ensure they reflect the changes across the department due to the Corporate Services Reform Program.
- Induct new staff to business support processes, policies and requirements.
- Develop Service Statements for Enterprise Corporate Services.
- Revise corporate governance committee model having regard to changes in the department's remit and size.
- Centralise billing and finance functions across DCIS.
- Review risk management practices to streamline and automate processes and reporting.
- Identify major risks resulting from the CSR3 changes and reassess strategic risks and mitigations.
- Identify any outstanding audit or review findings relating to functions, projects and systems transferring to DCIS and consider actions to address findings.

What the GBDs Achieved

GBDs operate on a commercial basis, however they are subject to the *Financial Management Act 1995* which defines the governance, financial framework and accountabilities. The Chief Executive of the GBD is accountable to the responsible Minister for financial performance of the GBD.

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

NT Fleet

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

This business line is responsible for:

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

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

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

	Previous years			Current year		
Key Performance Indicators	**2015-16 Actual**	**2016-17 Actual**	**2017-18 Actual**	**2018-19 Estimate**	**2018-19 Actual**	**2019-20 Budget**
Light vehicles managed	2 895	2 776	2 777	2 700	2 712	2 650
Light vehicles disposed	665	835	572	680	504	600
Heavy vehicles managed	821	841	835	840	854	840
Light vehicles meeting fuel and safety standards	98%	100%	98%	100%	94%	100%
Light vehicles managed within vehicle life standards	79%	87%	85%	90%	97%	90%

Movements between 2018-19 estimate and actual budget

Light vehicles disposed – reduction reflects more agencies than expected requesting six to 12 month extensions for vehicles following lower utilisation.

Light vehicles meeting fuel and safety standards – reduction due to agency retention of older model single cabin utilities which are ANCAP rated at 3 stars.

Light vehicles managed within vehicle life standards – reflects better management across the light commercial fleet.

Movements between 2018-19 actual and 2019-20 budget

Light vehicles managed – reflects anticipated agency demand.

Light vehicles disposed – reflects expectation of returning to a more usual replacement cycle.

Trend analysis comments

Light / heavy vehicles managed – the number of vehicles managed is relatively stable with the fleet size primarily influenced by agency demand or changes in government policies.

Light vehicles disposed – fluctuations in disposal numbers are primarily due to change in NT Government fleet retention policy and vehicle replacement decisions.

Light vehicles managed within vehicle life standards – upward trend is mostly due to better management of the light commercial fleet.

Performance Achievements in 2018-19

COMPLETED

Aligned to	Description of achievement
BP	Established new contract for full vehicle disposal services, incorporating safety checks, detailing and panel repairs prior to auction.
BP	Introduced pool vehicle options for PHEV and EV.
BP	Implemented revised charging model to deliver further cost efficiencies for government.

IN PROGRESS

Aligned to	Description of achievement	Timeframe
BP	Developing a digital solution for short term vehicle hire.	Q3 2019
BP	Building a mobile application to capture vehicle booking and odometer reading features of VBS via smart phone.	Q3 2019
BP	Developing new acquisitions contract, incorporating vehicle inductions and delivery services to auctioneer.	Q4 2019
BP	Merging of NT Fleet accounts payable vendor file with the all-of-government vendor file to improve efficiencies.	Q4 2019

ONGOING

Aligned to	Description of achievement
BP	Continuing to work with agencies to encourage take-up of vehicle location awareness capability for non-metropolitan vehicles as a safety measure.
BP	Continuing to manage Takata airbag recalls to ensure timely replacement.
BP	Assisting agencies to review requirements for pool vehicles.

Our Reporting Symbols: SP Strategic Plan BP Business Plan DTS Digital Territory Strategy

Future Priorities

- Implement the NT Government's new vehicle retention policy that commences July 2019.
- Award and transition-in the new vehicle acquisitions panel contract.
- Review and re-structure NT Fleet to incorporate changes resulting from the centralisation of agency corporate services, including fleet services, as part of the Corporate Services Reform Program.

- Develop new contract for supply and delivery of 4000 to 26 000 kg trucks.
- Plan and design digital solutions addressing vehicle utilisation and Community Service Obligations.
- Initiate revaluation process for fleet assets, focusing on heavy vehicles, in line with the Treasurer's Directions.
- Continue to expand PHEVs and EVs within the fleet.
- Transition finance and billing functions to DCIS.

Department of **Corporate and Information Services**

Data Centre Services

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

This business line is responsible for:

- operating the NT Government's data centre facilities
- hosting and managing mainframe applications and mid-range server applications
- managing enterprise data storage and performing data backups
- hosting ICT infrastructure for agencies and contracted service providers.

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

Service delivery is provided from offices and facilities in Darwin.

Key Performance Indicators	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Estimate	2018-19 Actual	2019-20 Budget
Monthly cost per million instructions per second (MIPS)	$1 114	$1 019	$966	$1 065	$852	$1 060
Mainframe computing availability	100%	100%	100%	100%	100%	100%
Virtual server computing availability	100%	100%	99.98%	100%	100%	100%
Physical servers hosted	415	405	449	550	572	550
Fully managed servers	1 195	1 330	1 558	1 500	1 685	1 600
Data storage area network (terabytes)	2 615	3 200	4 220	4 200	4 605	4 600

Movements between 2018-19 estimate and actual budget

MIPS – reduction achieved due to moving to a single machine for mainframe computer, achieving 21% increase in capacity with only 4% increase in costs.

Physical servers hosted – increase due to GDC transition requirements.

Fully managed servers - increase due to expansion to cater for the transition from Chan to the GDC.

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

Movements between 2018-19 actual and 2019-20 budget

MIPS – some increase with licensing and hardware costs anticipated, although the 2019-20 Budget estimate appears high and will likely require revision.

Fully managed servers – reflects a combination of expected growth for CCSRP offset by a reduction of servers as the GDC migration is finalised.

Trend analysis comments

MIPS – expecting cost to increase slightly in future years with normal software cost increases.

Physical servers hosted – trend from physical to virtual servers is nearing saturation in NTG environment.

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

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

Performance Achievements in 2018-19

COMPLETED

Aligned to	Description of achievement
SP BP	Converted to tapeless backup technology for NT Government systems and applications.
SP BP	Sourced a site for the BDC.
SP BP DTS	Established GDC as the primary data centre and commenced transition from the Chan facility.

SP **BP**	Evaluated and procured alternate storage solutions to ensure keeping pace with technology and reducing costs to agencies.
SP **BP**	Established disaster recovery capability including full data replication for critical mainframe government business applications.

IN PROGRESS

Aligned to	Description of achievement	Timeframe
SP **BP** **DTS**	Continuing transition of computing equipment and services to the GDC and BDC providing dual-site configuration and capability.	Q1 2020
BP **SP** **DTS**	Preparing SerPro for standardisation of the integration platform.	Q3 2019
BP **SP** **DTS**	Establishing the ICT environment and facilities for the new clinical system, Acacia, to be delivered through CCSRP.	Q4 2019
BP **SP**	Investigating and developing an online query facility for DCS services.	Q2 2020
BP **SP**	Establishing a hybrid cloud solution for NT Government.	Q1 2020

ONGOING

Aligned to	Description of achievement
BP	Continuing service improvements through expanding and enhancing real-time integration of data between ICT systems utilising middleware technology.
BP	Further exploiting and expanding mobile and web technologies as a key element of the modernisation of mainframe ICT systems.
BP	Exploring options to improve cost recovery processes through enhancements and automation of billing system data capture.
SP **BP**	Exploiting application integration technology to improve efficiencies for data exchange between critical systems.
SP **BP**	Leveraging investment in application development technologies to progress modernisation of government owned applications

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **DTS** Digital Territory Strategy

Future Priorities

- Benchmark DCS services and charges against industry to maintain value for money and service delivery standards.

- Evaluate technology choices by reviewing the NT Government virtualisation platform.
- Finalise the transition from Chan Data Centre to the GDC.
- Complete transition of remaining capacity from Chan Data Centre to BDC, providing disaster recovery capability.
- Transition finance and billing functions to DCIS.

Department of **Corporate and Information Services**

Data Centre Relocation Program (GDC and BDC)

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

The Territory has long been the only jurisdiction in Australia without disaster recovery capability for critical ICT services. This has been recognised as a strategic risk, particularly in an environment of heightened cyber threat awareness.

The GDC is a contemporary and fit-for-purpose data centre. The transition from Chan to GDC has progressed over 2018-19.

During this time the BDC has been established with a private enterprise partnership in Darwin. This is a first for government in partnering with commercial providers to enable access to a quality local data facility.

GDC will become the primary computing site with the BDC becoming the secondary and disaster recovery site.

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

NT Fleet
Over a two year period, NT Fleet has been working closely with PWC to maximise vehicle utilisation, reduce lease, maintenance and optional extras costs for the organisation.

In late May 2019, PWC and NT Fleet agreed to a revised lease arrangement for specialised high usage vehicles which will see a 12% ongoing reduction in their fleet costs.

Additionally, reviewing optional extras fitted to PWC vehicles is ensuring the vehicles operate within their safe capacity limits.

Over **11 000** vehicle jobs undertaken, delivering **$6.6M** to local industry.

378 GPS units on fleet vehicles

Over **3700** secure data transfers per day between government applications

Sustainability

The department is committed to responsible business practices which are environmentally and economically sustainable and works to identify measures to improve sustainability.

All-of-Government

Leased accommodation

The NT Government's standard commercial lease for leases greater than 2000 m² requires existing buildings to have a minimum 4.5 Star NABERS rating and new buildings to have a 5 Star NABERS rating.

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

To help support the introduction of electric vehicles into the government's car fleet, charging points are being installed in the car parks of selected leased buildings. Capacity for charging six electric vehicles has been added to the Charles Darwin Centre, with six charging points to be included in the new Manunda Place building, due to be finished mid-2020.

Data Centre Services

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

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

Printer device management

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

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

	2015-16	2016-17	2017-18	2018-19
Printing devices per 100 workstations	14.51	12.98	13.25	13.44[1]

[1] A slight increase in 2018-19 is believed to be partially attributed to project teams being established for programs such as SerPro and CMSA.

NT Fleet

As an accredited member of the Tyre Stewardship Scheme, NT Fleet supports the objectives of the scheme to increase resource recovery and recycling and minimise the environmental, health and safety impacts of end-of-life tyres generated in Australia. Of the 24 recognised specialist tyre outlets, NT Fleet has utilised 18 (75%).

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

- 8.5 litres / 100 km for urban use pool vehicles and Executive Contract Officer vehicles.
- 10 litres / 100 km for non-four wheel drive light commercial vehicles.
- 13 litres / 100 km for four wheel drive vehicles.

Fuel consumption across the fleet has been better than the targets, with the following results achieved:

- 7.1 litres / 100 km for urban use pool vehicles and Executive Contract Officer vehicles.
- 8.2 litres / 100 km for non-four wheel drive light commercial vehicles.
- 9.2 litres / 100 km for four wheel drive vehicles.

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

Fuel consumption across the fleet has been better than the targets, with the following results achieved:

Urban use pool vehicles and Executive Contract Officer vehicles.

8.5 litres
7.1 litres
100 km

Non-four wheel drive light commercial vehicles.

10 litres
8.2 litres
100 km

Four wheel drive vehicles.

13 litres
9.2 litres
100 km

Computers for the Community

DCIS contributes to the Computers for the Community program which is directed by DTBI. This community focused program allows not for profits and community organisations to apply for computing devices. These devices are considered end of life for the NT Government network and are reconditioned and repurposed for the program to reduce the amount of equipment being sent for recycling.

The number of devices gifted under this program are driven by requests from community organisations, with recent years' data listed below.

	2016-17	2017-18	2018-19
Devices gifted through Computers for the Community program	240	195	214

Videoconferencing

DCIS manages a central videoconferencing environment for the Northern Territory Government, which includes 345 registered physical units and 692 users enabled for software clients across the five major centres, Darwin, Alice Springs, Tennant Creek, Katherine, Nhulunbuy and remote centres. Of the 345 registered physical units, 297 units were active with conference calls over the 2018-2019 period.

On average there are around 2700 calls a month into virtual meeting rooms. The largest user is DoH, with 221 registered physical units and 576 software client enabled users for telehealth, a videoconferencing system that allows patients in remote areas to connect with healthcare providers in major centres. The remaining units are distributed evenly across agencies.

Internal

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

Paper consumption

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

The information management unit works to ensure department staff are well trained and confident in using electronic document records management systems. Online training videos are used to support and encourage digital records management.

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

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

Energy usage

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

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

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

Recycling

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

Fleet management

DCIS has 33 vehicles across the department and GBDs, representing an FTE: vehicle ratio of 18:1, comparing favourably across the NT Government which sits around 10:1. All vehicles are registered in NT Fleet's Vehicle Booking System for pool use.

The average fuel consumption is 7.3L/100km, 1.2L/100km better than current maximum in the Vehicle Policy Framework.

Average CO_2 produced is 178g/km, which is significantly better than the average indicator of 184g/km reported in the Green Vehicle Guide across passenger vehicles.

Supporting the Community

Departmental staff continued to support a number of charitable and social events over 2018-19, which provided opportunities for staff to gather socially and contribute to the community.

These events raised over $2 505 for charity and included Cancer Council Biggest Morning Tea, RSPCA, State of Origin Draws, Beyond Blue, Black Dog Institute, R U OK day, Pink Day for Breast Cancer Awareness and Farmers Drought Relief with Coles matching $ for $.

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

- each break room in DCIS has a collection for Down Syndrome Association's Container Recycling Scheme.
- Employment Programs have partnered with community/ private organisations such as Clontarf, Stars and Smith family to provide education programs and advice on career pathways for students preparing for the workforce.
- NT Fleet loaned 136 vehicles to 35 individual Not-For-Profit organisations for an average of 25 days per vehicle, providing a total value of $356 199 to the community.
- NT Fleet organised the gifting of a Toyota Commuter Bus valued at $9860 to Helping People Achieve Incorporated.
- Veolia, a contractor for the confidential recycling bins, subcontracts shredding to a local Australian disability enterprise, Helping People Achieve which employs over 70 people with mild to moderate disabilities.

03

Corporate Governance

Corporate Governance Framework

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

Our Commitment: Manage our business risks to protect service continuity

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

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

DCIS ensures its business is conducted in a transparent way, with its governance principles providing a strong foundation, clarity and direction provided through the department's Corporate Governance Framework.

The framework, presented below in Figure 1, guides the actions of the department and its GBDs, and reflects the primary business lifecycle phases. It provides a model through which the department's activities and actions are designed, directed, controlled and reviewed. Further information on each of these components is provided later in this section and throughout this document.

‣ Figure 1

Corporate Governance Framework

Elements
Stakeholders Engagement; Communication; Alignment with government priorities; Innovation; Design

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

Design | Plan | Govern | Deliver
Assess
Improve

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

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

Elements
Compliance; Transparency; Identification of improvements

Support
Audit reports; Audit committee; Assurance analysis; Post implementation reviews

Department of **Corporate and Information Services**

Corporate Governance Principles

The department is guided by six key principles when making decisions and taking operational actions. The department's Corporate Governance Framework and corporate governance principles, in Figure 2 below, provide a strong foundation and clear direction for staff across the department.

▸ Figure 2

▪ Leadership

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

▪ Accountability

Accountability through appropriate internal controls and corporate policies.

▪ Stewardship

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

▪ Integrity

Active promotion of honest and ethical conduct, upholding professional standards of behaviour.

▪ Communication

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

▪ Risk Management

Consideration of risks and appropriate risk mitigations through a risk management framework.

How we plan

Our Value: Honest – we tell the truth

Our Commitments: Involve our clients in design and delivery of contemporary solutions and demonstrate our values in our behaviours and actions.

Plan

Planning Framework

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

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

Annual Report 2018-19

▸ Figure 3
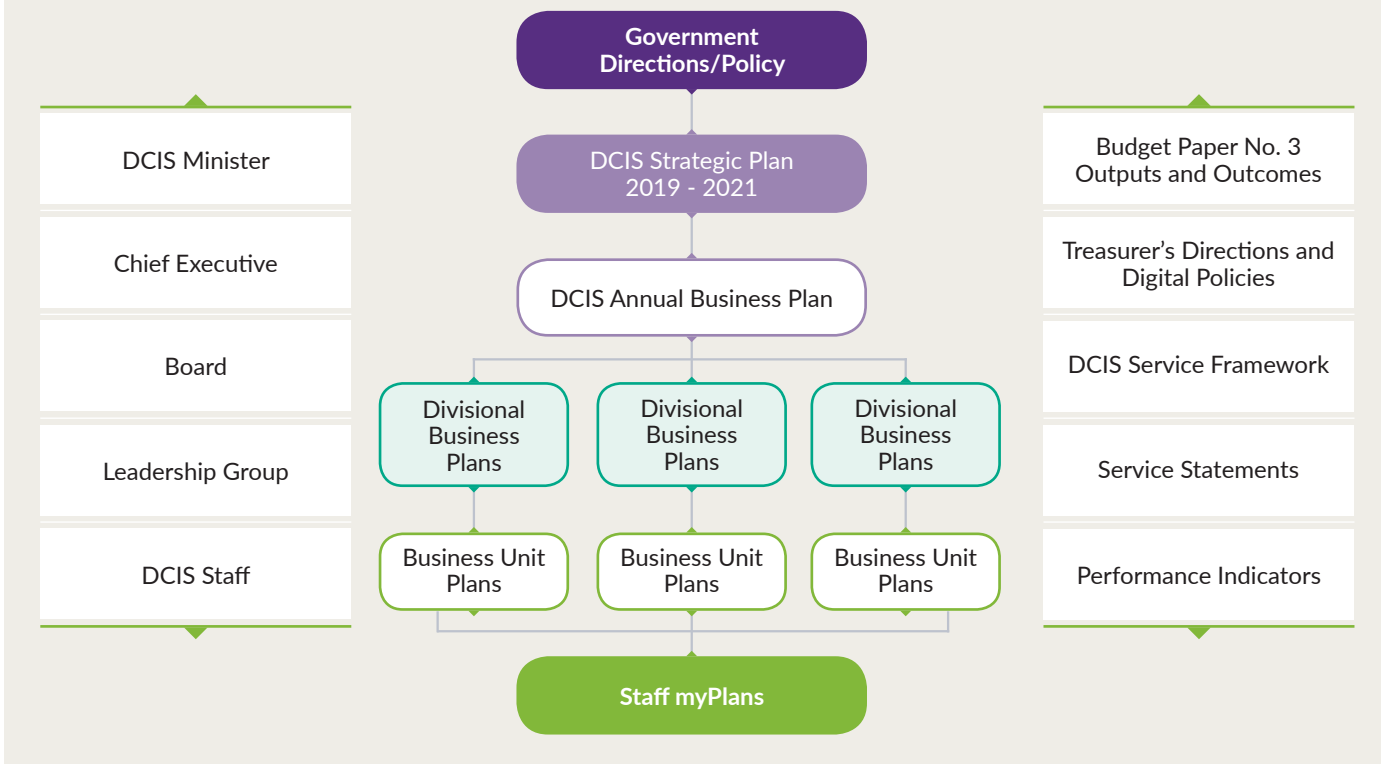
Corporate Statement

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

The department's Corporate Statement is outlined at page 12.

Strategic Plan

The department's Strategic Plan 2019-2021 outlines strategic priorities and actions for DCIS in delivering services to the NT Government.

Our vision is to improve government through services and solutions that exceed expectations.

Our purpose is to support agencies to achieve their goals by delivering high calibre services, transformative solutions and trusted advice.

Our strategic priorities are:

- **Leading Digital Government:** Accelerate digital opportunities to connect, enable and service the Territory.
- **Delivering Shared Solutions:** Advance enterprise corporate services enabling agencies to focus on core business.
- **Investing in Capability:** Inspire a capable, innovative and high performing workforce.

The strategic plan is deliberately flexible to allow for additional actions, functions and initiatives that may result across the life of the plan, such as new actions for DCIS under the *A plan for budget repair - final report*, including seven digital transformation initiatives and the major Corporate Services Review Program.

Business Plans

Business plans are developed to assist divisions and business units to align with the department's Strategic Plan 2019-2021 and Corporate Statement and contribute to overall departmental objectives. Along with key projects, the business plans also detail actions that support the DCIS Capability Investment Strategy, address the department's People Matter Survey action plan and tasks to mitigate identified risks.

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

How we govern

Our Value: Professional – we work to a high standard

Our Commitments: Deliver quality services consistently and on time.

Service Framework

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

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

Service statements, developed with input from clients, are reviewed annually and updated when the service is appreciably changed or when new services are being delivered by DCIS.

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

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

Performance Measures

KPIs for divisions are reported quarterly to the EMB, reflecting performance metrics for each division and are aligned to the Strategic Plan 2019-2021 and DCIS Service Statements. KPI performance, trends and issues are considered at board meetings. In 2018-19, the measures continued to be reviewed and adapted to capture changes in the department's structure and business to ensure the board has a well-defined insight on service performance across its span and functions.

Risk Management

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

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

Fraud and Corruption Awareness sessions were provided to all staff within DCIS, with 98% attendance achieved. The sessions focussed on providing an overview of DCIS' policy and processes, examples of types of fraud, and mechanisms for reporting fraud within the department.

The RMC is responsible for overseeing risk management activities, including business continuity management. The committee promotes a risk management culture and provides direction to enable DCIS to proactively manage its risks through well-defined processes for project and procurement risks. Structured risk workshops were held across the department during 2018-19 in accordance with the department's biennial cycle for the management of operational and fraud risks. The RMC will oversee workshops with senior management to assess the department's strategic risks in 2019-20.

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

Internal Controls

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

Delegations

The CE is the Accountable Officer for the department for the purposes of the *Financial Management Act 1995*, the *Public Sector Employment and Management Act 1993* and the *Procurement Act 1995*. Delegations covering procurement, financial and human resource management activities are reviewed regularly to ensure they meet the department's requirements.

The delegations allow appropriately authorised departmental staff to undertake specific responsibilities of the Accountable Officer or CE as prescribed in the legislation. The delegations were updated during the year to reflect organisational structure and policy changes.

Conflicts of Interest

The department recognises that any conflict of interest, whether real or perceived, erodes confidence in the integrity of the department or NT Government. As a minimum all EMB members, Governance Committee members, Senior Directors, senior staff and employees who hold delegated powers are to complete a disclosure declaration on an annual basis.

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

Procurement Controls

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

The department continues to revise procurement documents to align with changes to procurement policy and rules, and the outcomes of audit and compliance activity.

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

Accounting and Property Manual

In accordance with the *Financial Management Act 1995*, the department has an Accounting and Property Manual that specifies finance procedures and internal control requirements.

The Accounting and Property Manual is reviewed and updated as required.

Policies and Procedures

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

Policies, procedures and standards are required to be approved by the EMB or CE. Department-specific documents are located on the staff intranet site and all-of-government documents are located on the all-of-government intranet, NT Government Central, for easy access by employees.

Standard Operating Procedures

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

How we assess

Our Value: Innovative – we commit to improving

Our Commitments: Manage our business risks to protect service continuity.

Assess

Statutory Accountability

The department is required to comply with the *Financial Management Act 1995*, *Public Sector Employment* and *Management Act 1993*, *Procurement Act 1995*, *Information Act 2002* and other legislation, such as the *Anti-Discrimination Act 1992*, *Superannuation Act 1986* and the *Work Health and Safety Act 2011*. The department's Corporate Governance Framework and the relevant statutes are promoted to staff in a range of ways including through the department's Orientation and Strengthening Our Managers programs. Information and training on legislative requirements is included in the DCIS Capability Investment Strategy.

Legislation Administered

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

Internal Audit Function

In accordance with the *Financial Management Act 1995*, the department has an internal audit function to assist the Accountable Officer. A Strategic Audit Plan is managed by the internal audit function and monitored by the Audit Committee. The 2018-19 internal audits and reviews to test internal controls and processes can be found at Appendix III.

Department of **Corporate and Information Services**

Legal Services

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

Information Act 2002 requests

The *Information Act 2002* allows for access to government and personal information. In 2018-19, the department received 295 FOI applications on behalf of other agencies. Two FOI requests were received in relation to information held by DCIS for personnel or government information. Of these requests, none resulted in a complaint or required mediation. The department received two FOI requests which were transferred to relevant agencies.

Ombudsman Inquiries

In 2018-19 the Ombudsman did not receive any inquiries in relation to the department.

Future Priorities

- Implement the Corporate Services Reform Program, which includes:
  - engagement and change management across government and stakeholders
  - revised organisational structures to deliver services
  - development of a statement of commitment and agreement across agencies to the statement
  - development of service standards.
- As a result of the Corporate Services Reform Program:
  - review and amend governance committees
  - update and expand the DCIS Service Framework
  - reconsider DCIS operations and realign model where required.

- Develop the DCIS Business Plan 2019-20:
  - reflect initiatives from the *A plan for budget repair final report*
  - identify priorities for client agencies as part of Enterprise Corporate Services
  - plan for delivery of agreed priorities.
- Develop and implement a Compliance Framework to provide an overarching program for audits both internal and external, to provide assurance of legislative compliance.
- Consider risk management practices in recognition of the department's expanded service remit and continue work to improve practices.
- Investigate online learning opportunities to deliver internal training sessions.
- Update conflict of interest and financial interest declarations requirements.

Corporate Governance Committees

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

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

The terms of reference are reviewed annually to document any change in membership and ensure they continue to reflect the department's business requirements and assist the CE discharge core accountabilities. In 2018-19, this review included standardising wording across common sections in the terms of reference (such as quorum and reporting requirements),

referencing to a master membership list, introducing annual committee business plans, strengthening and standardising reporting formats, and undertaking an annual self-assessment.

Commitment to developing leadership capabilities across the department, as one of the department's strategic actions, has been maintained. The EMB has continued the quarterly rotational memberships providing emerging leaders the opportunity for engagement at a strategic whole-of-agency level. Other governance committees have membership places that allow for leadership experience and consolidation of knowledge to a wide group of emerging leaders across the department, with this membership reviewed at least annually.

Further information on each committee's key functions, performance in 2018-19 and membership as at 30 June 2019 are outlined in this section.

▸ Figure 4
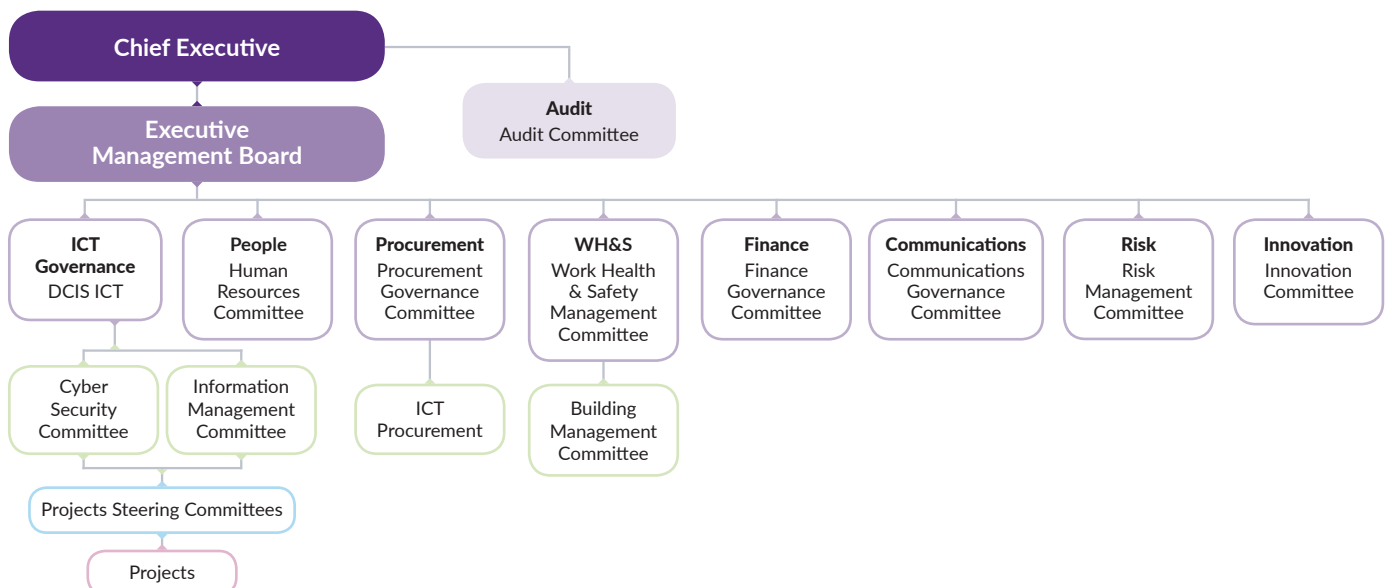
Executive Management Board

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

Kathleen Robinson,
Chief Executive (Chair)

Chris Hosking,
Deputy Chief Executive

Garry Haigh,
Executive Director
ICT Services

David Keirs,
Senior Director
Business Services

Bronwyn Riedel,
Senior Director
Contract Services

David Bryan,
Senior Director
NT Property Management

Garry Russell,
Senior Director
Corporate Systems

Greg Connors,
Senior Director
Infrastructure,
Architecture and Security

Wayne Sanderson,
Director Regions

Jude Florance,
Director
Executive Services

Positions that were vacant, but hold an EMB membership include Executive Director Digital Government and Senior Director Shared Services. Senior leaders from Shared Services managed EMB representation on a rotational basis.

Quarterly rotational members: Mark Trobbiani, Amy Burns, Stacey Henderson, Ron Saint, Caroline Lewis-Driver, Ailish Finlay and Gary Turnbull.

2018-19 Activity

- The board met on twelve occasions.
- The board approved/endorsed:
  - DCIS Business Plan for 2018-19 and divisional business plans
  - Annual Communications Plan
  - Communications Policy and Procedure
  - Media Policy and Procedure
  - Monitoring of excess leave
  - Governance Committee business plans
  - Expansion of the Governance Framework, including the Improper Conduct Investigations and Reporting Policy and Whistleblower Policy and the revised Fraud and Corruption Control Policy
  - 2018 Agency People Matter Survey Response Action Plan and division action plans
  - Strategic Plan 2016-2018 final report and new Strategic Plan 2019-2021
  - Data Breach Policy and Data Breach Response Plan
  - DCIS Capability Investment Strategy 2019-2021 and Annual Action Plan 2019
  - Smoke Free Policy
  - Review of Staff Consultative Committee
  - WHS Policy and WHS Management Framework.
- Supported and monitored early career programs; DCIS emerging leaders program and leadership programs run by the OCPE.
- Supported and endorsed a range of internal programs such as: flu vaccination; global corporate challenge; and wellness week.
- Provided strategic oversight through the suite of progress reports biannually on the Strategic Plan 2019-2021 and quarterly on KPIs; DCIS Business Plan 2018-19; Strategic Risks; Workforce Strategy; governance committee reports; and monitoring of excess leave.

Key Functions

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

Human Resources Governance Committee

Role › To oversee and make recommendations to the CE about the recruitment and filling of vacancies across the department.

Membership

David Keirs, Senior Director Business Services (Chair) | **Greg Connors,** Senior Director Infrastructure, Architecture and Security | **Rex Schoolmeester,** Chief Financial Officer | **Sandra Papandonakis,** Director Payroll and Employment Services | **Peta Preo,** Director People and Governance | **Ron Saint,** Regional Manager Shared Services Client Support | **Kathleen Gray,** Senior Contract Category Manager | **Secretariat:** People and Development Unit

2018-19 Activity

- The committee met on 51 occasions and held six out of session meetings.
- Monitored internal redeployees and unattached officers and referred staff for placement against vacancies with one unattached officer placed.
- The committee endorsed:
  - 278 requests to advertise, including ongoing and temporary vacancies
  - 106 fixed period contracts (including renewals)
  - 40 job evaluation requests.
- PSI appointments endorsed:
  - PSI 11 – 4
  - PSI 12 – 10
  - PSI 21 – 50.

Key Functions

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

Innovation Committee

Role › To provide a pathway to accelerate innovation throughout DCIS, including building a climate of innovation and supporting and promoting innovation.

Membership

David Bryan, Senior Director NT Property Management (Chair) | **Scott Thomson,** Senior Director Data Centre Services | **Dale Howard,** Director HR Systems | **Joe Babbini,** Director NT Fleet | **Bob Creek,** Senior Project Director, Enterprise Project Services | **Amy Burns,** Director Commercial Services | **Joanne Lee,** Assistant Director Contract and Procurement Services | **Ying Hoffman,** Business Manager | **Shelley Gray,** Executive Services Officer (Executive Officer)

2018-19 Activity

- Committee membership revised in November 2018 to align with changes in DCIS and staff movements.
- Committee met on ten occasions, including facilitation of two workshops to review and refresh the Innovation Program across the department.
- New Innovation Framework being developed to further engage staff through new methods of communication, lodgement of ideas and resources.
- The committee considered six innovation ideas submitted by DCIS staff, the majority of the ideas submitted have already been initiated within DCIS or currently being piloted.

- Five of the key innovations recommended by the previous committee have progressed; three did not progress after further analysis.

Key Functions

- Oversee application of the department's innovation program.
- Assess initiatives proposed through the program.
- Identify opportunities for innovation within the department and all-of-government.
- Promote, encourage and support the value and benefits achieved by innovation.

Communications Governance Committee

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

Membership

Judy Florance, Director Executive Services (Chair) | **Peta Preo,** Director People and Governance | **Adam Smith,** Director Cyber Security | **Nathan Watts,** Director Corporate Reporting | **Lou-Anne Duncan,** Director Commercial Leasing | **Helen Perry,** Director Digital Communications | **Ronald Saint,** Regional Manager Shared Services | **Michelle Vasileff,** Senior Leasing Coordinator | **Lisa Sennett,** Communications Manager (Executive Officer)

2018-19 Activity

- The committee met on five occasions.
- The committee endorsed and progressed through to EMB:
  - DCIS Annual Communications Plan
  - Communications and Media Policies
  - Communications Committee Business Plan.
- The committee addressed key topics, including:
  - endorsed DCIS email signature template
  - reviewed Service Statements
  - considered recommendations from the Auditor-General's Lighthouse Audit
  - decommissioned the Careers website and DCIS Feedback system.

- The committee had oversight of:
  - Digital Futures events
  - DCIS 20 Year Celebrations.

Key Functions

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

Work Health and Safety Management Committee

Role › To provide strategic direction on WHS for the department.

Membership

Peta Preo, Director People and Governance (Chair) | **Caroline Lewis-Driver,** Program Director, Data Centre Transition Program | **Joseph Babbini,** Director NT Fleet | **Dale Howard,** Director HR Systems | **Sandra Papandonakis,** Director Payroll and Employment Services | **Kevin Thomas,** Director ICT Governance | **Wayne Sanderson,** Director Regions | **Tina Matthews,** ICT Director | **Joanne Lee,** Assistant Director Contract and Procurement Services | **Lisa Hill,** People and Governance (Executive Officer)

2018-19 Activity

- The committee met on four occasions.
- The department's WHS Risk Register was reviewed and updated.
- A revised Smoke Free Policy was approved by EMB in February.
- The Work Health and Safety Policy and Framework were reviewed and approved by EMB in May.
- The committee oversaw multiple building management committees to ensure application of the WHS framework, including risk assessments and reporting the status of actions.

Key Functions

- Oversight and provide advice on WHS for the department.
- Develop and implement a WHS governance framework and facilitate strategic WHS planning.
- Assist in developing and promoting policies, procedures and a positive workplace culture and awareness of WHS.
- Monitor and review the department's performance, risk management and reporting to ensure ongoing compliance with the *Work Health and Safety Act 2011*.

Risk Management Committee

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

Membership

Lou-anne Duncan, Director Commercial Leasing (Chair) | **Doug Cooke,** Senior Director Digital Policy and Telecommunications | **Adam Smith,** Director Cyber Security | **Caroline Lewis-Driver,** Program Director, Data Centre Transition Program | **Joseph Babbini,** Director NT Fleet | **Kevin Thomas,** Director ICT Governance | **Sandra Papandonakis,** Director Payroll and Employment Services (proxy for Senior Director Shared Services) | **Sonia Peters,** Director Cyber Strategy | **Jo Vanderpoll,** Senior Manager Governance | **Amy Burns,** Director Commercial Services | **Nadine Parkinson,** Governance Officer (Executive Officer)

2018-19 Activity

- The committee met on 10 occasions.
- Reviewed the strategic risk register, including updates to reflect changes in risk mitigation strategies and incorporation of new risks for consideration and approval by the EMB.
- Monitored and reviewed business unit operational risks and their identified treatments on an ongoing basis. Monitored the rollout of the department's biennial operational risk assessment workshops.
- Approved Business Continuity Plan, Cyclone Plan, Cyclone Preparation Guide and Flood Preparation Plan.
- Monitored audit outcomes for consideration of issues relating to risks.
- Members attended Fraud and Corruption Awareness sessions and provided an introduction at agency-wide sessions.
- Reviewed and endorsed existing Fraud and Corruption Policy, and approved the new risk management information sheet on fraud risks.
- Endorsed newly developed policies on Improper Conduct Investigations and Reporting and Whistleblower, incorporating new requirements resulting from the commencement of ICAC.
- Reviewed and endorsed the Data Breach Policy and Data Breach Response Plan, incorporating new requirements resulting from the introduction of the Notifiable Data Breaches Scheme under Part IIIC of the *Privacy Act 1988 (Cth)*.
- Monitored actions resulting from the outcomes of Business Continuity Plan testing.
- Developed the committee's 2018-19 Business Plan.

Key Functions

- Promote an effective risk management culture across the department.
- Monitor and provide direction regarding the department's risk management approach.
- Provide input to and endorse a risk management framework and supporting policies, including fraud and corruption control to ensure effective risk management.
- Approve fraud control plans and business continuity management plans and processes.
- Approve risk management procedures, tables and templates for the department.
- Monitor compliance with the risk management framework, policies and plans, including fraud control and business continuity management.
- Identify and monitor strategic risks for consideration by the EMB.
- Monitor findings of internal and external audits to identify key risks and ensure appropriate risk management strategies are implemented.
- Review and monitor risk assessments, including fraud risk assessments and treatment plans.
- Coordinate the review of Incident Response Group events.
- Within the context of the Committee's primary purpose, undertake other functions and activities as determined from time to time by the CE.

Audit Committee

Role ‣ To monitor and oversee audit activities across the department and the GBDs. The committee meets quarterly and has agency representatives as well as two external members, where one is the Chair, to ensure independence.

Membership

External Member: Susan Kirkman, Executive Director Strategic Services, DTSC (Chair) | **External member: Andrew Baylis,** Director Economics Analysis, DTF | **Stacey Henderson,** Director Application Services | **Gary Turnbull,** A/Director Finance Services | **David Keirs,** Senior Director Business Services | **Rex Schoolmeester,** Chief Financial Officer (Ex-Officio) | **Kathleen Gray,** Senior Contract Category Manager (Rotational member) | **Jo Vanderpoll,** Senior Manager Governance (Executive Officer)

2018-19 Activity

- The committee met on four occasions.
- Monitored rolling DCIS Strategic Audit Plan and status of internal audits and reviews.
- Maintained an active oversight of the implementation of process and control improvements to address audit findings.
- Continued emphasis on monitoring the findings and actions with respect to the ICT control environment for key government applications.
- Reviewed the DCIS, NT Fleet and DCS financial statements.
- Developed a business plan for the committee.
- Met with the Northern Territory Auditor-General.
- Provided Audit Committee annual letter to the CE.

Linkages between the department's Audit Committee and RMC were strengthened through cross-representation on both committees, and considering controls in place to manage the department's key risks.

Key Functions

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

Finance Governance Committee

Role ‣ To oversee the development of the DCIS budget and effective management of financial resources.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking,** Deputy Chief Executive | **David Keirs,** Senior Director Business Services | **Paul Gooding,** Senior Director Enterprise Project Services | **Rex Schoolmeester,** Chief Financial Officer | **Greg Connors, S**enior Director Infrastructure, Architecture and Security | **Secretariat:** David Mu, Budgets and Finance Manager

2018-19 Activity

- The committee met on twelve occasions.
- Policy development progressed by the committee included:
  - preparations to comply with new Australian

Accounting Standard AASB1016 Leases in 2019-20
- accounting policy for ICT clearing account.

- The committee tracked the department's overall financial performance, and endorsed monthly reporting to DTF.
- The committee actively monitored:
  □ divisional expenditure patterns
  □ budget carry-over and variation requirements
  □ development of 2019-20 budget options
  □ review and updates to the DCIS Shared Corporate Services Price List.

Key Functions

- Oversight budget and financial management for the department and its GBDs in accordance with the *Financial Management Act 1995* and financial management framework.
- Provide strategic leadership and direction for budget development, including Mid-Year Review and carry-over requests.

- Ensure the departmental budget is aligned with the Strategic Plan 2019-2021 and government priorities.
- Monitor expenditure against budget with a focus on major projects, leased properties and ICT services to ensure expenditure remains within approved budget allocations.
- Monitor and report to the DTF on the department and GBDs financial performance against budget, cash-flow projections and output estimates.
- Review and endorse the department's monthly budget and finance report for tabling with EMB.
- Monitor the department's ICT clearing account and infrastructure program performance to ensure continuity of ICT shared services to agencies.
- Consider financial models, including service pricing, internal budget allocations and funding needs across the department and GBDs.

Procurement Governance Committee

Role ‣ To monitor and oversee procurement planning and activity for the department (focussed on tier 4 and 5).

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking,** Deputy Chief Executive | **Bronwyn Riedel,** Senior Director Contract Services | **David Bryan,** Senior Director NT Property Management | **David Keirs,** Senior Director Business Services | **Ken Conway,** Director IT Service Management | **Helen Perry,** Director Digital Communications | **Michael Smid,** Director Financial Services | **Sam Vulcano,** Chief Procurement Officer (Ex-Officio) | **Secretariat:** Procurement Unit

2018-19 Activity

- The committee met on 52 occasions.
- Provided advice on changes proposed to the NT Government procurement framework.
- Oversaw 119 procurement actions resulting in contracts totalling over $206 million, including the following major procurements:
  □ Across Government Contracts - Passenger Air Charters, Aerial Work Services, Electricity, Employee Assistance Program, Clothing and Personal Protective Equipment, and Media Services
  □ ICT Services – Back-up data centre facility
  □ Property Management - Cleaning services for NTG leased buildings
- Improved procurement practices and quality of procurement documentation across the agency.
- Commenced development of the 2019-20 Agency Procurement Management Plan.

Key Functions

- Provide strategic leadership and direction through the development of sound procurement governance practices.
- Oversee the development and implementation of procurement frameworks, policies and processes to ensure compliance with all-of-government legislation and policy.
- Review and endorse the Agency Procurement Management Plan.
- Review and endorse high risk and/or high volume procurement activities (for Tiers 3, 4 and 5) and those with non-standard requirements.
- Monitor agency procurement performance against key performance indicators and all-of-government trend diagnostics.
- Review and endorse requests for Certificates of Exemption and extended contract periods.

Information Management Committee

Role ‣ To provide direction for agency information management and the development and management of ICT services within the department (excludes all-of-government ICT roles).

Membership

Stacey Henderson, Director Application Services (Chair) | **Gregory Moo,** Senior Director Digital Design | **Bronwyn Lo,** Director Enterprise Project Services | **Ailish Finlay,** Coordinator Stakeholder Engagement | **Amanda Hawkins,** Finance Manager | **Romi Peerzada,** Contract Manager | **Ying Hoffmann,** Business Manager | **Jade Creek,** Senior Manager Information Management | **Tina Matthews,** ICT Director (ex-officio) | **Colin Fitzgerald,** Manager Midrange Services | **Katie McCarthy,** Senior Policy Officer | **Karen Downing,** Manager Business Intelligence (Executive Officer)

2018-19 Activity

- The committee met on twelve occasions.
- The committee monitored:
  - Enterprise Information Management Strategy development
  - ICT projects, operations and usage
  - TRM and SharePoint integration
  - Business Applications Register enhancements and usage
  - Corporate Systems' initiatives.
- The committee reviewed and endorsed:
  - business cases for ICT proposals
  - IMC governance documents and templates
  - Mail In/Out Policy submitted to EMB
  - no centralised MFD approval process
  - Accounts Receivable replacement of Excel spreadsheets
  - Survey Monkey enterprise license
  - governance of the DCIS SharePoint environment.

Key Functions

- Facilitate the strategic planning of agency information and ICT requirements.
- Provide input to all-of-government ICT policies and standards as they apply to DCIS and manage DCIS specific ICT policies and standards.
- Review, assess and endorse ICT proposals and solutions to ensure they meet corporate ICT business objectives whilst ensuring compliance with all-of-government initiatives and policies.
- Consider all-of-government ICT issues that will or are likely to impact the DCIS ICT environment.
- Maintain oversight of and monitor the implementation of all-of-government ICT and corporate systems projects to manage any impacts on DCIS.
- Facilitate, promote, monitor agency information practices and monitor compliance with record standards.
- Ensure ongoing management of agency records is in accordance with the *Information Act 2002*.
- Ensure compliance with the NT Government Records Management Standards.
- Maintain oversight of and monitor agency specific information management policies and procedures.

Cyber Security Committee

Role › To monitor and oversee cyber security activities and readiness across DCIS' responsibilities and the NT Government's ICT environment.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking,** Deputy Chief Executive | **Garry Haigh,** Executive Director ICT Services | **Doug Cooke,** Senior Director Digital Policy and Telecommunications | **Scott Thomson,** Senior Director Data Centre Services | **Garry Russell,** Senior Director Corporate Systems | **Gregory Moo,** Senior Director Digital Design | **Greg Connors,** Senior Director Infrastructure, Architecture and Security | **Garey Neenan,** Director Data Strategy | **Damien Mathieson,** Director Cyber Security (resigned during year) | **Adam Smith,** Director Cyber Security | **Grace Waugh,** Senior Program Governance Officer | **Amanda Hawkins,** Finance Manager | **Sonia Peters,** Director Cyber Strategy (Executive Officer)

2018-19 Activity

- The committee met on nine occasions.
- The committee maintained oversight of:
  - 2018 Cyber Awareness Program, delivering 20 presentations to over 600 participants and implementing a digital awareness campaign across the NT Government to improve awareness of cyber threats and cyber smart practices
  - deployment of VDI with multi-factor authentication in Royal Darwin Hospital
  - implementation of Australian Signal's Directorate recommended cyber security controls to mitigate cyber security incidents
  - deployment of desktop security controls
  - implementation of a secure web gateway and progression of improved network access controls
  - projects to improve cyber security across government, including assisting agencies to enhance their security posture.

Key Functions

- Oversight development of the department's cyber security roadmap and strategy.
- Oversight development and monitoring of cyber security risk plans and mitigation strategies for NT Government ICT systems, infrastructure and information.
- Ensure appropriate controls, tools and procedures to detect and address cyber incidents are tested and deployed.
- Consider cyber security incident reports and endorse remediation, review advice of the Australian Signals Directorate and liaise where appropriate.
- Assess and contribute to planning for the department's response to major cyber security incidents.
- Provide advice and support to NT Government agencies on cyber security.
- Develop education strategies to increase awareness of cyber security responsibilities across the NTPS.

All-of-Government Governance Roles

NTG ICT Governance Framework

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

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

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

The ICT governance model is at Figure 5 below.

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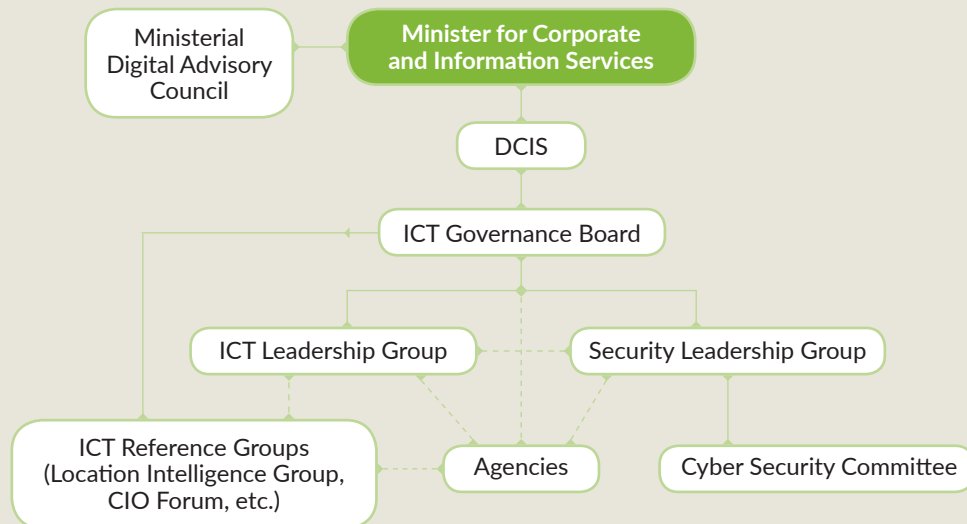
DCIS is responsible for ICT policy development, operation of the ICT Governance Framework and ensuring that DCIS' managed ICT programs comply with governance requirements.

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

NT Government ICT Government Board

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

The IGB comprises senior representation from nine agencies. The IGB maintained a watching brief over 25 major agency ICT projects in 2018-19. Further information is captured in the achievements section of this report and the list of members can be found at Appendix VII.

ICT Leadership Group

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

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

Department of **Corporate and Information Services**

NT Government Cyber Security Governance Framework

The Cyber Security Governance Framework provides for oversight of cyber security strategy, planning and implementation to protect information, business systems and infrastructure from cyber threats.

Connectivity is essential when delivering government services, but can also increase the risk of cyber intrusion with the potential to compromise government information.

The framework describes:

- principles and governance arrangements to support decision making relating to security controls
- policy alignment to national cyber security policy, controls and mitigations
- roles and responsibilities of agencies across the NT Government
- linkages between cyber security governance and across government ICT governance processes.

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

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

Security Leadership Group

The SLG connects the Cyber Security Governance Framework to the leadership groups within the ICT Governance Framework.

The SLG monitors progress of cyber security projects with significant user impact, endorses NT Government cyber security policies, standards and guidelines for consideration by IGB, and informs IGB of any emerging, strategic ICT security issues likely to affect the NT Government's ICT environment and suggests cyber innovations and initiatives.

Digital Governance

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

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

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

The office has a key role in progressing government's priorities including the Digital Territory Strategy, open data portal, digital service standard and data sharing, and will have a significant role in furthering the digital reforms from the *A plan for budget repair - final report* commencing 2019-2020.

Ministerial Digital Advisory Council

MDAC provides advice to the Minister for Corporate and Information Services and the IGB on strategic digital directions and technologies that will improve outcomes for the local business sector, government and the Territory community.

The list of members can be found at Appendix VIII. MDAC met 11 times in 2018-19, including a meeting with the Minister in November 2018.

Key achievements include:

- provided input and actions for the Digital Territory Strategy
- gave feedback on new and updated ICT policies, standards and guidelines
- provided industry views and advice to assist government in developing the open data policy and cyber security governance framework.

Machinery of Government Changes

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

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

Three MOG changes were coordinated in 2018-19:

- November 2018 – creation of the 'Office of the Independent Commissioner Against Corruption'
- January 2019 - name changes for Department of Local Government, Housing and Community Development and the Department of Tourism, Sport and Culture; and a number of minor functional changes moving between agencies
- February 2019 - Public Guardian function moved from Department of Health to Department of the Attorney-General and Justice.

A plan for budget repair - final report released by the NT Government in April 2019 identified 76 recommendations, including Recommendation 5.4.1: Implement the next phase of shared services reform by further centralising corporate services in the DCIS to improve consistency and efficiencies across corporate functions in the NTPS.

Adopting and implementing this single enterprise model for common corporate support is a significant change for DCIS that will affect not just this department but all Territory public sector agencies, government business divisions and agency users of corporate services. This is a substantial body of work that is due to commence from 1 July 2019 and will be reflected in next year's annual report.

Future Priorities

- Coordinate and finalise MOG changes associated with the Corporate Services Reform (CSR3) Program.
- Stand up committees required for the CSR3 implementation, such as CSR3 coordination team, logistics team, change and engagement team.
- Implement the governance structure required to oversight the CSR3 Program, including additional groups, such as the Change Advisory Group.
- Develop and implement a communications plan for the CSR3, including website for agency-wide communications.
- Report CSR3 status into NT Government governance groups.
- Finalise and publish the Digital Territory Strategy Action Plan for 2019.
- Develop ICT and cyber incident management protocols.
- Prepare a Data Governance Framework for consideration by stakeholders across government and MDAC.

Engagement

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

Value of communication

Communications are an essential part of all business undertaken by DCIS that enables us to build and sustain productive relationships with our clients.

Communications internally, and to our client base, are undertaken everyday through our activities and service delivery.

Access to Internal Information

The Communications Governance Committee informs on strategic directions and oversights the communication activities across the department.

The CE regularly produces and circulates to all employees an internal newsletter: the DCIS Intel, highlighting achievements across the department. Over the 2018-19 year, nine issues of DCIS Intel were published with contributions from a range of business units and recognition of DCIS employees' efforts and results. In addition to the Intel, the EPS unit launched a bi-monthly newsletter *Get with the program* to update staff on the project work being undertaken by the division.

Communications relating to changes in corporate policies, procedures or other matters are promoted through the DCIS Intel, on the staff intranet and via the ELG to ensure a broad reach of internal communication. DCIS's intranet contains a wide range of corporate information relating to the structure, leadership, policies and procedures and operational areas within the department and the services delivered, with links to NT Government information and systems.

External Communications

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

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

Client Feedback

A review of existing systems and investigating options to determine more streamlined requirements for all clients was commenced through the Communications Governance Committee and aligned to the DCIS Complaints Management Policy.

Internal feedback/complaints (that is internal to government) were submitted through the system. This review determined the hosting and support costs did not warrant the small volume of feedback submitted and recommended decommissioning the system. An alternative approach for internal clients has been created using an online form. For this reporting period, five complaints relating to HR issues were received, two feedback issues were reported and two compliments on DCIS services were received. All items raised were followed-up by the relevant business unit and resolved.

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

All-Of-Government Communications

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

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

Insurance Arrangements

The department has an active Risk Management Framework with risk assessments performed according to a planned cycle of activity and as required to identify strategic, operational, fraud and project risks.

In accordance with Treasurer's Direction M2.1 – Insurance Arrangements, the department self-insures its insurable risks.

Data Centre Services and NT Fleet undertake annual reviews of their insurable risks resulting in commercial insurance policies obtained for a range of risks.

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

Insurable Risk Category	Mitigation strategies
Workers Compensation	A strong governance framework oversighted by a WHS Committee reporting to the EMB and individual building committees.
	A Work Health and Safety framework consisting of policies, plans and procedures ensures health and safety is managed and appropriate action taken to identify and mitigate risks.
	Regular workplace communications through team meetings and signage.
	A work health and safety strategic risk assessment.
	Commercial insurance policies for DCS and NT Fleet.
	The department promotes the NT Government's Employment Assistance Program with $55 472 expended on staff visits in 2018-19.
Property and Assets	Internal policies and procedures are in place for the effective management of assets and to mitigate for potential losses.
	Effective contract management practices mitigate the risk of loss of assets.
	Capital and minor new works programs to maintain property and assets.
	Commercial comprehensive insurance policies for NT Fleet and DCS motor vehicles.
	NT Fleet insures the fleet against damage from natural disasters and the short-term hire fleet is comprehensively insured.
Public Liability and Product Liability	The department's WHS Building Committees conduct risk and hazard identification and accident prevention to eliminate / minimise risks in the workplace.
	Site specific protocols and practices are in place for identified locations assessed as having a higher level of risk.
	The WHS Building Committees report to the WHS Governance Committee who oversees the department's WHS by monitoring compliance with the *Work Health and Safety Act 2011*.
	Commercial public liability insurance policies for NT Fleet and DCS.
Indemnities	The department's legal advisors review contracts and agreements containing indemnity clauses to ensure the department and GBDs comply with the *Financial Management Act 1995* and Treasurer's Direction - Guarantees and Indemnities.
	NT Government standard terms and conditions are applied, with legal advice sought for amendments.
	Registers are maintained in accordance with legislative requirements.
	Internal policies and procedures are provided for the guidance of staff.

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

DCS

DCS continued to procure commercial insurance policies for workers' compensation, business insurance and motor vehicles in 2018-19. The total cost of premiums for commercial insurance in 2018-19 was $103 559, compared with $59 053 in 2017-18. The total cost of premiums increased by $44 506 due to an increase in the sum insured and a significant claim made in 2018-19.

There was one claim against DCS' insurance policies in 2018-19 related to damage caused by faulty hardware. This claim was assessed by the insurer and paid.

NT Fleet

In 2018-19, NT Fleet procured commercial insurance policies for workers' compensation, public liability, damage to the vehicle fleet due to natural disasters, and short-term hire. The total cost of premiums for commercial insurance policies in 2018-19 was $202 178, compared with $236 385 in 2017-18. The total cost of premiums decreased by $34 207 primarily due to a decrease in the number of vehicles insured.

There were two claims against NT Fleet's insurance policies in 2018-19 related to vehicles.

EPS Staff

EPS Staff Event

The first EPS Staff Event was held on 17 April 2019 with more than 100 members of the team attending. This event was implemented to 'join up' our various teams across EPS, showcase some of the programs and projects we are delivering on behalf of the NT Government and provide an opportunity for knowledge sharing.

Senior Director of EPS, Paul Gooding said it was a well received event and the feedback has been very positive, allowing people to meet colleagues face to face.

"We have such a diverse mix of people and projects in EPS so this was a great opportunity to showcase the complex and innovative work being done in many different business and technical disciplines.

It is intended that these events are held twice each year so EPS staff can benefit from understanding what is happening across the breadth of EPS, build relationships and share their knowledge and expertise," he said.

It wouldn't be an EPS initiative if some friendly competition wasn't added to the mix. An Executive Award for the best expo stall was gifted to the SerPro team with their incorporation of Thor into a QR code poster, and the People's Choice Award for the best site was awarded to CCSRP for their medical centre set up. These teams will have a trophy to display in their area and enjoy 'bragging rights' until the gauntlet is handed over at the next event.

My Path to Tech panellists

Attendees learning about cyber hacking

Inspiring Women in to Technology panellists

Digital Futures Events

The NT Government's Digital Territory Strategy and Action Plan released in 2018 has five digital directions, including 'Building digital skills' and 'Improving government services' which will be essential to delivering government's transformation priorities.

The Digital Futures events, held on the 29 May 2019, comprising a *My Path to Tech* session, offered free of charge to Territory school students from years 9 to 11, and an afternoon session *Inspiring Women into Technology*, are key initiatives in the Strategy's Action Plan.

A plan for budget repair - final report includes a focus on digital transformation for the NTPS with seven agreed digital initiatives. A core requirement in positioning government for an increasingly digital future is a skilled and highly capable digital workforce. This, in turn, depends on attracting more women into digital jobs to improve the gender balance (only around 28% of ICT jobs are currently held by women[1]) and expand the talent pool.

More than 300 people attended these events that featured augmented reality displays, interactive digital displays, panel discussions, exhibition booths and a range of inspiring speakers. The event delivered a professional, unique and energetic initiative that encouraged attendees to experience the diverse technological streams and consider a career in tech.

[1] Deloitte Access Economics, ACS Australia's Digital Pulse 2018, www.acs.org.au

04

Our People

2018-19 Highlights

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

Developing our People

- 674 myPlans completed; a completion rate of 97%
- 18 staff graduated from the DCIS ELP
- 25 staff supported through early career programs
- 44 staff accessed OCPE leadership courses
- People management sessions were held with 270 staff attending
- DCIS Capability Investment Strategy 2019-21 developed, merging multiple action plans
- $0.57 million invested on structured training and development

Supporting our People

- 91 new employees were screened for criminal history in accordance with the Employee Screening Policy
- 4 Orientation Programs conducted with 82 attendees
- Wellness Week 2018-19 delivered as part of the Health and Wellbeing Program
- Continued participation in the Virgin Pulse Global Challenge with 147 participants
- Zero tolerance for bullying

Recognising our People

- DCIS' 20 year anniversary celebrated across the agency
- Worth A Mention nominations through DCIS Intel saw 19 individuals and 4 teams recognised
- 51 staff recognised for achieving Service Milestones
- 9 nominations for the Chief Minister's Awards, with 2 of the 3 finalists winning their section

Aboriginal Employment

- 8.5% of our workforce or 59 employees identify as being Aboriginal
- Special Measures plan re-commenced in October 2018
- 76 vacancies with Special Measures applied, attracting 88 Aboriginal applicants, 9 of whom were successful

Workforce Diversity

- 11% of DCIS staff from culturally diverse backgrounds
- 1% of staff did not supply EEO information
- 22 staff identify with a disability

Change Management

- Preparation commenced for establishment of Enterprise Corporate Services and DCIS restructure
- Changes in Accounts Payable section progressed
- Supported and provided advice for Root and Branch reviews and organisational changes
- Examined billing and finance roles across DCIS and GBDs for new approach

Industrial Relations

- Engagement with CPSU on organisational change management
- Nil industrial matters raised in 2018-19
- CPSU attended orientations and conducted regular site visits across all DCIS locations

Social Responsibility

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

Staff Snapshot

Workforce demographic data is presented as headcount at 24 June 2019[1] to provide a full reflection of our workforce, includes staff in NT Fleet and Data Centre Services.

Key Staffing data

	Number	%
Demographics (Headcount)		
Full Time Staff	648	93.3%
Part Time Staff	47	6.7%
Male: Female ratio	237 : 458	34 : 66%
Male: Female senior management ratio[2]	33 : 20	62 : 38%
Average Age	43	-
Trainees[3]	9	1.3%
Aboriginal Staff	59	8.5%
Staff with a disability	22	3.2%
Turnover		
Commencements	94	13.53%
Separations (resignations)	73	10.5%
Staff Turnover rate[4]	137	20.0%

[1] Numbers as at pay period 26

[2] Includes ECOs and SAO2s based on paid classification

[3] Includes Graduates

[4] Includes separations and inter-agency transfers

Women represent **64%** of team managers (AO5/6)

and **60%** of middle managers (AO7/SAO1)

Around **40%** of DCIS staff work in ICT and digital roles

Staff by Employment Type

▸ Figure 1

	Headcount	%
🟨 Trainee	9	1.3
🟩 Administrative (AO1 to AO7)	558	80.3
🟥 Senior Administrative	90	12.9
🟪 Executive	30	4.3
🟦 Technical	8	1.2
Total	**695**	**100**
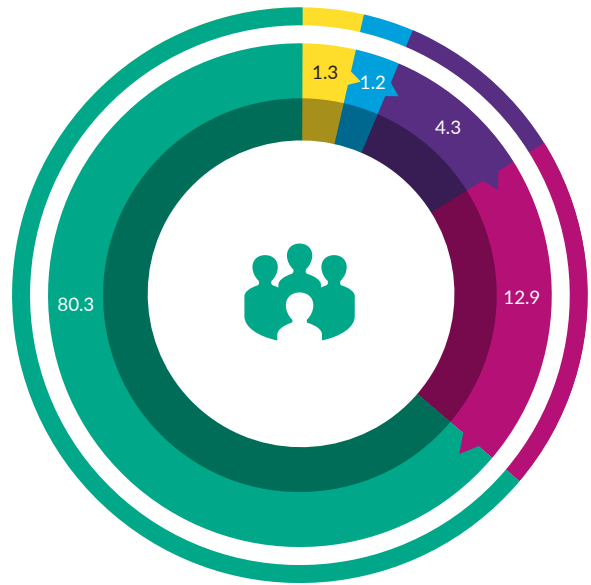
Years of service

▸ Figure 2: Years of service by gender

Years	Female	Male	Total	%
🟨 < 10	251	130	381	54.8
🟩 10-19	127	68	195	28.1
🟥 20-29	32	18	50	7.2
🟪 30-39	36	15	51	7.3
🟦 >40	13	5	18	2.6
Total	**459**	**236**	**695**	**100**

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

Of the 69 staff with over 30 years of service, **71%** are female

▸ Figure 3: Years of service by percentage against milestone groups

10-19 Years — 28.1%

20-29 Years — 7.2%

30-39 Years — 7.3%

>40 Years — 2.6%

<10 Years — 54.8%

Department of **Corporate and Information Services**

Gender and Level

▸ Figure 4: Staff by gender for each classification level[1]

Legend: ■ Female ■ Male

Total **459** **236**

Level	Female	Male
Trainee[2]	6	3
AO1	1	1
AO2	39	10
AO3	77	28
AO4	109	28
AO5	63	29
AO6	60	39
AO7	43	31
SAO1	42	26
SAO2	9	13
EO1C	6	9
EO2C	2	8
EO3C	0	2
EO4C	0	1
EO5C	1	0
T1	0	3
T2	0	1
T3	0	2
T4	0	2
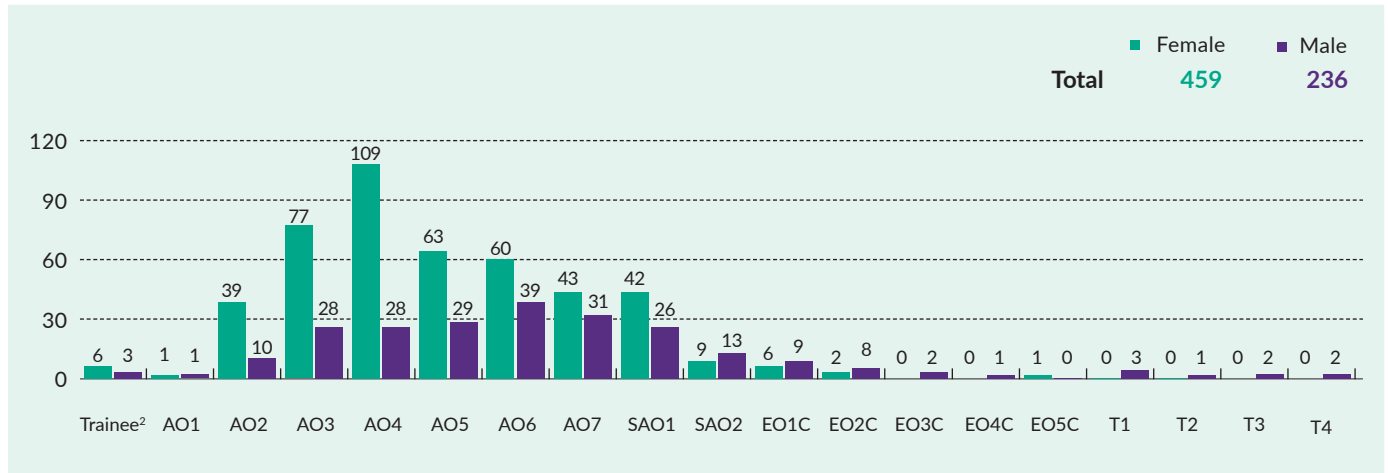
[1] Based on paid classification
[2] Includes Graduates, Aboriginal Cadets and Trainees

▸ Figure 5: Staff by classification level and function[1]

Legend: ■ Corporate Support Services ■ ICT Services ■ Digital Government ■ Other

Total **366** **249** **29** **51**

AO1-AO4 (incl's trainees): Corporate Support Services 247, ICT Services 37, Digital Government 2, Other 17

AO5-SAO1: Corporate Support Services 103, ICT Services 182, Digital Government 21, Other 26

SAO2-EO1C: Corporate Support Services 4, ICT Services 24, Digital Government 4, Other 5

EO2C and Above: Corporate Support Services 4, ICT Services 6, Digital Government 2, Other 3

Technical: 8

[1] Based on paid classification

Average Age

▸ Figure 6: Staff by age and gender

Female ■   Male ■

Total   **459**   **236**

Age	Female	Male
15-19	9	3
20-24	21	10
25-29	45	27
30-34	68	21
35-39	65	34
40-44	56	33
45-49	51	27
50-54	51	29
55-59	52	26
60-64	22	17
65+	19	9
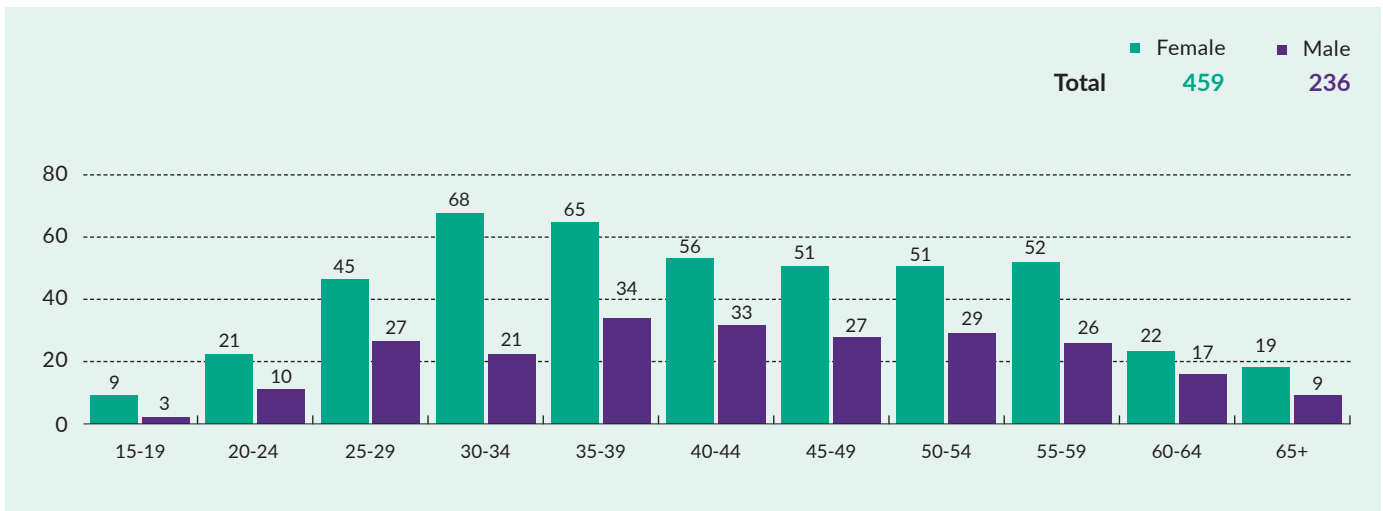
▸ Figure 7: Age profile by percentage

Age	Total	%
15-19	12	1.7
20-24	31	4.5
25-29	72	10.4
30-34	89	12.8
35-39	99	14.2
40-44	89	12.8
45-49	78	11.2
50-54	80	11.5
55-59	78	11.2
60-64	39	5.6
65+	28	4.1

The average age of DCIS staff is **43 years**

44% of DCIS staff are under **40** years of age

Department of **Corporate and Information Services**
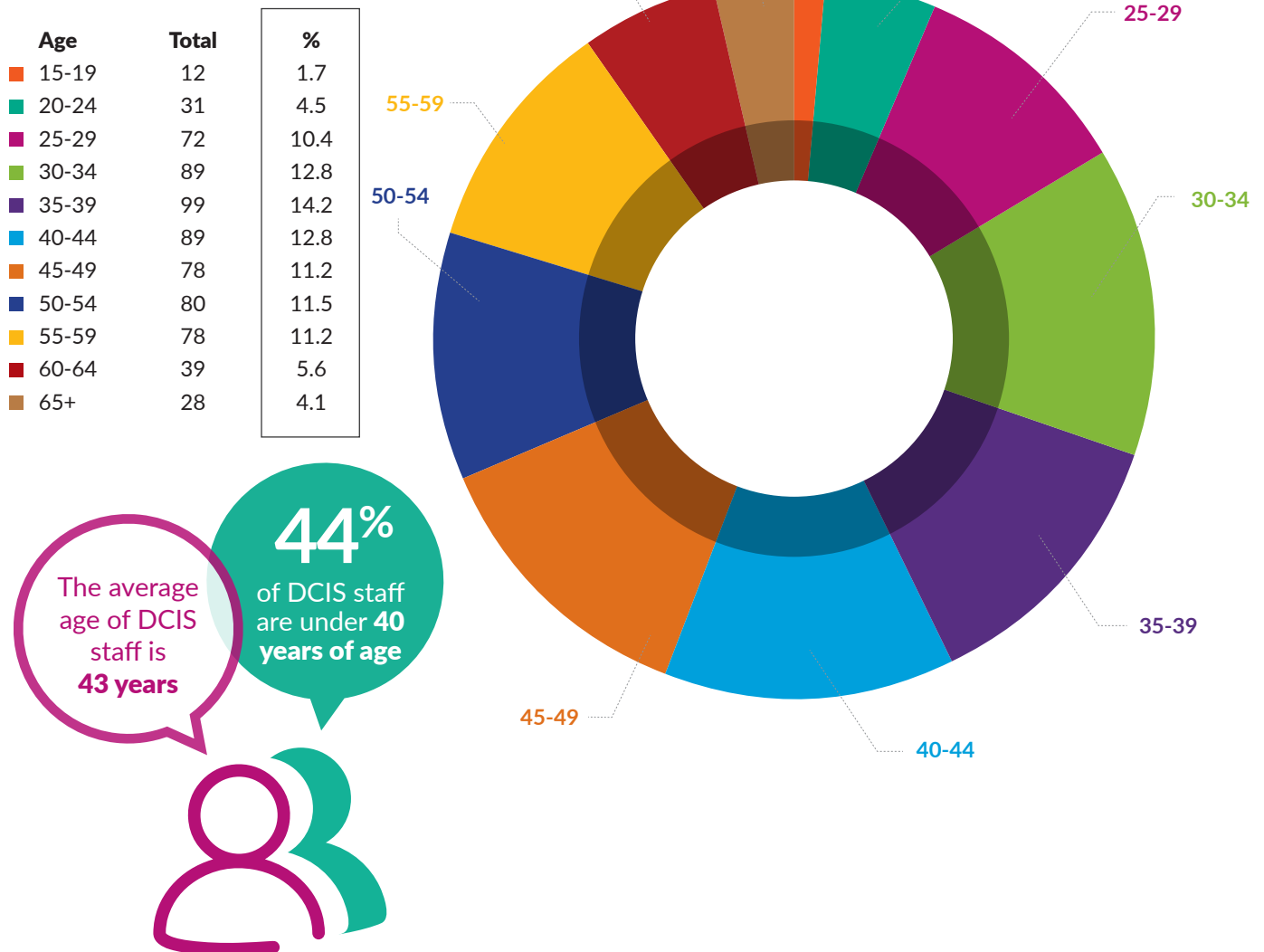
115 years of service recognised
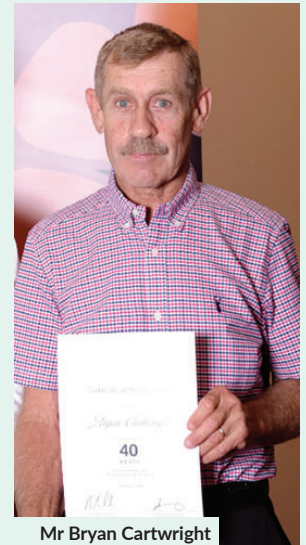
Mr Bryan Cartwright

Staff Recognition

Every year eligible staff who reach service milestones are recognised for their service to the NTPS. In the last financial year, 51 DCIS staff were recognised:

- 11 staff with 30, 35 and 40 year milestones
- 40 staff with 10 and 20 year milestones.

Four staff chose to have their service formally recognised at a ministerially hosted function. In October 2018, Mr Bruce Coghill (30 years), Ms Bronwyn Lo (30 years), and Mr Joseph Babbini (35 years) were recognised at Parliament House Darwin and Mr Bryan Cartwright (40 years) was recognised at the Alice Springs event.

Developing Our People

Building the capability of our staff to meet current and future business needs.

Developing our workforce to ensure we are capable to deliver reliable and efficient services, now and into the future, that support government and enable agencies to focus on their core business.

DCIS is committed to investing in the capabilities of our people through tailored leadership programs, diverse training offerings, employment pathways and streamlined systems and processes.

The new online myPlan system allows higher visibility of individual training and development needs.

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

This section outlines the activities we undertake to meet the DCIS strategic priority of investing in capability.

Capability Investment Strategy 2019-2021

Work commenced in 2018 to merge three different workforce development strategies into one overarching strategy.

The new strategy incorporates existing initiatives of the Workforce Strategy, Corporate Capability Plan and Indigenous Employment Career Development Strategy with new initiatives. Combining the three strategies into one plan reduces duplication of effort and provides clearer reporting to monitor progress.

Creation of the *DCIS Capability Investment Strategy 2019-2021* is framed around the focus areas contained in the 'Investing in Capability' component of the DCIS Strategic Plan 2019-2021.

Positive feedback and support regarding the strategy was received through a series of focus groups in April 2019 represented by staff from all divisions and regions.

An action plan will be prepared each year that focuses on key actions and outcomes to progress the Capability Investment Strategy.

Divisional business plans will include descriptions of actions to align with the Capability Investment Strategy.

Staff Consultative Committee

The Staff Consultative Committee was re-launched in May 2019, with its first meeting in June 2019. The committee reflects a broad cross-section of DCIS staff and seeks to ensure staff have input to significant organisational events as well as to identify and progress matters that are important to the committee. The committee is a reference group for the development and implementation of the Capability Investment Strategy.

70
staff attended face to face cultural competency training and 18 staff undertook online training, **overall 626 have undertaken training – 90% of total**

674
myPlans completed, representing **97% of eligible employees**
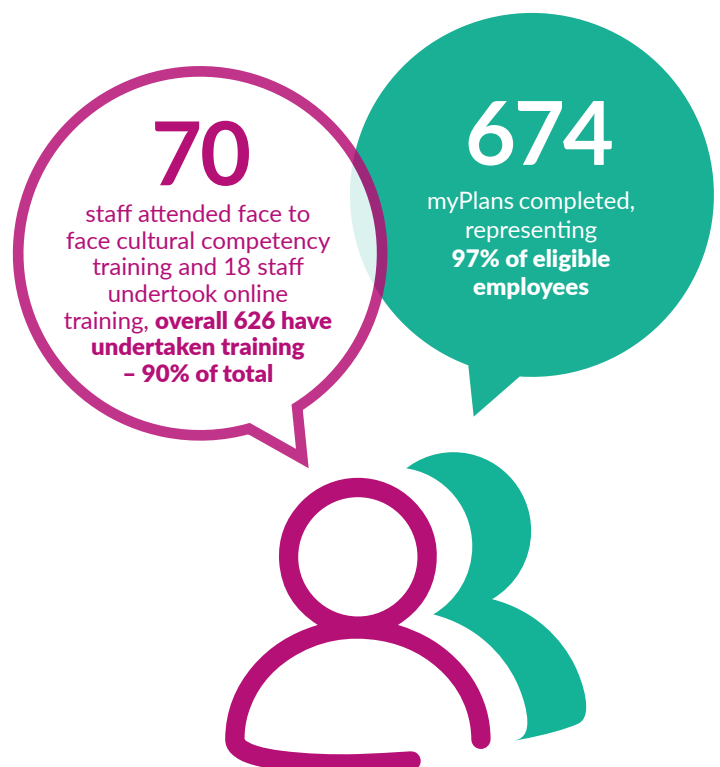
Learning and Development

Internal training and development opportunities included:

- Orientation Programs – 82 participants
- HR workshops
  - Effectively Managing Complaints – 25 participants
  - Positive Workplace Culture – 61 participants
  - Managing Poor Work Performance – 34 participants
  - Managing Probation – 13 participants
  - Writing a Record of Discussion – 39 participants
  - Giving and Receiving Feedback – 26 participants
  - Mentoring Training – 16 participants
  - Managing Conflict – 27 participants
- Corporate systems training (BOXI, HR, Contrax) – 54 participants
- Performance management and development information sessions for managers and supervisors
- Industrial relations practitioner workshops
- Career planning information sessions
- Mentoring information sessions.

Training provided to employees through external providers included:

- Fraud and Corruption Awareness workshops – 686 participants
- Writing workshops
  - Writing in Plain English – 23 participants
  - Punctuation Unpacked – 19 attendees
  - Email Workshops – 23 participants
- Cross Cultural Training
  - Face to Face – 70 participants
  - Online – 18 participants
  - Overall 626 have undertaken training – 90%

DCIS Orientation

- Procurement
  - Certificate IV in Procurement and Contracts – 9 participants
  - Diploma in Procurement and Contracts – 8 participants
- Various OCPE workshops – 44 participants, including:
  - Hands up for Inclusion – 5 participants
  - Foundations of Public Sector Governance – 3 participants
  - Innovative Thinking and Strategic Alignment – 5 participants
- Tertiary studies, including VET certificates, diplomas and bachelor degrees
- Safety training, such as first aid, WHS and fire warden training
- Project management training
- Training in the suite of Microsoft Office products
- Certified Practising Accountants program
- Specialist Information Technology courses
- Specialist conferences, including the Australian Human Resource Institute state conference and Institute of Public Administration Australia conference.

MyPlan

Following a review of the paper-based myPlan performance management and development program in 2017, the digital myPlan system was developed and launched in September 2018.

Each employee has a myPlan, they are an opportunity to define goals and responsibilities, review past and current priorities and performance and identify learning and development gaps to support growth.

The online myPlan solution keeps a record of the formal performance and development conversations that occur between employees and their supervisor, including two-way feedback. Regular informal feedback is encouraged throughout the year, supplementary to the official myPlan process.

It is a requirement for every DCIS employee to complete a myPlan. In 2018-19, 97% of eligible employees have completed their annual myPlan, with a total of 674 completed in the system.

Training and development gaps identified through better reporting from myPlan

The online myPlan system gives greater access to individual training and development needs of all staff across the agency. This data is used for promoting external training programs and sessions, and to drive in-house training delivery.

From the categories in myPlan, the key training areas identified include:

- information technology – 62
- internal systems – 66
- leadership – 103
- performance people management sessions – 62
- project management – 52
- procurement – 20
- other methods of learning and development (higher duties, job sharing, shadowing) – 63
- communication – 45

DCIS Leadership Programs

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

Graduation day at Government House

Emerging Leaders Plus Program

The Emerging Leaders Plus Program is aimed at new and upcoming managers in the agency and covers topics such as: emotional intelligence and communication skills, strategic planning, change management, customer service, budgets and financial management.

The 10-day program is delivered in two day blocks, over a five month period.

21 participants completed the program in 2018, followed by a graduation ceremony at Government House on 30 July 2018, hosted by the Northern Territory Administrator, the Honourable Vicki O'Halloran AO.

Our graduates in the 2018 program were: Andrew Arias, Cheryl Opitz, Debbie Charles, Deborah Southwell, Jayne Black, Kat Beech, Dennis Olsen, Haydn Russell, Jason Hatton, James Picker, Jane Prichard, Tessa Sealey, Kathy Cercarelli, Matthew Willes, Rachel Albion, Stephen Ho, Michelle Vasileff, Jacqueline McDowell, Priya Davey and Nenelle Demos.

The 2019 cohort for the program will commence later in 2019 and run through to February 2020. The 2019 format will continue the tailored program developed by local provider Accrete and include presentations from many of our senior leaders.

Kat Beech and her Honour Vicki O'Halloran AO

Emerging Leaders Program experience

"The Emerging Leaders Program equipped all of the participants with tools we could take back to our various work areas in DCIS. We also gained insight into each other's work areas, which is beneficial to understanding and supporting the work the agency covers as a whole.

Having week-long blocks staggered over 5 months I found worked really well. It provided sufficient time for participants to form trust within the group which really supported our learning, and practicing the skills gained.

The graduation was a lovely finish to the course, was a great way to celebrate the achievements both individually and as a whole group and it was a really nice celebration of the course itself and what we all gained from it."

- Kat Beech,
Senior HR Consultant

Service Excellence Program

Early 2018 saw the launch of our new Service Excellence Program. This program has been highly customised to DCIS business activities, designed to complement the delivery of the learning materials.

The two day program, aimed at staff from AO1 to AO5 is based on the Certificate IV unit Implement Customer Service Standards (BSBCUS403).

Three cohorts were delivered throughout 2018, with 69 attendees across all sessions.

Further programs are set to roll out in late 2019.

Other Leadership Programs

OCPE Leadership Programs

Public Sector Management Program

DCIS promotes and encourages participation in the PSMP.

The PSMP is targeted at new and existing mid-level managers and aims to develop their management skills in the business of government, resulting in a Graduate Certificate in Business (Public Sector Management). PSMP is managed and delivered nationally by the Queensland University of Technology and is specifically designed in consultation with the governments of Australia.

Graduates in 2018 were Colin Fitzgerald; Lyn Strachan; and Zachari Nethery.

2019 participants are Jade Creek; Corinne Hunt; and Michael Kwong.

Michael Kwong graduation

Early Career Programs

The department actively participates in early careers programs to 'grow our own' and provide opportunities for career pathways in DCIS.

Participation rates and mentoring updates are provided to the Executive Management Board regularly.

DCIS supported 26 participants in 2018-19, of which 10 are Aboriginal.

Graduate Development Program

The Graduate Development Program is a two-year program in which recent university graduates rotate through four areas of DCIS based on their line of study, interests and potential areas of development. DCIS employs a minimum of four graduates each year under this program.

Participants all take part in the DTF Finance Officer in Training development workshops, held throughout the year.

Each graduate is allocated a mentor for the duration of their placement, who is a senior leader in DCIS. Mentors meet regularly with their graduate to provide ongoing support, guide development and share opportunities.

During 2018-19 DCIS had ten graduates:

- four graduates completing in 2019
- four graduates are due to complete in 2021
  - areas of study include Information Technology and Creative Arts and Industries (Communication)
- two graduates resigned/withdrew to accept positions elsewhere.

Fabio Lee Serra

Successful Pathway Programs – Graduate to Employee

Fabio Lee Serra commenced as a graduate in January 2016 after completing a Bachelor of Commerce.

The two-year program saw Fabio undertake rotations in NT Fleet, NT Property Management, Corporate Systems and Budgets and Finance. Directly following his successful completion of the program, Fabio commenced a six month contract with Budgets and Finance and has since won a permanent Project Finance Officer role in the Enterprise Project Services division.

"The best thing about the DCIS Graduate Program is the rotations and their lengths. The opportunity to have six months to learn the role and exposure in a variety of different areas is invaluable. I was able to learn new skills and gain experience in areas I had not previously considered that I have since developed a career interest in.

The program also provided me with many training and development opportunities. During the program, I have completed a Diploma of Procurement and Contracting, participated in Treasury's, Finance Officer in Training workshops and attended a wide range of in-house training courses.

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

I strongly believe DCIS is a great department to work for. I would encourage anyone considering their employment beyond university to apply for the graduate program."

- Fabio Lee Serra

Traineeship programs

DCIS engages a minimum of 12 trainees annually in the Traineeship and Aboriginal Traineeship and School-Based Traineeship schemes.

The People and Development Unit provide ongoing support and guidance to participants and their supervisors through mentoring, reporting and liaison with all external parties on their progress. This is then reported to the Executive Management Board.

In 2018-19 DCIS engaged 15 trainees:

- four trainees completed in 2018
- eight trainees are due to complete over 2019 and 2020
  - areas of study include Certificate III and IV in Business
- three trainees resigned/cancelled for various reasons

Aboriginal Employment Program

In support of Aboriginal employment opportunities in DCIS, our department actively participates in the Aboriginal Employment Program (AEP).

The 20-week pre-employment program is managed by the Employment Programs Unit, also within DCIS. The program is a combination of alternating two-week placements; 10 weeks in the workplace and 10 weeks undertaking training towards a Certificate II in Business. The training blocks include a variety of supplementary workshops such as self-development, money management, life skills, team building, communication and writing and cross-cultural awareness.

Upon successful completion, participants are awarded a nationally recognised qualification, along with a pathway into full time work for a fixed period.

In 2018-19, DCIS supported one AEP participant who successfully completed the program and commenced employment with the department.

Zoe Costelloe

Zoe Costelloe commenced in DCIS in February 2019 as a participant in the Aboriginal Employment Program in our Regional Office, Katherine. Zoe recently graduated and is now one of our trainees.

Upon successful completion of the program, Zoe was offered a 12 month traineeship, undertaking a Certificate IV in Business, which she commenced on 24 June 2019.

"When I started in DCIS I had no idea what to do and I didn't know anyone. My biggest challenge was trying to balance my work/studies and mum duties but thankfully

I have the help and support from my work colleagues.

I have started off doing the small stuff like creating files for new customers, entering data in to HPE Content Manager and mail run plus doing my studies. I am now in the process of being trained to do AR Requisitions and my Cert IV in Business.

Joining the Aboriginal Employment Program has been a good and challenging experience, working with DCIS in the Katherine office has been a good opportunity for me and to further my career and gain new skills."

- Zoe Costelloe

Workforce Diversity

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

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

Aboriginal Employment

The DCIS Aboriginal Employment and Career Development Strategy (AECDS) was developed collaboratively with our Aboriginal employees and encompasses a proactive and inclusive approach to building our Aboriginal workforce.

The department sustained its focus on Aboriginal employment in line with the NTPS Aboriginal Employment and Career Development Strategy.

Staff movements and progression to roles in other departments, coupled with a changing staff profile, has seen DCIS' Aboriginal employment level reduce from a high of 10.6% in mid-2017. A Senior Aboriginal Workforce Consultant was employed during the reporting period to review our AECDS and recommend actions going forward. A new Special Measures Plan commenced on 15 October 2018 and nine new or promoted employees have been selected under the new Plan.

▸ Figure 8: Aboriginal employment by gender and level
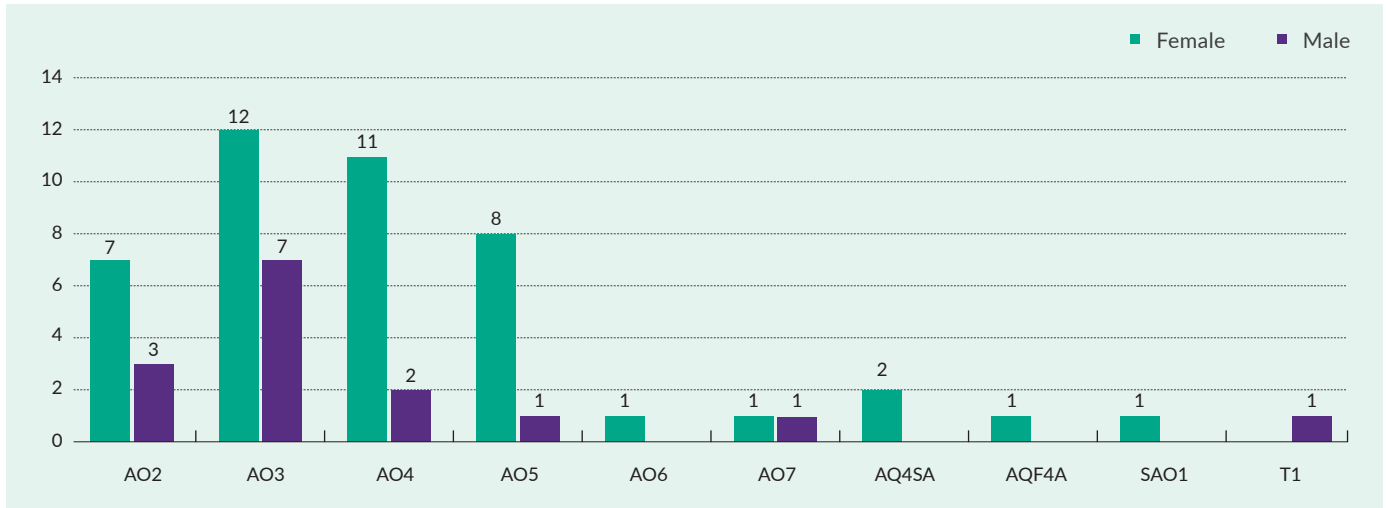
DCIS actively promotes the benefits and use of employment programs to agencies to increase Aboriginal workforce participation. On behalf of all agencies DCIS manages the Aboriginal Employment and Aboriginal Apprenticeship programs.

Some key actions undertaken in 2018-19 that support and value workforce diversity include:

- continuing the DCIS Cultural Competency Training program
- establishing a new Special Measures Plan in October 2018 giving priority consideration for Aboriginal applicants
  - 76 vacancies had Special Measures applied, 30 vacancies attracted 88 Aboriginal applicants, nine of whom were successful.
- continuing the Senior Aboriginal Workforce Consultant position within People and Development
- conducting Aboriginal and Torres Strait Islander staff forums to disseminate information on developments under the AECDS and engage the participants as workplace advocates

- presenting information sessions so staff are aware of the Special Measures provisions and recruitment process requirements
- highlighting the focus on Aboriginal employment in the DCIS Orientation Program
- setting clear expectations and monitoring Aboriginal employment results through strategic and business plan reporting
- celebrating cultural events, such as NAIDOC week, National Reconciliation Week and Harmony Day
- utilising the staff intranet as a newsfeed to promote the AECDS and stories to encourage education about Aboriginal and Torres Strait Islander issues
- ensuring the Staff Consultation Committee is provided with the support to promote and celebrate Aboriginal matters of interest.

14.2% Aboriginal representation in HR Services

8.5% of DCIS employees identify as Aboriginal

12.3% of staff from a culturally diverse background

3.2% of DCIS employees have a disability

Annual Report 2018-19

Supporting Our People

Success is achieved through a well-supported and happy workforce

Health and Wellbeing

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

Initiatives carried out across the department include:

- Wellness Week seeks to improve the overall physical, mental and emotional wellbeing of our employees.
  In 2018, Wellness Week was outsourced. Industry Health Solutions developed a comprehensive suite of topics and sessions that was rolled out across the agency.

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

- Flexible working arrangements provide more formal flexible arrangements to employees while ensuring the department

benefits from retention of highly skilled employees, refer to figure 9 below.

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

- Flu Vaccination Program provides employees with opportunity for free flu vaccinations.

- Virgin Pulse Global Corporate Challenge supports employees to improve their overall wellbeing through exercise, diet and sleep. DCIS continued participation in this program for the fourth year.

- Mentoring provides an effective tool in shaping the development of career changes and assisting new staff recruited through employment programs by providing input and encouragement for employees progressing through their careers.

▸ Figure 9: Flexible work arrangements in 2018-19

	Number	Proportion of workforce
Compressed hours	37	5%
Part-time work arrangement	20	3%
Home-based work	13	1%
Recreation leave at half pay	61	9%
Job Share	2	0.3%
Purchase Leave	2	0.3%

45% of staff had a flu vaccinations

Over **300** staff attended wellness week sessions

147 staff participated in the Virgin Pulse Global Corporate Challenge

Teams step up to challenge

2018 Global Challenge

2018 marked DCIS' fourth year in the Virgin Pulse Global Challenge. The Challenge is a 100 day virtual journey around the globe. In teams of seven, employees track their daily activity and work towards a daily target of 10,000 steps, with their step entries (or biking, swimming and other physical activities) unlocking new locations along the way.

Each year, there has been an increase in participation levels in DCIS and in 2018, 21 teams participated, with 147 of our employees setting out to improve their overall wellbeing through exercise, diet and sleep. By the end of the 100 day period, DCIS teams achieved:

- over 177 million steps
- 113 311 kilometres
  (approximately 6 ½ times around Australia)
- 72% exceeded 10 000 steps per day vs
  18% pre challenge
- 72% were feeling better overall and feeling more productive
- 59% felt less stressed

The 2018 winners were 'Team Stacked' from Corporate Systems, who covered a total distance of 11 365 kilometres.

DCIS staff are actively participating in the 2019 Challenge.

Work Health and Safety Framework

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

The WHS Framework was reviewed and updated during the reporting period.

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

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

In 2018-19, 18 WHS incidents were reported (compared to 26 incidents in 2017-18). Two new workers compensation claims were submitted in the second half of the reporting period and both were open at 30 June 2019.

▸ Figure 10: Incidents by Mechanism

	2018-19
Being hit by objects	2
Hitting objects	6
Hazards	4
Environmental factors	1
Slips, trips and falls	2
Vehicle incidents and other	3
Total	**18**

Complaint Resolution Process

The department's internal complaint resolution procedure deals with matters fairly, promptly and confidentially. Sixteen internal complaints were received during the reporting period. One complaint was withdrawn, one proceeded to investigation and the remaining complaints were resolved with no further action required.

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

One formal grievance was submitted directly to the Commissioner for Public Employment in 2018-19 and was referred to DCIS to review. This matter was referred to an investigator.

Orientation Program

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

DCIS continuously reviews the program and presentations were updated with a new Aboriginal workforce development session introduced.

4 orientation programs delivered with **82 participants.**

Succession Planning

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

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

Senior Administrative Officer Progression

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

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

In 2018-19, the Pay Progression Committee approved 13 pay progressions, representing 11% of SAO level staff.

Staff Consultative Committee

The Staff Consultative Committee provides the opportunity for staff at various levels to be involved in developing and providing responses to human resources related matters. The Staff Consultative Committee contributed to the development of the digital myPlan and staff site redevelopment project through online and local interactions.

Fresh Food Friday

Wellness Week 2018

In 2018 Wellness Week was conducted from 19 to 23 November. Wellness Week grew form Mental Health Week and seeks to take a holistic view of the components of health and wellbeing. 30 sessions were delivered to over 300 employees covering topics such as caring for the carer; eating for mental health and wellbeing; minimising back and neck pain; emotional intelligence; financial health; and yoga. Sessions were delivered across our staff workplaces in Darwin, Casuarina, and Palmerston and were available via video conference in Alice Springs and Katherine.

Fresh Food Friday, which is the final activity in Wellness Week, had a Christmas theme in 2018. Business units held a morning tea with fresh food as the theme. The creative efforts of DCIS employees were displayed with many edible works of art produced.

Department of **Corporate and Information Services**

Future Priorities

- Engage and consult with staff to develop and implement strategies in response to the Corporate Services Review Program, effective from 1 July 2019 to achieve improved scale, and standardised and streamlined corporate services.
- Implement the new Capability Investment Strategy 2019-21.
- Continue to implement the agency action plan arising from the 2018 NTPS People Matter Survey Pulse.
- Continue to conduct internal workshops for team leaders and supervisors covering: giving and receiving feedback; managing complaints; managing conflict; managing poor performance and appropriate workplace behavior to continue our skills development focus.
- Provide more leadership development programs to strengthen the capability of existing and emerging leaders.
- Deliver targeted training for staff in priority skills and capability development areas, including project management and digital technology.
- Continue to expand the DCIS Strengthening our People program.
- Continue to improve the online myPlan.
- Continue the Health and Wellbeing Program, including increased participation in Wellness Week activities.
- Deliver Emerging Leaders Plus Program.
- Consider ways to deliver appropriate people management and development functions to a much larger staffing cohort following transfers into DCIS under the Corporate Services Reform Program.

Legislative Compliance

Reporting against Employment Instructions

Employment Instructions are rules relating to the functions and powers of the Commissioner for Public Employment under the *Public Sector Employment and Management Act 1995*.

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

Number 1 – Filling Vacancies	
Internal procedures on recruitment and selection	402 Requests to Fill (RTF) were completed
	174 vacancies were advertised externally
	Average time to fill was 60 days for 128 completed recruitment processes
	94 new staff commenced
	91 criminal history checks lodged
	59 people transferred into DCIS from other agencies
	14 transfers formally occurred under PSEMA s.35

Number 2 – Probation	
Probationary process for the agency	Managers and new employees are informed about the probation processes. There were 38 staff on probation for the period 2018-19.
	Staff on probation for 6 months or under:
	■ 27 employees were confirmed
	■ 1 employee was extended
	Of the staff on 12 months probations:
	■ 7 employees were confirmed

Number 3 – Natural Justice	
The principles of natural justice to be observed in all dealings with employees	The principles of natural justice are integral to addressing employee related matters and are detailed in the DCIS Orientation Program to ensure staff awareness. An early intervention approach is applied. All complaints received were provided to the named parties as part of due process to have opportunity to respond in accordance with the principles of natural justice. Any adverse referee reports were advised to the applicant with opportunity to respond in accordance with the principles of natural justice.

Number 4 – Employee Performance Management and Development Systems	
Chief Executive to develop and implement performance management systems for their agency	The Performance Management system in DCIS is called myPlan.
	Information sessions were provided to staff to promote the myPlan performance review and Senior Classification Pay Progression scheme. The department has a strong focus on ensuring all staff participate in the myPlan process.
	■ 674 (97%) of staff completed their myPlans.
	■ 13 (11%) of senior administrative officers approved for pay progression.

Number 5 – Medical Examinations	
The Chief Executive may engage a health practitioner to conduct a medical examination of an employee (PSEMA s45)	Early intervention action is taken to minimise referral for medical consultations. The services of the employee assistance programs are promoted regularly to staff and detailed in the Orientation Program.
	Four staff are being managed in accordance with early intervention strategies. One has progressed to being referred for a medical examination.

Number 6 – Performance and Inability	
The Chief Executive may establish procedures regarding inability within their agency.(PSEMA s44)	Performance and inability action is addressed through an early intervention approach in consultation with staff and managers.

Number 7 – Discipline

The Chief Executive may establish procedures regarding discipline within their agency. (PSEMA s49)	Breaches of conduct and discipline matters are addressed in accordance with Employment Instructions. There were three discipline cases in 2018-19. One was resolved during the reporting period.

Number 8 – Internal Agency Complaints and Section 59 Grievance Reviews

Chief Executive to establish, and make available to staff, the agency's written procedures that outline steps for dealing with grievances. (PSEMA s59)	Managers and employees are informed of the internal complaint handling process. Sixteen complaints were made under the DCIS internal complaint handling process during 2018-19; and were resolved without escalating to section 59 review. One complaint was submitted directly to OCPE for section 59 review in 2018-19 and was referred to DCIS to progress.

Number 9 – Employment Records

Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.	Staff are informed of the records and information management requirements using the Territory Records Management system. Regular training is provided regarding requirements to manage records electronically. Confidential HR Staff files are held electronically in accordance with clause 5.

Number 10 – Equality of Employment Opportunity Programs

Chief Executive to report annually to OCPE on programs and initiatives the agency has developed regarding equal employment opportunities.	Workplace diversity and equal employment opportunity is promoted through an inclusive management and leadership approach, that values the contributions of people from different cultural backgrounds, skills, knowledge and experience. Cultural diversity is also addressed in the DCIS Cultural Competency Training Program. DCIS has a diverse workforce, including staff from a wide range of non-English speaking backgrounds. Statistics are provided earlier in this section.

Number 11 – Occupational Health and Safety Standards Programs

Chief Executive to report annually to the OCPE on work, health and safety programs.	The department has a Work Health and Safety (WHS) Management Committee and Workplace Building Management Committees for each building. WHS is promoted via the staff site, quarterly reports to the Executive Management Board and the DCIS Orientation Program. The annual flu vaccination program was made available to all staff with 310 staff participating in 2018-19.

Number 12 – Code of Conduct

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

Number 13 – Appropriate Workplace Behaviour

Chief Executive must develop and implement an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect.	Appropriate workplace behaviour for new employees is covered in the DCIS Orientation Program. The presentations include the Code of Conduct, Public Sector Principles and DCIS Values. Workshops on Building Positive Workplace Culture, Managing Conflict, Managing Complaints, Giving and Receiving Feedback and Managing Poor Performance continued to be delivered in 2018-19. These workshops are designed to assist team leaders and managers develop their skills in managing employees. Specific advice on encouraging appropriate behaviour and managing inappropriate behaviour in the workplace is provided on a case-by-case basis. Where possible, early intervention action is initiated in order to minimise cases. There were 12 workplace behaviour matters addressed in 2018-19.

5a

Department of Corporate and Information Services Financial Report

Financial Statement Overview

For the year ended 30 June 2019

Financial Performance (Comprehensive Operating Statement)

The financial performance of the Department of Corporate and Information Services (DCIS) is presented in two ways. Table 1 compares the department's performance with the final approved budget for DCIS and Table 2 compares the current year performance with the previous year. More details are provided in subsequent commentary and analysis in Tables 3 to 5. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 6 and related commentary.

‣ Table 1: 2018-19 Final Budget and Performance

	2018-19		
	Actual $000	Final Budget $000	Variation $000
Income	219 083	205 650	13 433
Expenses	209 851	213 274	3 423
Surplus/(deficit)	9 232	**(7 624)**	16 856
Other comprehensive income	-	-	-
Comprehensive result	**9 232**	**(7 624)**	**16 856**

DCIS' overall operating financial performance showed a surplus of $9.2 million compared with an expected final budgeted deficit of $7.6 million. The primary reasons for the surplus were the recognition of a one-off ICT income adjustment of $12.3 million relating to ICT licencing costs for the ICT clearing account and a timing change for the release of a $2.0 million grant payment for the remote telecommunications program, now occurring in the 2019-20 financial year.

‣ Table 2: 2018-19 and 2017-18 Performance

	Actual $000		Variation $000
	2018-19	2017-18	
Income	219 083	204 714	14 369
Expenses	209 851	209 936	85
Surplus/(deficit)	**9 232**	**(5 222)**	**14 454**
Other comprehensive Income	-	-	-
Comprehensive result	**9 232**	**(5 222)**	**14 454**

DCIS overall operating financial performance showed a $9.2 million surplus for the current year compared with a $5.2 million deficit for the same period last year. The primary reason for the higher income was the one-off budget adjustment for the ICT income of $12.3 million in 2018-19.

Income

DCIS is funded through a combination of Northern Territory Government appropriation and goods and services income from GBDs and GOCs. DCIS services are billed under a charging model that is based on service usage, including notional charges applied to general agencies.

‣ Table 3: Income by Category

Year	Output appropriation		Goods and services		Other income		Total	
	$000	%	$000	%	$000	%	$000	%
2018-19	141 233	64.5	76 176	34.8	1 674	0.7	219 083	100
2017-18	141 220	69.0	62 382	30.5	1 112	0.5	204 714	100

The primary increase in goods and services income is due to the one-off recognition of $12.3 million for ICT revenue. Other income increased due to the recovery of expenses undertaken on behalf of other agencies.

Department of **Corporate and Information Services**

Expenses

DCIS expenses are primarily related to leased property management for government, employee costs and digital (information, communications and technology costs) reflecting DCIS' focus on its digital transformation initiatives.

▸ Table 4: Expenses by Category

Year	Property		Employee		Digital		Operational		Grants		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2018-19	89 639	42.7	56 893	27.1	43 555	20.8	16 392	7.8	3 372	1.6	209 851	100
2017-18	87 570	41.8	55 872	26.6	46 565	22.2	14 722	7.0	5 207	2.5	209 936	100

The major expense increase was $2.1 million in property leasing due to the movement in the leased property portfolio reflecting additional agency and GBD requirements. Employee expenses increased in line with wages growth in accordance with the NTPS Enterprise Bargaining Agreement. Decrease in digital expenses is primarily due to the timing of ICT licencing payments. Grants expense was lower in 2018-19 due to the timing of delivery of a major telecommunications program.

2018-19 Expenses and Final Budget by Output

Expenses are reported in Budget Papers and to the Department of Treasury and Finance by outputs and output groups. DCIS' output groups include:

- Shared Services – provide reliable and efficient shared services that support government and enable agencies to focus on core business.
- Digital Government – provide digital initiatives, advice and controls that support government and agencies in advancing digital innovation to improve government services.
- Corporate and Governance – provide corporate and governance services that effectively and efficiently support the department and its government business divisions.

▸ Table 5: 2018-19 Expenses and Final Budget by Output

	Actual $000	Final Budget $000	Variation $000
Shared services output group			
Finance services	23 358	23 963	605
Human resource services	29 940	30 835	895
Contract services	3 820	4 145	325
Information and communications technology services	34 560	35 089	529
Property leasing services	92 717	94 076	1 359
Shared services - total	**184 395**	**188 108**	**3 713**
Digital government output group			
Digital government	8 876	10 789	1 913
Project services	10 027	7 516	(2 511)
Digital government - total	**18 903**	**18 305**	**(598)**
Corporate and governance output group			
Corporate and governance	5 682	5 881	199
Shared services provided	871	980	109
Corporate and governance - total	**6 553**	**6 861**	**308**
Total	**209 851**	**213 274**	**3 423**

The primary output variations were:

- Human Resource Services – lower than expected expenditure across the output.
- Property Leasing Services – lower than anticipated rental increases due to lower CPI.
- Digital Government – timing for the release of grant payment for the remote telecommunications co-investment program.
- Project Services – changes to the classification of costs between operational and capital for enterprise digital projects.

Financial Position (Balance Sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of the department at the end of the financial year. The table below compares the department's financial position as at 30 June 2019 with the position at 30 June 2018.

▸ Table 6: 2018-19 and 2017-18 Financial Position

	2018-19 $000	2017-18 $000	Variation $000
Assets			
Current assets	79 826	51 607	28 219
Non-current assets	89 910	63 343	26 567
Total assets	**169 736**	**114 950**	**54 786**
Liabilities			
Current liabilities	23 412	24 022	610
Non-current liabilities	-	-	-
Total liabilities	**23 412**	**24 022**	**610**
Net assets	**146 324**	**90 928**	**55 396**
Equity	146 324	90 928	55 396
Total equity	**146 324**	**90 928**	**55 396**

DCIS' net asset position at the end of 2018-19 was $146.3 million, compared with the previous year's position of $90.9 million, an increase of $55.4 million.

This improvement is largely due to an increase in current assets and non-current assets. The current assets, primarily cash and deposits, increased as a result of the timing of expenditure for the major ICT projects that carried over from 2018-19 to 2019-20 and the one-off increase in ICT income. The increase in non-current assets primarily relate to property, plant and equipment purchases for major ICT projects.

DCIS' major assets at 30 June 2019 included:

Current Assets

- $64.9 million cash and deposits

- $3.9 million receivables (GST receivable, outstanding service fees and property leasing charges)
- $11.0 million prepayments (primarily related to the property leasing portfolio)

Non-Current Assets

- $89.9 million property, plant and equipment (including software, buildings and leasehold improvements).

DCIS' major current liabilities at 30 June 2019 included:

- $5.4 million deposits held in the Accountable Officer's Trust Account (AOTA) and clearing account
- $9.2 million payables and accrued expenses
- $8.8 million provisions for employee entitlements.

Certification of the Financial Statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2019 and the financial position on that date.

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

Kathleen Robinson
Chief Executive
30 August 2019

Rex Schoolmeester
Chief Financial Officer
30 August 2019

Department of **Corporate and Information Services**

Comprehensive Operating Statement

For the year ended 30 June 2019

	Note	2019 $000	2018 $000
Income			
Appropriation			
Output		141 233	141 220
Sales of goods and services		76 176	62 382
Other income		1 674	1 112
Total income	3	**219 083**	**204 714**
Expenses			
Employee expenses		56 893	55 872
Administrative expenses			
Property management		89 639	87 570
Purchases of goods and services	5	53 033	54 804
Repairs and maintenance		135	229
Depreciation and amortisation	12, 20	6 780	6 235
Other administrative expenses		(1)	19
Grants and subsidies expenses			
Current		322	207
Capital		3 050	5 000
Total expenses	3	**209 851**	**209 936**
Net surplus/(deficit)		**9 232**	**(5 222)**
Comprehensive result		**9 232**	**(5 222)**

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

Balance Sheet

As at 30 June 2019

	Note	2019 $000	2018 $000
Assets			
Current assets			
Cash and deposits	7	64 943	39 302
Receivables	9	3 858	4 021
Prepayments	10	11 025	8 284
Total current assets		**79 826**	**51 607**
Non-current assets			
Property, plant and equipment	12, 20	89 910	63 343
Total non-current assets		**89 910**	**63 343**
Total assets		**169 736**	**114 950**
Liabilities			
Current liabilities			
Deposits held	17	5 394	8 322
Payables	14	9 217	6 978
Provisions	16	8 801	8 722
Total current liabilities		**23 412**	**24 022**
Total liabilities		**23 412**	**24 022**
Net assets		**146 324**	**90 928**
Equity			
Capital		137 142	90 977
Reserves	19	-	-
Accumulated funds		9 182	(49)
Total equity		**146 324**	**90 928**

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 2019

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		$000	$000	$000	$000
2018-19					
Accumulated funds		(49)	9 232	-	9 182
Changes in accounting policy		-	-	-	-
Transfers from reserves		-	-	-	-
		(49)	**9 232**	**-**	**9 182**
Reserves					
Asset revaluation reserve	19	-	-	-	-
Asset realisation reserve		-	-	-	-
Capital – Transactions with owners					
Equity injections					
Capital appropriation		76 217	-	45 082	121 299
Equity transfers in		80 678	-	83	80 761
Other equity injections		14 343	-	1 000	15 343
Equity withdrawals					
Capital withdrawal		(34 060)	-	-	(34 060)
Equity transfers out		(46 201)	-	-	(46 201)
		90 977	**-**	**46 165**	**137 142**
Total equity at end of financial year		**90 928**	**9 232**	**46 165**	**146 324**
2017-18					
Accumulated funds		5 172	(5 222)	-	(49)
Changes in accounting policy		-	-	-	-
Transfers from reserves		-	-	-	-
		5 172	**(5 222)**	**-**	**(49)**
Reserves					
Asset revaluation reserve	19	-	-	-	-
Asset realisation reserve		-	-	-	-
Capital – Transactions with owners		81 408	-	-	81 408
Equity injections					
Capital appropriation		-	-	6 398	6 398
Equity transfers in		-	-	171	171
Other equity injections		-	-	3 000	3 000
Equity withdrawals		-	-	-	-
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
		81 408	**-**	**9 569**	**90 977**
Total equity at end of financial year		**86 580**	**(5 222)**	**9 569**	**90 928**

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

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 $000	2018 $000
Cash flows from operating activities			
Operating receipts			
Appropriation			
Output		141 233	141 220
Commonwealth		-	-
Receipts from sales of goods and services		105 950	91 185
Interest received		-	-
Total operating receipts		**247 183**	**232 405**
Operating payments			
Payments to employees		(56 785)	(55 260)
Payments for goods and services		(171 274)	(168 951)
Grants and subsidies paid			
Current		(322)	(207)
Capital		(3 050)	(5 000)
Total operating payments		**(231 431)**	**(229 418)**
Net cash from/(used in) operating activities	8	**15 752**	**2 987**
Cash flows from investing activities			
Investing payments			
Purchases of assets		(33 264)	(23 485)
Total investing payments		**(33 264)**	**(23 485)**
Net cash from/(used in) investing activities		**(33 264)**	**(23 485)**
Cash flows from financing activities			
Financing receipts			
Proceeds of borrowings		-	-
Deposits received		(2 929)	3 592
Equity injections			
Capital appropriation		45 082	6 398
Other equity Injections		1 000	3 000
Total financing receipts		**43 153**	**12 990**
Financing payments			
Equity withdrawals		-	-
Total financing payments		**-**	**-**
Net cash from/(used in) financing activities		**43 153**	**12 990**
Net increase/(decrease) in cash held		25 641	(7 508)
Cash at beginning of financial year		39 302	46 811
Cash at end of financial year	7	**64 943**	**39 302**

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

Department of **Corporate and Information Services**

Index of notes to the Financial Statements

Note	
1	Objectives and Funding
2	Statement of Significant Accounting Policies
3	Comprehensive Operating Statement by Output Group
Income	
4	Gain on Disposal of Assets
Expenses	
5	Purchases of Goods and Services
6	Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments
Assets	
7	Cash and Deposits
8	Cash Flow Reconciliation
9	Receivables
10	Prepayments
11	Advances and Investments
12	Property, Plant and Equipment
13	Intangibles
Liabilities	
14	Payables
15	Borrowings and Advances
16	Provisions
17	Other Liabilities
18	Commitments
Equity	
19	Reserves
Other Disclosures	
20	Fair Value Measurement
21	Financial Instruments
22	Related Parties
23	Contingent Liabilities and Contingent Assets
24	Events Subsequent to Balance Date
25	Accountable Officer's Trust Account
26	Schedule of Administered Territory Items
27	Budgetary Information

1. Objectives and Funding

The objective of the Department of Corporate and Information Services (DCIS) is to provide shared corporate and ICT services to support government agencies. This includes financial and human resource administration, contract services, property leasing services, management of government vehicle fleet, ICT network architecture and management, cyber security, outsourced contract management, central service coordination, corporate systems operation, ICT infrastructure, data management and enterprise project services, which incorporates delivery of all-of-government and enterprise solutions. The department also has a digital leadership role to support government and agencies in advancing digital initiatives through the Office of Digital Government. Digital governance covers digital strategy, digital policy, telecommunications policy and programs, ICT governance, data strategy, digital communications and cyber security strategy.

DCIS is predominantly funded by, and is dependent on, the receipt of Parliamentary appropriations. The financial statements encompass all funds through which DCIS controls resources to carry on its functions and deliver its outputs.

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

2. Statement of Significant Accounting Policies

a) Statement of Compliance

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

(i) a Certification of the Financial Statements

(ii) a Comprehensive Operating Statement

(iii) a Balance Sheet

(iv) a Statement of Changes in Equity

(v) a Cash Flow Statement

(vi) applicable explanatory notes to the financial statements.

b) Basis of Accounting

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

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

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

Standards and Interpretations Effective from 2018-19

AASB 9 Financial Instruments

DCIS applied AASB 9 for the first time in 2018-19. AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. DCIS has not restated the comparative information, which continues to be reported under AASB 139. Where applicable, differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and Measurement

Financial instruments have been reclassified into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of these instruments is based on the DCIS' business model for managing the financial assets and the contractual terms of the cash flows.

The classification and measurement requirements of AASB 9 did not have a significant impact to DCIS.

DCIS has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for DCIS' financial liabilities.

	Balances at 30 June 2018	AASB 9 Categories Balances at 1 July 2018			
		Fair value through profit or loss		Amortised cost	Fair value through OCI
		Mandatorily at fair value	Designated at fair value		
AASB 139 categories	**$000**	**$000**	**$000**	**$000**	**$000**
Loans and receivables					
Receivables	1 047	-	-	1 047	-
	1 047	**-**	**-**	**1 047**	**-**

Impairment

The adoption of AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss (ECL) approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss.

There has been no changes to impairment losses following the adoption of AASB 9.

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

Standards and Interpretations Issued but Not Yet Effective

No Australian accounting standards have been early adopted for 2018-19.

On the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have an impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported for the first time in the department's 2019-20 financial statements. When effective, the standard will supersede AASB 117 Leases and will require the majority of leases to be recognised on the balance sheet.

DCIS holds the NT Government's commercial property lease portfolio as a lessee and is significantly affected by the introduction of the AASB16 from 2019-20.

For lessees with operating leases, a right-of-use asset will be included in the balance sheet together with a lease liability for all leases with a term of 12 months or more, unless the underlying assets are of low value. From 2019-20, the Comprehensive Operating Statement will no longer report operating lease rental payments. Instead, amortisation expense will be recognised relating to the right-of-use asset and interest expense relating to the lease liability.

The right-of-use asset will be amortised generally on a straight-line basis while the lease liability will reduce to reflect lease payments made and increase to reflect the interest on the liability. Consistent with the methodology applied to other long term liabilities, the lease liability is discounted using the Territory Bond rates. As the lease term progresses, the carrying amount of the asset (cost less accumulated amortisation) is likely to reduce more quickly than the liability, resulting in a lower net asset in the earlier stages of the lease arrangement.

The modified retrospective approach has been elected to transition to the new lease standard. This approach does not require restatement of comparative years and the cumulative impact is accounted for as an equal adjustment to the right-of-use asset and lease liabilities, thus, having no impact on DCIS' net assets at initial adoption.

Consequently, it is expected that in 2019-20 approximately $471 million will be recognised in the balance sheet as a lease liability and corresponding right to use asset.

For lessors, the finance and operating lease distinction remains largely unchanged.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported for the first time in 2019-20 financial statements.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.

Under AASB 15, revenue from agreements which are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third party beneficiary will be recognised when or as performance obligations are satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

Where a transaction does not meet the criteria above or is classified as a donation transaction, revenue will be accounted for in accordance with AASB 1058.

The standard will not likely affect DCIS' liability (unearned revenue).

c) Reporting Entity

The financial statements cover the department as an individual reporting entity. DCIS is a Northern Territory department established under the *Interpretation Act 1978* and specified in the *Administrative Arrangements Order*.

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

DCIS has no controlled entities.

d) DCIS and Territory Items

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

Central Holding Authority

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

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

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

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in DCIS's financial statements. However, as DCIS is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 26 – Schedule of Administered Territory Items.

e) Comparatives

Where necessary, comparative information for the 2017-18 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There has been no changes in accounting policies adopted in 2018-19 as a result of management decisions.

h) Accounting Judgments and Estimates

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

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

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

i) Goods and Services Tax (GST)

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

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

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

j) Contributions by and Distributions to Government

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

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

3. Comprehensive Operating Statement by Output Group

	Note	Shared services		Digital government		Corporate and governance		Total	
		2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
Income									
Appropriation									
Output		125 237	125 319	10 610	10 515	5 386	5 386	141 233	141 220
Sales of goods and services		75 510	61 719	2	-	664	663	76 176	62 382
Other income		746	874	808	215	120	23	1 674	1 112
Total income		**201 493**	**187 912**	**11 420**	**10 730**	**6 170**	**6 072**	**219 083**	**204 714**
Expenses									
Employee expenses		44 832	47 272	6 642	3 678	5 419	4 923	56 893	55 873
Administrative expenses									
Property management		89 396	87 519	83	17	160	34	89 639	87 570
Purchases of goods and services	5	43 580	52 705	8 614	1 251	839	847	53 033	54 803
Repairs and maintenance		-	31	-	-	135	199	135	230
Depreciation and amortisation	12	6 588	6 235	192	-	-	-	6 780	6 235
Other administrative expenses	5	(1)	11	-	-	-	7	(1)	18
Grants and subsidies expenses									
Current		-	-	322	207	-	-	322	207
Capital		-	-	3 050	5 000	-	-	3 050	5 000
Total expenses		**184 395**	**193 773**	**18 903**	**10 153**	**6 553**	**6 010**	**209 851**	**209 936**
Net surplus / (deficit)		**17 098**	**(5 861)**	**(7 483)**	**577**	**(383)**	**62**	**9 232**	**(5 222)**
Other comprehensive income									
Items that will not be reclassified to net surplus/ deficit									
Changes in asset revaluation reserve		-	-	-	-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Comprehensive result		**17 098**	**(5 861)**	**(7 483)**	**577**	**(383)**	**62**	**9 232**	**(5 222)**

This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements

Income

Income encompasses both revenue and gains.

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

Grants and Other Contributions

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

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

Appropriation

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of DCIS outputs after taking into account funding from DCIS income. It does not include any allowance for major non-cash costs, such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then passed on to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which DCIS gains control of the funds.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- DCIS retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to DCIS
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

4. Gain on Disposal of Assets

DCIS has no gain on disposal of assets in 2018-19 and 2017-18.

5. Purchases of Goods and Services

The net surplus/(deficit) has been arrived at after charging the following expenses:

	2019 $000	2018 $000
Goods and services expenses:		
Information technology charges	12 780	14 188
Information technology hardware and software	17 286	17 075
Telecommunications	1 039	1 356
Contractors and consultants [1]	16 043	18 270
Advertising [2]	112	-
Marketing and promotion [3]	191	164
Document production	99	133
Legal expenses [4]	262	77
Recruitment [5]	420	56
Training and study	635	647
Official duty fares	98	88
Travelling allowance	26	25
Other	4 042	2 725
Total[6]	**53 033**	**54 804**

[1] Includes IT contractors and consultants, marketing and promotion.

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

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

[4] Includes legal fees, claim and settlement costs.

[5] Includes recruitment-related advertising costs.

[6] 2017-18 figures were adjusted from the published version to match the total purchase of goods and services reported in the Comprehensive Operating Statement.

Property Management Expense

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

Repairs and Maintenance Expense

Funding is received for repairs and maintenance works associated with DCIS assets as part of output appropriation. Costs associated with repairs and maintenance works on DCIS assets are expensed as incurred.

Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred. Interest expense is anticipated in the 2019-20 financial year due to the adoption of AASB16.

6. Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

	Agency		Agency		Territory Items		Territory Items	
	2019 $000	No. of Trans.	2018 $000	No. of Trans.	2019 $000	No. of Trans.	2018 $000	No. of Trans.
Write-offs, Postponements and Waivers Under the *Financial Management Act 1995*	15	2						
Represented by:								
Amounts written off, postponed and waived by the Treasurer								
Irrecoverable amounts payable to the Territory or an agency written off	15	2	-	-	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
Total written off, postponed and waived by the Treasurer	15	2	-	-	-	-	-	-

7. Cash and Deposits

	2019 $000	2018 $000
Cash on hand	51	54
Cash at bank	64 892	39 248
	64 943	**39 302**

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

8. Cash Flow Reconciliation

a) Reconciliation of Cash

The total of DCIS' 'Cash and deposits' of $64.9 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

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

	2019 $000	2018 $000
Net surplus/(deficit)	9 232	(5 222)
Non-cash items:		
Depreciation and amortisation	6 780	6 235
Asset write-offs/write-downs	-	-
Asset donations/gifts	-	-
(Gain)/Loss on disposal of assets	-	-
Repairs and maintenance – minor new works (non-cash)	-	33
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	163	104
Decrease/(Increase) in prepayments	(2 741)	158
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	2 238	1 106
(Decrease)/Increase in provision for employee benefits	40	509
(Decrease)/Increase in other provisions	40	63
(Decrease)/Increase in other liabilities	-	-
Net cash from operating activities	**15 752**	**2 986**

b) Reconciliation of Liabilities Arising from Financing Activities

		Cash flows				Other		
	1 July	Deposits received	Appropriation	Equity injections/ withdrawals	Total cash flows	Other	Total other	30 June
2018-19	$000	$000	$000	$000	$000	$000	$000	$000
Deposits held	8 322	(2 929)	-	-	(2 929)	-	-	5 393
Provisions	-	-	-	-	-	-	-	-
Equity injections/ withdrawals	90 977	-	45 082	1 000	46 082	83	83	137 142
Total	**99 299**	**(2 929)**	**45 082**	**1 000**	**43 153**	**83**	**83**	**142 535**

| 2017-18 | 1 July | Cash flows | | | | | Other | | 30 June |
| | | Deposits received | Appropriation | Equity injections/ withdrawals | Total cash flows | Other | Total other | |
	$000	$000	$000	$000	$000	$000	$000	$000
Deposits held	4 730	3 592	-	-	3 592	-	-	8 322
Provisions	-	-	-	-	-	-	-	-
Equity injections/ withdrawals	81 408	-	6 398	3 000	9 398	171	171	90 977
Total	**86 138**	**3 592**	**6 398**	**3 000**	**12 990**	**171**	**171**	**99 299**

c) Non-Cash Financing and Investing Activities

Finance lease transactions

DCIS has no finance lease commitments.

9. Receivables

	2019 $000	2018 $000
Current		
Accounts receivable	1 046	1 066
Less: Loss allowance	(3)	(19)
	1 043	**1 047**
Interest receivables	-	-
GST receivables	2 519	2 864
Other receivables	296	110
	2 815	**2 974**
Non-current		
Other receivables	-	-
	-	**-**
Total receivables	**3 858**	**4 021**

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

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

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

Credit Risk Exposure of Receivables

Receivables are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. The entity applies the AASB 9 simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

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

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

Credit risk for the comparative year is assessed under AASB 139 and is based on objective evidence of impairment.

The loss allowance for receivables as at the reporting date is disclosed below.

	2019				2018		
	Gross receivables $000	Loss rate %	Expected credit losses $000	Net receivables $000	Aging of receivables $000	Impairment allowance $000	Net receivables $000
Internal receivables							
Not overdue	974	-	-	974	913	-	913
Overdue for less than 30 days	1	-	-	1	6	-	6
Overdue for 30 to 60 days	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-
Total internal receivables	**975**	**-**	**-**	**975**	**919**	**-**	**919**
External receivables							
Not overdue	-	-	-	-	33	-	33
Overdue for less than 30 days	-	-	-	-	24	-	24
Overdue for 30 to 60 days	1	-	-	1	-	-	-
Overdue for more than 60 days	70	3.8	3	67	90	19	71
Total internal receivables	**71**	**3.8**	**3**	**68**	**147**	**19**	**128**

Total amounts disclosed exclude statutory amounts.

Reconciliation of Loss Allowance for Receivables

	2019 $000	2018 $000
Internal receivables		
Opening balance	-	-
Adjustment on adoption of AASB 9	-	-
Adjusted opening balance	-	-
Written off during the year	-	-
Recovered during the year	-	-
Increase/decrease in allowance recognised in profit or loss	-	-
Total internal receivables	-	-
External receivables		
Opening balance	18	18
Adjustment on adoption of AASB 9	-	-
Adjusted opening balance	18	18
Written off during the year	(15)	-
Recovered during the year	-	-
Increase/decrease in allowance recognised in profit or loss	-	-
Total external receivables	**3**	**18**

Prepayments

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

10. Prepayments

	2019 $000	2018 $000
Current assets		
Prepayments	11 025	8 284
Total prepayments	**11 025**	**8 284**

DCIS prepayments include software licenses and related software and hardware support services.

11. Advances and Investments

DCIS had no advances paid, equity accounted investments and investments in shares for the 2018-19 financial year.

Department of **Corporate and Information Services**

12. Property, Plant and Equipment

	2019 $000	2018 $000
Plant and equipment		
At fair value	92 248	70 042
Less: Accumulated depreciation	(14 790)	(11 982)
	77 458	**58 060**
Computer software		
At cost	24 737	15 038
Less: Accumulated depreciation	(15 586)	(12 997)
	9 151	**2 041**
Computer hardware		
At cost	9 188	7 746
Less: Accumulated depreciation	(5 887)	(4 504)
	3 301	**3 242**
Total property, plant and equipment	**89 910**	**63 343**

2019 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2018-19 is set out below:

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying amount as at 1 July 2018	58 060	2 040	3 243	63 343
Additions	22 123	9 699	1 442	33 264
Disposals	-	-	-	-
Depreciation/amortisation	(2 808)	(2 588)	(1 384)	(6 780)
Additions/(disposals) from asset transfers	83	-	-	83
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	-	-	-	-
Carrying Amount as at 30 June 2019	**77 458**	**9 151**	**3 301**	**89 910**

12. Property, Plant and Equipment (continued)

2018 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying amount as at 1 July 2017	39 515	3 364	3 077	45 956
Additions	21 395	438	1 789	23 622
Disposals	-	-	-	-
Depreciation/amortisation	(2 850)	(1 762)	(1 623)	(6 235)
Additions/(disposals) from asset transfers	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	-	-	-	-
Carrying Amount as at 30 June 2018	**58 060**	**2 040**	**3 243**	**63 343**

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

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

Construction (Work in Progress)

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

Revaluations and Impairment

Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with

sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- infrastructure assets
- intangibles.

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

Impairment of Assets

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

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

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 19 provides additional information in relation to the asset revaluation surplus.

DCIS' property, plant and equipment assets were assessed for impairment as at 30 June 2019. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

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

	2019	2018
Plant and equipment	10 years	10 years
Leased plant and equipment	5 years	5 years
Computer software – general (off the shelf)	2-5 years	2-5 years
Computer software - corporate systems	5-10 years	5-10 years
Computer hardware	3-6 years	3-6 years

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

13. Intangibles

DCIS had no intangible assets in 2018-19 and 2017-18.

Assets Held for Sale

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

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

Leased Assets

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

Finance Leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

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

Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space are recognised as an integral part of the consideration for the use of the leased asset. Lease incentives should be recognised as a deduction of the lease expenses over the term of the lease. This treatment for operating leases will change in 2019-20 to comply with the new accounting standard AASB16. Please refer to note 2b.

14. Payables

	2019 $000	2018 $000
Accounts payable	5 092	2 212
Accrued expenses	4 125	4 766
Total payables	**9 217**	**6 978**

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

15. Borrowings and Advances

DCIS had no borrowings and advances for the 2018-19 and 2017-18 financial year.

16. Provisions

	2019 $000	2018 $000
Current		
Employee benefits		
Recreation leave	6 736	6 760
Leave loading	954	885
Recreation leave airfares	99	105
Other current provisions		
Other provisions	1 012	972
	8 801	**8 722**
Non-current		
Employee benefits		
Recreation leave	-	-
Total provisions	**8 801**	**8 722**
Reconciliations of other provisions		
Balance as at 1 July	972	909
Additional provisions recognised	1 012	972
Reductions arising from payments	(972)	(909)
Balance as at 30 June	**1 012**	**972**

DCIS employed 561 employees as at 30 June 2019 (535 employees as at 30 June 2018).

Employee Benefits

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

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

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

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

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

17. Other Liabilities

	2019 $000	2018 $000
Current		
Financial guarantee liability	-	-
Deposits held	5 394	8 322
	5 394	**8 322**
Non-Current		
Other liabilities	-	-
Total other liabilities	**5 394**	**8 322**

Financial Guarantee Contracts

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

DCIS had no financial guarantee contracts for 2018-19.

Superannuation

Employees' superannuation entitlements are provided through the:

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

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

18. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments

Capital expenditure commitments primarily related to the building of hardware / software (SerPro, CCSRP). Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2019		2018	
	Internal $000	External $000	Internal $000	External $000
Within one year	-	3 899	-	-
Later than one year and not later than five years	-	19 587	-	-
Later than five years	-	-	-	-
	-	**23 486**	**-**	**-**

(ii) Operating Lease Commitments

Property

DCIS leases commercial property on behalf of government under non-cancellable operating leases expiring from 1 month to 25 years. Leases generally provide DCIS with a right of renewal at which time all lease terms are renegotiated.

DCIS also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

	2019		2018	
---	Internal $000	External $000	Internal $000	External $000
Within one year	296	70 582	309	72 215
Later than one year and not later than five years	726	195 634	897	216 862
Later than five years	-	137 179	-	163 263
	1 022	**403 395**	**1 206**	**452 340**

The property commitment amounts will be changing in the 2019-20 financial year following the adoption of AASB16. Please refer to note 2b.

(iii) Other Expenditure Commitments

DCIS has no other expenditure commitments.

19. Reserves

Asset Revaluation Surplus

DCIS has no asset revaluation surplus in 2018-19 and 2017-18.

20. Fair Value Measurement

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

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

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by DCIS include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/ functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, receivables and payables approximates their carrying amount, which is also their amortised cost.

a) Fair Value Hierarchy

DCIS does not recognise any financial assets or liabilities at fair value as these are recognised at amortised cost. The carrying amounts of these financial assets and liabilities approximates their fair value.

The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total fair value	
	2018-19 $000	2017-18 $000	2018-19 $000	2017-18 $000	2018-19 $000	2017-18 $000	2018-19 $000	2017-18 $000
Assets								
Plant and equipment, computer Hardware, computer software (Note 12)	-	-	-	-	89 910	63 343	89 910	63 343
Total assets	**-**	**-**	**-**	**-**	**89 910**	**63 343**	**89 910**	**63 343**

There were no transfers between Level 1 and Levels 2 or 3 during 2018-19.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2018-19 are:

	Level 2 techniques	Level 3 techniques
Asset classes		
Plant and equipment, computer hardware, computer software (Note 12)		Cost approach

There were no changes in valuation techniques from 2017-18 to 2018-19.

Plant and equipment are carried at cost less depreciation which is deemed to be closest to fair value.

c) Additional Information for Level 3 Fair Value Measurements

(i) Reconciliation of Recurring Level 3 Fair Value Measurements of Non-Financial Assets

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000
2018-19			
Fair value as at 1 July 2018	58 060	2 040	3 243
Additions	22 123	9 699	1 442
Disposals	-	-	-
Transfers from level 2	-	-	-
Transfers to level 2	-	-	-
Depreciation/amortisation	(2 808)	(2 588)	(1 384)
Additions/(disposals) from asset transfers	83	-	-
Impairments	-	-	-
Gains/losses recognised in net surplus/(deficit)	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2019	**77 458**	**9 151**	**3 301**
2017-18			
Fair value as at 1 July 2017	39 515	3 364	3 077
Additions	21 395	438	1 789
Disposals	-	-	-
Transfers from level 2	-	-	-
Transfers to level 2	-	-	-
Depreciation/amortisation	(2 850)	(1 762)	(1 623)
Additions/(disposals) from asset transfers	-	-	-
Impairments	-	-	-
Gains/losses recognised in net surplus/(deficit)	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2018	**58 060**	**2 040**	**3 243**

(ii) Sensitivity Analysis

Unobservable inputs used in computing the fair value of assets include the historical cost and the consumed economic benefit for each asset. Given the large number of DCIS assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

21. Financial Instruments

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

Financial assets and liabilities are recognised on the Balance Sheet when DCIS becomes a party to the contractual provisions of the financial instrument. DCIS' financial instruments include cash and deposits payables.

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

DCIS has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. NT Government's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

a) Categories of Financial Instruments

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

2018-19 Categories of Financial Instruments

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	$000	$000	$000	$000	$000
Cash and deposits	-	-	64 943	-	64 943
Receivables[1]	-	-	1 043	-	1 043
Total financial assets	**-**	**-**	**65 986**	**-**	**65 986**
Deposits held	-	-	5 394	-	5 394
Payables[1]	-	-	5 092	-	5 092
Total financial liabilities	**-**	**-**	**10 486**	**-**	**10 486**

[1]Total amounts disclosed exclude statutory amounts

2017-18 Categories of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading $000	Designated at fair value $000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	39 302	-	-	39 302
Receivables[1]	-	-	-	1 047	-	-	1 047
Total financial assets	**-**	**-**	**-**	**40 349**	**-**	**-**	**40 349**
Deposits held	-	-	-	-	-	8 322	8 322
Payables[1]	-	-	-	-	-	2 212	2 212
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**10 534**	**10 534**

[1]Total amounts disclosed exclude statutory amounts. Total amounts were adjusted from the published version to exclude accrued items which do not qualify as financial instruments.

Classification of Financial Instruments from 1 July 2018

From 1 July 2018, DCIS classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measure at amortised cost.

The classification depends on the DCIS' business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, DCIS has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

DCIS reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, DCIS measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification of Financial Instruments until 30 June 2018

DCIS has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with AASB 139.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables and
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL) and
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL. Financial instruments classified as at FVTPL are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables. Loans and receivables are measured initially at fair value and subsequently at amortised cost using the effective interest rate method less impairment.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. Available-for-sale financial assets are initially measured at fair value plus transaction costs and subsequently at fair value. Gains or losses are recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost are measured including all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

Derivatives

DCIS enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. DCIS does not speculate on trading of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the comprehensive operating statement immediately unless the derivative is designated and qualifies as an effective hedging instrument, in which event, the timing of the recognition in the comprehensive operating statement depends on the nature of the hedge relationship. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied.

Netting of Swap Transactions

DCIS, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the Comprehensive Operating Statement.

b) Credit Risk

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

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

Credit risk relating to receivables is disclosed in note 9 and advances paid in note 11.

c) Liquidity Risk

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

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

2019 Maturity Analysis for Financial Liabilities

	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Deposits held	5 394	5 394	-	-	5 394
Payables	5 092	5 092	-	-	5 092
Total financial liabilities	**10 486**	**10 486**	**-**	**-**	**10 486**

2018 Maturity Analysis for Financial Liabilities

	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Deposits held	8 322	8 322	-	-	8 322
Payables	2 212	2 212	-	-	2 212
Total financial liabilities	**10 534**	**10 534**	**-**	**-**	**10 534**

[1]Total amounts disclosed exclude statutory amounts. Total amounts were adjusted from the published version to exclude accrued items which do not qualify as financial instruments.

d) Market Risk

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

DCIS has relatively limited exposure to market risk.

(i) Interest Rate Risk

DCIS is not exposed to interest rate risk as financial assets and financial liabilities are non-interest bearing.

(ii) Price Risk

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

(iii) Currency Risk

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

22. Related parties

(i) Related Parties

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

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

(ii) Key Management Personnel (KMP)

KMP of DCIS are those persons having authority and responsibility for planning, directing and controlling the activities of DCIS. These include the Minister, the Chief Executive Officer and 11 members of the Executive Management Board of DCIS as listed on page 60.

(iii) Remuneration of KMP

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

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

	2018-19 $000	2017-18 $000
Short-term benefits	2 923	2 681
Post-employment benefits	316	312
Long-term benefits	-	-
Termination benefits	-	-
Total	**3 239**	**2 993**

(iv) Related Party Transactions:

Transactions with Northern Territory Government Controlled Entities

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

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

2019 Related party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NTG agencies	119 179	19 247	567	1 924

2018 Related party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NTG agencies	128 079	21 016	811	2 424

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

Other Related Party Transactions:

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. All other related party transactions in excess of $10,000 have been provided in the table below.

2019 Transaction type	Transaction value for year ended 30 June 2019 $000	Net receivable/(payable) as at 30 June 2019 $000	Commitments as at 30 June 2019 $000
Purchases of goods	14	-	7

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current year for bad or doubtful debts in respect of the amounts owed by related parties.

2018 Transaction type	Transaction value for year ended 30 June 2018 $000	Net receivable/(payable) as at 30 June 2018 $000	Commitments as at 30 June 2018 $000
Purchases of goods	14	-	7

23. Contingent Liabilities and Contingent Assets

DCIS had no material contingent liabilities or contingent assets
in 2018-19 and 2017-18.

24. 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.

25. Accountable Officer's Trust Account

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

Nature of trust money	Opening balance 1 July 2018	Receipts	Payments	Closing balance 30 June 2019
Retention money	Nil	-	-	**Nil**
Bond money	-	-	-	-
Security deposits	-	-	-	-
Unclaimed money	-	-	-	-
	Nil	-	-	**Nil**

26. Schedule of Administered Territory Items

The following Territory items are managed by DCIS on behalf
of the government and are recorded in the Central Holding
Authority (refer Note 2(d)).

	2019 $000	2018 $000
Territory income and expenses		
Income		
Other income	-	112
Total income	-	**112**
Expenses		
Central Holding Authority income transferred	-	112
Total expenses	-	**112**
Territory income less expenses	-	-

27. Budgetary Information

Comprehensive Operating Statement	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Income				
Appropriation				
Output	141 233	145 719	(4 486)	1
Commonwealth	-	-	-	
Sales of goods and services	76 176	61 054	15 122	2
Other income	1 674	70	1 604	3
Total income	**219 083**	**206 843**	**12 240**	
Expenses				
Employee expenses	56 893	57 784	891	
Administrative expenses				
Purchases of goods and services	142 672	143 331	659	
Repairs and maintenance	135	290	155	
Depreciation and amortisation	6 780	7 157	377	
Other administrative expenses	(1)	-	1	
Grants and subsidies expenses				
Current	322	218	(104)	
Capital	3 050	4 550	1 500	4
Total expenses	**209 851**	**213 330**	**3 479**	
Net surplus/(deficit)	**9 232**	**(6 487)**	**15 719**	
Other comprehensive income				
Items that will not be reclassified to net surplus/deficit				
Changes in asset revaluation surplus	-	-	-	
Total other comprehensive income	**-**	**-**	**-**	
	-	-	-	
Comprehensive result	**9 232**	**(6 487)**	**15 719**	

Notes:

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

1. Increased leased property requirements from agencies $2.1 million; minor IT projects $0.3 million; offset by transfer between years to align project delivery timeframes for major ICT projects -$4.0 million (Chan Data Centre $2.4 million, CCSRP $0.9 million, CMSA $0.7 million), parameter reduction for property leasing -$2.5 million and NT Agency Voluntary Redundancy budget savings -$0.4 million.

2. Recognition of a one-off ICT income adjustment relating to a change in the accounting policy for ICT licencing costs $12.3 million, increased demand for ICT infrastructure services $2.1 million and increased demand for shared services $0.7 million.

3. One-off cost recovery for projects undertaken on behalf of agencies $1.6 million.

4. Carryover from 2017-18 to 2018-19 for the Tiwi Islands Optic Fibre Connection project $0.5 million, offset by carryover of grant funding for the Remote Telecommunications Co-Investment Program with Telstra from 2018-19 to 2019-20 -$2.0 million.

Balance Sheet

	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Assets				
Current assets				
Cash and deposits	64 943	18 472	46 471	1
Receivables	3 858	4 127	(269)	
Prepayments	11 025	8 443	2 582	2
Total current assets	**79 826**	**31 042**	**48 784**	
Non-current assets				
Property, plant and equipment	89 910	161 260	(71 350)	3
Total non-current assets	**89 910**	**161 260**	**(71 350)**	
Total Assets	**169 736**	**192 302**	**(22 566)**	
Liabilities				
Current liabilities				
Deposits held	5 394	4 734	(660)	
Payables	9 217	5 871	(3 346)	4
Provisions	8 801	8 151	(650)	
Total current liabilities	**23 412**	**18 756**	**(4 656)**	
Total liabilities	**23 412**	**18 756**	**(4 656)**	
Net assets	**146 324**	**173 546**	**(27 222)**	
Equity				
Capital	137 142	189 969	(52 827)	
Reserves	-	-	-	
Accumulated funds	9 182	(16 423)	25 605	
Total equity	**146 324**	**173 546**	**(27 222)**	

Notes:

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

Further, the original published budget figure has not been adjusted to reflect the actual opening balances as at 1 July 2018.

1. Opening balance adjustment of $20.8 million plus the net increase in cash from the Cashflow Statement of $25.6 million.

2. Opening balance adjustment of $0.1 million plus the net increase in prepayments of $2.7 million primarily relating to ICT licensing.

3. Opening balance adjustment of -$98.0 million plus purchases of assets $33.2 million, offset by depreciation $6.6 million.

4. Opening balance adjustment of $1.1 million plus an increase in creditors of $2.2 million primarily as a result of increased ICT projects.

Cash Flow Statement

	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Cash flows from operating activities				
Operating receipts				
Appropriation				
Output	141 233	145 719	(4 486)	1
Receipts from sales of goods and services	105 950	61 124	44 826	2
Interest received	-	-	-	
Total operating receipts	**247 183**	**206 843**	**40 340**	
Operating payments				
Payments to employees	56 785	57 784	(999)	
Payments for goods and services	171 274	143 621	(27 653)	3
Grants and subsidies paid				
Current	322	218	(104)	
Capital	3 050	4 550	1 500	4
Total operating payments	**231 431**	**206 173**	**(25 258)**	
Net cash from/(used in) operating activities	**15 752**	**670**	**15 082**	
Cash flows from investing activities				
Investing payments				
Purchases of assets	33 264	103 341	70 077	5
Advances and investing payments	-	-	-	
Total investing payments	**33 264**	**103 341**	**70 077**	
Net cash from/(used in) investing activities	**(33 264)**	**(103 341)**	**70 077**	
Cash flows from financing activities				
Financing receipts				
Deposits received	(2 929)	-	(2 929)	6
Equity injections				
Capital appropriation	45 082	97 975	(52 893)	7
Commonwealth appropriation	-	-	-	
Other equity injections	1 000	1 000	-	
Total financing receipts	**43 153**	**98 975**	**(55 822)**	
Net cash from/(used in) financing activities	**43 153**	**98 975**	**(55 822)**	
Net increase/(decrease) in cash held	25 641	(3 696)	29 337	
Cash at beginning of financial year	39 302	22 168	17 134	
Cash at end of financial year	**64 943**	**18 472**	**46 471**	

Notes:

1. Increased leased property requirements from agencies $2.1 million; minor IT projects $0.3 million; offset by transfer between years to align project delivery timeframes for major ICT projects -$4.0 million (Chan Data Centre $2.4 million, CCSRP $0.9 million, CMSA $0.7 million), parameter reduction for property leasing -$2.5 million and NT Agency Voluntary Redundancy budget savings -$0.4 million.

2. GST receipts $22.3 million and Commonwealth paid parental leave $5.8 million not budgeted, recognition of a one-off ICT income adjustment relating to a change in the accounting policy for ICT licencing costs $12.3 million, increased demand for ICT infrastructure services $2.1 million, increased demand for shared services $0.7 million and one-off revenue for projects undertaken on behalf of agencies $1.6 million.

3. GST payment of $22.6 million, Commonwealth paid parental leave $5.8 million not budgeted and decrease in expenditure -$0.7 million.

4. Carryover from 2017-18 to 2018-19 for the Tiwi Islands Optic Fibre Connection project $0.5 million, offset by carryover of grant funding for the Remote Telecommunications Co-Investment Program with Telstra from 2018-19 to 2019-20 -$2.0 million.

5. Transfer of costs for major ICT projects from 2018-19 to 2019-20: CCSRP $50.8 million, SerPro $14.9 million, CMSA $4.5 million, Identity Management System $2.1 million, offset by e-Medication $1.7 million and New GDC $0.5 million.

6. Reduction in the ICT clearing account balance of $2.9 million.

7. Timing changes for the delivery of major ICT projects: CCSRP $35.1 million, SerPro $13.9 million, CMSA $4.1 million and Identity Management System $ 1.2 million offset by Chan Data Relocation -$1.4 million

5b

NT Fleet Financial Report

Financial Statement Overview

For the Year Ended 30 June 2019

Financial Performance (Comprehensive Operating Statement)

The financial performance of NT Fleet is presented in two main ways. Table 1 compares NT Fleet's performance with final approved budget and Table 2 compares performance between the current year and previous year. More details are provided in subsequent commentary and analysis in Tables 3 and 4. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 5 and related commentary.

▸ Table 1: 2018-19 Final Budget and Performance

	2018-19		
	Actual $000	Final Budget $000	Variation $000
Income	41 773	42 266	(493)
Expenses	32 732	32 915	183
Net surplus before tax	**9 041**	**9 351**	**(310)**
Income tax expense	2 712	2 805	93
Net surplus after tax	**6 329**	**6 546**	**(217)**
Other comprehensive income	-	-	-
Comprehensive result	**6 329**	**6 546**	**(217)**
Dividend (50%)	3 164	3 273	109

NT Fleet achieved an operating result for 2018-19 of $6.3 million after tax, which was $0.2 million below the final budget estimate of $6.5 million. The primary reason for this variance is the lower than expected income from the profit on sale of vehicles.

NT Fleet will pay an income tax equivalent of $2.7 million and return a dividend of $3.2 million to government for 2018-19.

▸ Table 2: 2018-19 and 2017-18 Performance

	2018-19 $000	2017-18 $000	Variation $000
Income	41 773	41 850	(77)
Expenses	32 732	32 503	(229)
Net surplus before tax	**9 041**	**9 347**	**(306)**
Income tax expense	2 712	2 804	92
Net surplus after tax	**6 329**	**6 543**	**(214)**
Other comprehensive income	-	-	-
Comprehensive result	**6 329**	**6 543**	**(214)**

Expenses increased primarily due to higher depreciation and amortisation resulting from higher price of vehicles. This resulted in a decrease in the comprehensive result of $0.2 million.

Income

NT Fleet's primary income source comes from vehicle lease charges. These services, classified under the income category of goods and services in Table 3 below, represented 94.9% of NT Fleet's total income, with the remainder made up of interest, gain on disposal of assets and miscellaneous income.

▸ Table 3: Income by Category

Year	Goods and services		Gain on disposal of assets		Investment		Other income		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%
2018-19	39 653	94.9	1 582	3.8	402	1.0	136	0.3	41 773	100
2017-18	39 535	94.5	1 833	4.4	345	0.8	136	0.3	41 850	100

Goods and services income increased primarily due to a slight increase in the number of vehicles leased. Gain on disposal of assets decreased primarily due to a reduction in the number of vehicles disposed during the period.

Expenses

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

▸ Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Total	
	$000	%	$000	%	$000	%	$000	%
2018-19	17 979	54.9	12 371	37.8	2 382	7.3	32 732	100
2017-18	17 640	54.3	12 467	38.3	2 396	7.4	32 503	100

The increase in depreciation expense compared to the previous year is attributed to an increase the purchase price of new light commercial and heavy vehicles acquired in the reporting year.

▸ Figure 1: Expenses ($Million) by Category
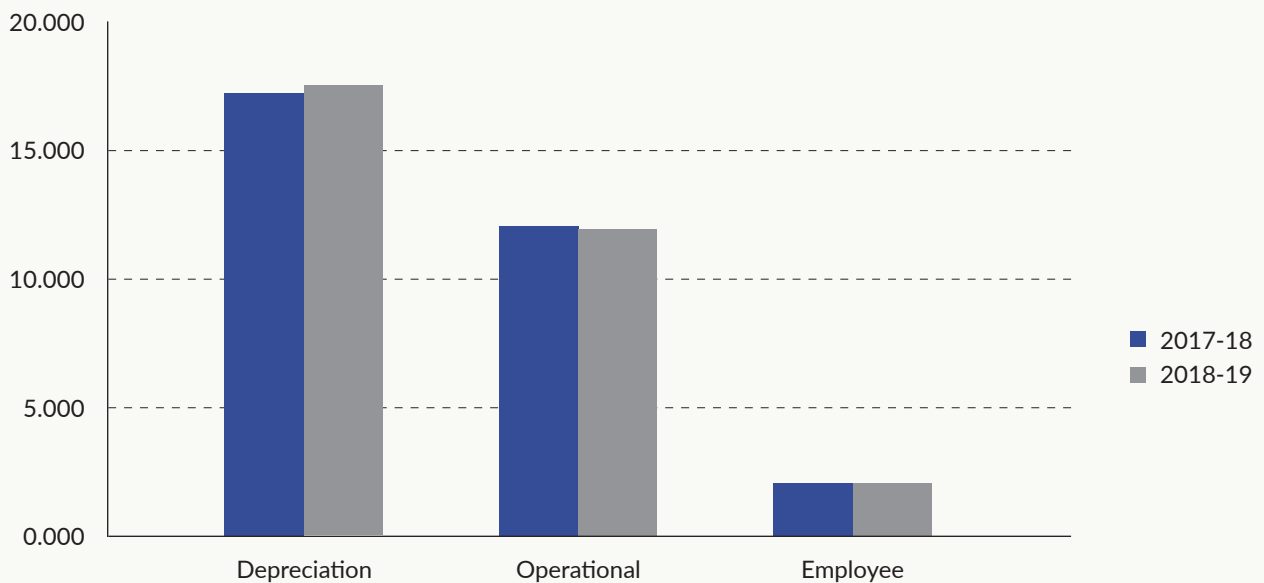
Financial Position (Balance Sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of NT Fleet at the end of the financial year. The table below compares NT Fleet's financial position as at 30 June 2019 with the position at 30 June 2018.

▸ Table 5: 2018-19 and 2017-18 Financial Position

	2018-19 $000	2017-18 $000	Variation $000
Assets			
Current assets	34 465	26 406	8 059
Non-current assets	96 262	101 671	(5 409)
Total assets	**130 727**	**128 077**	**2 650**
Liabilities			
Current liabilities	8 058	8 573	515
Non-current liabilities	-	-	-
Total liabilities	**8 058**	**8 573**	**515**
Net assets	**122 669**	**119 504**	**3 165**
Equity	122 669	119 504	3 165
Total equity	**122 669**	**119 504**	**3 165**

NT Fleet's net asset position at the end of 2018-19 was $122.7 million, compared with the previous year's position of $119.5 million, an increase of $3.2 million.

This improvement is largely due to an increase in current assets. The current assets, primarily cash and deposits, increased due to an improved cash inflow from operating activities and decreased purchases of assets. The decrease in non-current assets relates to property, plant and equipment (opening balance of $101.7 million plus purchases of $21.4 million, less sale of vehicles $10.7 million and less depreciation of $18.0 million, plus an asset adjustment of $1.9 million for assets held for sale).

Major assets at 30 June 2019 included:

Current Assets
- $32.3 million cash and deposits
- $0.7 million receivables
- $1.3 million assets held for disposal

Non-Current Assets
- $96.3 million property, plant and equipment (mainly motor vehicles)

Major liabilities at 30 June 2019 included:
- $1.8 million payables and accrued expenses
- $2.7 million income tax provisions
- $0.3 million provision for employee entitlements
- $3.2 million provision for dividend.

Certification of the Financial Statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2019 and the financial position on that date.

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

Kathleen Robinson
Chief Executive
11 September 2019

Rex Schoolmeester
Chief Financial Officer
11 September 2019

Department of **Corporate and Information Services**

Auditor-General

**Independent Auditor's Report
to the Minister for Corporate and Information Services**

NT Fleet

Page 1 of 2

Opinion

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2019, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Fleet as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Information Services is responsible for the other information. The other information comprises the information included in NT Fleet's financial statement overview for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing NT Fleet's financial reporting process.

Level 12 Northern Territory House   22 Mitchell Street   Darwin 0800   Tel: 08 8999 7155

Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NT Fleet's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NT Fleet's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause NT Fleet to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

17 September 2019

Level 12 Northern Territory House   22 Mitchell Street   Darwin 0800   Tel: 08 8999 7155

Comprehensive Operating Statement

For the year ended 30 June 2019

	Note	2019 $000	2018 $000
Income			
Sales of goods and services		39 653	39 536
Interest revenue		402	345
Gain on disposal of assets	3	1 582	1 833
Other income		136	136
Total income		**41 773**	**41 850**
Expenses			
Employee expenses		2 382	2 396
Administrative expenses			
Purchases of goods and services	4	12 371	12 467
Depreciation and amortisation	12	17 979	17 640
Total expenses		**32 732**	**32 503**
Surplus before income tax		**9 041**	**9 347**
Income tax expense	6	2 712	2 804
Net surplus		**6 329**	**6 543**
Comprehensive result		**6 329**	**6 543**

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

Balance Sheet

As at 30 June 2019

	Note	2019 $000	2018 $000
Assets			
Current assets			
Cash and deposits	7	32 284	22 663
Receivables	9	748	1 770
Prepayments	10	158	99
Assets held for sale		1 275	1 874
Total current assets		**34 465**	**26 406**
Non-current assets			
Property, plant and equipment	12	96 262	101 671
Total non-current assets		**96 262**	**101 671**
Total assets		**130 727**	**128 077**
Liabilities			
Current liabilities			
Payables	13,19	1 795	2 092
Income tax liabilities	14	2 712	2 804
Provisions	15	3 548	3 674
Other liabilities	16	3	3
Total liabilities		**8 058**	**8 573**
Net assets		**122 669**	**119 504**
Equity			
Capital	18	565	565
Accumulated funds	18	122 104	118 939
Total equity		**122 669**	**119 504**

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

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		$000	$000	$000	$000
2018-19					
Accumulated funds	18	118 939	6 329	-	125 268
Dividends payable	15	-	-	(3 164)	(3 164)
		118 939	**6 329**	**(3 164)**	**122 104**
Capital – Transactions with owners					
Equity transfers in	18	565	-	-	565
		565	**-**	**-**	**565**
Total equity at end of financial year		**119 504**	**6 329**	**(3 164)**	**122 669**
2017-18					
Accumulated funds	18	115 667	6 543	-	122 210
Dividends payable	15	-	-	(3 271)	(3 271)
		115 667	**6 543**	**(3 271)**	**118 939**
Capital – Transactions with owners					
Equity transfers in	18	565	-	-	565
		565	**-**	**-**	**565**
Total equity at end of financial year		**116 232**	**6 543**	**(3 271)**	**119 504**

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

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 $000	2018 $000
Cash flows from operating activities			
Operating receipts			
Receipts from sales of goods and services		40 618	37 616
GST receipts		5 073	5 245
Interest received		398	345
Total operating receipts		**46 089**	**43 206**
Operating payments			
Payments to employees		(2 392)	(2 456)
Payments for goods and services		(12 769)	(11 128)
GST payments		(4 876)	(5 292)
Income tax paid		(2 804)	(3 041)
Total operating payments		**(22 841)**	**(21 917)**
Net cash from operating activities	8	**23 248**	**21 289**
Cash flows from investing activities			
Investing receipts			
Proceeds from asset sales	3	11 014	12 682
Total investing receipts		**11 014**	**12 682**
Investing payments			
Purchases of assets		(21 370)	(31 685)
Total investing payments		**(21 370)**	**(31 685)**
Net cash used in investing activities		**(10 356)**	**(19 003)**
Cash flows from financing activities			
Financing payments			
Dividends paid		(3 271)	(3 548)
Total financing payments		**(3 271)**	**(3 548)**
Net cash used in financing activities		**(3 271)**	**(3 548)**
Net decrease in cash held		9 621	(1 262)
Cash at beginning of financial year		22 663	23 925
Cash at end of financial year	7	**32 284**	**22 663**

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

Index of notes to the Financial Statements

1. Objectives and Funding

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

Key functional responsibilities are:

- delivering a low-cost and fit-for-purpose passenger and light commercial vehicle fleet in accordance with the *Northern Territory Government Vehicle Policy Framework*
- managing supply and service contracts
- managing the disposal of vehicles, plant and equipment.

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

2. Statement of Significant Accounting Policies

a) Statement of Compliance

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

(i)   a Certification of the Financial Statements

(ii) a Comprehensive Operating Statement

(iii) a Balance Sheet

(iv) a Statement of Changes in Equity

(v)   a Cash Flow Statement

(vi) applicable explanatory notes to the financial statements.

b) Basis of Accounting

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

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

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

Standards and Interpretations Effective from 2018-19

AASB 9 Financial Instruments

NT Fleet applied AASB 9 for the first time in 2018-19. AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. NT Fleet has not restated the comparative information, which continues to be reported under AASB 139. Where applicable, differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and Measurement

Financial instruments have been reclassified into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of these instruments is based on the NT Fleet's business model for managing the financial assets and the contractual terms of the cash flows.

The classification and measurement requirements of AASB 9 did not have a significant impact to NT Fleet.

NT Fleet has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the NT Fleet's financial liabilities.

	Balances at 30 June 2018	AASB 9 Categories Balances at 1 July 2018			
		Fair value through profit or loss		Amortised cost	Fair value through OCI
		Mandatorily at fair value	Designated at fair value		
AASB 139 categories	**$000**	**$000**	**$000**	**$000**	**$000**
Loans and receivables					
Receivables	1 149	-	-	1 149	-
	1 149	-	-	1 149	-

Department of **Corporate and Information Services**

Impairment

The adoption of AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss (ECL) approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss.

There has been no changes to impairment losses following the adoption of AASB 9.

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

Standards and Interpretations Issued but not Yet Effective

No Australian accounting standards have been early adopted for 2018-19.

On the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have an impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported for the first time in NT Fleet's 2019-20 financial statements. When effective, the standard will supersede AASB 117 Leases and will require the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will be included in the balance sheet together with a lease liability for all leases with a term of more than 12 months or more, unless the underlying assets are of low value. From 2019-20, the Comprehensive Operating Statement will no longer report operating lease rental payments. Instead, amortisation expense will be recognised relating to the right-of-use asset and interest expense relating to the lease liability.

The right-of-use asset will be amortised generally on a straight-line basis while the lease liability will reduce to reflect lease payments made and increase to reflect the interest on the liability. Consistent with the methodology applied to other long term liabilities, the lease liability is discounted using the Northern Territory Treasury Corporation's institutional bond rates. As the lease term progresses, the carrying amount of the asset (cost less accumulated amortisation) is likely to reduce more quickly than the liability, resulting in a lower net asset in the earlier stages of the lease arrangement.

The modified retrospective approach has been elected to transition to the new lease standard. This approach does not require restatement of comparative years and the cumulative impact is accounted for as an equal adjustment to the right-of-use asset and lease liabilities, thus, having no impact on NT Fleet's net assets at initial adoption.

Consequently, it is expected that nil lease liability and corresponding right-of-use asset will be recognised in the NT Fleet balance sheet from 2019-20.

For lessors, the finance and operating lease distinction remains largely unchanged.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019 and will be reported for the first time in 2019-20 financial statements.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.

Under AASB 15, revenue from agreements which are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third party beneficiary will be recognised when or as performance obligations are satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

Where a transaction does not meet the criteria above or is classified as a donation transaction, revenue will accounted for in accordance with AASB 1058.

NT Fleet does not receive grants and the adoption of AASB 1058 will not impact on the financial statements.

The standard will not likely affect NT Fleet's liability (unearned revenue).

c) Reporting Entity

The financial statements cover NT Fleet as an individual reporting entity. NT Fleet is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act 1978 Administrative Arrangements Order.*

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

NT Fleet has no controlled entities.

d) NT Fleet and Territory Items

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

Central Holding Authority

NT Fleet held no Territory items.

e) Comparatives

Where necessary, comparative information for the 2017-18 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2018-19 as a result of management decisions.

h) Accounting Judgments and Estimates

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

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

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

i) Goods and Services Tax (GST)

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

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

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

j) Taxation

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

k) Contributions by and Distributions to Government

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

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

l) Dividends

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

m) Income Recognition

Income

Income encompasses both revenue and gains.

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

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- NT Fleet retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to NT Fleet
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

3. Gain on Disposal of Assets

	2019 $000	2018 $000
Net proceeds from the disposal of non-current assets	11 014	12 682
Less: Carrying value of non-current assets disposed	(9 432)	(10 849)
Total gain on the disposal of assets	**1 582**	**1 833**

4. Purchases of Goods and Services

The net surplus has been arrived at after charging the following expenses:

	2019 $000	2018 [3] $000
Goods and services expenses:		
Contractors and consultants [1]	34	12
Document production	-	1
Legal expenses	2	1
Recruitment [2]	1	4
Training and study	8	17
Official duty fares	7	4
Travelling allowance	4	1
Audit fees	38	35
Property management	288	311
Agent service arrangements	857	856
Insurance premiums	1 825	1 838
Information technology charges	802	626
Motor vehicle expenses	8 389	8 678
Other operating expenses	116	83
Total	**12 371**	**12 467**

[1] Includes IT contractors and consultants.

[2] Includes recruitment-related advertising costs.

[3] 2017-18 figures were adjusted from the published version to match the total purchase of goods and services reported in the Comprehensive Operating Statement.

5. Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

NT Fleet had no write-offs, postponements, waivers, gifts or ex-gratia payments in 2018-19 and 2017-18.

6. Income Tax Expense

	2019 $000	2018 $000
Prima facie income tax expense calculated at 30% of the surplus before income tax	2 712	2 804
	2 712	**2 804**

7. Cash and Deposits

	2019 $000	2018 $000
Cash on hand	4	5
Cash at bank	32 280	22 658
	32 284	**22 663**

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

8. Cash Flow Reconciliation

a) Reconciliation of Cash

The total of NT Fleet 'Cash and deposits' of $32.3 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Surplus to Net Cash from Operating Activities

	2019 $000	2018 $000
Net Surplus	6 329	6 543
Non-cash items:		
Depreciation and amortisation	17 979	17 640
(Gain)/Loss on disposal of assets	(1 582)	(1 833)
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	1 022	(928)
Decrease/(Increase) in prepayments	(59)	43
(Decrease)/Increase in payables	(330)	143
(Decrease)/Increase in provision for employee benefits	(8)	(48)
(Decrease)/Increase in other provisions	(103)	(252)
(Decrease)/Increase in deferred income	-	(19)
Net Cash from Operating Activities	**23 248**	**21 289**

b) Reconciliation of Liabilities Arising from Financing Activities

2018-19	1 July $000	Cash Flows		Non Cash Flows		
		Dividends paid $000	Total cash flows $000	Dividends declared $000	Total non-cash $000	30 June $000
Dividends paid	3 271	(3 271)	(3 271)	3 164	3 164	3 164
Total	**3 271**	**(3 271)**	**(3 271)**	**3 164**	**3 164**	**3 164**

2017-18	1 July $000	Cash Flows		Non Cash Flows		
		Dividends paid $000	Total cash flows $000	Dividends declared $000	Total non-cash $000	30 June $000
Dividends paid	3 548	(3 548)	(3 548)	3 271	3 271	3 271
Total	**3 548**	**(3 548)**	**(3 548)**	**3 271**	**3 271**	**3 271**

c) Non-Cash Financing and Investing Activities

Finance lease transactions

During the financial year NT Fleet did not acquire plant and equipment/computer equipment and software by means of finance leases.

9. Receivables

	2019 $000	2018 $000
Current		
Accounts receivable	238	1 120
Less: Loss allowance	-	-
	238	**1 120**
Interest receivables	33	29
Other receivables	477	621
Total receivables	**748**	**1 770**

Receivables include accounts receivable and other receivables and are recognised at amortised cost less any loss allowance which has been assessed as zero.

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables NT Fleet estimates are likely to be uncollectible and are considered doubtful. Based on the assessment, NT Fleet's accounts receivable are 100% collectible.

Credit Risk Exposure of Receivables

Receivables are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. The entity applies the AASB 9 simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

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

In accordance with the provisions of the FMA, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes a failure to make contractual payments for a period greater than 183 days past due.

Credit risk for the comparative year was assessed under AASB 139 and is based on objective evidence of impairment.

The loss allowance for receivables as at the reporting date is disclosed below.

	2019				2018[1]		
	Gross receivables $000	Loss rate %	Expected credit losses $000	Net receivables $000	Aging of receivables $000	Impairment allowance $000	Net receivables $000
Internal receivables							
Not overdue	111	-	-	111	322	-	322
Overdue for less than 30 days	89	-	-	89	683	-	683
Overdue for 30 to 60 days	2	-	-	-	73	-	-
Overdue for more than 60 days	-	-	-	2	-	-	-
Total internal receivables	**202**	**-**	**-**	**202**	**1 078**	**-**	**1 078**
External receivables							
Not overdue	-	-	-	-	11	-	11
Overdue for less than 30 days	36	-	-	36	31	-	31
Overdue for 30 to 60 days	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-
Total receivables	**36**	**-**	**-**	**36**	**42**	**-**	**42**

Total amounts disclosed exclude statutory amounts.
[1] 2017-18 classifications were revised from the published version to reclassify GOCs as internal customers.

Department of **Corporate and Information Services**

Reconciliation of Loss Allowance for Receivables

	2019 $000	2018 $000
Internal receivables		
Opening balance		
Adjustment on adoption of AASB 9	202	328
Adjusted opening balance	202	328
Written off during the year	-	-
Recovered during the year	-	328
Increase/decrease in allowance recognised in profit or loss	-	-
Total internal receivables	**202**	**-**
External receivables		
Opening balance		
Adjustment on adoption of AASB 9	36	792
Adjusted opening balance	36	792
Written off during the year	-	-
Recovered during the year	-	792
Increase/decrease in allowance recognised in profit or loss	-	-
Total external receivables	**36**	**-**

10. Prepayments

	2019 $000	2018 $000
Prepayments	158	99
Total	**158**	**99**

Prepayments

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

11. Advances and Investments

NT Fleet had no advances paid, equity accounted investments and investment in shares for the 2018-19 financial year.

12. Property, Plant and Equipment

	2019 $000	2018 $000
Motor vehicles – Light		
At cost	103 882	103 813
Less: Accumulated depreciation	(33 920)	(28 784)
	69 962	**75 029**
Motor vehicles – Heavy		
At cost	44 490	44 786
Less: Accumulated depreciation	(20 232)	(19 915)
	24 258	**24 871**
Computer software		
At cost	2 905	2 386
Less: Accumulated depreciation	(903)	(665)
	2 002	**1 721**
Leasehold Improvements		
At cost	117	117
Less: Accumulated depreciation	(77)	(67)
	40	**50**
Total property, plant and equipment	**96 262**	**101 671**

2019 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2018-19 is set out below:

	Motor Vehicles Light $000	Motor Vehicles Heavy $000	Leasehold Improvements $000	Computer Software $000	Total $000
Carrying amount as at 1 July 2018	75 029	24 871	50	1 721	101 671
Additions	16 297	4 586	-	519	21 402
Disposals	(9 426)	(1 281)	-	-	(10 707)
Depreciation	(13 626)	(4 104)	(10)	(238)	(17 978)
Adjustment to opening carrying amount (assets held for sale) [1]	1 688	186	-	-	1 874
Carrying amount as at 30 June 2019	**69 962**	**24 258**	**40**	**2 002**	**96 262**

[1] Light and heavy vehicles held for sale were recognised as current assets on the face of 2018-19 Financial Statements.

12. Property, Plant and Equipment (continued)

2018 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Motor Vehicles Light	Motor Vehicles Heavy	Leasehold Improvements	Computer Software	Total
	$000	$000	$000	$000	$000
Carrying amount as at 1 July 2017	78 072[2]	21 592[3]	66	1 242	100 972
Additions	21 841	8 550	-	671	31 062
Disposals	(9 589)	(1 255)	(4)	-	(10 848)
Depreciation	(13 607)	(3 830)	(12)	(192)	(17 641)
Assets held for sale [1]	(1 688)	(186)	-	-	(1 874)
Additions/(disposals) from asset transfers	-	-	-	-	-
Carrying amount as at 30 June 2018	**75 029**	**24 871**	**50**	**1 721**	**101 671**

[1] Light and heavy vehicles held for sale as at 30 June 2018 were reclassified as Current Assets (-$1.9M)

[2] The carrying amount as at 1 July 2017 ($78.1M) = the carrying amount as at 30 Jun 2017 ($76.8M) + Assets held for sale as at 30 Jun 2017 ($1.3M)

[3] The carrying amount as at 1 July 2017 ($21.6M) = the carrying amount as at 30 Jun 2017 ($21.4M) + Assets held for sale as at 30 Jun 2017 ($0.2M)

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

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

Construction (Work in Progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on a whole of Government basis. Therefore, appropriation for NT Fleet capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to NT Fleet.

Impairment

Impairment of Assets

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

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

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense.

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

NT Fleet property, plant and equipment assets were assessed for impairment as at 30 June 2019. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

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

	2019	2018
Vehicles – Light	3-4 years	3-4 years
Vehicles – Heavy	3-10 years	3-10 years
Leasehold improvements	10-15 years	10-15 years
Computer Software	2-10 years	2-10 years

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

Assets Held for Sale

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

These assets are measured at the asset's carrying amount as the carrying amount approximates their fair value. These assets are not depreciated. Non-current assets held for sale have been recognised as current assets.

Leased Assets

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

Finance Leases

NT Fleet held no finance leased assets.

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 should be recognised as a deduction of the lease expenses over the term of the lease.

13. Payables

	2019 $000	2018 $000
Accounts payable	1 394	1 383
Other accrued expenses and accrued salaries	401	709
Total payables	**1 795**	**2 092**

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

14. Income Tax Liabilities

	2019 $000	2018 $000
Income tax payable	2 712	2 804
Total income tax liabilities	**2 712**	**2 804**

Department of **Corporate and Information Services**

15. Provisions

	2019 $000	2018 $000
Current		
Employee benefits		
Recreation leave	270	283
Leave loading	54	51
Other employee benefits	5	4
Other current provisions		
Provision for dividend	3 164	3 271
Provision for fringe benefits tax	2	3
Provision for superannuation	34	37
Provision for payroll tax	19	19
Provision for workers compensation premium	-	6
Total provisions	**3 548**	**3 674**
Reconciliation of provision for dividends		
Balance as at 1 July	3 271	3 548
Additional provisions recognised	3 164	3 271
Reductions arising from payments	(3 271)	(3 548)
Balance as at 30 June	**3 164**	**3 271**

NT Fleet employed 27 employees as at 30 June 2019 and 27 employees as at 30 June 2018.

Employee Benefits

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

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

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

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

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

16. Other Liabilities

	2019 $000	2018 $000
Current		
Other liabilities - unearned revenue	3	3
Total other liabilities	**3**	**3**

Financial Guarantee Contracts

NT Fleet had no financial guarantee contracts.

Superannuation

Employees' superannuation entitlements are provided through the:

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

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.

17. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments

Capital expenditure commitments are primarily related to the acquisition of fleet vehicles. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2019		2018	
	Internal $000	External $000	Internal $000	External $000
Within one year	-	4 979	-	6 704
	-	**4 979**	**-**	**6 704**

(ii) Operating Lease Commitments

NT Fleet leases 4 Plug-in Hybrid Electric vehicles and 2 multifunctional devices (photocopiers) under operating leases which generally provide NT Fleet with a right of renewal at which time all lease terms are renegotiated. Future operating lease commitments not recognised as liabilities are payable as follows:

	2019		2018	
	Internal $000	External $000	Internal $000	External $000
Within one year	-	30	-	10
Later than one year and not later than five years	-	44	-	10
	-	**74**	**-**	**20**

(iii) Other Expenditure Commitments

NT Fleet had no other expenditure commitments.

18. Equity

Equity represents the residual interest in the net assets of NT Fleet. The Northern Territory Government's ownership interest in NT Fleet is held in the Central Holding Authority.

	2019 $000	2018 $000
Capital		
Balance as at 1 July	565	565
Equity injections		
Equity transfers	-	-
Balance as at 30 June	565	565
Accumulated funds		
Balance as at 1 July	118 939	115 667
Surplus for the period	6 329	6 543
Dividends payable	(3 164)	(3 271)
Balance as at 30 June	122 104	118 939
Total Equity	122 669	119 504

19. Fair Value Measurement

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

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

NT Fleet recognises its vehicles, leasehold improvements and computer software at cost less depreciation and amortisation. The carrying amounts of these financial asset and liabilities approximates their fair value.

20. Financial Instruments

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

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

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

NT Fleet has limited exposure to financial risks as discussed below.

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

a) Categorisation of Financial Instruments

The carrying amounts of NT Fleet's financial assets and liabilities by category are disclosed in the table below:

2018-19 Categorisation of Financial Instruments

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	$000	$000	$000	$000	$000
Cash and deposits	-	-	32 284	-	32 284
Receivables[1]	-	-	271	-	271
Total financial assets	**-**	**-**	**32 555**	**-**	**32 555**
Payables[1]	-	-	1 394	-	1 394
Total financial liabilities	**-**	**-**	**1 394**	**-**	**1 394**

[1]Total amounts disclosed exclude statutory amounts

2017-18 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	$000	$000	$000	$000	$000	$000	
Cash and deposits	-	-	-	22 663	-	-	22 663
Receivables[1]	-	-	-	1 149	-	-	1 149
Total financial assets	**-**	**-**	**-**	**23 812**	**-**	**-**	**23 812**
Payables[1]	-	-	-	-	-	1 383	1 383
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**1 383**	**1 383**

[1]Total amounts disclosed exclude statutory amounts. Total amounts were adjusted from the published version to exclude accrued items which do not qualify as financial instruments.

Classification of Financial Instruments from 1 July 2018

From 1 July 2018, NT Fleet classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the NT Fleet's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, NT Fleet has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

NT Fleet reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, NT Fleet measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification of Financial Instruments until 30 June 2018

NT Fleet has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with AASB 139.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL. Financial instruments classified as at FVTPL are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables. Loans and receivables are measured initially at fair value and subsequently at amortised cost using the effective interest rate method less impairment.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. Available-for-sale financial assets are initially measured at fair value plus transaction costs and subsequently at fair value. Gains or losses are recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost are measured including all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

b) Credit Risk

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

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

Credit risk relating to receivables is disclosed in note 9.

c) Liquidity Risk

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

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

2019 Maturity Analysis for Financial Liabilities

	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables	1 394	1 394	-	-	1 394
Total financial liabilities	**1 394**	**1 394**	**-**	**-**	**1 394**

2018 Maturity Analysis for Financial Liabilities

	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables[1]	1 383	1 383	-	-	1 383
Total financial liabilities	**1 383**	**1 383**	**-**	**-**	**1 383**

[1]Total amounts were adjusted from the published version to exclude accrued items which do not qualify as financial instruments.

d) Market Risk

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

i) Interest Rate Risk

NT Fleet has limited exposure to interest rate risk as NT Fleet's financial assets and financial liabilities, are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk.

Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on NT Fleet's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase $000	100 basis points decrease $000
30 June 2019		
Financial assets – cash at bank	323	(323)
Net Sensitivity	**323**	**(323)**
30 June 2018		
Financial assets – cash at bank	227	(227)
Net Sensitivity	**227**	**(227)**

ii) Price Risk

NT Fleet is not exposed to price risk as NT Fleet does not hold units in unit trusts.

iii) Currency Risk

NT Fleet has limited exposure to currency risk, as NT Fleet does not hold borrowings denominated in foreign currencies, and has limited transactional currency exposures arising from purchases in a foreign currency.

Borrowings and capital purchases

NT Fleet had no borrowings and capital purchases subject to currency risk.

21. Related parties

i) Related Parties

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

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

ii) Key Management Personnel (KMP)

Key management personnel of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include the Minister for Corporate and Information Services, the Chief Executive Officer of DCIS, the Deputy Chief Executive Officer of DCIS, Director of NT Fleet and the Chief Financial Officer (CFO). The CFO was added as a KMP in the 2018-19 financial year.

iii) Remuneration of KMP

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

The aggregate compensation of key management personnel of NT Fleet is set out below:

	2018-19 $000	2017-18[1] $000
Short-term benefits	235	207
Post-employment benefits	36	34
Long-term benefits	-	13
Total	**271**	**254**

[1]The CFO was not considered as KMP in the 2017-18 financial year.

DCIS provides management services to NT Fleet and the amount relating to KMP has been included in the figures above.

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

NT Fleet's primary ongoing source of funding is received from Northern Territory Government controlled entities.

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

2019 Related party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NTG departments	38 908	7 428	787	6 107

2018 Related party	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NTG departments	39 699	7 352	1 688	6 573

NT Fleet transactions with other government entities are not individually significant.

Other related party transactions:

NT Fleet had no other related pary transactions for the 2018-19 and 2017-18 financial years.

22. Contingent Liabilities and Contingent Assets

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2019 or 30 June 2018.

23. 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.

24. Budgetary Information

Comprehensive Operating Statement	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Income				
Sales of goods and services	39 653	39 554	99	
Interest revenue	402	400	2	
Gain on disposal of assets	1 582	2 600	(1 017)	1
Other income	136	140	(4)	
Total income	**41 773**	**42 694**	**(920)**	
Expenses				
Employee expenses	2 382	2 582	200	2
Administrative expenses				
Purchases of goods and services	12 371	12 717	346	3
Depreciation and amortisation	17 979	17 650	(329)	4
Total expenses	**32 732**	**32 949**	**217**	
Net surplus/(deficit)	**9 041**	**9 745**	**(703)**	
Comprehensive result	**9 041**	**9 745**	**(703)**	

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

Notes:

1. During the financial year agencies retained vehicles for longer before returning them to NT Fleet reducing the number of vehicles disposed and therefore, reducing gain on disposal of assets.

2. The reduced employee expenditure resulted from close management of NT Fleet staffing requirements.

3. Purchase of goods and services is due to lower than anticipated repair and maintenance expenses.

4. Increased depreciation expenses is attributed to an increase in the purchase price of new light commercial and heavy vehicles acquired in the reporting year.

Balance Sheet

	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Assets				
Current assets				
Cash and deposits	32 284	25 836	6 448	1
Receivables	748	841	(93)	
Prepayments	158	142	16	
Assets held for sale	1 275	-	1 275	2
Total current assets	**34 465**	**26 819**	**7 646**	
Non-current assets				
Property, plant and equipment	96 262	105 523	(9 261)	3
Total non-current assets	**96 262**	**105 523**	**(9 261)**	
Total assets	**130 727**	**132 342**	**(1 615)**	
Liabilities				
Current liabilities				
Payables	1 795	2 571	776	4
Income tax liability	2 712	2 924	212	
Provisions	3 548	3 876	328	5
Other liabilities	3	23	20	
Total current liabilities	**8 058**	**9 394**	**1 336**	
Non-current assets				
Other liabilities	-	-	-	
Total non-current liabilities	**-**	**-**	**-**	
Total liabilities	**8 058**	**9 394**	**1 336**	
Net assets	**122 669**	**122 948**	**(279)**	
Equity				
Capital	565	565	-	
Reserves	-	-	-	
Accumulated funds	122 104	122 383	(279)	
Total equity	**122 669**	**122 948**	**(279)**	

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

Further, the original published budget figure needs to be adjusted to reflect the actual opening balances as at 1 July 2018.

Notes:

1. Agencies retaining vehicles longer resulting in a higher than expected cash balance at bank.
2. Assets held for sale not budgeted and included in the budget for non-current assets.
3. Movement in property, plant and equipment: opening balance of $101.7 million, purchases of $21.4 million, less sales of $10.7 million and less depreciation of $18.0 million, plus an asset transfer of $1.9 million.
4. Lower than expected payables due to timing of vehicle payments.
5. Decreased provision mainly due to reduction in income tax and dividend provisions.

Cash Flow Statement

	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Cash flows from operating activities				
Operating receipts				
Receipts from sales of goods and services	40 618	39 694	924	
GST receipts	5 073	-	5 073	1
Interest received	398	400	(2)	
Total operating receipts	**46 089**	**40 094**	**5 995**	
Operating payments				
Payments to employees	2 392	2 582	190	2
Payments for goods and services	12 769	12 717	(52)	
GST payments	4 876	-	(4 876)	1
Income tax paid	2 804	2 834	30	
Total operating payments	**22 841**	**18 133**	**(4 708)**	
Net cash from/(used in) operating activities	**23 248**	**21 961**	**1 287**	
Cash flows from investing activities				
Investing receipts				
Proceeds from asset sales	11 014	15 500	(4 486)	3
Total investing receipts	**11 014**	**15 500**	**(4 486)**	
Investing payments				
Purchases of assets	21 370	32 300	10 930	4
Total investing payments	**21 370**	**32 300**	**10 930**	
Net cash from/(used in) investing activities	**(10 356)**	**(16 800)**	**6 444**	
Cash flows from financing activities				
Financing payments				
Dividends paid	3 271	3 306	35	
Total financing payments	**3 271**	**3 306**	**35**	
Net cash from/(used in) financing activities	**(3 271)**	**(3 306)**	**(35)**	
Net increase/(decrease) in cash held	9 621	1 855	7 766	
Cash at beginning of financial year	22 663	23 981	(1 318)	
Cash at the end of financial year	**32 284**	**25 836**	**6 448**	

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

Notes:

1. GST receipts and payments not included in original budget.

2. Reduced employee expenditure due to close management of NT Fleet staffing.

3. Lower than anticipated proceeds from sales of assets as a result of less vehicles being disposed.

4. Lower than expected capital acquisitions due to agencies retaining vehicles for longer.

5c

Data Centre Services Financial Report

Financial Statement Overview

For the Year Ended 30 June 2019

Financial Performance (Comprehensive Operating Statement)

The financial performance of Data Centre Services (DCS) is presented in two ways. Table 1 compares DCS' performance with its final approved budget and Table 2 compares performance between the current year and previous year.

More details are provided in subsequent commentary and analysis in Tables 3 to 6. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 7 and related commentary.

▸ Table 1: 2018-19 Final Budget and Performance

	2018-19		
	Actual $000	Final Budget $000	Variation $000
Income	25 769	25 503	266
Expenses	21 295	21 516	221
Net surplus before tax	**4 474**	**3 987**	**487**
Income tax expense	1 342	1 196	(146)
Net surplus after tax	**3 132**	**2 791**	**341**
Comprehensive result	**3 132**	**2 791**	**341**
Dividend (50%)	1 566	1 396	(170)

DCS' overall operating financial performance showed a surplus of $3.1 million compared with a final budgeted surplus of $2.8 million. The primary reason for the surplus was the higher than expected income resulting from an increase in demand for midrange services and a decrease in employee expenses and depreciation.

DCS will pay an income tax equivalent of $1.3 million and will return a dividend of $1.6 million to government for 2018-19.

▸ Table 2: 2018-19 and 2017-18 Performance

	2018-19 $000	2017-18 $000	Variation $000
Income	25 769	24 873	896
Expenses	21 295	20 695	(600)
Net surplus before tax	**4 474**	**4 178**	**296**
Income tax expense	1 342	1 253	(89)
Net surplus after tax	**3 132**	**2 925**	**207**
Comprehensive result	**3 132**	**2 925**	**207**

Income increased primarily due to a one-off insurance settlement in 2018-19 related to damaged computer hardware. Purchase of goods and services increased primarily from higher contract resources and higher ICT related expenses. These resulted in an operating surplus of $3.1 million, which is $0.2 million higher than the previous year.

Income

DCS' primary income source is from the provision of information technology services to NT Government agencies. These services, classified under the income category of sales of goods and services, in Table 3 below represented 96% of DCS' total income of $25.8 million, with the remainder made up of interest and miscellaneous income.

While the goods and services income is stable and consistent with the previous year, its proportion of total income in 2018-19 was impacted by a one-off receipt from an insurance claim for damaged hardware, classified as other income.

‣ Table 3: Income by Category

Year	Sales of goods and services		Interest revenue		Other income		Total	
	$000	%	$000	%	$000	%	$000	%
2018-19	24 769	96.1	103	0.4	897	3.5	25 769	100
2017-18	24 723	99.4	147	0.6	3	0	24 873	100

Total income has been also classified according to DCS' major business functions:

- Mainframe Services - hosting and managing mainframe applications
- Midrange Services - hosting and managing mid-range server applications
- Enterprise Storage - managing enterprise data storage and perform data backups
- Data Centre Operations - hosting ICT infrastructure for agencies and contracted service providers

‣ Table 4: Income by Business Function

Year	Mainframe		Midrange		Enterprise storage		Data centre operations		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%
2018-19	10 654	41.3	9 315	36.1	3 627	14.1	2 173	8.5	25 769	100
2017-18	10 724	43.1	8 962	36.0	2 920	11.7	2 267	9.2	24 873	100

Midrange Services income increased due to demand driven growth, while Enterprise Storage Services increased due to the one-off insurance settlement.

Expenses

DCS incurred the majority of its expenditure on ICT related expenses for hardware, software and specialist contractors, with employee expenses being the second largest expense category.

‣ Table 5: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2018-19	9 593	45.0	6 604	31.0	993	4.7	2 181	10.2	1 924	9.0	21 295	100
2017-18	9 102	44.0	6 653	32.1	750	3.6	2 210	10.7	1 980	9.6	20 695	100

ICT expenditure has increased primarily due to software licensing charges and contract resources.

Expenses have also been classified according to DCS' major business functions.

‣ Table 6: Expenses by Business Function

Year	Mainframe		Midrange		Enterprise storage		Data centre operations		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%
2018-19	8 130	38.2	6 262	29.4	2 366	11.1	4 537	21.3	21 295	100
2017-18	7 534	36.4	5 971	28.9	2 435	11.8	4 755	22.9	20 695	100

ICT expenditure in Mainframe Services has increased due to software licensing changes and contract resources. Midrange costs have increased slightly reflecting demand, with other DCS business functions remaining consistent with prior years.

▶ Figure 1: Expenses ($million) by Business Function
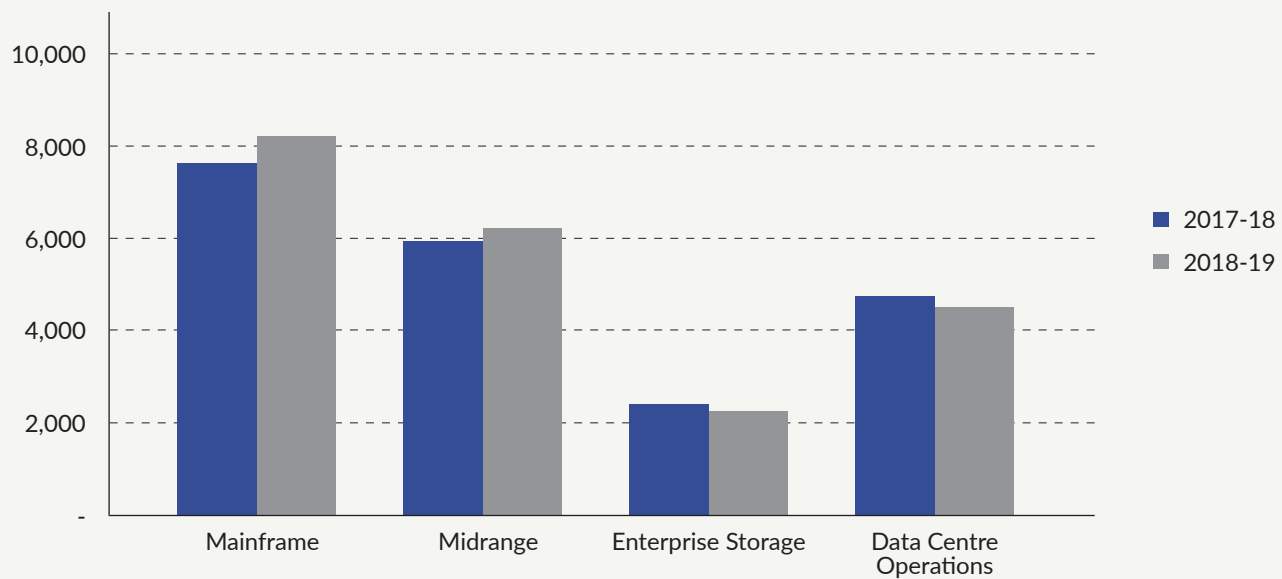
Financial Position (Balance Sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of DCS at the end of the financial year. The table below compares the DCS' financial position as at 30 June 2019 with the position at 30 June 2018.

▶ Table 7: 2018-19 and 2017-18 Financial Position

	2018-19 $000	2017-18 $000	Variation $000
Assets			
Current assets	14 119	12 441	1 678
Non-current assets	13 178	13 833	(655)
Total assets	**27 297**	**26 274**	**1 023**
Liabilities			
Current liabilities	4 914	4 457	(457)
Total liabilities	**4 914**	**4 457**	**(457)**
Net assets	**22 383**	**21 817**	**566**
Equity	22 383	21 817	566
Total equity	**22 383**	**21 817**	**566**

DCS' net financial position at the end of 2018-19 was $22.4 million, compared to the previous year's position of $21.8 million, an increase of $0.6 million.

This improvement is largely due to an increase in current assets. The current assets, primarily cash and deposits, increased as a result of recognising the one-off insurance settlement of $0.9 million as other income. The decrease in non-current assets primarily relates to a decrease in property, plant and equipment purchases and a reduction in prepayments.

Major assets at 30 June 2019 included:

Current Assets

- $9.2 million cash and deposits
- $2.2 million receivables (outstanding service fees)

- $2.7 million prepayments (software licensing and maintenance)

Non-Current Assets

- $1.4 million prepayments (software licensing and maintenance)
- $11.8 million property, plant and equipment (including buildings and leasehold improvements)

Major liabilities at 30 June 2019 included:

- $0.7 million payables and accrued expenses
- $1.3 million income tax expense
- $1.6 million provision for dividends
- $1.0 million provision for employee entitlements

Department of **Corporate and Information Services**

Certification of the Financial Statements

We certify that the attached financial statements for Data Centre Services have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2019 and the financial position on that date.

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

Kathleen Robinson
Chief Executive
11 September 2019

Rex Schoolmeester
Chief Financial Officer
11 September 2019

Auditor-General

Independent Auditor's Report
to the Minister for Corporate and Information Services
Data Centre Services
Page 1 of 2

Opinion

I have audited the accompanying financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2019, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Data Centre Services as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Information Services is responsible for the other information. The other information comprises the information included in Data Centre Services' financial statement overview for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing the financial reporting process of Data Centre Services.

Level 12 Northern Territory House   22 Mitchell Street   Darwin 0800   Tel: 08 8999 7155

Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of Data Centre Services.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Data Centre Services to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Data Centre Services to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

17 September 2019

Level 12 Northern Territory House   22 Mitchell Street   Darwin 0800   Tel: 08 8999 7155

Comprehensive Operating Statement

For the year ended 30 June 2019

	Note	2019 $000	2018 $000
Income			
Sales of goods and services		24 769	24 723
Interest revenue		103	147
Other income		897	3
Total income		**25 769**	**24 873**
Expenses			
Employee expenses		6 604	6 653
Administrative expenses			
Purchases of goods and services	3	12 510	11 832
Depreciation and amortisation	10	2 181	1 977
Impairment losses		-	233
Total expenses		**21 295**	**20 695**
Surplus before income tax		**4 474**	**4 178**
Income tax expense	5	1 342	1 253
Net surplus		**3 132**	**2 925**
Comprehensive result		**3 132**	**2 925**

The Comprehensive Operating 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 2019

	Note	2019 $000	2018 $000
Assets			
Current assets			
Cash and deposits	6	9 226	6 284
Receivables	8	2 211	2 082
Prepayments	9	2 682	4 075
Total current assets		**14 119**	**12 441**
Non-current assets			
Prepayments	9	1 411	1 638
Property, plant and equipment	10	11 767	12 195
Total non-current assets		**13 178**	**13 833**
Total assets		**27 297**	**26 274**
Liabilities			
Current liabilities			
Payables	11	693	587
Income tax liabilities	12	1 342	1 253
Provisions	13	2 879	2 617
Total current liabilities		**4 914**	**4 457**
Total liabilities		**4 914**	**4 457**
Net assets		**22 383**	**21 817**
Equity			
Capital	15	1 466	1 466
Accumulated funds	15	20 917	20 351
Total equity		**22 383**	**21 817**

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

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		$000	$000	$000	$000
2018-19					
Accumulated funds		20 351	3 132	-	23 483
Dividends payable	15	-	-	(1 566)	(1 566)
Special dividend		-	-	(1 000)	(1 000)
	15	**20 351**	**3 132**	**(2 566)**	**20 917**
Capital – Transactions with owners		1 466	-	-	1 466
Equity transfers in		-	-	-	-
	15	**1 466**	**-**	**-**	**1 466**
Total equity at end of financial year		**21 817**	**3 132**	**(2 566)**	**22 383**
2017-18					
Accumulated Funds		21 888	2 925	-	24 813
Dividends payable	15	-	-	(1 462)	(1 462)
Special dividend		-	-	(3 000)	(3 000)
	15	**21 888**	**2 925**	**(4 462)**	**20 351**
Capital – Transactions with owners		1 366	-		1 366
Equity transfers in		-	-	100	100
		1 366	**-**	**100**	**1 466**
Total equity at end of financial year	15	**23 254**	**2 925**	**(4 362)**	**21 817**

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

Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 $000	2018 $000
Cash flows from operating activities			
Operating receipts			
Receipts from sales of goods and services		25 535	25 000
GST receipts		1 719	2 187
Interest received		104	151
Total operating receipts		**27 358**	**27 338**
Operating payments			
Payments to employees		(6 598)	(6 733)
Payments for goods and services		(10 621)	(11 716)
GST payments		(1 730)	(1 977)
Income tax paid		(1 253)	(1 263)
Total operating payments		**(20 202)**	**(21 689)**
Net cash from operating activities	7	**7 156**	**5 649**
Cash flows from investing activities			
Investing payments			
Purchases of assets	10	(1 752)	(5 709)
Total investing payments		**(1 752)**	**(5 709)**
Net cash used in investing activities		**(1 752)**	**(5 709)**
Cash flows from financing activities			
Financing payments			
Dividends paid		(2 462)	(4 473)
Total financing payments		**(2 462)**	**(4 473)**
Net cash used in financing activities		**(2 462)**	**(4 473)**
Net increase/(decrease) in cash held		2 942	(4 533)
Cash at beginning of financial year		6 284	10 817
Cash at end of financial year	6	**9 226**	**6 284**

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

Index of notes to the Financial Statements

Department of **Corporate and Information Services**

1. Objectives and Funding

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

DCS is funded through income generated by services provided to Northern Territory Government agencies. The financial statements encompass all funds and resources which DCS controls to undertake its functions.

2. Statement of Significant Accounting Policies

a) Statement of Compliance

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

(i)   a Certification of the Financial Statements

(ii)   a Comprehensive Operating Statement

(iii)   a Balance Sheet

(iv)   a Statement of Changes in Equity

(v)   a Cash Flow Statement

(vi)   applicable explanatory notes to the financial statements.

b) Basis of Accounting

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

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

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

Standards and Interpretations Effective from 2018-19

AASB 9 Financial Instruments

DCS applied AASB 9 for the first time in 2018-19. AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. DCS has not restated the comparative information, which continues to be reported under AASB 139. Where applicable, differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and Measurement

Financial instruments have been reclassified into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of these instruments is based on the DCS' business model for managing the financial assets and the contractual terms of the cash flows.

The classification and measurement requirements of AASB 9 did not have a significant impact to DCS.

DCS has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for DCS' financial liabilities.

In summary, upon the adoption of AASB 9, DCS had the following reclassifications as at 1 July 2018:

	Balances at 30 June 2018	AASB 9 Categories Balances at 1 July 2018			
		Fair value through profit or loss		Amortised cost	Fair value through OCI
		Mandatorily at fair value	Designated at fair value		
AASB 139 categories	**$000**	**$000**	**$000**	**$000**	**$000**
Loans and receivables					
Receivables	39	-	-	39	-
	39	-	-	39	-

Impairment

The adoption of AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss (ECL) approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss.

There has been no changes to impairment losses following the adoption of AASB 9.

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

Standards and Interpretations Issued but Not Yet Effective

No Australian accounting standards have been early adopted for 2018-19.

On the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have an impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported for the first time in DCS' 2019-20 financial statements. When effective, the standard will supersede AASB 117 Leases and require the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will now be included in the balance sheet together with a lease liability for all leases with a term of 12 months or more, unless the underlying assets are of low value. The comprehensive operating statement will no longer report operating lease rental payments. Instead, amortisation expense will be recognised relating to the right-of-use asset and interest expense relating to the lease liability.

The right-of-use asset will be amortised generally on a straight-line basis while the lease liability will reduce to reflect lease payments made and increase to reflect the interest on the liability. Consistent with methodology applied to other long term liabilities, the lease liability is discounted using the Northern Territory Treasury Corporation's institutional bond rates. As the lease term progresses, the carrying amount of the asset (cost less accumulated amortisation) is likely to reduce more quickly than the liability, resulting in a lower net asset in the earlier stages of the lease arrangement.

The modified retrospective approach has been elected to transition to the new lease standard. This approach does not require restatement of comparative years and the cumulative impact is accounted for as an equal adjustment to the right-of-use asset and lease liabilities, thus, having no impact in DCS' net assets at initial adoption.

Consequently, it is expected that approximately $5.7 million will be recognised in the balance sheet as a lease liability and corresponding right-of-use asset from 2019-20.

For lessors, the finance and operating lease distinction remains largely unchanged.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019 and will be reported for the first time in 2019-20 financial statements.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.

Under AASB 15, revenue from agreements which are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third party beneficiary will be recognised when or as performance obligations are satisfied, and not immediately upon receipt. DCS invoices most services in arrears and the adoption of AASB15 will have minor impact on the financial statements.

Where a transaction does not meet the criteria above or is classified as a donation transaction, revenue will accounted for in accordance with AASB 1058.

DCS does not receive grants and the adoption of AASB 1058 will not impact on the financial statements.

The standard will not likely affect DCS' liability (unearned revenue).

c) Reporting Entity

The financial statements cover DCS as an individual reporting entity.

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

The principal place of business of the GBD is: Level 3, Darwin Plaza, Smith Street Mall, Darwin NT 0800.

DCS has no controlled entities.

d) DCS and Territory Items

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

Central Holding Authority

DCS held no Territory items.

e) Comparatives

Where necessary, comparative information for the 2017-18 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2018-19 as a result of management decisions.

h) Accounting Judgments and Estimates

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

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

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

i) Goods and Services Tax (GST)

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

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

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

j) Taxation

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

k) Contributions by and Distributions to Government

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

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

l) Dividends

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

m) Income Recognition

Income

Income encompasses both revenue and gains.

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

Unearned income is recognised when income is received prior to the transfer of goods and services to a customer.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- DCS retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to DCS
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

3. Purchases of Goods and Services

The net surplus has been arrived at after charging the following expenses:

Goods and services expenses:	2019 $000	2018[4] $000
Consultants [1]	3 500	3 261
Legal expenses [2]	-	7
Recruitment [3]	-	38
Training and study	15	16
Official duty fares	1	5
Travelling allowance	2	3
IT related expenses	6 034	5 779
Property management expenses	1 924	1 980
Insurance premiums	101	45
Audit fees	25	30
Other	908	668
Total	**12 510**	**11 832**

[1] Includes IT contractors and consultants.

[2] Includes legal fees, claim and settlement costs.
[3] Includes recruitment-related advertising costs.

[4] 2017-18 figures were adjusted from the published version to match the total purchase of goods and services reported in the Comprehensive Operating Statement.

4. Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

	Agency		Agency	
	2019 $000	No. of Trans.	2018 $000	No. of Trans.
Write-offs, postponements and waivers under the *Financial Management Act*	-	-	233	1
Amounts written off, postponed and waived by the Treasurer				
Public property written off	-	-	233	1
Total written off, postponed and waived by the Treasurer	**-**	**-**	**233**	**1**

5. Income Tax Expense

	2019 $000	2018 $000
Prima facie income tax expense calculated at 30% of the surplus before income tax	1 342	1 253
	1 342	**1 253**

Department of **Corporate and Information Services**

6. Cash and Deposits

	2019 $000	2018 $000
Cash at bank	9 226	6 284
	9 226	**6 284**

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

7. Cash Flow Reconciliation

a) Reconciliation of Cash

The total of DCS 'Cash and deposits' of $9.2 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Surplus to Net Cash from Operating Activities

	2019 $000	2018 $000
Net Surplus	3 132	2 925
Non-cash items:		
Depreciation and amortisation	2 181	1 977
Asset write-offs/write-downs	-	233
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	(129)	431
Decrease/(Increase) in prepayments	1 620	164
(Decrease)/Increase in payables	25	(65)
(Decrease)/Increase in other payables	81	142
(Decrease)/Increase in provision for employee benefits	4	(71)
(Decrease)/Increase in other provisions	153	(11)
(Decrease)/Increase in income tax liability	89	(10)
(Decrease)/Increase in unearned income	-	(66)
Net cash from operating activities	**7 156**	**5 649**

b) Reconciliation of Liabilities Arising from Financing Activities

		Cash flows		Other		
2018-19	1 July	Dividends paid	Total cash flows	Dividends declared	Total non-cash	30 June
	$000	$000	$000	$000	$000	$000
Dividends	1 462	(1 462)	(1 462)	1 566	1 566	1 566
Special dividend	-	(1 000)	(1 000)	1 000	-	-
Total	**1 462**	**(2 462)**	**(2 462)**	**2 566**	**1 566**	**1 566**

		Cash flows		Other		
2017-18	1 July	Dividends paid	Total cash flows	Dividends declared	Total non-cash	30 June
	$000	$000	$000	$000	$000	$000
Deposits	1 473	(1 473)	(1 473)	1 462	1 462	1 462
Special dividend	-	(3 000)	(3 000)	3 000	-	-
Total	**1 473**	**(4 473)**	**(4 473)**	**4 462**	**1 462**	**1 462**

c) Non-Cash Financing and Investing Activities

Finance lease transactions

During the 2018-19 and 2017-18, DCS did not acquire plant and equipment/computer equipment and software by means of finance leases.

8. Receivables

	2019	2018
	$000	$000
Current		
Accounts receivable	49	29
Less: Loss allowance	-	-
	49	**29**
Interest receivables	10	10
Other receivables (accrued income)	2 152	2 043
Total receivables	**2 211**	**2 082**

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

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

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

Credit Risk Exposure of Receivables

Receivables are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. The entity applies the AASB 9 simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

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

In accordance with the provisions of the FMA, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes a failure to make contractual payments for a period greater than 183 days past due.

Credit risk for the comparative year was assessed under AASB 139 and is based on objective evidence of impairment.

The loss allowance for receivables as at the reporting date is disclosed below.

	2019				2018		
	Gross receivables $000	Loss rate %	Expected credit losses $000	Net receivables $000	Aging of receivables $000	Impairment allowance $000	Net receivables $000
Internal receivables							
Not overdue	8	-	-	8	-	-	-
Overdue for less than 30 days	-	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-
Total internal receivables	**8**	**-**	**-**	**8**	**-**	**-**	**-**
External receivables							
Not overdue	28	-	-	28	29	-	29
Overdue for less than 30 days	3	-	-	3	-	-	-
Overdue for 30 to 60 days	3	-	-	3	-	-	-
Overdue for more than 60 days	7	-	-	7	-	-	-
Total external receivables	**41**	**-**	**-**	**41**	**29**	**-**	**29**

Total amounts disclosed exclude statutory amounts.

Reconciliation of loss allowance for receivables

DCS recognised no loss allowance for receivables for 2018-19 and 2017-18 from the assessment of expected credit losses.

9. Prepayments

	2019 $000	2018 $000
Current		
Prepayments	2 682	4 075
Non-current		
Prepayments	1 411	1 638
Total prepayments	**4 093**	**5 713**

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period. This includes software licenses and related software and hardware support services. Perpetual licenses are expensed in the year they are incurred if their expected life and future economic benefit from their usage cannot be reliably determined.

10. Property, Plant and Equipment

	2019 $000	2018 $000
Plant and equipment		
At cost	10 962	11 296
Less: Accumulated depreciation	(2 661)	(2 294)
	8 301	**9 002**
Computer software		
At cost	2 548	2 483
Less: Accumulated amortisation	(1 612)	(1 095)
	936	**1 388**
Computer hardware		
At cost	10 948	8 932
Less: Accumulated depreciation	(8 418)	(7 127)
	2 530	**1 805**
Total property, plant and equipment	**11 767**	**12 195**

2019 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2018-19 is set out below:

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying amount as at 1 July 2018	9 002	1 388	1 805	12 195
Additions	888	65	800	1 753
Transfers in/transfers out	(1 216)	-	1 216	-
Depreciation/amortisation	(373)	(517)	(1 291)	(2 181)
Carrying amount as at 30 June 2019	**8 301**	**936**	**2 530**	**11 767**

2018 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Plant and Equipment $000	Computer Software $000	Computer Hardware $000	Total $000
Carrying amount as at 1 July 2017	5 812	296	2 488	8 596
Additions	3 452	1 623	635	5 710
Disposals/impairment losses	-	-	(234)	(234)
Transfers in/transfers out	100	-	-	100
Depreciation/amortisation	(362)	(531)	(1 084)	(1 977)
Carrying amount as at 30 June 2018	**9 002**	**1 388**	**1 805**	**12 195**

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to DCS in future years. DCS expenses license keys associated with computer hardware rather than being capitalised as the future economic benefit derived from the usage of the increased asset capability cannot be reliably assessed or measured. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (Work in Progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on a whole of government basis. Therefore, appropriation for DCS capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to DCS.

Impairment

Impairment of Assets

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

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

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense.

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

DCS' property, plant and equipment assets were assessed for impairment as at 30 June 2019. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

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

	2019	2018
Plant and equipment	2-10 years	2-10 years
Computer software	2-10 years	2-10 years
Computer hardware	2-10 years	2-10 years

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

Assets Held for Sale

DCS does not hold assets for sale.

Leased Assets

Leases under which DCS 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

DCS held no finance leased assets.

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 should be recognised as a deduction of the lease expenses over the term of the lease.

11. Payables

	2019 $000	2018 $000
Accounts payable	94	69
Accrued expenses	487	394
GST payable	112	124
Total payables	**693**	**587**

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

12. Income Tax Liabilities

	2019 $000	2018 $000
Income tax payable	1 342	1 253
Total income tax liabilities	**1 342**	**1 253**

13. Provisions

	2019 $000	2018 $000
Current		
Employee benefits		
Recreation leave	865	878
Leave loading	111	95
Other employee benefits	14	12
Other current provisions		
Provision for dividend	1 566	1 462
Provision for fringe benefits tax	1	2
Provision for superannuation	96	98
Provision for payroll tax	73	70
Other provisions	153	-
Total provisions	**2 879**	**2 617**
Reconciliation of provision for dividends		
Balance as at 1 July	1 462	1 473
Additional provisions recognised	1 566	1 462
Reductions arising from payments	(1 462)	(1 473)
Balance as at 30 June	**1 566**	**1 462**

Data Centre Services employed 53 employees as at 30 June 2019 and 58 employees as at 30 June 2018.

Employee Benefits

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

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

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

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

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

Superannuation

Employees' superannuation entitlements are provided through the:

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

DCS makes superannuation contributions on behalf of its employees to the Central Holding Authority on 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' financial statements.

14. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

i) Other Expenditure Commitments

	2019		2018[1]	
	Internal $000	**External $000**	**Internal $000**	**External $000**
Within one year	2 000	-	1 000	-
Later than one year and not later than five years	-	-	2 000	-
	2 000	**-**	**3 000**	**-**

[1] 2017-18 figures has been adjusted to reclassify special dividends as other expenditure commitments.

15. Equity

Equity represents the residual interest in the net assets of DCS. The Northern Territory Government's ownership interest in DCS is held in the Central Holding Authority.

	2019 $000	2018 $000
Capital		
Balance as at 1 July	**1 466**	**1 366**
Equity Injections		
Equity transfers in	-	100
Balance as at 30 June	**1 466**	**1 466**
Accumulated Funds		
Balance as at 1 July	**20 351**	**21 888**
Surplus for the period	3 132	2 925
Dividends payable	(1 566)	(1 462)
Special dividend	(1 000)	(3 000)
Balance as at 30 June	**20 917**	**20 351**
Total equity	**22 383**	**21 817**

16. Fair Value Measurement

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

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

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

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

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

DCS has limited exposure to financial risks as discussed below.

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

a) Categorisation of Financial Instruments

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

2018-19 Categorisation of Financial Instruments

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value $000	Designated at fair value $000	$000	$000	$000
Cash and deposits	-	-	9 226	-	9 226
Receivables[1]	-	-	59	-	59
Total financial assets	**-**	**-**	**9 285**	**-**	**9 285**
Payables[1]	-	-	94	-	94
Total financial liabilities	**-**	**-**	**94**	**-**	**94**

[1]Total amounts disclosed exclude statutory amounts.

2017-18 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading $000	Designated at fair value $000	$000	$000	$000	$000	$000
Cash and deposits	-	-	-	6 284	-	-	6 284
Receivables[1]	-	-	-	39	-	-	39
Total financial assets	**-**	**-**	**-**	**6 323**	**-**	**-**	**6 323**
Deposits held	-	-	-	-	-	-	-
Payables[1]	-	-	-	-	-	69	69
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**69**	**69**

[1]Total amounts disclosed exclude statutory amounts. Total amounts were adjusted from the published version to exclude accrued items which do not qualify as financial instruments.

Classification of Financial Instruments from 1 July 2018

From 1 July 2018, DCS classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss)
- those to be measured at amortised cost.

The classification depends on the DCS's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, DCS has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

DCS reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, DCS measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Classification of Financial Instruments until 30 June 2018

DCS has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with AASB 139.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL)
- financial liabilities at amortised cost.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables. Loans and receivables are measured initially at fair value and subsequently at amortised cost using the effective interest rate method less impairment.

Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost are measured including all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

b) Credit Risk

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

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

Credit risk relating to receivables is disclosed in note 8.

c) Liquidity Risk

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

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

2019 Maturity Analysis for Financial Liabilities

	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables	94	94	-	-	94
Total financial liabilities	**94**	**94**	**-**	**-**	**94**

2018 Maturity Analysis for Financial Liabilities

	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables[1]	69	69	-	-	69
Total financial liabilities	**69**	**69**	**-**	**-**	**69**

[1]Total amounts were adjusted from the published version to exclude accrued items which do not qualify as financial instruments.

d) Market Risk

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

i) Interest Rate Risk

DCS has limited exposure to interest rate risk as DCS's financial assets and financial liabilities, are non interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk.

Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on DCS's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase $000	100 basis points decrease $000
30 June 2019		
Financial assets – cash at bank	92	(92)
Net sensitivity	**92**	**(92)**
30 June 2018		
Financial assets – cash at bank	63	(63)
Net sensitivity	**63**	**(63)**

ii) Price Risk

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

iii) Currency Risk

DCS has limited exposure to currency risk, as DCS does not hold borrowings denominated in foreign currencies, and has limited transactional currency exposures arising from purchases in a foreign currency.

18. Related parties

i) Related Parties

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

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

ii) Key Management Personnel (KMP)

Key management personnel of DCS are those persons having authority and responsibility for planning, directing and controlling the activities of DCS. These include the Minister for Corporate and Information Services, the Chief Executive Officer of DCIS, the Deputy Chief Executive Officer of DCIS, Senior Director of Data Centre Services and Chief Financial Officer (CFO). The CFO was added as a KMP in the 2018-19 financial year.

iii) Remuneration of Key Management Personnel

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

The aggregate compensation to KMP of DCS is set out below:

	2018-19 $000	2017-18[1] $000
Short-term benefits	303	267
Post-employment benefits	30	29
Total	**333**	**296**

[1]The CFO was not considered as KMP in the 2017-18 financial year.

DCIS provides management services to DCS and the amount relating to KMP has been included in the figures above.

iv) Related Party Transactions

Transactions with Northern Territory Government controlled entities.

DCS' primary ongoing source of funding is received from Northern Territory Government controlled entities.

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

2019
Related party

	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NT Government departments	24 689	4 141	2 155	3 085

2018
Related party

	Revenue from related parties $000	Payments to related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
All NT Government departments	24 288	4 340	2 033	2 909

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

Other Related Party Transactions:

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

19. Contingent Liabilities and Contingent Assets

DCS had no contingent liabilities or contingent assets as at 30 June 2019 or 30 June 2018.

20. Events Subsequent to Balance Date

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

21. Budgetary Information

Comprehensive Operating Statement	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Income				
Sales of goods and services	24 769	24 890	(121)	
Interest revenue	103	300	(197)	
Other income	897	-	897	1
Total income	**25 769**	**25 190**	**579**	
Expenses				
Employee expenses	6 604	7 155	551	2
Administrative expenses				
Purchases of goods and services	12 510	11 621	(889)	3
Depreciation and amortisation	2 181	2 184	3	
Total expenses	**21 295**	**20 960**	**(335)**	
Surplus before income tax	**4 474**	**4 230**	**244**	
Income tax expense	1 342	1 269	(73)	
Net surplus	**3 132**	**2 961**	**171**	
Comprehensive result	**3 132**	**2 961**	**171**	

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

Notes:

1. One-off insurance settlement for damaged computer hardware.

2. Staff seconded to transition project managed by DCIS resulting in lower employee costs.

3. Additional IT related expenses and contract resources.

Balance Sheet	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Assets				
Current assets				
Cash and deposits	9 226	8 270	956	1
Receivables	2 211	2 513	(302)	
Prepayments	2 682	5 877	(3 195)	2
Total current assets	**14 119**	**16 660**	**(2 541)**	
Non-current assets				
Property, plant and equipment	11 767	10 012	1 755	3
Prepayments	1 411	-	1 411	4
Total non-current assets	**13 178**	**10 012**	**3 166**	
Total assets	**27 297**	**26 672**	**625**	
Liabilities				
Current liabilities				
Payables	693	510	(183)	
Income tax liability	1 342	1 269	(73)	
Provisions	2 879	2 718	(161)	
Other liabilities	-	66	66	
Total current liabilities	**4 914**	**4 563**	**(351)**	
Total liabilities	**4 914**	**4 563**	**(351)**	
Net assets	**22 383**	**22 109**	**274**	
Equity				
Capital	1 466	1 466	-	
Reserves				
Accumulated funds				
Opening balance	20 351	20 163	188	
Current year surplus(+)/deficit(-)	3 132	2 961	171	
Dividends payable	(1 566)	(1 481)	(85)	
Special Dividend	(1 000)	(1 000)	-	
Total equity	**22 383**	**22 109**	**274**	

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

Further, the original published budget figure has not been adjusted to reflect the actual opening balances as at 1 July 2018.

Notes:

1. Opening balance adjustment of -$2.0 million plus a net increase in cash from the Cashflow Statement of $2.9 million.

2. Reduction of prepayments resulting from expensing prepaid licenses.

3. Opening balance adjustment of $2.1 million plus purchases $1.8 million offset by depreciation which was $2.2 million.

4. No opening budget balance and closing balance of $1.4 million.

Cash Flow Statement

	2018-19 Actual $000	2018-19 Original Budget $000	Variance $000	Note
Cash flows from operating activities				
Operating receipts				
Receipts from sales of goods and services	25 535	24 890	645	1
GST receipts	1 719	-	1 719	2
Interest received	104	300	(196)	
Total operating receipts	**27 358**	**25 190**	**2 168**	
Operating payments				
Payments to employees	(6 598)	(7 155)	557	3
Payments for goods and services	(10 621)	(11 621)	1 000	4
GST payments	(1 730)	-	(1 730)	2
Income tax paid	(1 253)	(1 094)	(159)	
Total operating payments	**(20 202)**	**(19 870)**	**(332)**	
Net cash from/(used in) operating activities	**7 156**	**5 320**	**1 836**	
Cash flows from investing activities				
Investing payments				
Purchases of assets	(1 752)	(850)	(902)	5
Total investing payments	**(1 752)**	**(850)**	**(902)**	
Net cash from/(used in) investing activities	**(1 752)**	**(850)**	**(902)**	
Cash flows from financing activities				
Financing payments				
Dividends Paid	(2 462)	(2 276)	(186)	
Total financing payments	**(2 462)**	**(2 276)**	**(186)**	
Net cash from/(used in) financing activities	**(2 462)**	**(2 276)**	**(186)**	
Net increase/(decrease) in cash held	2 942	2 194	748	
Cash at beginning of financial year	6 284	6 076	208	
Cash at the end of financial year	**9 226**	**8 270**	**956**	

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

Notes:

1. Receipt of insurance settlement.
2. GST receipts and payments not included in the original budget.
3. Staff seconded to transition project managed by DCIS resulting in lower employee costs.
4. Decrease in prepayments for IT software and licensing resulting in lower cash payments.
5. Replacement of damaged computer hardware.

Department of **Corporate and Information Services**

06

Appendices

Appendix I

Shared Corporate Services Price List 2018-19

Service	Cost Measure (monthly charge)	Price ($)
Across Government Contracts		
Across government contracts	Per full time employee	3.57
Contract Services		
Contract administration	Per contract issued	1 326.93
Full tender procurement	Per contract issued	5 985.50
Tier 2 quotations	Per quotation issued	113.71
Tier 3 quotations including awards	Per quotation and award issued	2 084.12
Tender management	Per tender issued	2 373.80
Corporate Reporting		
Human resource corporate reporting	Per full time employee	3.85
General ledger transaction reporting	Per general ledger transaction	0.18
Financial Services		
Payments through interface	Per interfaced payment transaction	0.35
Internet payments	Per internet payment transaction	56.62
Manual payments	Per manual payment transaction	16.98
EIMS	Per EIMS payment processed	9.80
Accounts receivable manual invoices	Per accounts receivable manual invoice processed	49.57
Accounts receivable electronic invoices	Per accounts receivable electronic invoice processed	21.24
Advance cheques/petty cash	Per advance cheque/petty cash transaction processed	23.40
Accounts receivable RTM receipts	Per electronic accounts receivable RTM receipt issued	8.26
Accounts receivable bank accounts	Per bank account reconciled	100.13
Manual receipt	Per manual receipt transaction	32.21
Manual ledger transfer	Per manual ledger transfer invoice processed	27.04
Credit card management	Per corporate credit card issued	34.48
Tax BAS/GST return	Per line per tax BAS/GST return	0.71
FBT return	Per line per tax FBT return	27.28
Payroll tax return	Per cost code per payroll tax return	8.78
Financial systems	Percentage data storage/usage	7 106.25
Asset disposals	Number of asset disposals	81.50
Asset additions	Number of new asset additions	92.13
Asset records maintenance	Number of assets in the asset register	5.48

Department of **Corporate and Information Services**

Service	Cost Measure (monthly charge)	Price ($)
Human Resource Services		
Entry level recruitment	Number of entry level administrative staff employed in billing month	6.67
Employment programs	Number of apprentices/trainees managed	679.53
Human resource system	Number of paid employees	30.97
Job evaluation services	Per position evaluated under JES system	186.33
Payroll services	Number of paid employees	14.86
Payroll manual transactions	Number of manual payroll transactions processed	13.36
Payroll auto transactions	Number of automatic payroll transactions processed	3.71
Employee commencements	Number of employee commencements	349.12
Payroll terminations	Number of employee cessations	290.44
Recruitment advertising	Per advertising request	280.74
Recruit temporary/nominal move	Per temporary or nominal move	20.28
Executive contract officers	Number of paid executive contract officers	70.93
ICT Services		
Agency Services Manager	Per allocation of ICT manager	10 471.63
Agency Services Director	Per allocation of ICT director	14 930.39
Security	Per ICT equipment	4.23
ICT contract management	Per ICT equipment	3.47
Property Management		
Leased property management	Per square metre of leased building	1.17
Records System Services		
TRM administration	Per full time employee	1.67

Appendix II – Audits by the Auditor-General

For the year ended 30 June 2019

DCIS End of Year Review (Shared Services) for the year ended 30 June 2018

AUDIT OBJECTIVE: To review the adequacy of selected aspects of end of financial year controls over accounting and material financial transactions performed by DCIS on the behalf of the NT Government agencies. Audit coverage included samples from financial transactions of 11 NT Government organisations and focused on:

- June journal entries
- end-of-year receipting
- prescribed ledger completion processes
- annual leave and long service leave data provided from PIPS
- trust accounts
- controls and processes applied by DCIS to capture year end balances.

AUDIT OUTCOME: No significant weaknesses in controls were identified during the audit, and accounting and control procedures examined in relation to the end of financial year processes were found to be generally satisfactory. No major matters arising from the audit requiring action were identified.

ACTION: No action required.

DCIS End of Year Review for the year ended 30 June 2018

AUDIT OBJECTIVE: To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances for DCIS with the primary purpose of providing support to the audit of the TAFS.

The review focused on the accrual accounting aspects of the 30 June 2018 financial data contained in the agency's GAS general ledger and consolidated by DTF into the TAFS.

AUDIT OUTCOME: No major matters arising from the audit requiring action were identified.

ACTION: No action required.

NT Fleet Financial Statement Audit for the year ended 30 June 2018

AUDIT OBJECTIVE: To conduct sufficient audit work to form an opinion on the financial statements of NT Fleet for the year ended 30 June 2018.

AUDIT OUTCOME: An unmodified audit opinion was issued on the financial statements of NT Fleet. No matters were identified during the audit.

ACTION: No action required.

Data Centre Services Financial Statement Audit for the year ended 30 June 2018

AUDIT OBJECTIVE: To conduct sufficient audit work to form an opinion on the financial statements of Data Centre Services for the year ended 30 June 2018.

AUDIT OUTCOME: An unmodified audit opinion was issued on the financial statements of Data Centre Services. No matters were identified during the audit.

ACTION: No action required.

GAS Controls Audit for the year ending 30 June 2019

AUDIT OBJECTIVE: To determine whether there is reasonable assurance that there are satisfactory internal controls for central maintenance of GAS and financial services provided to agencies, including:

- ledger reconciliation
- financial reporting
- processing of accounts payable
- accounts receivable, including collection of public money and receipts to Operating Accounts
- advances and Official Bank accounts
- preparation of the NT Government BAS for GST
- grants management
- adequate and effective communication with agencies in respect of the services performed for them.

AUDIT OUTCOME: Audit procedures performed confirmed generally satisfactory internal controls relating to the central maintenance of GAS and financial services provided to agencies. There were no significant matters identified during the audit.

ACTION: No action required.

NT Fleet Interim Financial Statements Audit 2018-19

AUDIT OBJECTIVE: To facilitate the end of year audit of the NT Fleet financial statements required by section 10 of the *Financial Management Act 1995*; identify and examine any significant new issues impacting on the audit for the year end; and in accordance with section 13 of the *Audit Act 1995*, address any control and compliance issues arising from an examination of the accounts and records.

AUDIT OUTCOME: The accounting and internal procedures relating to NT Fleet's activities were found to be generally satisfactory. No matters were identified.

ACTION: No action required.

IT Control Environment Review

AUDIT OBJECTIVE: To understand, risk assess and test the internal control structure within the service-wide IT mainframe environment at DCIS/Data Centre Services with particular reference to mainframe operations for the GAS, PIPS, and PAPMS.

Activities in scope for the audit, the design and implementation of IT general controls relating to GAS, PIPS and PAPMS including:

- IT general controls - managing change
- technical governance and security management
- network security
- ePass administration.

AUDIT OUTCOME: The IT control environment over GAS, PIPS and PAPMS were found to be generally satisfactory. There were no significant matters identified during the audit.

ACTION: No action required.

PIPS Controls Compliance Audit for the year ending 30 June 2019

AUDIT OBJECTIVE: To determine whether there is reasonable assurance that there are satisfactory internal controls for the PIPS payroll and leave recording functions provided to agencies and adequate and effective communication with agencies on functions performed for them, including:

- accuracy and reliability of payroll and leave information held in PIPS

- procedures deter and protect against fraud

- process for prompt identification of overpayments and a process for recovery.

AUDIT OUTCOME: The audit procedures performed showed generally satisfactory internal controls in relation to PIPS payroll and leave recording functions provided to agencies. One audit matter was identified:

- internal control procedures performed by Payroll and Employment Services could be enhanced.

ACTION: DCIS is continuing to educate and promote requirements to employees regarding internal controls.

The Shared Services Assurance and Improvement governance committee oversees the actions identified to continue to strengthen and improve internal procedures and reporting.

Agency Compliance Audit for the year ended 30 June 2019

AUDIT OBJECTIVE: To examine selected aspects of the systems in use by DCIS as required in particular by Treasurer's Directions Part 3, Section 1, and Procurement Governance Policy and Procurement Rules, with the objective of obtaining reasonable assurance that those selected requirements were being achieved.

AUDIT OUTCOME: The accounting and control procedures examined provide reasonable assurance that the responsibilities of the Accountable Officer will be met if those systems continue to operate in the manner identified in the audit. One matter was identified:

- number of exceptions of procurement processes were identified.

ACTION: Processes are being reviewed to ensure improved conformance with education being provided across the agency.

DCIS - Across Government - Cyber Security

AUDIT OBJECTIVE: To assess the effectiveness of the across-government approach to assessing and governing cyber security risk including consideration of the NT Government's Cyber Security Framework.

AUDIT OUTCOME: The review did not identify any control weaknesses. No matters were identified.

ACTION: No action required.

DCIS – Selected Analytics - Salary

AUDIT OBJECTIVE: To identify the reasons for significant changes in amounts of expenditure classified as salary for the years ended 30 June 2016, 30 June 2017 and 30 June 2018.

AUDIT OUTCOME: The review did not identify any control weaknesses. No matters were identified.

ACTION: No action required.

Appendix III – Internal Audit/Review

For the Year Ended 30 June 2019

Cabinet Information Security

Objective: Annual review of the department's cabinet information access and handling controls, accountability and security culture.

Findings: Review confirmed compliance with Cabinet Handbook.

Action: No action required.

Official Travel

Objective: Assess department travel transactions for compliance with the Travel Policy Framework, legislation and policies.

Findings: TRIPS movement requisitions for travel between 1 January 2018 and 30 June 2018 were reviewed and compliance with the Travel Policy was generally satisfactory with some minor non-compliance instances:

- approval in TRIPS was not obtained prior to travel commencement for five out of 123 requisitions

- three same day travel movement requisitions were non-compliant with the DCIS Policy, relating to travel allowance

- 37 of 123 requisitions were not acquitted within 10 working days of return to the workplace.

Actions: Training on travel policy requirements is provided on a regular basis to new employees and staff making bookings, with information provided regularly at forums and a detailed Standard Operating Procedure issued.

Procurement Review

Objective: Review of NT Fleet's Tier 1 procurements for the period 1 January 2018 to 30 June 2018 to assess compliance with procurement rules, including implementation of the Buy Local Policy.

Findings: All 50 sampled transactions reviewed met the Buy Local Policy requirements; however, processes could be improved. Matters identified for action included:

- five instances of a non-delegated officer signing the order

- prior approval not evidenced for 12 transactions sampled

- processes for ongoing purchases, urgent requirements and additional funding to be improved.

Actions: NT Fleet is enhancing internal processes and documentation, including record keeping.

Procurement Audit

Two procurement audits were conducted covering the following periods:

- 1 January 2018 to 30 June 2018 (excluding NT Fleet Tier 1)

- 1 July 2018 to 31 December 2018.

Objective: Audit compliance with legislation, policy and procedures for all procurement activities across all tiers, including Value for Territory.

Findings: The independent audits confirmed the department has a strong commitment to compliance and continuous improvement, with skilled individuals and robust processes for procurement, with some qualitative improvements still needed. Findings included:

1 January 2018 to 30 June 2018

- conflict of interest declarations were not evidenced for one Tier 2 procurement activity

- complete procurement processes including appropriate approvals, were not evidenced in some sampled Tier 1 transactions

- contract management plans not in place for some relevant procurements

- appropriate records for some sampled procurement activities were not maintained.

1 July 2018 to 31 December 2018

- one Tier 2 procurement where correct processes were not followed

- one Tier 2 procurement not recorded in APRO

- three instances where Conflict of Interest declarations were not evidenced

- one Tier 2 procurement activity with no evidence of assessment result, nor of the respondent being notified of the outcome in writing

- one Tier 5 procurement where approval for non-standard conditions of contract was not evidenced

- one Tier 5 procurement where the future tender opportunity was released less than one month prior to the release of the request for tender (27 days rather than 30 days)

- records management of documents relating to procurement processes require improvement.

Actions: DCIS will continue to invest in its procurement capability through further education and ongoing focus on procurement process improvement.

ICT Enterprise Environment

Objective: DCIS undertook three independent reviews of the security posture of the ICT enterprise environment in 2018-19. The reviews considered vulnerabilities and the status of implementation of cyber security mitigations.

Findings: No significant adverse findings were identified.

Actions: Remediation activities were undertaken.

Appendix IV - Department Insurance Claims

Departmental Self Insurance

Risk Category	Number of claims		Value of claims ($)		Average cost of claims ($)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Workers compensation[1]	7	2	182 572	11 158	26 081	5 579
Motor vehicles	5	4	8 894	8 122	1 779	2 031

[1] Figures provided are for all submitted claims during the financial year, including new, ongoing and finalised claims.

Government Business Division Commercial Insurance

NT Fleet

Risk Category	Number of claims		Value of claims ($)		Average cost of claims ($)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Workers compensation	-	-	-	-	-	-
Motor vehicles	1	2	227	2 826	227	1 413

Data Centre Services

Risk Category	Number of claims		Value of claims ($)		Average cost of claims ($)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Workers compensation	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-
Other (Industrial Special Risks – Business Insurance)	-	1	-	981 331	-	981 331

Data Centre Services lodged one claim that was settled in 2018-19, relating to damage caused by faulty equipment in the new Government Data Centre during the commissioning phase.

Appendix V - Accommodation Costs for Non-Government Organisations

For the Year Ended 30 June 2019

Non-Government Organisation	Building	Supporting Agency	Cost ($)
Adult Mental Health Team	Civic Plaza, Palmerston	Top End Health Services	71 600
Amateur Fishermen's Association of the Northern Territory	Malak Shopping Centre, Malak	DPIR	43 400
Artback NT	Harbour View Plaza	DTSC	70 400
Association of Independent Schools of the Northern Territory	NAB Building, Darwin	DoE	79 500
Association of Northern, Kimberley and Arnhem Aboriginal Artists	Habour View Plaza	DTSC	53 500
Australia Day Council	NAB Building, Darwin	DCM	56 300
Bushmob	CfAT Building, Alice Springs	DoH	206 700
Camp Quality / CanTeen	82 Wood Street, Darwin	DoH	38 800
Cancer Council of the Northern Territory	Anangu House, Alice Springs	DoH	32 900
Cancer Council of the Northern Territory	Casi House, Casuarina	DoH	52 500
Cancer Council of the Northern Territory	Katherine Government Centre, Katherine	DoH	8 300
CREATE Foundation	Anangu House, Alice Springs	TF	30 700
Darwin Aboriginal Art Fair	Harbour View Plaza	DTSC	32 000
Darwin Festival	Harbour View Plaza	DTSC	148 000
Darwin RSL	NAB Building	DCIS	9 600
Darwin Visual Arts Association	Harbour View Plaza	DTSC	76 000
Deaf NT Inc.	Casuarina Plaza, Casuarina	DoH	17 300
Duke of Edinburgh's Award NT Division	Goyder Centre, Palmerston	DoE	29 950
Genealogical Society of the Northern Territory Inc.	84 Smith Street, Darwin	DTSC	45 000
Good Beginnings	Randazzo Centre, Katherine	DoH	34 200
Heart Foundation NT	Darwin Central, Darwin	DoH	63 500
Keep Australia Beautiful Council Northern Territory	NAB Building, Darwin	DCM	14 000
L'here Artepe Aboriginal Corporation	Leichhardt Building, Alice Springs	DCM	38 200
Life Education	Goyder Centre, Palmerston	DoE	15 000
Multicultural Council of the Northern Territory Inc. and Multilingual Broadcasting Council Northern Territory Inc.	Malak Shopping Centre, Malak	DCM	101 500

Non-Government Organisation	Building	Supporting Agency	Cost ($)
Multicultural Community Services of Central Australia Inc.	Youth and Community Centre, Alice Springs	DCM	44 000
Music NT	Harbour View Plaza	DTSC	58 000
Northern Territory Badminton Association Inc.	19 Albatross Street, Winnellie	DTSC	165 400
Northern Territory Council of Government School Organisations	Ethos House, Casuarina	DoE	55 000
NT Friendship and Support, Disability Respite Centre	Randazzo Centre, Katherine	DoH	17 100
NT Writers' Centre	Harbour View Plaza	DTSC	23 000
Off the Leash	Harbour View Plaza	DTSC	26 000
Pensioners Workshop Association Inc.	48 Albatross St, Winnellie	DCM	33 900
Red Cross	Tennant Creek Government Centre	DIPL	Nil
Red Cross Drop in Centre	Casuarina Recreation Centre, Casuarina	DTSC	94 800
Tracks Dance Company	Harbour View Plaza	DTSC	110 000
Top End Women's Legal Service Inc.	17 Lindsay Street, Darwin	AGD	67 300
Industry Skills Advisory Council	The Avenue, Parap	DTBI	226 900
Victims of Crime NT Inc.	NAB Building, Darwin	AGD	89 500
YMCA of the Top End	Satepak House, Palmerston	DTSC	121 300
		Total expenditure	**2 556 150**

The key factors for movements in NGOs and costs over 2018-19 include:

- increase in NGOs due to arts groups relocating from government owned assets to leased properties
- increase in rental costs
- changes in space allocation.

Appendix VI - Gifted and loaned vehicles

Gifted Vehicles	$ (GST Inc)
Helping People Achieve Incorporated	9 860
Sub Total	**9 860**
Loaned Vehicles	**$ (GST Inc)**
Agentur Pty Ltd for the National Indigenous Tennis Carnival	662
Arafura Games	75 793
Barunga Festival	4 055
Bush Bands Program Alice Springs	6 434
Camp Quality	1 277
CanTeen 2018	533
CanTeen 2019	396
Classic Outback Trial Alice Springs	11 182
Corrugated Iron	1 848
Corrugated Iron Alice Springs	6 468
Darwin Aboriginal Art Fair 2018	3 440
Darwin Festival	72 838
Darwin Pro Tour Tennis Event	2 624
Easter in the Alice Mountain Bike Race	663
Flying Fruit Fly Circus	1 322
Freds Pass Rural Community Show Inc.	3 039
High Ground 2018	46 046
Indigenous Community Television Alice Springs	1 452
Incite Arts Alice Springs	7 003
Katherine Regional Arts	4 648
National Indigenous Music Awards	1 578
Nightcliff Seabreeze Festival	785
NT Travelling Film Festival	6 588
NT Writers' Festival	2 613
Portrait of a Senior Territorian	104
Run Larapinta and Redback MTB Races	5 561
Scouts Australia NT Branch	9 785
SIDS & Kids Northern Territory	5 693
Titjimbat Teachabout	13 152
Track Dance/Milpirri and Darwin Festival Show	11 224
Tracks Dance	3 160
Yothu Yindi Foundation for Garma Festival	44 375
Sub Total	**356 341**
Total value of gifted and loaned vehicles	**366 201**

Appendix VII – ICT Governance Board Membership

As at 30 June 2019

- **Ms Kathleen Robinson,**
  Chief Executive, DCIS (Chair)

- **Mr Alister Trier,**
  Chief Executive,
  Department of Primary Industry and Resources

- **Mr David Braines-Mead,**
  Deputy Under Treasurer,
  Department of Treasury and Finance

- **Mr Andrew Cowan,**
  Deputy Chief Executive,
  Department of the Chief Minister

- **Ms Sibylle Brautigam,**
  Deputy Chief Executive,
  Department of Trade, Business and Innovation

- **Ms Meredith Day,**
  Deputy Chief Executive,
  Department of the Attorney-General and Justice

- **Mr Grant Nicholls,**
  Deputy Commissioner, Capability and Specialist Services,
  Northern Territory Police, Fire and Emergency Services

- **Ms Lisa Watson,**
  Deputy Chief Executive, Governance and Business Services, Department of Health

- **Mr Chris Hosking,**
  Deputy Chief Executive,
  DCIS (Chair of the Security Leadership Group)

Secretariat services are provided by the Office of Digital Government, DCIS.

Left through the year:

- **Ms Sandie Matthews,**
  Executive Director Digital Government,
  DCIS (Chair of the ICT Leadership Group)

- **Mr Craig Allen,**
  Commissioner for Public Employment,
  Office of the Commissioner for Public Employment

Appendix VIII – MDAC Membership

As at 30 June 2019

- **Mr Steven Rowe** (Chair)

- **Mr Richard Baker**

- **Ms Jude Ellen**

- **Ms Lauren Ganley**

- **Mr Daniel Gerich**

- **Mr Kevin Grey**

- **Ms Karen Hawkes**

- **Dr Steven Rogers**

- **Mr Simon Watt**

- **Ms Barbara White**

- **Ms Sharmila Packiaraja** (AISA representative)

- **Mr Benjamin Smith** (ACS representative)

- **Ms Karina Bourne** (itSMF representative)

- **Mr Scott Wright** (ictnt representative)

- **Ms Kathleen Robinson** (NTG representative)

Secretariat services are provided by the
Office of Digital Government, DCIS.

Appendix IX – Abbreviations

Acronym	In full
AASB	Australian Accounting Standards Board
ABC	Australian Broadcasting Corporation
ACS	Australian Computer Society
ACSC	Australian Cyber Security Centre
ADSL	Asymmetric Digital Subscriber Line
AECDS	Aboriginal Employment and Career Development Strategy
AEP	Aboriginal Employment Program
AGD	Department of the Attorney-General and Justice
AIS	Asset Information System
AISA	Australian Information Security Association
AMS	Asset Management System
AMSANT	Aboriginal Medical Services Alliance Northern Territory
ANCAP	Australasian New Car Assessment Program
ANZLIC	Australia and New Zealand Land Information Council
AO	Order of Australia
AOG	All-of-Government
AOTA	Accountable Officer's Trust Account
APM	Accounting and Property Manual
APRO	Agency Purchase Requisitions Online
ASNEX	Asset Systems Nexus
ATO	Australian Taxation Office
ATSIEP	Aboriginal and Torres Strait Islander Employment Aspirations Program
BAR	Business Applications Register
BAS	Business Activity Statement
BAU	Business as Usual
BCP	Business Continuity Plan
BDC	Back up Data Centre

Acronym	In full
BDR	Banned Drinker Register
BOXI	Business Objects XI (NTG's Finance and HR Reporting Solution)
BP	Business Plan
BP3	Budget Paper No.3
BLP	Buy Local Plan
CARS	Client Acquisition Requisition System
CBD	Central Business District
CCIS	Community Care Information System
CCSRP	Core Clinical Systems Renewal Program
CDU	Charles Darwin University
CE	Chief Executive
CfAT	Centre for Appropriate Technology
Chartgen	Chart Generator System
CIO	Chief Information Officer
CMSA	Client Management Systems Alignment
COFOG	Classification of the functions of government
CPSU	Community and Public Sector Union
CSS	Commonwealth Superannuation Scheme
CSR3	Corporate Services Reform Program
DCIS	Department of Corporate and Information Services
DCM	Department of the Chief Minister
DCS	Data Centre Services
DLGHCD	Department of Local Government, Housing and Community Development
DIPL	Department of Infrastructure, Planning and Logistics
DoE	Department of Education
DoH	Department of Health
DPIR	Department of Primary Industry and Resources
DTBI	Department of Trade, Business and Innovation

DTSC	Department of Tourism, Sport and Culture		GPS	Global Positioning System
DTF	Department of Treasury and Finance		GST	Goods and Services Tax
DTS	Digital Territory Strategy		GTNT	Group Training Northern Territory
EAP	Employee Assistance Program		HR	Human Resources
ECL	Expected Credit Loss		IBIS	Internal Billing Invoice System
ECMS	Electronic Card Management System		ICAC	Independent Commissioner Against Corruption
EDI	Electronic Data Interchange		ICT	Information and Communications Technology
EEO	Equal Employment Opportunities		ICTNT	ICT Industry Association of the Northern Territory
EIMS	Electronic Invoice Management System		IGB	ICT Governance Board
ELG	Executive Leadership Group		ILG	ICT Leadership Group
ELP	Emerging Leaders Program		IMC	Information Management Committee
EMB	Executive Management Board		IP	Innovation Program
ECS	Enterprise Corporate Services		IRG	Incident Response Group
ePASS	Northern Territory Government's Identity Management System		ISDN	Integrated Services Digital Network
EPS	Enterprise Project Services		itSMF	IT Service Management Forum
EPU	Employment Programs Unit		JES	Job Evaluation System
EV	Electric Vehicles		KMP	Key Management Personnel
FBT	Fringe Benefit Tax		KPI	Key Performance Indicator
FMA	*Financial Management Act 1995*		LIG	Location Intelligence Group
FOI	Freedom of Information		LORIS	Licensing System
FTE	Full Time Equivalent		LPSS	Leased Property Stimulus Scheme
FVOCI	Fair Value Through Other Comprehensive Income		MDAC	Ministerial Digital Advisory Council
FVTPL	Fair Value Through Profit or Loss		MFD	Multi-Function Device
GAS	Government Accounting System		MIAC	Ministerial ICT Advisory Council
GBD	Government Business Division		MIPS	Million Instructions Per Second
GCC	Global Corporate Challenge		MLA	Member of the Legislative Assembly
GDC	Government Data Centre		MOG	Machinery of Government
GITAA	Geospatial Information Technology Association of Australia		MR	Movement Requisition
GOC	Government Owned Corporation		myHR	Employee Self-Service Module
			NAB	National Australia Bank

Department of **Corporate and Information Services**

NABERS	National Australian Built Environment Rating System
NAIDOC	National Aboriginal and Islander Day Observance Committee
NBN	National Broadband Network
NGO	Non-Government Organisation
NP	National Partnership
NT	Northern Territory
NTAGO	Northern Territory Auditor-General's Office
NTG	Northern Territory Government
NTGPASS	NT Government and Public Authorities' Superannuation Scheme
NTPFES	Northern Territory Police, Fire and Emergency Services
NTPS	Northern Territory Public Sector
NTTC	Northern Territory Treasury Corporation
OCI	Other Comprehensive Income
OCPE	Office of the Commissioner for Public Employment
PAPMS	Payroll and Payment Management System
PHEV	Plug-in Hybrid Electric Vehicles
PHN	Primary Health Networks
PIPS	Personnel Information Payroll System
PMU	Print Management Unit
PPE	Personal Protective Equipment
PROMIS	Police Real-Time Online Management and Information System
PSI	Public Sector Instrument
PSMP	Public Sector Management Program
PTR	Payroll Transaction
PWC	Power and Water Corporation
QR code	Quick Response code
QTOL	Quotations and Tenders Online System
RFT	Request for Tender
RIMS	Road Information Management System

RMC	Risk Management Committee
RTF	Requests to Fill
RSL	Returned and Services League
RSPCA	Royal Society for the Prevention of Cruelty to Animals
RTM	Receiver of Territory Monies
RVA	Recorded Voice Announcement
SA-NT	South Australia and Northern Territory Strategic Partnership
SerPro	Name of planned new policing system
SIEM	Security Information and Event Management
SIP	Session Initiation Protocol
SLG	Security Leadership Group
SOP	Standard Operating Procedure
SP	Strategic Plan
SSPs	Specific Purpose Payments
TAFS	Treasurer's Annual Financial Statements
TDO	Tender Documents Online System
TF	Territory Families
ToR	Terms of Reference
TRIPS	Travel Request Information Processing System
TRM	Territory Records Manager
TRS	Transforming the Records System
TSS	Tyre Stewardship Scheme
VBS	Vehicle Booking System
VC	Video Conferencing
VDI	Virtual Desktop Infrastructure
VET	Vocational Education and Training
VoIP	Voice over Internet Protocol
WAN	Wide Area Network
WHS	Work Health and Safety

DEPARTMENT OF
**CORPORATE AND
INFORMATION SERVICES**

dcis.nt.gov.au

NORTHERN
TERRITORY
GOVERNMENT