

# Construction Division

<b>Business Line</b>	2004-05 Estimate	2005-06 Budget
	\$000	\$000
<b>Operating Revenue</b>	<b>41 231</b>	<b>40 219</b>
Project Management	41 231	40 219
<b>Operating Expenses</b>	<b>41 231</b>	<b>38 209</b>
Project Management	41 231	38 209
<b>Operating Result</b>		<b>2 010</b>

**2005-06 Staffing: 256**

## Profile

The Construction Division is responsible for the design, procurement and supervision of the construction and maintenance of built assets for Government client agencies. The division has no construction workforce of its own and arranges private contractors for all construction work on behalf of its clients.

The division's key functional responsibility is to deliver the Government's Infrastructure Program, comprising capital works, minor new works and repairs and maintenance.

Strategic issues facing the division in 2005-06 include:

- further progressing a client-focused approach for the delivery of the Infrastructure Program, including development of service level agreements with all clients; and
- conducting business in a commercial manner as a government business division.

## Budget Highlights

- Delivery of major projects such as the Darwin City Waterfront Redevelopment, the Desert Knowledge Precinct and the Mereenie and Litchfield Loops.
- Delivery of urban and remote health and education facilities in line with agency development strategies.
- Facilitation and delivery of complementary infrastructure for East Arm Port user initiatives, including materials handling and oil transfer functions.

## Performance

Revenue is expected to reduce by \$1 million as a result of program management activities transferring to the Department of Infrastructure, Planning and Environment. Employee expenses will decrease by a similar amount. Operating expenses are expected to further decline due to tight cost control and realisation of managerial efficiencies.

### Business Line: Project Management

Project management of the construction and maintenance of built assets for the Northern Territory Government.

The outcome is efficient and customer-focused delivery of both construction and maintenance services.

Performance Measures		2004-05 Estimate	2005-06 Estimate
<i>Quantity</i>	Number of projects managed	2 500	2 500
	Available hours charged to projects	80%	80%
	Value of projects managed	\$400M	\$400M
<i>Quality</i>	Clients satisfied with service and product	80%	80%
<i>Timeliness</i>	Projects completed within agreed timeframes	80%	80%
	Cashflow targets met	90%	90%

## Statement of Financial Performance

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
<b>OPERATING REVENUE</b>		
Grants and subsidies		
Current		
Capital		
Community service obligations		
Sales of goods and services	41 111	40 099
Interest revenue	120	120
Rent and dividends		
Miscellaneous revenue		
Profit/loss on disposal of assets		
<b>TOTAL OPERATING REVENUE</b>	<b>41 231</b>	<b>40 219</b>
<b>OPERATING EXPENSES</b>		
Employee expenses	19 159	18 704
Administrative expenses		
Purchases of goods and services	21 755	19 192
Repairs and maintenance		
Depreciation and amortisation	17	13
Other administrative expenses		
Grants and subsidies		
Current		
Capital		
Interest expense	300	300
<b>TOTAL OPERATING EXPENSES</b>	<b>41 231</b>	<b>38 209</b>
<b>OPERATING SURPLUS BEFORE INCOME TAX</b>		<b>2 010</b>
Income tax expense		
<b>NET OPERATING SURPLUS</b>		<b>2 010</b>

## Statement of Financial Position

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
<b>ASSETS</b>		
Cash and deposits	2 288	1 777
Receivables	2 167	2 167
Prepayments	12	12
Inventories		
Advances and investments		
Land and improvements		
Plant and equipment	39	36
Other assets		
<b>TOTAL ASSETS</b>	<b>4 506</b>	<b>3 992</b>
<b>LIABILITIES</b>		
Deposits held		
Creditors and accruals	775	751
Borrowings and advances	2 500	
Provisions	3 119	3 119
Other liabilities		
<b>TOTAL LIABILITIES</b>	<b>6 394</b>	<b>3 870</b>
<b>NET ASSETS</b>	<b>-1 888</b>	<b>122</b>
<b>EQUITY</b>		
Capital		
Opening balance		
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	-1 888	-1 888
Current year surplus(+)/deficit(-)		2 010
Dividends paid/payable		
<b>TOTAL EQUITY</b>	<b>-1 888</b>	<b>122</b>

## Statement of Cash Flows

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating receipts</b>		
Grants and subsidies received		
Current		
Capital		
Community service obligations		
Receipts from sales of goods and services	41 700	40 099
Interest received	120	120
<b>Total operating receipts</b>	<b>41 820</b>	<b>40 219</b>
<b>Operating payments</b>		
Payments to employees	19 159	18 704
Payments for goods and services	21 756	19 192
Grants and subsidies paid		
Current		
Capital		
Interest paid	299	324
Income tax paid		
<b>Total operating payments</b>	<b>41 214</b>	<b>38 220</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>606</b>	<b>1 999</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investing receipts</b>		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
<b>Total investing receipts</b>		
<b>Investing payments</b>		
Purchases of assets	10	10
Advances and investing payments		
<b>Total investing payments</b>	<b>10</b>	<b>10</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>- 10</b>	<b>- 10</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Financing receipts</b>		
Proceeds of borrowings		
Deposits received		
Equity injections		
<b>Total financing receipts</b>		
<b>Financing payments</b>		
Repayment of borrowings		2 500
Finance lease payments		
Dividends paid		
Equity withdrawals		
<b>Total financing payments</b>		<b>2 500</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>-2 500</b>
Net increase in cash held	596	- 511
Cash at beginning of financial year	1 692	2 288
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>2 288</b>	<b>1 777</b>