

Construction Division

Business Line	2005-06 Estimate	2006-07 Budget
	\$000	\$000
Revenue	39 281	39 427
Project Management	39 281	39 427
Expenses	37 415	37 444
Project Management	37 415	37 444
SURPLUS/DEFICIT BEFORE INCOMETAX	1 866	1 983

2006-07 Staffing: 252

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 2006-07 include:

- achieving value for money for Government in the delivery of construction projects;
- ensuring adherence to specifications in the delivery of projects;
- effective and efficient delivery of project management services; and
- conducting business in a commercial manner as a government business division.

Budget Highlights

- Delivery of major projects such as the Victoria Highway upgrade, facilities for middle schools and the commencement of the Desert Knowledge Precinct.
- Continue upgrading the Mereenie and Litchfield loop roads.
- Facilitation and delivery of complementary infrastructure for Darwin Port user initiatives, including materials handling and oil transfer functions.
- Facilitation and delivery of the Palmerston Recreation Centre and the Darwin Football Stadium at Marrara.
- Facilitation and delivery of the Marrara Fire Station.

Performance

In the long term, development of the 'Roadmap' initiative, that sets work directives to chart processes, simplify activities, identify best work practices, increase uniformity and address high risk areas, will result in tight cost control and realisation of managerial efficiencies.

Performance will be improved through development and implementation of employee contract training, concentrating on procedures and theory to support existing and new contract conditions. A client-focused approach will be further progressed for the delivery of the Infrastructure Program, including development of roles and responsibilities for both Construction Division and client agencies.

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		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	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 ¹	80%	80%
<i>Timeliness</i>	Projects completed within agreed timeframes	80%	80%
	Cash flow targets met	90%	90%

¹ The Construction Division conducts annual surveys of client agencies to determine their needs. The client survey requests performance feedback in the areas of service satisfaction and timeliness, quality and environmental satisfaction, at a branch/regional level.

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations		
Sales of goods and services	39 161	39 307
Interest revenue	120	120
Rent and dividends		
Gain(+)/loss(-) on disposal of assets		
Other revenue		
TOTAL INCOME	39 281	39 427
EXPENSES		
Employee expenses	17 944	18 048
Administrative expenses		
Purchases of goods and services	19 014	19 150
Repairs and maintenance		
Depreciation and amortisation	51	51
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expense	406	195
TOTAL EXPENSES	37 415	37 444
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	1 866	1 983
Income tax expense		427
NET SURPLUS(+)/DEFICIT(-)	1 866	1 556

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits	1 050	3 074
Receivables	6 558	6 558
Prepayments	8	8
Inventories		
Advances and investments		
Property, plant and equipment	126	85
Other assets		
TOTAL ASSETS	7 742	9 725
LIABILITIES		
Deposits held		
Creditors and accruals	623	623
Borrowings and advances	2 500	2 500
Provisions	3 260	4 185
Other liabilities		
TOTAL LIABILITIES	6 383	7 308
NET ASSETS	1 359	2 417
EQUITY		
Capital		
Opening balance	183	183
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	- 690	1 176
Current year surplus(+)/deficit(-)	1 866	1 556
Dividends paid/payable		- 498
Accounting policy changes and corrections		
TOTAL EQUITY	1 359	2 417

Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations		
Receipts from sales of goods and services	39 161	39 307
Interest received	120	120
Total operating receipts	39 281	39 427
Operating payments		
Payments to employees	17 944	18 048
Payments for goods and services	19 014	19 150
Grants and subsidies paid		
Current		
Capital		
Interest paid	404	195
Income tax paid		
Total operating payments	37 362	37 393
NET CASH FROM OPERATING ACTIVITIES	1 919	2 034
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	10	10
Advances and investing payments		
Total investing payments	10	10
NET CASH FROM INVESTING ACTIVITIES	- 10	- 10
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES		
Net increase(+)/decrease(-) in cash held	1 909	2 024
Cash at beginning of financial year	- 859	1 050
CASH AT END OF FINANCIAL YEAR	1 050	3 074