

Department of
Corporate and Information Services

| | 2005-06 Estimate | 2006-07 Budget |
|------------------------------|---------------------|-------------------|
| | \$000 | \$000 |
| Output Group | | |
| Corporate Support Services | 63 965 | 60 145 |
| Property Management | 41 285 | 42 344 |
| Total Expenses | 105 250 | 102 489 |
| Output Appropriation | 91 991 | 89 766 |
| Capital Appropriation | 2 650 | |

2006-07 Staffing: 620

Agency Profile

The Department of Corporate and Information Services provides centralised corporate support services to Government agencies. Services include financial and human resource administration, procurement, archives, information technology management and leased property management.

Key functional responsibilities are:

- providing corporate support services to agencies and government business divisions;
- providing records and archive services;
- developing procurement policy and providing secretariat services to the Procurement Review Board;
- coordinating specific employment programs for graduates, new apprentices and Indigenous cadets;
- maintaining corporate support systems to enable processing of Government transactions, such as accounts and payroll;
- providing information technology services to support Government business;
- developing remote area communication services; and
- managing leased property to support Government service delivery.

Strategic issues facing the agency in 2006-07 include:

- continuing to improve processes and systems to lower costs and enhance the standard of corporate services and service delivery;
- implementing a range of across government contracts for frequently purchased or high volume requirements;
- developing systems and providing advice to agencies to ensure compliance with new Procurement Directions effective March 2006;
- implementing the new desktop/local area network (LAN) contract to ensure agencies continue to be provided with contemporary technology and support services over the life of the four-year contract;
- identifying and promoting ways to improve the telecommunications facilities available to remote areas of the Territory;

- implementing approved outcomes from the review of the policy on acquisition of leased property;
- assisting agencies to comply with records management standards by providing systems, processes, advice and training; and
- participating in the implementation of Government's Indigenous Employment and Career Development, Remote Workforce Development and Willing and Able strategies, enhancing systems to improve monitoring the success of these initiatives, and establishing effective partnerships with the Office of the Commissioner for Public Employment and other agencies in relation to these strategies.

Budget Highlights

- Transition to the new desktop/LAN contract, which will provide improved service levels for all agencies, especially those with operations in remote areas, at a reduced cost.
- Continue development of enhancements to the Personnel Information and Payroll System as identified by current business process improvement and customer forums to provide clients with a continued efficient and cost-effective service.
- Mandating entry level recruitment service for all Administration Officer 1 and Administration Officer 2 vacancies to continue to drive down the cost of recruitment for agencies.
- Transition agencies from paper-based human resource management transactions to electronic processing to achieve significant savings in processing costs.
- Rolling out the second phase of the Contract and Procurement Services tender request, tracking and management system to agencies.
- Assess the application of emerging information technologies that could lead to cost and service efficiencies across Government.
- Complete, in conjunction with the Department of Business, Economic and Regional Development and the Australian Information Industry Association, a strategic plan for the Northern Territory information and communications technology industry designed to deliver growth to the industry together with employment, investment and service benefits to the Territory.
- Continue implementation of the telecommunications contract and improvements to access and services.
- Continue structured business process improvement programs to improve services provided to customers.
- Coordinate the wider use of corporate credit cards by agencies for small and electronic transactions to achieve cost efficiencies across whole of government purchasing.
- Capital funding of \$2.65 million for a perpetual software licence for the Government Accounting System to ensure cost-effective maintenance and support for a critical Government corporate system.
- The following table shows the approved new capital works projects for 2006-07. For further details of these and other projects, see *Budget Paper No.4*.

| 2006-07 Major Capital Works | \$M |
|-----------------------------|-----|
| Chinatown fitout | 4.5 |
| Development House fitout | 3.1 |

Outputs and Performance

| Output Group/Output | 2005-06 | 2006-07 | Variation |
|---|----------------|----------------|---------------|
| | Estimate | Budget | |
| | \$000 | \$000 | \$000 |
| Corporate Support Services | 63 965 | 60 145 | -3 820 |
| Financial and Accounting Services | 20 766 | 20 324 | - 442 |
| Contract and Procurement Services | 4 054 | 4 082 | 28 |
| Human Resource Services | 28 515 | 26 173 | -2 342 |
| Archives and Records Management Services | 3 261 | 3 193 | - 68 |
| Information and Communication Technology Services | 7 369 | 6 373 | - 996 |
| Property Management | 41 285 | 42 344 | 1 059 |
| Property Management | 41 285 | 42 344 | 1 059 |
| Total Expenses | 105 250 | 102 489 | -2 761 |

Key Variations

- Savings of \$0.5 million are expected for the Financial and Accounting Services output in 2006-07 following the requirement for agencies to use corporate credit cards for electronic and minor purchases.
- The reduction in 2006-07 for the Human Resource Services output is predominantly due to various one-off costs in 2005-06 including completion of the payroll and people management service migration project (\$1.18 million), delayed payments to agencies for apprentices from 2004-05 (\$0.5 million) and workers compensation (\$0.25 million). In addition, Australian Government funding for apprentices, employment and training programs is reduced in 2006-07.
- The reduction in 2006-07 for the Information and Communication Technology Services output reflects a one-off cost of \$0.45 million for the Electronic Outback Program in 2005-06 and other minor information and technology projects delayed from 2004-05 and undertaken in 2005-06.
- The increase in 2006-07 for the Property Management output group reflects costs for additional leased accommodation and higher leasing costs.

Output Group: Corporate Support Services

Provision of cost-effective corporate services to Government agency customers.

The outcome is cost-effective corporate support services for Government agencies.

Financial and Accounting Services

Services include accounts payable, corporate credit cards, accounts receivable, corporate tax returns, asset register management, financial systems and reporting.

| Performance Measures | | 2005-06 Estimate | 2006-07 Estimate |
|----------------------|--|---------------------|---------------------|
| <i>Quantity</i> | Creditor invoices processed | 440 000 | 443 000 |
| | Debtor invoices processed | 31 900 | 32 000 |
| | Assets recorded | 15 000 | 15 000 |
| | Financial system cost | \$7.77M | \$7.8M |
| <i>Quality</i> | Processing error rate | < 0.5% | < 0.5% |
| | Corporate credit card transactions as a proportion of total payments | 9% | 18% |
| <i>Timeliness</i> | Creditor invoices processed < 8 days | > 85% | > 90% |
| | Days sales outstanding ¹ | 40 | 35 |
| | Average days to record assets | 10 | 10 |
| | System availability | 100% | 100% |

1 Average number of days customers take to pay invoices.

Contract and Procurement Services

Provision of contract and procurement services for the procurement of works, services and goods valued above \$10 000.

| Performance Measures | | 2005-06 Estimate | 2006-07 Estimate |
|----------------------|---|---------------------|---------------------|
| <i>Quantity</i> | Tenders managed | 1 500 | 1 500 |
| | Tenders developed | 550 | 550 |
| <i>Quality</i> | Addenda issued ¹ | < 20% | < 20% |
| | Procurement Review Board rejection rate ² | < 5% | < 5% |
| <i>Timeliness</i> | Average days to issue tenders | 7 | 7 |
| | Average days to prepare papers for the Procurement Review Board | 5 | 5 |

1 Addenda issued to tenders developed by Contract and Procurement Services (CAPS).

2 Number of papers prepared by CAPS for the Procurement Review Board not approved on first presentation, which provides an indication of the quality of business papers.

Human Resource Services

Payment of salaries, recruitment of employees, provision of employee support services and management of the Personnel Information and Payroll System (PIPS) and reporting.

| Performance Measures | | 2005-06 Estimate | 2006-07 Estimate |
|----------------------|--|---------------------|---------------------|
| <i>Quantity</i> | Employees paid ¹ | 17 600 | 17 600 |
| | Commencements and terminations processed | 13 000 | 13 000 |
| | Human resource system cost | \$6.2M | \$6.2M |
| | Number of half days training delivered | 6 500 | 5 000 |
| <i>Quality</i> | Pay transactions processed: | | |
| | - electronically via <i>myHR</i> | 33% | 49% |
| | - manually via PIPS | 67% | 51% |
| | Number of workers compensation claims processed in statutory time limits | 98% | 100% |
| | Training course satisfaction level | 85% | 90% |
| <i>Timeliness</i> | Pay transactions processed in applicable pay period | 98% | 98% |
| | Number of job evaluation system (JES) matters processed within 10 days | 100% | 100% |

¹ Numbers published in May 2005 did not include the Department of Corporate and Information Services staff.

Archives and Records Management Services

Records and archives management policies, standards and systems for agencies, and archival heritage services to the community.

| Performance Measures | | 2005-06 Estimate | 2006-07 Estimate |
|----------------------|--|---------------------|---------------------|
| <i>Quantity</i> | Employees with access to records policies and systems | 17 600 | 17 600 |
| | Archives collections managed | 2 550 | 2 610 |
| | Archives issued to researchers | 18 000 | 18 000 |
| <i>Quality</i> | Records management system work requests resolved within 2 days | 100% | 100% |
| <i>Timeliness</i> | Records management system availability | 100% | 100% |
| | Research requests satisfied within 1 month | 90% | 90% |

Information and Communication Technology Services

Management of outsourced information and communication technology services and the Government website. Development of policies and monitoring of information technology security in Government. Management of Australian Government programs to improve communications facilities in remote communities.

| Performance Measures | | 2005-06 Estimate | 2006-07 Estimate |
|----------------------|---|---------------------|---------------------|
| <i>Quantity</i> | Users with access to desktop facilities at any one time | 9 750 | 10 500 |
| | Agency information technology support hours | 38 750 | 38 400 |
| | Desktop password resets within 1 hour | 90% | 95% |
| | Average monthly user service calls to helpdesk | 16 000 | 14 000 |
| <i>Quality</i> | Sites connected to the wide area network (WAN) | 450 | 500 |
| | Agency score card for desktop services (out of 10) ¹ | 7.8 | 7.5 |
| | Severe desktop faults restored within the service level agreement (4 hours) | 80% | 85% |
| <i>Timeliness</i> | Outsourced services provided within agreed service levels | 100% | 100% |

¹ Impacted on by helpdesk transition.

Output Group: Property Management

Management of leased properties, security and cleaning services which meet the service demands of Government agencies.

The outcome is cost-effective lease and facility management services to agencies.

| Performance Measures | | 2005-06 Estimate | 2006-07 Estimate |
|----------------------|-----------------------------------|---------------------|---------------------|
| <i>Quantity</i> | Property portfolio leases | 148 | 148 |
| | Area leased ('000m ²) | 174 | 174 |
| | Average cost per m ² | \$245 | \$245 |
| <i>Quality</i> | Leases renewed before expiry | 80% | 85% |
| <i>Timeliness</i> | Rental payments made on time | 99.8% | 99.8% |

Operating Statement

| | 2005-06 Estimate | 2006-07 Budget |
|--|---------------------|-------------------|
| | \$000 | \$000 |
| INCOME | | |
| Taxation revenue | | |
| Grants and subsidies revenue | | |
| Current | 784 | 739 |
| Capital | | |
| Output revenue | 91 991 | 89 766 |
| Sales of goods and services | 11 805 | 11 293 |
| Interest revenue | | |
| Goods and services received free of charge | | |
| Gain(+)/loss(-) on disposal of assets | | |
| Other revenue | 70 | 70 |
| TOTAL INCOME | 104 650 | 101 868 |
| EXPENSES | | |
| Employee expenses | 39 113 | 40 085 |
| Administrative expenses | | |
| Purchases of goods and services | 64 831 | 61 139 |
| Repairs and maintenance | 270 | 240 |
| Depreciation and amortisation | 623 | 601 |
| DCIS services free of charge | | |
| Other administrative expenses | | |
| Grants and subsidies expenses | | |
| Current | 413 | 424 |
| Capital | | |
| Community service obligations | | |
| Interest expense | | |
| TOTAL EXPENSES | 105 250 | 102 489 |
| NET SURPLUS(+)/DEFICIT(-) | - 600 | - 621 |

Balance Sheet

| | 2005-06 Estimate | 2006-07 Budget |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| ASSETS | | |
| Cash and deposits | 929 | 909 |
| Receivables | 2 322 | 2 322 |
| Prepayments | 2 603 | 2 603 |
| Inventories | | |
| Advances and investments | | |
| Property, plant and equipment | 6 700 | 6 099 |
| Other assets | 19 | 19 |
| TOTAL ASSETS | 12 573 | 11 952 |
| LIABILITIES | | |
| Deposits held | 102 | 102 |
| Creditors and accruals | 2 567 | 2 567 |
| Borrowings and advances | | |
| Provisions | 6 525 | 6 525 |
| Other liabilities | | |
| TOTAL LIABILITIES | 9 194 | 9 194 |
| NET ASSETS | 3 379 | 2 758 |
| EQUITY | | |
| Capital | | |
| Opening balance | - 403 | 2 764 |
| Equity injections/withdrawals | 3 167 | |
| Reserves | - 5 | - 5 |
| Accumulated funds | | |
| Opening balance | 1 220 | 620 |
| Current year surplus(+)/deficit(-) | - 600 | - 621 |
| Accounting policy changes and corrections | | |
| TOTAL EQUITY | 3 379 | 2 758 |

Cash Flow Statement

| | 2005-06 Estimate | 2006-07 Budget |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating receipts | | |
| Taxes received | | |
| Grants and subsidies received | | |
| Current | 784 | 739 |
| Capital | | |
| Receipts from sales of goods and services | | |
| Output revenue received | 91 991 | 89 766 |
| Other agency receipts | 11 820 | 11 363 |
| Interest received | | |
| Total operating receipts | 104 595 | 101 868 |
| Operating payments | | |
| Payments to employees | 39 052 | 40 085 |
| Payments for goods and services | 64 840 | 61 379 |
| Grants and subsidies paid | | |
| Current | 413 | 424 |
| Capital | | |
| Community service obligations | | |
| Interest paid | | |
| Total operating payments | 104 305 | 101 888 |
| NET CASH FROM OPERATING ACTIVITIES | 290 | - 20 |
| 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 | 2 650 | |
| Advances and investing payments | | |
| Total investing payments | 2 650 | |
| NET CASH FROM INVESTING ACTIVITIES | - 2 650 | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Financing receipts | | |
| Proceeds of borrowings | | |
| Deposits received | | |
| Equity injections | | |
| Capital Appropriation | 2 650 | |
| Other equity injections | 659 | |
| Total financing receipts | 3 309 | |
| Financing payments | | |
| Repayment of borrowings | | |
| Finance lease payments | | |
| Equity withdrawals | 292 | |
| Total financing payments | 292 | |
| NET CASH FROM FINANCING ACTIVITIES | 3 017 | |
| Net increase(+)/decrease(-) in cash held | 657 | - 20 |
| Cash at beginning of financial year | 272 | 929 |
| CASH AT END OF FINANCIAL YEAR | 929 | 909 |