

# Construction Division

<b>Business Line</b>	2006-07 Estimate	2007-08 Budget
	\$000	\$000
<b>Income</b>	<b>39 427</b>	<b>40 102</b>
Project Management	39 427	40 102
<b>Expenses</b>	<b>37 444</b>	<b>38 097</b>
Project Management	37 444	38 097
<b>SURPLUS/DEFICIT BEFORE INCOME TAX</b>	<b>1 983</b>	<b>2 005</b>

2007-08 Staffing: 248

## Profile

The Construction Division is responsible for the design, procurement and supervision of the construction and maintenance of built assets for its 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 2007-08 include:

- effective and efficient delivery of project management services;
- ongoing development and implementation of appropriate risk management procedures within project delivery processes;
- continuing to operate as a viable commercial government business division;
- introducing new conditions of contract for construction projects to reduce risk to Government;
- identification and implementation of low-cost remote housing options to provide better value for money; and
- maximising Indigenous employment opportunities in remote construction projects.

## Budget Highlights

- Delivery of the Victoria Highway upgrade to improve flood immunity, including bridges at Big Horse and Little Horse creeks.
- Continued delivery of the Red Centre Way.
- Facilitation and delivery of the middle years infrastructure program.
- Continued development of the Desert Knowledge Precinct including the Desert People's Centre.
- Provision for two additional staff to focus on Indigenous employment and training opportunities in Government construction works.

## Performance

Construction Division's overall result before income tax is forecast to remain steady at \$2.01 million in 2007-08.

### 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		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Projects managed	2 500	2 500
	Available hours charged to projects	80%	80%
	Total projects managed	\$400M	\$400M
<i>Quality</i>	Clients satisfied with service and product	80%	85%
<i>Timeliness</i>	Projects completed within agreed timeframes	80%	80%
	Cash flow targets met	90%	90%

## Operating Statement

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
<b>INCOME</b>		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations		
Sales of goods and services	39 307	39 982
Interest revenue	120	120
Rent and dividends		
Gain(+)/loss(-) on disposal of assets		
Other revenue		
<b>TOTAL INCOME</b>	<b>39 427</b>	<b>40 102</b>
<b>EXPENSES</b>		
Employee expenses	18 879	19 076
Administrative expenses		
Purchases of goods and services	18 319	18 775
Repairs and maintenance		
Depreciation and amortisation	51	51
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expense	195	195
<b>TOTAL EXPENSES</b>	<b>37 444</b>	<b>38 097</b>
<b>SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX</b>	<b>1 983</b>	<b>2 005</b>
Income tax expense	427	602
<b>NET SURPLUS(+)/DEFICIT(-)</b>	<b>1 556</b>	<b>1 403</b>

## Balance Sheet

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
<b>ASSETS</b>		
Cash and deposits	1 644	2 765
Receivables	6 698	6 698
Prepayments	5	5
Inventories		
Advances and investments		
Property, plant and equipment	83	42
Other assets		
<b>TOTAL ASSETS</b>	<b>8 430</b>	<b>9 510</b>
<b>LIABILITIES</b>		
Deposits held		
Creditors and accruals	788	788
Borrowings and advances	2 500	2 500
Provisions	4 377	4 756
Other liabilities		
<b>TOTAL LIABILITIES</b>	<b>7 665</b>	<b>8 044</b>
<b>NET ASSETS</b>	<b>765</b>	<b>1 466</b>
<b>EQUITY</b>		
Capital		
Opening balance	183	183
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	- 476	582
Current year surplus(+)/deficit(-)	1 556	1 403
Dividends paid/payable	- 498	- 702
Accounting policy changes and corrections		
<b>TOTAL EQUITY</b>	<b>765</b>	<b>1 466</b>

## Cash Flow Statement

	2006-07 Estimate	2007-08 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	39 307	39 982
Interest received	120	120
<b>Total operating receipts</b>	<b>39 427</b>	<b>40 102</b>
<b>Operating payments</b>		
Payments to employees	18 879	19 076
Payments for goods and services	18 319	18 775
Grants and subsidies paid		
Current		
Capital		
Interest paid	195	195
Income tax paid		427
<b>Total operating payments</b>	<b>37 393</b>	<b>38 473</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2 034</b>	<b>1 629</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		
Finance lease payments		
Dividends paid		498
Equity withdrawals		
<b>Total financing payments</b>		<b>498</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>- 498</b>
Net increase(+)/decrease(-) in cash held	2 024	1 121
Cash at beginning of financial year	- 380	1 644
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>1 644</b>	<b>2 765</b>