

THE INTACT GROUP

Objectives

The role of the InTACT Group is to supply, manage and maintain the Government's IT infrastructure in a cost effective and efficient way.

The InTACT Group is responsible for equipment infrastructure services, together with common and standard operating environments on desktop personal computers. Agencies are not tied to the InTACT Group for business applications. However, the InTACT Group provides facilities management of corporate systems particularly the Financial Management System and Perspect.

2000-01 Highlights

Strategic and operational issues to be pursued in 2000-01 include:

- effectively managing all Government IT infrastructure;
- completing a major restructuring of the organisation along commercial lines;
- introducing a number of operational, management and financial systems in the areas of service delivery, supply of product, asset management and billing;
- introducing new pricing arrangements between InTACT and its customers, including new Service Level Agreements;
- improving performance in InTACT's service delivery, commercial and e-projects areas; and
- reducing costs of InTACT's operations through the introduction of efficiencies and the application of quality management processes.

InTACT Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue							
58 541	User Charges - ACT Government	58 540	56 500	-3	57 100	57 699	58 798
58 541	Total Revenue	58 540	56 500	-3	57 100	57 699	58 798
Expenses							
8 420	Employee Expenses	8 620	8 445	-2	8 562	8 680	8 802
1 725	Superannuation Expenses	1 525	1 380	-10	1 398	1 418	1 438
32 874	Administrative Expenses	32 874	23 433	-29	23 385	26 636	24 415
14 305	Depreciation and Amortisation	16 805	21 800	30	21 793	19 144	22 350
4 089	Interest	4 089	3 335	-18	2 925	2 298	2 159
61 412	Total Expenses	63 913	58 393	-9	58 063	58 176	59 164
-2 871	Operating Result Before Extraordinary Items	-5 373	-1 893	65	-963	-477	-366
2 640	Injection for Operating Requirements	2 640	2 640	-	2 640	2 640	2 640
-231	Operating Result	-2 733	747	127	1 677	2 163	2 274
-6 432	Accumulated Funds - Start of Period	-8 017	-750	91	-458	-299	120
10 000	Capital Injections	10 000	0	-100	0	0	0
0	Distributions to Government	0	-455	-	-1 518	-1 744	-1 778
3 338	Accumulated Funds - End of Period	-750	-458	39	-299	120	616

InTACT
Statement Of Financial Position

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
Current Assets							
123	Cash	778	1 525	96	2 439	861	377
9 000	Receivables	8 000	9 514	19	9 527	9 535	9 520
30	Inventories	29	29	-	29	29	29
2 200	Other	521	521	-	521	521	521
11 353	Total Current Assets	9 328	11 589	24	12 516	10 946	10 447
Non Current Assets							
51 346	Property, Plant and Equipment	54 604	45 399	-17	38 994	38 375	29 861
51 346	Total Non Current Assets	54 604	45 399	-17	38 994	38 375	29 861
62 699	TOTAL ASSETS	63 932	56 988	-11	51 510	49 321	40 308
Current Liabilities							
5 082	Creditors	3 000	3 714	24	3 727	3 735	3 719
3 000	Borrowings	3 000	6 000	100	6 000	6 000	6 000
10 000	Finance Leases	13 350	11 530	-14	10 116	11 760	9 233
780	Employee Entitlements	1 200	1 200	-	1 200	1 200	1 200
4 000	Other	1 880	1 880	-	1 880	1 880	1 880
22 862	Total Current Liabilities	22 430	24 324	8	22 923	24 575	22 032
Non Current Liabilities							
30 000	Borrowings	30 000	24 000	-20	18 000	12 000	6 000
5 500	Finance Leases	10 752	7 622	-29	9 386	11 126	10 160
1 000	Employee Entitlements	1 500	1 500	-	1 500	1 500	1 500
36 500	Total Non Current Liabilities	42 252	33 122	-22	28 886	24 626	17 660
59 362	TOTAL LIABILITIES	64 682	57 446	-11	51 809	49 201	39 692
3 338	NET ASSETS	-750	-458	39	-299	120	616
REPRESENTED BY FUNDS EMPLOYED							
3 338	Accumulated Funds	-750	-458	39	-299	120	616
3 338	TOTAL FUNDS EMPLOYED	-750	-458	39	-299	120	616

**InTACT
Cashflow Statement**

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
400	CASH AT BEGINNING OF REPORTING PERIOD	-538	778	245	1 525	2 439	861
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
2 640	Cash from Government - Operating	2 640	2 640	-	2 640	2 640	2 640
57 241	User Charges	55 850	55 700	..	57 100	57 700	58 799
0	Other Revenue	0	7 860	#	8 722	8 826	8 638
59 881	Operating Receipts	58 490	66 200	13	68 462	69 166	70 077
	Payments						
11 195	Related to Employees	10 542	9 825	-7	9 960	10 098	10 240
36 873	Related to Administration	35 861	23 433	-35	23 385	26 636	24 415
4 089	Finance Costs	4 089	3 335	-18	2 925	2 298	2 159
0	Other	0	7 860	#	8 722	8 826	8 638
52 157	Operating Payments	50 492	44 453	-12	44 992	47 858	45 452
7 723	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	7 998	21 747	172	23 470	21 308	24 625
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale/Maturities of Investments	10 404	0	-100	0	0	0
0	Investing Receipts	10 404	0	-100	0	0	0
	Payments						
12 100	Purchase of Property, Plant and Equipment	23 515	3 000	-87	4 000	4 000	3 000
0	Purchase of Investments	2	0	-100	0	0	0
12 100	Investing Payments	23 517	3 000	-87	4 000	4 000	3 000
-12 100	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-13 113	-3 000	77	-4 000	-4 000	-3 000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
15 000	Capital Injection from Government	15 000	0	-100	0	0	0
15 000	Financing Receipts	15 000	0	-100	0	0	0
	Payments						
0	Distributions to Government	0	455	#	1 518	1 744	1 778
0	Repayment of Advance	0	3 000	#	6 000	6 000	6 000
10 900	Repayment of Finance Lease	8 569	14 545	70	11 038	11 142	14 331

InTACT Cashflow Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
10 900	Financing Payments	8 569	18 000	110	18 556	18 886	22 109
4 100	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	6 431	-18 000	-380	-18 556	-18 886	-22 109
-277	NET INCREASE/(DECREASE) IN CASH HELD	1 316	747	-43	914	-1 578	-484
123	CASH AT THE END OF THE REPORTING PERIOD	778	1 525	96	2 439	861	377

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – ACT Government: the reduction of \$2.040m from the 1999-2000 estimated outcome to the 2000-01 budget reflects the restructuring of InTACT's pricing arrangements involving service level agreements and other user charges;
- employee and superannuation expenses: the reduction of \$0.320m from the 1999-2000 estimated outcome to the 2000-01 budget is due to a reduction in InTACT's staffing levels following Y2K upgrades, modernisation and the finalisation of the staffing re-structure;
- administrative expenses: the decrease from the 1999-2000 estimated outcome to the 2000-01 budget of \$9.441m is due to a decrease in contractor and consultant costs following the completion of the modernisation project. The decrease is also partially due to the rationalisation of costs following modernisation and the estimated savings from the cessation of wholesale sales tax, \$0.453m in 2000-01;
- depreciation and amortisation: the increase from the 1999-2000 estimated outcome to the 2000-01 budget of \$4.995m is due to the full-year effect of depreciating the recently modernised infrastructure; and
- interest expenses: the decrease from the 1999-2000 estimated outcome to the 2000-01 budget of \$0.754m is due to the repayment of debt to CFU and the finalisation of new leasing arrangements.

Statement of Financial Position

- current receivables: the increase of \$1.514m from the 1999-2000 estimated outcome to the 2000-01 budget reflects the restructuring of InTACT's billing arrangements involving service level agreements and other user charges;

- property, plant and equipment: the decrease of \$9.205m from the 1999-2000 estimated outcome to the 2000-01 budget is principally due to the amortisation of leased assets and depreciation of the modernisation infrastructure;
- finance leases: the decrease of \$4.950m (current \$1.820m and non-current \$3.130m) from the 1999-2000 estimated outcome to the 2000-01 budget is a result of the repayment of finance leases; and
- current and non-current borrowings: the decrease of \$3.0m from the 1999-2000 estimated outcome to the 2000-01 budget is due to the planned repayment of borrowings.

OUTPUT CLASS 2: THE INTACT GROUP PRINCIPAL MEASURES

OUTPUT 2.1: THE INTACT GROUP

Description: The provision and maintenance of IT infrastructure and communications for the ACT Public Service.
Previously Output 6.1: The InTACT Group in the 1999-2000 CMD purchase agreement

Measures	1999-2000 Targets	Estimated Outcome	2000-01 Targets
Quantity			
a) Principal agencies serviced by InTACT. ¹	December 1999	December 1999	6
b) Whole of Government IT systems managed by InTACT.	2	2	2
c) Review of effective costings and charging systems.	June 2000	June 2000	June 2001
d) Develop and implement business solutions on a fee-for-service basis.	4	4	4
e) Service level agreements negotiated with principal customers (agencies). ²			6
f) Number of occasions of IT and communications services provided by InTACT. ²			51 800
Management of IT infrastructure across the ACTPS. ³	June 2000	June 2000	
Quality/Effectiveness			
g) Effectiveness of delivery of IT services to agencies consistent with InTACT Charter, as reflected in individual service level agreements ²			90%
h) Customer service through helpdesk consistent with agreed levels.	90%	90%	90%
IT infrastructure Year 2000 compliant. ³	100%	100%	
Agencies satisfaction with implementation of IT modernisation. ³	90%	90%	
Timeliness			
i) Specified timeframes achieved.	100%		100%
Cost			
j) Cost per desktop. ²			\$6 146
k) Cost per 1000 head of population.	\$198 532	\$206 614	\$186 977
l) Cost per ACT public service employee.	\$3 677	\$3 827	\$3 303
Cost per \$m of whole of government expenses. ³	\$54 032	\$56 231	
TOTAL COST (\$'000)	\$61 413.0	\$63 913.0	\$58 393.0
INJECTION FOR OPERATIONS (\$'000)	\$2 640.0	\$2 640.0	\$2 640.0

Government Payment for Output differs from cost to the extent that the Output is financed from within the agency.

1 Previously: "modernisation of IT infrastructure across the ACTPS".

2 New measure.

3 Measure deleted.

