

## Objectives

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

InTACT is responsible for equipment infrastructure services, together with common and standard operating environments on desktop personal computers.

## 2001-02 Highlights

Strategic and operational issues to be pursued in 2001-02 include:

- introducing a number of operational, management and financial systems in the areas of service delivery, supply of product, asset and revenue management;
- refining pricing and service arrangements between InTACT and its customers including new Service Level Agreements;
- refining the organisation to ensure a focus on core business;
- implementing new measures to improve client relations and client focus throughout InTACT;
- improving performance in the organisation's service delivery, commercial and corporate areas; and
- reducing the costs of InTACT's operations through the introduction of streamlined processes and the application of quality management processes.

**InTACT**  
**Statement Of Financial Performance**

<b>2000-01 Budget \$'000</b>		<b>2000-01 Est.Outcome \$'000</b>	<b>2001-02 Budget \$'000</b>	<b>Var %</b>	<b>2002-03 Estimate \$'000</b>	<b>2003-04 Estimate \$'000</b>	<b>2004-05 Estimate \$'000</b>
<b>Revenue</b>							
56 500	User Charges - ACT Government	53 909	52 497	-3	54 501	56 575	58 717
0	Interest	551	568	3	585	602	620
0	Other Revenue	2 600	30 954	#	859	885	912
0	Resources Received free of charge	250	258	3	265	273	281
<b>56 500</b>	<b>Total Ordinary Revenue</b>	<b>57 310</b>	<b>84 277</b>	<b>47</b>	<b>56 210</b>	<b>58 335</b>	<b>60 530</b>
<b>Expenses</b>							
8 445	Employee Expenses	7 661	6 643	-13	6 842	7 048	7 259
1 380	Superannuation Expenses	949	947	..	975	1 005	1 035
23 433	Administrative Expenses	30 932	31 221	1	32 158	33 123	34 117
21 800	Depreciation and Amortisation	20 471	21 793	6	21 144	21 800	22 350
3 335	Borrowing Costs	2 261	1 917	-15	1 490	1 551	1 551
0	Other Expenses	897	0	-100	0	0	0
<b>58 393</b>	<b>Total Ordinary Expenses</b>	<b>63 171</b>	<b>62 521</b>	<b>-1</b>	<b>62 609</b>	<b>64 527</b>	<b>66 312</b>
<b>-1 893</b>	<b>Operating Result Before Extraordinary Items</b>	<b>-5 861</b>	<b>21 756</b>	<b>471</b>	<b>-6 399</b>	<b>-6 192</b>	<b>-5 782</b>
2 640	Injection for Operating Requirements	10 640	2 640	-75	2 640	2 640	2 640
<b>747</b>	<b>Operating Result</b>	<b>4 779</b>	<b>24 396</b>	<b>410</b>	<b>-3 759</b>	<b>-3 552</b>	<b>-3 142</b>
<b>-750</b>	<b>Total Equity From Start of Period</b>	<b>-146</b>	<b>4 178</b>	<b>#</b>	<b>35 056</b>	<b>32 553</b>	<b>30 223</b>
0	Capital Injections	0	8 000	#	3 000	3 000	3 000
-455	Distributions to Government	-455	-1 518	-234	-1 744	-1 778	-1 778
<b>-458</b>	<b>Total Equity At The End of Period</b>	<b>4 178</b>	<b>35 056</b>	<b>739</b>	<b>32 553</b>	<b>30 223</b>	<b>28 303</b>

**InTACT**  
**Statement Of Financial Position**

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
<b>Current Assets</b>							
1 525	Cash	273	115	-58	270	270	270
9 514	Receivables	10 042	10 056	..	10 263	10 564	10 764
0	Investments	2 570	9 185	257	11 801	14 778	20 208
29	Inventories	29	29	-	29	29	29
521	Other	320	101	-68	101	101	101
<b>11 589</b>	<b>Total Current Assets</b>	<b>13 234</b>	<b>19 486</b>	<b>47</b>	<b>22 464</b>	<b>25 742</b>	<b>31 372</b>
<b>Non Current Assets</b>							
45 399	Property, Plant and Equipment	48 490	42 699	-12	38 556	30 755	23 405
0	Other	64	64	-	64	64	64
<b>45 399</b>	<b>Total Non Current Assets</b>	<b>48 554</b>	<b>42 763</b>	<b>-12</b>	<b>38 620</b>	<b>30 819</b>	<b>23 469</b>
<b>56 988</b>	<b>TOTAL ASSETS</b>	<b>61 788</b>	<b>62 249</b>	<b>1</b>	<b>61 084</b>	<b>56 561</b>	<b>54 841</b>
<b>Current Liabilities</b>							
3 714	Creditors	5 214	3 667	-30	3 875	4 175	4 375
6 000	Interest Bearing Liabilities	0	0	-	0	0	0
11 530	Finance Leases	11 530	11 530	-	11 756	11 229	12 202
1 200	Employee Entitlements	860	1 200	40	1 200	1 200	1 200
1 880	Other	817	817	-	818	818	818
<b>24 324</b>	<b>Total Current Liabilities</b>	<b>18 421</b>	<b>17 214</b>	<b>-7</b>	<b>17 649</b>	<b>17 422</b>	<b>18 595</b>
<b>Non Current Liabilities</b>							
24 000	Interest Bearing Liabilities	30 120	0	-100	0	0	0
7 622	Finance Leases	7 622	7 972	5	8 875	6 909	5 936
1 500	Employee Entitlements	940	1 500	60	1 500	1 500	1 500
0	Other	507	507	-	507	507	507
<b>33 122</b>	<b>Total Non Current Liabilities</b>	<b>39 189</b>	<b>9 979</b>	<b>-75</b>	<b>10 882</b>	<b>8 916</b>	<b>7 943</b>
<b>57 446</b>	<b>TOTAL LIABILITIES</b>	<b>57 610</b>	<b>27 193</b>	<b>-53</b>	<b>28 531</b>	<b>26 338</b>	<b>26 538</b>
<b>-458</b>	<b>NET ASSETS</b>	<b>4 178</b>	<b>35 056</b>	<b>739</b>	<b>32 553</b>	<b>30 223</b>	<b>28 303</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
-458	Accumulated Funds	4 178	35 056	739	32 553	30 223	28 303
<b>-458</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>4 178</b>	<b>35 056</b>	<b>739</b>	<b>32 553</b>	<b>30 223</b>	<b>28 303</b>

## InTACT Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
778	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	452	273	-40	115	270	270
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
2 640	Cash from Government - Operating	10 640	2 640	-75	2 640	2 640	2 640
55 700	User Charges	52 168	54 382	4	55 778	57 824	60 121
0	Interest Received	437	567	30	585	602	620
7 860	Other Revenue	7 859	9 173	17	9 936	10 233	10 550
<b>66 200</b>	<b>Operating Receipts</b>	<b>71 104</b>	<b>66 762</b>	<b>-6</b>	<b>68 939</b>	<b>71 299</b>	<b>73 931</b>
	<b>Payments</b>						
9 825	Related to Employees	9 475	6 690	-29	7 817	8 053	8 294
23 433	Related to Administration	30 483	32 691	7	32 311	33 214	34 328
3 335	Borrowing Costs	2 873	1 917	-33	1 490	1 551	1 551
7 860	Other	9 244	9 839	6	9 936	10 232	10 549
<b>44 453</b>	<b>Operating Payments</b>	<b>52 075</b>	<b>51 137</b>	<b>-2</b>	<b>51 554</b>	<b>53 050</b>	<b>54 722</b>
<b>21 747</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>19 029</b>	<b>15 625</b>	<b>-18</b>	<b>17 385</b>	<b>18 249</b>	<b>19 209</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Proceeds from Sale/Maturities of Investments	71 500	57 000	-20	57 000	58 893	58 893
<b>0</b>	<b>Investing Receipts</b>	<b>71 500</b>	<b>57 000</b>	<b>-20</b>	<b>57 000</b>	<b>58 893</b>	<b>58 893</b>
	<b>Payments</b>						
3 000	Purchase of Property, Plant and Equipment	11 975	4 000	-67	4 000	3 000	3 000
0	Purchase of Investments	63 632	63 615	..	61 870	61 870	64 323
<b>3 000</b>	<b>Investing Payments</b>	<b>75 607</b>	<b>67 615</b>	<b>-11</b>	<b>65 870</b>	<b>64 870</b>	<b>67 323</b>
<b>-3 000</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-4 107</b>	<b>-10 615</b>	<b>-158</b>	<b>-8 870</b>	<b>-5 977</b>	<b>-8 430</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Capital Injection from Government	0	8 000	#	3 000	3 000	3 000

**InTACT  
Cashflow Statement**

<b>2000-01 Budget \$'000</b>		<b>2000-01 Est.Outcome \$'000</b>	<b>2001-02 Budget \$'000</b>	<b>Var %</b>	<b>2002-03 Estimate \$'000</b>	<b>2003-04 Estimate \$'000</b>	<b>2004-05 Estimate \$'000</b>
<b>0</b>	<b>Financing Receipts</b>	<b>0</b>	<b>8 000</b>	<b>#</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>
	<b>Payments</b>						
455	Distributions to Government	455	1 518	234	1 744	1 778	1 778
3 000	Repayment of Advance	1 141	0	-100	0	0	0
14 545	Repayment of Finance Lease	13 505	11 650	-14	9 616	13 494	12 001
<b>18 000</b>	<b>Financing Payments</b>	<b>15 101</b>	<b>13 168</b>	<b>-13</b>	<b>11 360</b>	<b>15 272</b>	<b>13 779</b>
<b>-18 000</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-15 101</b>	<b>-5 168</b>	<b>66</b>	<b>-8 360</b>	<b>-12 272</b>	<b>-10 779</b>
<b>747</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>-179</b>	<b>-158</b>	<b>12</b>	<b>155</b>	<b>0</b>	<b>0</b>
<b>1 525</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>273</b>	<b>115</b>	<b>-58</b>	<b>270</b>	<b>270</b>	<b>270</b>

## Notes to the Budget Statements

The majority of significant variances from the original budget to the 2000-01 estimated outcome relate to the confirmation of the 2000-01 Service Level Agreement (SLA) and subsequent amendments to InTACT's funding arrangements, including the waiver of principal (\$1.183m) and interest (\$1.790m) obligations to the Government, and the consequent decrease in SLA charges to agencies.

Other significant variations are as follows:

### *Statement of Financial Performance*

- user charges – ACT Government: the decrease of \$2.591m in 2000-01 from the original budget is due to an increase in SLA charges off-set by a funding increase, the waiver of debt, and the transfer of functions to Canberra Connect. The decrease of \$1.412m in 2001-02 from the 2000-01 estimated outcome reflects the decrease in borrowings with the resulting net savings being passed on to customers in the form of reduced user charges offset by increases in SLA charges;
- other revenue: the increase of \$2.6m in 2000-01 from the original budget is due to the effect of the \$1.790m interest waiver in 2000-01 and \$0.810m in revenue expected to be generated from external sources in 2000-01. The \$30.954m in 2001-02 represents \$30.120m waiver of InTACT's borrowing commitments to the Government incurred for modernisation, and revenue expected to be generated from external sources. The savings from the waiver will be passed on to InTACT's customers through reduced user charges;
- employee and superannuation expenses: the decrease of \$0.784m in 2000-01 from the original budget is due to fewer permanent positions being filled than anticipated. The decrease of \$1.018m in 2001-02 is due to a reduction in InTACT's staffing levels following the finalisation of the staffing re-structure and the associated redundancies of \$1.2m paid in 2000-01;
- depreciation and amortisation: the decrease of \$1.329m in 2000-01 from the original budget reflects the non lease-back of certain IT assets. The increase of \$1.322m in 2001-02 is due to an anticipated increase in leased assets;
- borrowing costs: the decrease of \$0.344m in 2001-02 from the 2000-01 estimated outcome is due to the full year effect of the debt and interest waiver and reduced interest rates on leased assets. This has been partially offset by an anticipated increase in assets leased;
- other expenses: the decrease of \$0.897m in 2001-02 from the 2000-01 estimated outcome is due to the once only write-off of old receivables in 2000-01;
- injection for operating requirements: the decrease of \$8m in 2001-02 from the 2000-01 estimated outcome is due to one-off injections of \$2m and \$6m during 2000-01. These funds were used to directly reduce charges to agencies in 2000-01 and assisted in meeting accounts payable to suppliers;
- capital injections: the increase of \$8m in 2001-02 from the 2000-01 estimated outcome represents supplementary funding for the future replacement of the recently modernised IT Infrastructure; and

- distributions to government: this represents the expected savings to be received by InTACT with the introduction of the GST through the abolition of the Wholesale Sales Tax. Due to the nature of InTACT's operations, these savings are passed on by way of distributions to government.

#### *Statement of Financial Position*

- investments: the increase of \$6.615m in 2001-02 from the 2000-01 estimated outcome is due to funding received in 2001-02 for the future replacement of the recently modernised IT Infrastructure;
- property, plant and equipment: the decrease of \$5.791m in 2001-02 from the 2000-01 estimated outcome is principally due to the amortisation of leased assets and depreciation of the modernisation infrastructure;
- creditors: the decrease of \$1.547m in 2001-02 from the 2000-01 estimated outcome is as a result of the elimination of some one-off creditors expected as at 30 June 2001; and
- interest bearing liabilities: the decrease of \$30.120m in 2001-02 from the 2000-01 estimated outcome is due to the waiver of InTACT's borrowings from the Government. These borrowings were incurred for the building of the modernised IT infrastructure completed 1 January 2000.

#### *Statement of Cashflows*

- proceeds of sale/maturity of investments: the increase of \$71.5m in 2000-01 from the 2000-01 original budget is due to changed accounting methods, netting off investment movements has been replaced with identifying increases and decreases in investments separately;
- purchase of property, plant and equipment: the increase of \$8.975m in 2000-01 from the original budget is due to planned one-off modernisation asset expenditure in 1999-2000, which was rolled over to 2000-01; and
- purchase of investments: the increase of \$63.632m in 2000-01 from the original budget results from changed accounting methods, netting off investment movements has been replaced with identifying increases and decreases in investments separately.

**OUTPUT CLASS 1: INTACT**  
**PRINCIPAL MEASURES**

**OUTPUT 1.1: INTACT**

**Description:** The provision and maintenance of IT infrastructure and communications for the ACT Public Service.

<b>Measures</b>	<b>2000-2001 Targets</b>	<b>Estimated Outcome</b>	<b>2001-02 Targets</b>
<b>Quantity</b>			
a) Principal agencies serviced by InTACT.	6	6	6
b) Whole of Government IT systems managed by InTACT.	2	2	2
c) Review of effective costings and charging systems. <sup>2</sup>	June 2001	June 2001	
d) Benchmarking of InTACT's core activities. <sup>1</sup>			June 2002
e) Develop and implement business solutions on a fee-for-service basis.	4	4	4
f) Service level agreements negotiated with principal customers (agencies).	6	6	6
g) Number of occasions of IT and communications services provided by InTACT.	51 800	81 500	83 700
<b>Quality/Effectiveness</b>			
h) Effectiveness of delivery of IT services to agencies consistent with InTACT Charter, as reflected in individual service level agreements.	90%	90%	90%
i) Customer service through helpdesk consistent with agreed levels.	90%	90%	90%
<b>Timeliness</b>			
j) Specified timeframes achieved for the provision of IT services, as reflected in individual service level agreements. <sup>3</sup>	100%	90%	100%
k) Major projects completed within specified timeframes. <sup>1</sup>			100%
<b>Cost</b>			
l) Cost per desktop.	\$6 146	\$6 649	\$6 581
m) Cost per 1000 head of population.	\$186 977	\$202 227	\$200 195
n) Cost per ACT public service employee.	\$3 303	\$3 573	\$3 536
<b>TOTAL COST (\$'000)</b>	<b>\$58 393.0</b>	<b>\$63 171.0</b>	<b>\$62 521.0</b>
<b>INJECTION FOR OPERATIONS (\$'000)</b>	<b>\$ 2 640.0</b>	<b>\$10 640.0</b>	<b>\$2 640.0</b>

**Notes:**

- (1) New measure.
- (2) Measure deleted.
- (3) Formerly 'specified timeframe achieved'.