

SHARED SERVICES CENTRE

Objectives

The Shared Services Centre will provide Information and Communication Technology (ICT), Procurement, Publishing and Records Management services, as well as tactical and transactional Human Resource and Finance services to all ACT Government departments and agencies from 1 February 2007.

The centre will consolidate these traditional back office functions to achieve economies of scale, standardised and streamlined processes and an overall reduction in costs. This will also allow agencies to focus on their core business of providing services to the community

The Shared Services Centre will achieve its objectives by working closely with its clients to identify appropriate services, agree on service standards, and agree on mechanisms for delivery that are efficient and cost effective.

An initiative will be implemented to allow for the redesign of shared services business processes, as well as investing in communication and change management to facilitate the establishment of the Shared Services Centre.

2006-07 Priorities

Strategic and operational issues to be pursued in 2006-07 include:

- mapping and redesigning key tactical and transactional human resource and financial service processes;
- designing the Shared Services organisation based on these processes;
- sourcing and fitting out accommodation for the Shared Services Centre;
- transferring staff from corporate service functions within agencies into the Shared Services Centre; and
- launching the Shared Services Centre on 1 February 2007.

Business and Corporate Strategies

The Shared Services Centre will develop comprehensive governance, risk management, and regular reporting and accountability frameworks. The Shared Services Centre's practices shall satisfy the requirements of the *Financial Management Act 1996* and Accounting Standards.

Estimated Employment Level

	2005-06 Est. Outcome	2006-07 Budget
Staffing (Headcount) ¹	303	919

Note:

1. 2005-06 represents InTACT permanent staff only. The increase in 2006-07 reflects the transfer to the Shared Services Centre of information technology, procurement, human resources and finance staff from ACT Government agencies. Contractors are not included.

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000
Output Class 1: InTACT	83,800	103,070	2,580	7,589
Output 1.1: InTACT	83,800	103,070	2,580	7,589

Note:

1. Total cost includes depreciation and amortisation of \$17.594 million in 2005-06 and \$18.210 million in 2006-07.

Output Description

InTACT is a shared ICT service organisation providing a complete range of ICT services to the ACT Government, including infrastructure, applications support and development, ICT policy and ICT project services.

InTACT will provide for:

- services to approximately 56 individual government agencies as outlined in InTACT's catalogue of services and affirmed through various Service Level and Support Agreements;
- management of the government data network;
- 24 hour support, on a fee-for-service basis;
- assistance to agencies on IT security;
- management of the whole of government communications network;
- business systems support; and
- general service and help desk functions.

Output Classes cont.

	Total Cost ¹		Government Payment for Outputs	
	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000
Output Class 2:				
Procurement Support Services	n/a	10,229	n/a	2,206
Output 2.1:				
Procurement Support Services^{2,3}	n/a	10,229	n/a	2,206

Notes:

1. Total cost includes depreciation of \$0.040 million in 2006-07.
2. This output was previously reported as Procurement Support Services in the Department of Treasury in the 2005-06 Budget Papers.
3. Procurement services in ACT Government agencies will be consolidated into the Shared Services Centre from 1 July 2006.

Output Description

Includes procurement policy; buyers and sellers information services (basis), including on-line procurement services; business opportunities, supplier notification of tenders and contracts, support to ACT Government purchasing officers; and the implementation of construction industry reforms, including pre-qualification of suppliers and the provision of risk management services to ACT Government agencies.

Procurement Support Services will provide for:

- whole of government procurement support services;
- the buyers and sellers information service (basis);
- contracts register;
- e-Tendering;
- supplier pre-qualification arrangements;
- notifying 2,000 business opportunities to local suppliers; and
- commencement of 400 client requested projects.

Output Classes cont.

	Total Cost ¹		Government Payment for Outputs	
	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000
Output Class 3: Human Resources Services	n/a	8,418	n/a	1,503
Output 3.1: Human Resources Services²	n/a	8,418	n/a	1,503

Notes:

1. Total cost includes depreciation of \$0.160 million in 2006-07.
2. Human resources in ACT Government agencies will be consolidated into the Shared Services Centre from 1 February 2007. Therefore, the 2006-07 figures represent the period from 1 February 2007 to 30 June 2007.

Output Description

Includes the provision of all tactical and transactional human resource services to departments and agencies. Human Resources will provide for:

- payroll, including tax payments and salary packaging;
- recruitment, selection and appointment;
- policy and guidance on performance management;
- reporting, advice and guidance on workers' compensation;
- statutory and management reporting; and
- organisational data management.

Output Classes cont.

	Total Cost ¹		Government Payment for Outputs	
	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000	2005-06 Est. Outcome \$'000	2006-07 Budget \$'000
Output Class 4: Finance Services	n/a	9,826	n/a	1,794
Output 4.1: Finance Services²	n/a	9,826	n/a	1,794

Notes:

1. Total cost includes depreciation of \$0.168 million in 2006-07.
2. Finance services in ACT Government agencies will be consolidated into the Shared Services Centre from 1 February 2007. Therefore, the 2006-07 figures represent the period from 1 February 2007 to 30 June 2007.

Output Description

Includes the provision of all tactical and transactional finance services to departments and agencies. Finance Services will provide for:

- accounts payable and accounts receivable functions;
- general ledger;
- cash flow management and bank reconciliations;
- tax payments including returns and advice;
- statutory and management reporting;
- financial management;
- records management; and
- publishing services.

Accountability Indicators

	2005-06 Targets	2005-06 Est. Outcome	2006-07 Target
Output Class 1: InTACT			
Output 1.1: InTACT			
a. Costs within peer organisations' costs, as benchmarked by an independent organisation	Within 10%	Within 10%	Within 10%
b. E-mail availability across government during core business hours ¹	98%	98%	98%
c. Service requests made via the Service Desk are responded to within Service Level Agreements timeframes	98%	80%	98%
d. Service requests made via the Service Desk are resolved within Service Level Agreements timeframes	80%	76%	80%

Note:

- Established by determining up-time of each core component of the network across core business hours (Monday to Friday 7.30am to 6pm).

	2005-06 Targets	2005-06 Est. Outcome	2006-07 Target
Output Class 2: Procurement Support Services			
Output 2.1: Procurement Support Services¹			
a. Proportion of Government funded annual Capital Works program supported with project procurement services	60%	62%	80%
b. Quality Management Systems Compliance with ISO9001: 2000 – number of Category 1 non-conformance findings	< 2	< 2	< 2

Note:

- This output and associated accountability indicators were previously reported under Procurement Support Services in the Department of Treasury in the 2005-06 Budget papers. The 2005-06 targets and estimated outcome are identified for comparative purposes only.

Accountability Indicators cont.

	2005-06 Targets	2005-06 Est. Outcome	2006-07 Target
Output Class 3: Human Resources Services			
Output 3.1: Human Resources Services¹			
a. Level of satisfaction by Departmental Chief Executives with management of the shared services implementation ²	n/a	n/a	80%

Note:

1. Additional indicators will be developed as part of the Shared Services Centre establishment during 2006-07.
2. New measure.

	2005-06 Targets	2005-06 Est. Outcome	2006-07 Target
Output Class 4: Finance Services			
Output 4.1: Finance Services¹			
a. Level of satisfaction by Departmental Chief Executives with management of the shared services implementation ²	n/a	n/a	80%

Note:

1. Additional indicators will be developed as part of the Shared Services Centre establishment during 2006-07.
2. New measure.

Changes to Appropriation

Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Government Payment for Outputs	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2005-06 Budget	2,341	1,224	1,266	1,289	1,289
2006-07 Budget Policy Adjustments					
Technology Costs	-	1,200	1,200	-	-
Change Management	-	1,000	500	-	-
Reducing General Procurement	-	(385)	(790)	(810)	(829)
Reducing Motor Vehicle Expenses	-	(40)	(70)	(82)	(83)
Rationalising Boards and Committees	-	(35)	(70)	(70)	(70)
Rationalising Accommodation	-	(47)	(76)	(76)	(76)
Consolidating Information Technology Services	239	3,210	218	225	233
Consolidating Human Resource and Finance Functions	-	1,197	1,524	(297)	(367)
Consolidating Procurement Services	-	1,997	1,509	1,616	1,716
Transfer of Records Management from DTMS	-	257	623	624	627
Transfer of Publications from DTMS	-	214	527	513	522
2006-07 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	23
Increased Notional Superannuation Contribution Rates	-	3,300	4,353	4,303	4,350
	2,580	13,092	10,714	7,235	7,335

Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Capital Injections	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2005-06 Budget	5,640	2,193	1,000	1,000	1,000
2006-07 Budget Policy Adjustments					
Accommodation Consolidation	-	5,000	-	-	-
2006-07 Budget Technical Adjustments					
Rollover - Capital Works	(3,032)	3,032	-	-	-
2006-07 Budget	2,608	10,225	1,000	1,000	1,000

2006-07 Capital Works Program

Departmental

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2006-07 \$'000	2006-07 Financing \$'000	2007-08 Financing \$'000	2008-09 Financing \$'000	Expected Completion Date
New Capital Works						
Fit out of Shared Services	5,000	-	5,000	-	-	Jun 2008
Total New Capital Works	5,000	-	5,000	-	-	
Works in Progress						
Private Data Network Extension to Hume	1,530	30	1,500	-	-	Dec 2006
Data Communications Centres Sustainable Infrastructure ¹	2,975	250	2,725	-	-	Jun 2007
	2,315	1,915	400	-	-	Jun 2007
Total Works in Progress	6,820	2,195	4,625	-	-	
Total Departmental Capital Works	11,820	2,195	9,625	-	-	

Note:

1. Project was initially treated as capital, however the treatment has been changed to correctly reflect these payments as operating expenses. Matching GPO of \$0.4 million, rather than capital injection, has been recognised in 2006-07.

Shared Services Centre Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
2,341	Government Payment for Outputs	2,580	13,092	407	10,714	7,235	7,335
263	User Charges - Non ACT Government	263	321	22	407	443	457
65,775	User Charges - ACT Government	74,703	111,730	50	134,332	137,242	140,138
1,088	Interest	1,774	0	-100	0	0	0
100	Other Revenue	100	155	55	235	239	242
200	Resources Received free of charge	200	0	-100	0	0	0
69,767	Total Revenue	79,620	125,298	57	145,688	145,159	148,172
Gains							
0	Total Gains	0	0	-	0	0	0
69,767	Total Income	79,620	125,298	57	145,688	145,159	148,172
Expenses							
15,987	Employee Expenses	16,652	46,086	177	60,320	59,731	60,399
1,850	Superannuation Expenses	2,828	10,378	267	13,547	13,428	13,596
37,807	Supplies and Services	45,136	55,140	22	59,179	59,138	60,617
17,619	Depreciation and Amortisation	17,594	18,578	6	19,080	19,034	19,034
1,487	Borrowing Costs	1,590	961	-40	481	0	0
0	Grants and Purchased Services	0	400	#	0	0	0
74,750	Total Ordinary Expenses	83,800	131,543	57	152,607	151,331	153,646
-4,983	Operating Result	-4,180	-6,245	-49	-6,919	-6,172	-5,474

Shared Services Centre Balance Sheet

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
Current Assets							
137	Cash	730	1,815	149	2,017	2,335	2,853
8,017	Receivables	7,102	11,651	64	11,510	11,599	11,686
21,113	Investments	25,718	39,748	55	32,163	28,893	25,999
45	Inventories	41	41	-	41	41	41
400	Other	3,210	3,180	-1	3,250	3,320	3,390
29,712	Total Current Assets	36,801	56,435	53	48,981	46,188	43,969
Non Current Assets							
42,015	Property, Plant and Equipment	31,099	43,375	39	42,855	38,281	36,377
12	Other	21	21	-	21	21	21
42,027	Total Non Current Assets	31,120	43,396	39	42,876	38,302	36,398
71,739	TOTAL ASSETS	67,921	99,831	47	91,857	84,490	80,367
Current Liabilities							
7,642	Payables	7,034	16,458	134	16,931	17,280	17,601
7,522	Finance Leases	4,580	2,557	-44	2,556	0	0
1,737	Employee Benefits	3,020	7,966	164	7,972	7,980	7,988
896	Other	2,858	22,965	704	22,965	22,965	22,965
17,797	Total Current Liabilities	17,492	49,946	186	50,424	48,225	48,554
Non Current Liabilities							
3,067	Finance Leases	3,791	2,556	-33	0	0	0
1,366	Employee Benefits	2,782	7,902	184	7,925	7,929	7,951
4,433	Total Non Current Liabilities	6,573	10,458	59	7,925	7,929	7,951
22,230	TOTAL LIABILITIES	24,065	60,404	151	58,349	56,154	56,505
49,509	NET ASSETS	43,856	39,427	-10	33,508	28,336	23,862
REPRESENTED BY FUNDS EMPLOYED							
49,509	Accumulated Funds	43,856	39,427	-10	33,508	28,336	23,862
49,509	TOTAL FUNDS EMPLOYED	43,856	39,427	-10	33,508	28,336	23,862

Shared Services Centre Cash Flow Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
2,341	Cash from Government for Outputs	2,580	13,092	407	10,714	7,235	7,335
66,534	User Charges	75,462	196,699	161	219,523	222,473	225,382
1,088	Interest Received	1,774	0	-100	0	0	0
11,673	Other Revenue	12,939	33,470	159	33,196	33,380	33,771
81,636	Operating Receipts	92,755	243,261	162	263,433	263,088	266,488
Payments							
17,819	Related to Employees	19,560	56,461	189	73,838	73,147	73,965
37,844	Related to Supplies and Services	44,172	55,346	25	59,307	59,397	60,902
1,487	Borrowing Costs	1,590	961	-40	481	0	0
0	Grants and Purchased Services	0	400	#	0	0	0
11,671	Other	12,937	117,558	809	117,302	117,480	117,866
68,821	Operating Payments	78,259	230,726	195	250,928	250,024	252,733
12,815	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14,496	12,535	-14	12,505	13,064	13,755
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
100	Proceeds from Sale of Property, Plant & Equipment	100	100	-	100	100	100
100	Investing Receipts	100	100	-	100	100	100
Payments							
10,140	Purchase of Property, Plant and Equipment	7,480	26,225	251	17,000	17,116	17,231
10,140	Investing Payments	7,480	26,225	251	17,000	17,116	17,231
-10,040	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-7,380	-26,125	-254	-16,900	-17,016	-17,131
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
5,640	Capital Injection from Government	2,608	10,225	292	1,000	1,000	1,000
0	Receipt of Transferred Cash Balances	195	26,457	#	0	0	0

Shared Services Centre Cash Flow Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
5,640	Financing Receipts	2,803	36,682	#	1,000	1,000	1,000
	Payments						
0	Distributions to Government	1,000	0	-100	0	0	0
0	Repayment of Advance	1,000	0	-100	0	0	0
11,924	Repayment of Finance Lease	11,924	7,977	-33	3,988	0	0
11,924	Financing Payments	13,924	7,977	-43	3,988	0	0
-6,284	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-11,121	28,705	358	-2,988	1,000	1,000
-3,509	NET INCREASE/(DECREASE) IN CASH HELD	-4,005	15,115	477	-7,383	-2,952	-2,376
24,759	CASH AT BEGINNING OF REPORTING PERIOD	30,454	26,449	-13	41,564	34,181	31,229
21,250	CASH AT THE END OF THE REPORTING PERIOD	26,449	41,564	57	34,181	31,229	28,853

Shared Services Centre Statement of Changes in Equity

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
48,852	Opening Balance	48,886	43,856	-10	39,427	33,508	28,336
	Accumulated Funds						
-4,983	Operating Result for the Period	-4,180	-6,245	-49	-6,919	-6,172	-5,474
	Reserves						
-4,983	Total Income And Expense For The Period	-4,180	-6,245	-49	-6,919	-6,172	-5,474
	Transactions Involving Equity Holders Affecting Accumulated Funds						
5,640	Capital Injections	2,608	10,225	292	1,000	1,000	1,000
0	Capital (Distributions)	-1,000	0	100	0	0	0
0	Inc/Dec in Net Assets due to Admin Restructure	-2,458	-8,409	-242	0	0	0
49,509	Closing Balance	43,856	39,427	-10	33,508	28,336	23,862

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the increase of \$0.239 million in the 2005-06 estimated outcome from the original budget is due to the transfer of ACT Information Management (ACTIM) functions from the Chief Minister's Department as part of the ICT reforms announced during 2005-06; and
 - the increase of \$10.512 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to:
 - the impact of the ICT reforms announced during 2005-06 (\$2.971 million);
 - the impact of consolidating procurement services (\$1.997 million), human resource and finance functions (\$1.197 million), records management (\$0.257 million) and publications (\$0.214 million);
 - the provision for technology (\$1.2 million) and change management costs (\$1 million) associated with establishing the Shared Services Centre; and
 - increased notional superannuation contribution rates (\$3.3 million);
- offset by

- a reduction in general procurement (\$0.385 million), rationalising boards and committees (\$0.035 million), reduction in motor vehicle expenses (\$0.040 million) and rationalising accommodation (\$0.047 million); and
 - a reduction in funding for previous years initiatives' (\$1.117 million), including the Private Data Network.
- user charges – ACT Government:
 - the increase of \$8.928 million in the 2005-06 estimated outcome from the original budget is due to the recovery of costs associated with the transfer of ICT business systems and staff from agencies (excluding DET and CIT) effective from 1 January 2006, in line with the ICT reforms announced during 2005-06; and
 - the increase of \$37.027 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to:
 - the full year effect of the recovery of costs associated with the transfer of ICT business systems and staff (\$10.503 million);
 - the recovery of costs related to the transfer of the DET and CIT business systems and staff from 1 July 2006 (\$10.218 million);
 - the impact of consolidating procurement services (\$8.338 million), human resource and finance functions (\$12.282 million), records management (\$1.223 million) and publications (\$0.963 million); and
 - the inclusion of mobile phone billing (\$1.164 million);
- offset by
- a reduction in charges to agencies for ICT services in line with expected savings (\$9.726 million).
- interest:
 - the increase of \$0.686 million in the 2005-06 estimated outcome from the original budget is due to higher investment balances due to the timing of receipts and payments in 2005-06; and
 - the decrease of \$1.774 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the reduction in interest from investments as part of cash management reforms.
- employee and superannuation expenses:
 - the increase of \$1.643 million in the 2005-06 estimated outcome from the original budget is due to the transfer of ICT business system staff costs (\$4.988 million) effective from 1 January 2006, partially offset by permanent staffing levels not reaching budgeted expectations (\$3.345 million); and
 - the increase of \$36.984 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the expected increase in permanent staff following:
 - the full year effect of transferring ICT business system staff (\$10.251 million);
 - impact of consolidating procurement services (\$7.607 million), human resource and finance functions (\$10.776 million), records management (\$0.634 million) and publications (\$0.255 million) staff and associated costs;

- increased notional superannuation contribution rates (\$3.3 million); and
- a projected increase in staffing levels associated with filling vacant positions (\$3.345 million).
- supplies and services:
 - the increase of \$7.329 million in the 2005-06 estimated outcome from the original budget is due to the transfer of ICT business system costs (\$4.278 million), and increases in general administrative and contractor costs due to permanent staffing levels not reaching budgeted expectations (\$4.051 million), offset by reduced costs associated with new software licensing and server maintenance arrangements (\$1 million); and
 - the increase of \$10.004 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to:
 - the full year effect of transferring ICT business system costs (\$10.351 million);
 - the impact of consolidating procurement services (\$1.973 million), human resource and finance functions (\$2.703 million), records management (\$0.994 million) and publications (\$0.925 million) staff and associated costs; and
 - technology (\$1.2 million) and change management (\$1 million) costs associated with establishing the Shared Service Centre;

offset by

- expected ICT savings as a result of the consolidation of functions (\$7.164 million), reduced general procurement (\$0.385 million), rationalising boards and committees (\$0.035 million), reduction in motor vehicle expenses (\$0.040 million) and rationalising accommodation (\$0.047 million).
- borrowing costs: the decrease of \$0.629 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the decision to purchase ICT equipment outright rather than leasing.

Balance Sheet

- cash and investments:
 - the increase of \$5.198 million in the 2005-06 estimated outcome from the original budget is due to a better than expected 2004-05 audited outcome and the expectation that a significant amount of fourth quarter invoices to be issued in early June will be paid by 30 June 2006; and
 - the increase of \$15.115 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the transfer of Procurement Support Services cash balances from the Department of Treasury.
- receivables: the increase of \$4.549 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the transfer of Procurement Support Services balances from the Department of Treasury.
- other current assets: the increase of \$2.810 million in the 2005-06 estimated outcome from the original budget is due to the expected prepayment of the Microsoft Licence Fees in June 2006.

- property, plant and equipment:
 - the decrease of \$10.916 million in the 2005-06 estimated outcome from the original budget is mainly due to the timing of significant asset purchases in 2005-06 and the deferral of some capital works projects to 2006-07, including the new Private Data Network to Hume and refurbishment of data centres; and
 - the increase of \$12.276 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the deferral of some capital works projects mentioned above, and new 2006-07 capital works including the Shared Services Centre fit-out (\$5 million).
- total liabilities:
 - the increase of \$1.835 million in the 2005-06 estimated outcome from the original budget is mainly due to the transfer of ICT business system staff and their associated employee benefits; and
 - the increase of \$36.339 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to:
 - the transfer of employee benefits into the Shared Services Centre as a result of the consolidation of procurement, human resource, finance, records management and publication functions;
 - the transfer of DET and CIT ICT business system staff and their employee benefits; and
 - the transfer of liabilities associated with Procurement Support Services' management of capital projects.

Cash Flow Statement

The major variations within the Cash Flow statement in the 2005-06 estimated outcome from the original budget and the 2006-07 Budget are explained within the Operating Statement above.

Other significant variations relate to:

- user charges: the increase of \$121.237 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to reasons previously identified and the inclusion of capital works receipts which flow through Procurement Support Services (\$84.144 million).
- other revenue: the increase of \$20.531 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to the GST relating to increased user charges associated with the new Shared Services Centre.
- other payments: the increase of \$104.621 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to the effect of the inclusion of capital works expenditure which flow through Procurement Support Services (\$84.144 million) and the GST associated with the new Shared Services Centre.
- capital injection from Government:
 - the decrease of \$3.032 million in the 2005-06 estimated outcome from the original budget is due to the deferral of the Private Data Network Extension to Hume and the refurbishment of data centres to 2006-07; and

- the increase of \$7.617 million in the 2006-07 Budget from the 2005-06 estimated outcomes is mainly due the above mentioned deferrals (\$3.032 million), and the Shared Services Centre fit-out (\$5 million).
- receipt of transferred cash balances: the increase of \$26.262m in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to the transfer of Procurement Support Services cash balances to the Shared Services Centre effective from 1 July 2006.

Statement of Changes in Equity

- Increase/(Decrease) in Net Assets due to Admin Restructure:
 - the decrease of \$2.458 million in the 2005-06 estimated outcome from the original budget is mainly due to the transfer of ICT business system staff and their associated employee benefits; and
 - the decrease of \$5.951 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the transfer of employee benefits into the Shared Services Centre as a result of the consolidation of procurement, human resources, finance, records management and publication functions, and the transfer of DET and CIT ICT business system staff's employee benefits.

InTACT Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
2,341	Government Payment for Outputs	2,580	7,589	194	4,107	2,885	2,924
263	User Charges - Non ACT Government	263	263	-	263	295	302
65,775	User Charges - ACT Government	74,703	88,924	19	90,265	92,390	94,651
1,088	Interest	1,774	0	-100	0	0	0
100	Other Revenue	100	100	-	100	100	100
200	Resources Received free of charge	200	0	-100	0	0	0
69,767	Total Revenue	79,620	96,876	22	94,735	95,670	97,977
Gains							
0	Total Gains	0	0	-	0	0	0
69,767	Total Income	79,620	96,876	22	94,735	95,670	97,977
Expenses							
15,987	Employee Expenses	16,652	29,565	78	29,918	30,265	30,617
1,850	Superannuation Expenses	2,828	6,656	135	6,743	6,830	6,920
37,807	Supplies and Services	45,136	47,678	6	45,836	46,235	47,430
17,619	Depreciation and Amortisation	17,594	18,210	4	18,130	18,084	18,084
1,487	Borrowing Costs	1,590	961	-40	481	0	0
74,750	Total Ordinary Expenses	83,800	103,070	23	101,108	101,414	103,051
-4,983	Operating Result	-4,180	-6,194	-48	-6,373	-5,744	-5,074

Procurement Support Services Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
0	Government Payment for Outputs	0	2,206	#	1,585	1,643	1,745
0	User Charges - ACT Government	0	8,338	#	8,550	8,615	8,692
0	Total Revenue	0	10,544	#	10,135	10,258	10,437
Gains							
0	Total Gains	0	0	-	0	0	0
0	Total Income	0	10,544	#	10,135	10,258	10,437
Expenses							
0	Employee Expenses	0	6,353	#	6,447	6,542	6,606
0	Superannuation Expenses	0	1,465	#	1,487	1,510	1,531
0	Supplies and Services	0	1,971	#	1,821	1,824	1,916
0	Depreciation and Amortisation	0	40	#	100	100	100
0	Grants and Purchased Services	0	400	#	0	0	0
0	Total Ordinary Expenses	0	10,229	#	9,855	9,976	10,153
0	Operating Result	0	315	#	280	282	284

Human Resources Services Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
0	Government Payment for Outputs	0	1,503	#	2,083	838	810
0	User Charges - ACT Government	0	6,755	#	16,462	16,713	16,969
0	Total Revenue	0	8,258	#	18,545	17,551	17,779
Gains							
0	Total Gains	0	0	-	0	0	0
0	Total Income	0	8,258	#	18,545	17,551	17,779
Expenses							
0	Employee Expenses	0	5,187	#	12,187	11,616	11,741
0	Superannuation Expenses	0	1,147	#	2,696	2,570	2,598
0	Supplies and Services	0	1,924	#	3,662	3,365	3,440
0	Depreciation and Amortisation	0	160	#	400	400	400
0	Total Ordinary Expenses	0	8,418	#	18,945	17,951	18,179
0	Operating Result	0	-160	#	-400	-400	-400

Finance Services Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
0	Government Payment for Outputs	0	1,794	#	2,939	1,869	1,856
0	User Charges - Non ACT Government	0	58	#	144	148	155
0	User Charges - ACT Government	0	7,713	#	19,055	19,524	19,826
0	Other Revenue	0	55	#	135	139	142
0	Total Revenue	0	9,620	#	22,273	21,680	21,979
Gains							
0	Total Gains	0	0	-	0	0	0
0	Total Income	0	9,620	#	22,273	21,680	21,979
Expenses							
0	Employee Expenses	0	4,981	#	11,768	11,308	11,435
0	Superannuation Expenses	0	1,110	#	2,621	2,518	2,547
0	Supplies and Services	0	3,567	#	7,860	7,714	7,831
0	Depreciation and Amortisation	0	168	#	450	450	450
0	Total Ordinary Expenses	0	9,826	#	22,699	21,990	22,263
0	Operating Result	0	-206	#	-426	-310	-284

