

## **SHARED SERVICES CENTRE**

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### **Objectives**

The Shared Services Centre provides information and communication technology (ICT), procurement, publishing and records services, as well as tactical and transactional human resource and finance services, to Government departments and agencies.

The Shared Services Centre consolidates these core administrative functions to achieve economies of scale, standardised and streamlined processes and an overall reduction in costs. This enables agencies to better 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.

### **2008-09 Priorities**

Strategic and operational issues to be pursued in 2008-09 include:

- refining human resources and finance services based on customer feedback and ongoing assessment of the processes implemented since the creation of the Shared Services Centre in 2007;
- supporting Treasury in the implementation of a single consolidated instance of the Oracle Government Financials system;
- establishing strategies to rationalise and manage the government software application portfolio, in close consultation with agencies;
- implementing strategies to attract and retain skilled staff, as well as providing support for Whole of Government attraction and retention initiatives;
- facilitating strategic information management and ICT strategic planning across government;
- streamlining goods and services procurement processes and to streamline the prequalification scheme for construction suppliers; and
- implementing an enhanced range of Whole of Government contracts and related common use arrangements.

### **Business and Corporate Strategies**

The Shared Services Centre will implement a range of business and corporate strategies that include:

- continued refining of shared service activities, through benchmarking and use of performance measures;
- building Shared Services' capabilities through effective leadership, staff retention and recruitment policies, and personal and professional development practices;

- implementing a Shared Services' risk management framework incorporating the updating of business unit risk management plans;
- reviewing and updating Service Level Agreements with agencies;
- using financial practices which satisfy the requirements of the *Financial Management ACT 1996*, including the associated Accounting Policy Papers modelled on the requirements of Accounting Standards, and which fairly present the Shared Services financial performance, financial position and cashflow results for planning and reporting purposes; and
- operating as a customer service orientated entity subject to the requirements of government policy and legislation.

### Estimated Employment Level

2007-08 Budget		2007-08 Est. Outcome	2008-09 Budget
846	Staffing (FTE)	780	837

## Output Classes

	Total Cost <sup>1</sup>		Government Payment for Outputs	
	2007-08	2008-09	2007-08	2008-09
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
<b>Output Class 1: InTACT</b>	103,747	113,571	1,745	4,149
<b>Output 1.1: InTACT</b>	103,747	113,571	1,745	4,149

**Note:**

1. Total cost includes depreciation and amortisation of \$14.883 million in 2007-08 and \$15.206 million in 2008-09.

### *Output Description*

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

InTACT will provide:

- services to government agencies as outlined in InTACT's catalogue of services and affirmed through various service level and support agreements;
- management of the government data and communications network;
- assistance to agencies on IT security;
- management of the Whole of Government communications network;
- business systems support;
- general service and help desk functions;
- in-house print and electronic publishing; and
- a full range of record management, mail room and courier activities to the majority of government departments.

## Output Classes cont.

	Total Cost <sup>1</sup>		Government Payment for Outputs	
	2007-08 Est. Outcome \$'000	2008-09 Budget \$'000	2007-08 Est. Outcome \$'000	2008-09 Budget \$'000
<b>Output Class 2:</b>				
<b>Procurement Support Services</b>	11,975	12,868	1,363	1,443
<b>Output 2.1:</b>				
<b>Procurement Support Services</b>	11,975	12,868	1,363	1,443

**Note:**

1. Total cost includes depreciation and amortisation of \$0.1 million in 2007-08 and \$0.063 million in 2008-09.

### *Output Description*

Procurement Support Services undertakes procurement activities on behalf of government departments and agencies for infrastructure, capital works, goods and services. It advises the Government on procurement and related construction industry policy, is responsible for the development and implementation of the Government's procurement policy, administers a range of pre-qualification schemes, and establishes and manages Whole of Government contracts.

Procurement Support Services will provide:

- procurement and associated risk management services to agencies, including delivering capital works projects on behalf of agencies;
- the buyers and sellers information service;
- the Government contracts register;
- supplier pre-qualification arrangements; and
- the secretariat to Government Procurement Board.

## Output Classes cont.

	Total Cost <sup>1</sup>		Government Payment for Outputs <sup>2</sup>	
	2007-08 Est. Outcome \$'000	2008-09 Budget \$'000	2007-08 Est. Outcome \$'000	2008-09 Budget \$'000
<b>Output Class 3:</b>				
<b>Human Resources Services</b>	18,922	21,339	1,244	39
<b>Output 3.1:</b>				
<b>Human Resources Services</b>	18,922	21,339	1,244	39

### Notes:

1. Total cost includes depreciation and amortisation of \$0.309 million in 2007-08 and \$2.272 million in 2008-09.
2. The reduced GPO funding in 2008-09 is due to the removal of one-off subsidy funding received following the establishment of Human Resources Services.

### *Output Description*

Human Resources Services provides tactical and transactional human resource services to departments and agencies.

Human Resources Services will provide:

- payroll and personnel services, including tax payments and salary packaging;
- recruitment services;
- advice and technical support on health and safety management;
- support in the management of employee relations processes;
- injury management services for small agencies;
- coordination and facilitation of ACT Public Service-wide training and development;
- statutory and human resources management reporting; and
- organisational position and data management.

## Output Classes cont.

	Total Cost <sup>1</sup>		Government Payment for Outputs <sup>2</sup>	
	2007-08	2008-09	2007-08	2008-09
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
<b>Output Class 4: Finance Services</b>	12,773	12,716	1,053	35
<b>Output 4.1: Finance Services<sup>2</sup></b>	12,773	12,716	1,053	35

### Notes:

1. Total cost includes depreciation and amortisation of \$0.294 million in 2007-08 and \$0.502 million in 2008-09.
2. The reduced GPO funding in 2008-09 is due to the removal of one-off subsidy funding received following the establishment of Finance Services.

### *Output Description*

Finance Services provides tactical and transactional finance services to departments and agencies.

Finance Services will provide:

- accounts payable and some accounts receivable functions;
- general ledgers;
- a fixed assets register;
- the development and maintenance of the Oracle Government Financials system;
- cash flow management and bank reconciliations;
- tax payments, including returns and advice; and
- financial reporting services.

## Accountability Indicators

	2007-08 Targets	2007-08 Est. Outcome	2008-09 Targets
<b>Output Class 1: InTACT</b>			
<b>Output 1.1: InTACT</b>			
a. Costs compared to peer organisations' costs, as benchmarked by an independent organisation <sup>1,2</sup>	Within 5%	Within 5%	Within 5%
b. E-mail availability across government during core business hours <sup>3</sup>	98%	98%	98%
c. Service requests made via the Service Desk are resolved within Service Level Agreements timeframes <sup>4</sup>	85%	88%	85%
d. Average time taken for telephone service requests to be answered by a Service Desk officer	25 seconds	15 seconds	20 seconds

### Notes:

1. This measure was previously reported as 'Costs within peer organisations' costs, as benchmarked by an independent organisation' in the 2007-08 Budget papers. The name has been changed to better reflect the actual output being measured.
2. The independent benchmarking of InTACT services is undertaken annually.
3. Established by determining up-time of each core component of the network across core business hours (Monday to Friday 7.30am to 6pm).
4. Established by determining how quickly requests made to InTACT Service Desk are resolved in comparison to agreed Service Level Agreement timeframes.

	2007-08 Targets	2007-08 Est. Outcome	2008-09 Targets
<b>Output Class 2: Procurement Support Services</b>			
<b>Output 2.1: Procurement Support Services</b>			
a. Proportion of Government funded annual Capital Works program supported with project procurement services <sup>1</sup>	95%	90%	90%
b. Quality Management Systems Compliance with ISO9001:2000-number of Category 1 non-conformance findings <sup>2</sup>	<2	<2	<2
c. Increase in the number of Whole of Government contracts and related panel arrangements available for agency procurement <sup>3</sup>	25%	60%	25%

### Notes:

1. This measure covers the proportion of the Government funded annual capital works program supported with project director services by ACT Procurement Solutions. Whilst individual projects may be completed during the year, the total proportion is measured annually.
2. This measure covers compliance with the ACT Procurement Solutions' Business Management System (BMS) which describes the processes that are undertaken to ensure that quality services are provided, utilising the principles of ISO9001:2000.
3. This measure reports the increase in the number of Whole of Government contracts and related arrangements in place as at 30 June each year. Note that the result estimated for 2007-08 was achieved on a base of 14 Whole of Government contracts. As the base increases, the proportion of new arrangements achievable diminishes.

## Accountability Indicators cont.

	2007-08 Targets	2007-08 Est. Outcome	2008-09 Targets
<b>Output Class 3: Human Resources Services</b>			
<b>Output 3.1: Human Resources Services</b>			
a. Service requests made via the Integrated Customer Service (ICS) system are resolved within 5 working days	80%	80%	80%
b. Data for Annual Reports and the Workforce Profile are supplied to the Chief Minister's Department in accordance with the agreed timeframe	100%	100%	100%
c. Performance Standards in Recruitment Services for permanent and temporary vacancies service specifications achieved <sup>1</sup>	n/a	n/a	90%

**Note:**

1. New measure. Represents the overall average of performance standards in recruitment service specifications being achieved.

	2007-08 Targets	2007-08 Est. Outcome	2008-09 Targets
<b>Output Class 4: Finance Services</b>			
<b>Output 4.1: Finance Services</b>			
a. Business Activity Statements completed in accordance with ATO deadline	90%	90%	90%
b. Fringe Benefits Tax Return submitted to the ATO within 7 working days of agencies supplying all required information	90%	90%	90%
c. Monthly financial information available for use by agencies by 6th working day of the month	90%	90%	90%
d. Annual financial statements completed and sent to agencies by 9th working day of July	90%	90%	90%

## Changes to Appropriation

### Changes to Appropriation

	2007-08	2008-09	2009-10	2010-11	2011-12
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2007-08 Budget</b>	<b>5,405</b>	<b>3,228</b>	<b>3,304</b>	<b>3,368</b>	<b>3,368</b>
<b>2008-09 Budget Policy Adjustments</b>					
Whole of Government Desktop Upgrade	-	1,536	1,536	1,536	1,536
Strengthening Agencies ICT Project Outcomes	-	227	275	359	359
Addressing the ICT Skills Shortages	-	669	669	669	669
<b>2008-09 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	6	7	7	63
<b>2008-09 Budget</b>	<b>5,405</b>	<b>5,666</b>	<b>5,791</b>	<b>5,939</b>	<b>5,995</b>

### Changes to Appropriation

	2007-08	2008-09	2009-10	2010-11	2011-12
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2007-08 Budget</b>	<b>3,101</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>FMA Section 16B Rollovers from 2006-07</b>					
Data Communication Centres	203	-	-	-	-
Fitout of Shared Services	606	-	-	-	-
<b>2008-09 Budget Policy Adjustments</b>					
Routine Replacement of Obsolete Critical Network Hardware	-	1,600	-	-	-
Procurement Solutions Systems Redevelopment	-	600	-	-	-
Record Services Mitchell Accommodation - Refurbishment	-	3,237	-	-	-
<b>2008-09 Budget</b>	<b>3,910</b>	<b>6,437</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## 2008-09 Capital Works Program

### Departmental

	Estimated Total Expenditure Cost Pre 2008-09 \$'000	Estimated 2008-09 Financing \$'000	2009-10 Financing \$'000	2010-11 Financing \$'000	Expected Completion Date
<b>New Capital Works</b>					
Record Services Mitchell Accommodation - Refurbishment	3,237	-	3,237	-	Jun 2009
<b>Total Departmental Capital Works</b>	<b>3,237</b>	<b>-</b>	<b>3,237</b>	<b>-</b>	

## Shared Services Centre Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
5,405	Government Payment for Outputs	5,405	5,666	5	5,791	5,939	5,995
407	User Charges - Non ACT Government	407	443	9	457	468	487
137,143	User Charges - ACT Government	135,232	144,976	7	148,358	150,635	153,505
0	Interest	0	18	#	18	18	18
235	Other Revenue	635	651	3	654	658	668
<b>143,190</b>	<b>Total Revenue</b>	<b>141,679</b>	<b>151,754</b>	<b>7</b>	<b>155,278</b>	<b>157,718</b>	<b>160,673</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>143,190</b>	<b>Total Income</b>	<b>141,679</b>	<b>151,754</b>	<b>7</b>	<b>155,278</b>	<b>157,718</b>	<b>160,673</b>
<b>Expenses</b>							
62,328	Employee Expenses	56,142	65,489	17	66,575	67,348	68,034
11,332	Superannuation Expenses	9,032	10,803	20	10,771	10,663	10,576
57,520	Supplies and Services	65,955	66,025	..	67,460	68,980	70,522
19,370	Depreciation and Amortisation	15,586	18,043	16	18,441	16,870	16,628
641	Borrowing Costs	702	134	-81	34	0	0
<b>151,191</b>	<b>Total Ordinary Expenses</b>	<b>147,417</b>	<b>160,494</b>	<b>9</b>	<b>163,281</b>	<b>163,861</b>	<b>165,760</b>
<b>-8,001</b>	<b>Operating Result</b>	<b>-5,738</b>	<b>-8,740</b>	<b>-52</b>	<b>-8,003</b>	<b>-6,143</b>	<b>-5,087</b>

## Shared Services Centre Balance Sheet

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
<b>Current Assets</b>							
23,671	Cash and Cash Equivalents	53,461	51,666	-3	51,313	48,453	46,179
19,920	Receivables	24,347	24,436	..	24,523	24,610	24,697
36	Inventories	33	33	-	33	33	33
687	Other	656	726	11	796	866	936
<b>44,314</b>	<b>Total Current Assets</b>	<b>78,497</b>	<b>76,861</b>	<b>-2</b>	<b>76,665</b>	<b>73,962</b>	<b>71,845</b>
<b>Non Current Assets</b>							
40,237	Property, Plant and Equipment	35,540	39,753	12	35,636	34,557	33,720
0	Intangibles	0	2,111	#	420	300	180
659	Other	547	547	-	547	547	547
<b>40,896</b>	<b>Total Non Current Assets</b>	<b>36,087</b>	<b>42,411</b>	<b>18</b>	<b>36,603</b>	<b>35,404</b>	<b>34,447</b>
<b>85,210</b>	<b>TOTAL ASSETS</b>	<b>114,584</b>	<b>119,272</b>	<b>4</b>	<b>113,268</b>	<b>109,366</b>	<b>106,292</b>
<b>Current Liabilities</b>							
32,376	Payables	25,381	29,750	17	30,091	30,432	30,773
1,556	Finance Leases	2,264	497	-78	0	0	0
14,503	Employee Benefits	16,160	17,620	9	18,978	20,336	21,694
3,648	Other	27,527	27,707	1	27,887	28,067	28,247
<b>52,083</b>	<b>Total Current Liabilities</b>	<b>71,332</b>	<b>75,574</b>	<b>6</b>	<b>76,956</b>	<b>78,835</b>	<b>80,714</b>
<b>Non Current Liabilities</b>							
0	Finance Leases	497	0	-100	0	0	0
708	Employee Benefits	1,042	1,210	16	1,213	1,216	1,219
<b>708</b>	<b>Total Non Current Liabilities</b>	<b>1,539</b>	<b>1,210</b>	<b>-21</b>	<b>1,213</b>	<b>1,216</b>	<b>1,219</b>
<b>52,791</b>	<b>TOTAL LIABILITIES</b>	<b>72,871</b>	<b>76,784</b>	<b>5</b>	<b>78,169</b>	<b>80,051</b>	<b>81,933</b>
<b>32,419</b>	<b>NET ASSETS</b>	<b>41,713</b>	<b>42,488</b>	<b>2</b>	<b>35,099</b>	<b>29,315</b>	<b>24,359</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
32,419	Accumulated Funds	38,604	39,379	2	31,990	26,206	21,250
0	Reserves	3,109	3,109	-	3,109	3,109	3,109
<b>32,419</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>41,713</b>	<b>42,488</b>	<b>2</b>	<b>35,099</b>	<b>29,315</b>	<b>24,359</b>

**Shared Services Centre  
Cash Flow Statement**

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
5,405	Cash from Government for Outputs	5,405	5,666	5	5,791	5,939	5,995
138,390	User Charges	136,479	146,263	7	149,658	151,951	154,848
0	Interest Received	0	18	#	18	18	18
39,135	Other Revenue	313,614	331,210	6	349,966	367,400	380,948
<b>182,930</b>	<b>Operating Receipts</b>	<b>455,498</b>	<b>483,157</b>	<b>6</b>	<b>505,433</b>	<b>525,308</b>	<b>541,809</b>
<b>Payments</b>							
73,182	Related to Employees	64,587	74,464	15	75,785	76,450	77,053
57,648	Related to Supplies and Services	66,083	67,084	2	67,945	69,465	71,007
641	Borrowing Costs	702	134	-81	34	0	0
39,297	Other	313,376	330,754	6	349,505	369,050	382,592
<b>170,768</b>	<b>Operating Payments</b>	<b>444,748</b>	<b>472,436</b>	<b>6</b>	<b>493,269</b>	<b>514,965</b>	<b>530,652</b>
<b>12,162</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>10,750</b>	<b>10,721</b>	<b>..</b>	<b>12,164</b>	<b>10,343</b>	<b>11,157</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
84,044	Proceeds from Sale of Property, Plant & Equipment	100	100	-	100	100	100
<b>84,044</b>	<b>Investing Receipts</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Payments</b>							
102,444	Purchase of Property, Plant and Equipment	14,084	17,186	22	12,734	13,662	13,662
0	Purchase of Investments	1	0	-100	0	0	0
<b>102,444</b>	<b>Investing Payments</b>	<b>14,085</b>	<b>17,186</b>	<b>22</b>	<b>12,734</b>	<b>13,662</b>	<b>13,662</b>
<b>-18,400</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-13,985</b>	<b>-17,086</b>	<b>-22</b>	<b>-12,634</b>	<b>-13,562</b>	<b>-13,562</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
3,101	Capital Injection from Government	3,910	6,437	65	1,000	1,000	1,000
0	Receipt of Transferred Cash Balances	2,100	0	-100	0	0	0

## Shared Services Centre Cash Flow Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
3,101	<b>Financing Receipts</b>	6,010	6,437	7	1,000	1,000	1,000
	<b>Payments</b>						
0	Distributions to Government	1,817	100	-94	386	641	869
6,775	Repayment of Finance Lease	6,000	1,767	-71	497	0	0
6,775	<b>Financing Payments</b>	7,817	1,867	-76	883	641	869
-3,674	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	-1,807	4,570	353	117	359	131
-9,912	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	-5,042	-1,795	64	-353	-2,860	-2,274
33,584	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	58,503	53,461	-9	51,666	51,313	48,453
23,672	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	53,461	51,666	-3	51,313	48,453	46,179

## Shared Services Centre Statement of Changes in Equity

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
37,319	<b>Opening Balance</b>	42,628	41,713	-2	42,488	35,099	29,315
	<b>Accumulated Funds</b>						
-8,001	Operating Result for the Period	-5,738	-8,740	-52	-8,003	-6,143	-5,087
	<b>Reserves</b>						
0	Increase/(Decrease) in asset revaluation reserve	3,109	0	-100	0	0	0
-8,001	<b>Total Income And Expense For The Period</b>	-2,629	-8,740	-232	-8,003	-6,143	-5,087
	<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>						
3,101	Capital Injections	3,910	6,437	65	1,000	1,000	1,000
0	Capital (Distributions)	-1,817	-100	94	-386	-641	-869
0	Inc/Dec in Net Assets due to Admin Restructure	-379	3,178	939	0	0	0
32,419	<b>Closing Balance</b>	41,713	42,488	2	35,099	29,315	24,359

### Notes to the Budget Statements

Significant variations are as follows:

#### *Operating Statement*

- government payment for outputs:
    - the increase of \$0.261 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to:
      - an increase in funding for new initiatives in 2008-09 including Whole of Government Desktop Upgrade (\$1.536 million), Addressing the IT Skills Shortage (\$0.669 million) and Strengthening Agencies ICT Project Outcomes (\$0.227 million);
- partially offset by:
- the cessation of one-off supplementary funding received in 2007-08 for consolidating Human Resource and Finance Services (\$1.820 million); and
  - the cessation of change management funding received in 2007-08 (\$0.5 million) to assist with the establishment of the Shared Services Centre in 2006-07.

- user charges - ACT Government:
  - the decrease of \$1.911 million in the 2007-08 estimated outcome from the original budget is mainly due to:
    - reduced agency ICT expenditure and staff costs directly recovered from agencies (\$3.066 million) due to the timing associated with the transfer of these staff and costs;
 partially offset by:
    - an increase in capital works management fees due to larger than expected capital works program (\$0.824 million); and
    - an increase in ICT Project management revenue due to higher than expected expenditure by agencies on ICT projects (\$0.525 million).
  - the increase of \$9.744 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to:
    - the full year effect of cost recovery associated with the transfer of ICT business systems and staff to InTACT (\$8.129 million);
    - an increase in User Charges in line with CPI (\$4.057 million);
    - an increase in capital works management fees from an increasing capital works program (\$0.8 million); and
    - an increase in voice service revenue (\$0.885 million) due to increased consumption;
 partially offset by:
    - the elimination of internal trading costs between Shared Services Business Units (\$4.571 million).
- employee and superannuation expenses:
  - the decrease of \$8.486 million in the 2007-08 estimated outcome from the original budget is due to:
    - lower than expected staff numbers (\$4.472 million);
    - lower ICT agency staff due to timing associated with the transfer and recruitment of staff (\$1.735 million); and
    - decreased superannuation contributions (\$2.3 million).
  - the increase of \$11.118 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to:
    - Shared Services reaching full staffing levels in 2008-09, especially in the areas of HR services and ICT agency staff (\$6.286 million); and
    - wage increases (\$1.684 million).

- supplies and services:
  - the increase of \$8.435 million in the 2007-08 estimated outcome from the original budget is mainly due to:
    - expected expenditure reductions being re-profiled to other expenditure categories (\$5.971 million);
    - an increase in contractors costs due to difficulties in filling IT positions (\$3.451 million); and
    - an increase in agency ICT project related expenditure due to higher than expected ICT projects (\$0.525 million);
 partially offset by:
    - reduced business systems support costs (\$1.331 million).
- depreciation and amortisation:
  - the decrease of \$3.784 million in the 2007-08 estimated outcome from the original budget is mainly due to the timing of asset purchases in 2007-08 (\$1.927 million), lower expenses as a result of extending the useful life of assets (\$0.986 million), and the reduced cost of ICT equipment (\$0.735 million); and
  - the increase of \$2.457 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to the transfer of the Human Resources Salary System (Chris21) asset from Chief Minister’s Department and its associated depreciation (\$1.607 million), the full year affect of depreciation on the revaluation of Shared Services assets in January 2008 (\$0.393 million) and part year depreciation on new 2008-09 capital works (\$0.320 million).
- borrowing costs: the decrease of \$0.568 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the decision to purchase ICT equipment outright rather than leasing.

### *Balance Sheet*

- cash and cash equivalents: the increase of \$29.790 million in the 2007-08 estimated outcome from the original budget is mainly due to the expectation that a significant amount of capital works payments from agencies will be received prior to the end of the financial year partially offset by the expectation that payables will be reduced in preparation for the single instance of Oracle commencing 1 July 2008.
- receivables: the increase of \$4.427 million in the 2007-08 estimated outcome from the original budget is due to the higher level of capital works than expected.
- property, plant and equipment:
  - the decrease of \$4.697 million in the 2007-08 estimated outcome from the original budget is mainly due to lower than expected costs of ICT equipment and lower than forecast asset purchases as the useful life of certain assets have been extended; and
  - the increase of \$4.213 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to new capital works.

- intangibles: the increase of \$2.111 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the transfer of the Human Resources Salary System (Chris21) asset from the Chief Minister's Department (\$1.571 million) and the Procurement Solutions Systems Redevelopment project (\$0.540 million).
- payables:
  - the decrease of \$6.995 million in 2007-08 estimated outcome from the original budget is due to expectations that payables will be reduced in preparation for the single instance of Oracle commencing 1 July 2008; and
  - the increase of \$4.369 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to returning to the normal level of payables following the one-off reduction of payables in preparation for the single instance of Oracle commencing July 2008.
- current and non current finance leases:
  - the increase of \$1.205 million in the 2007-08 estimated outcome from the original budget reflects a higher than anticipated level of finance leases held; and
  - the decrease of \$2.264 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the decision to purchase ICT equipment outright rather than leasing.
- current and non current employee benefits:
  - the increase of \$1.991 million in the 2007-08 estimated outcome from the original budget is due to the wage increases and lower than expected leave taken by Shared Services employees during the first year of Shared Services operations; and
  - the increase of \$1.628 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to wage increases and the transfer of ICT staff and their entitlements from the Canberra Institute of Technology to InTACT.
- other current liabilities: the increase of \$23.879 million in the 2007-08 estimated outcome from the original budget is due to the expectations that a significant amount of capital works payments will be received in advance prior to the end of the financial year.

### *Cash Flow Statement*

The major variations within the Cash Flow Statement are explained in the Operating Statement section above. Other significant variations relate to:

- other revenue: the increase of \$274.479 million in the 2007-08 estimated outcome from the original budget is mainly due to a change in the accounting treatment for capital works reimbursements received from agencies previously recorded against proceeds from sale of property, plant and equipment and a significant higher amount of capital works undertaken in 2007-08.
- other payments: the increase of \$274.079 million in the 2007-08 estimated outcome from the original budget is mainly due to a change in the accounting treatment for capital works payments made on behalf of agencies previously recorded against purchase of property, plant and equipment and a significant higher amount of capital works undertaken in 2007-08.
- proceeds from sale of property, plant and equipment: the decrease of \$83.944 million in the 2007-08 estimated outcome from the original budget is due to a change in the

accounting treatment for capital works reimbursements received from agencies now treated as other revenue.

- purchase of property plant and equipment:
  - the decrease of \$88.360 million in the 2007-08 estimated outcome from the original budget is due to a change in the accounting treatment for capital works payments made on behalf of agencies now treated as other payments; and
  - the increase of \$3.102 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to one-off funding for 2008-09 capital work initiatives, partially offset by completed 2007-08 initiatives.
- capital injection from government:
  - the increase of \$0.809 million in the 2007-08 estimated outcome from the original budget represents the rollover of funds due to the timing in finalising the data communication centres (\$0.203 million) and fit-out of Shared Services accommodation (\$0.606 million); and
  - the increase of \$2.527 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to one-off funding for 2008-09 capital works initiatives, partially offset by completed 2007-08 initiatives.
- receipt of transferred cash balances: the increase of \$2.1 million in the 2007-08 estimated outcome from the original budget represents the one-off transfer of salary packaging bank accounts to Shared Services from the Department of Education and Training.
- distribution to government:
  - the increase of \$1.817 million in the 2007-08 estimated outcome from the original budget represents the return of unspent superannuation; and
  - the decrease of \$1.717 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the Shared Services Centre expecting to reach full staffing levels in 2008-09.
- repayment of finance leases: the decrease of \$0.775 million in the 2007-08 estimated outcome from the original budget and the decrease of \$4.233 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the continuation of the policy to purchase assets rather than lease assets.

#### *Statement of Changes in Equity*

- increase/(decrease) in asset revaluation reserve: the increase of \$3.109 million in the 2007-08 estimated outcome from the original budget is due to asset revaluation undertaken in January 2008.
- increase/(decrease) in net assets due to admin restructure:
  - the decrease of \$0.379 million in the 2007-08 estimated outcome from the original budget represents the one-off transfer of ICT staff and their entitlements from CIT to InTACT; and
  - the increase of \$3.557 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the one-off transfer of the Human Resources Salary System (Chris21) assets from the Chief Minister's Department to Shared Services effective 1 July 2008.

## InTACT Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1,745	Government Payment for Outputs	1,745	4,149	138	4,238	4,363	4,419
407	User Charges - Non ACT Government	407	443	9	457	468	487
96,685	User Charges - ACT Government	94,606	100,911	7	103,625	105,226	108,098
235	Other Revenue	235	239	2	242	246	256
<b>99,072</b>	<b>Total Revenue</b>	<b>96,993</b>	<b>105,742</b>	<b>9</b>	<b>108,562</b>	<b>110,303</b>	<b>113,260</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>99,072</b>	<b>Total Income</b>	<b>96,993</b>	<b>105,742</b>	<b>9</b>	<b>108,562</b>	<b>110,303</b>	<b>113,260</b>
<b>Expenses</b>							
32,696	Employee Expenses	27,128	32,742	21	33,398	33,829	34,517
6,088	Superannuation Expenses	4,512	5,894	31	5,855	5,788	5,794
48,278	Supplies and Services	56,522	59,595	5	60,799	62,001	63,543
18,470	Depreciation and Amortisation	14,883	15,206	2	15,580	15,580	15,338
641	Borrowing Costs	702	134	-81	34	0	0
<b>106,173</b>	<b>Total Ordinary Expenses</b>	<b>103,747</b>	<b>113,571</b>	<b>9</b>	<b>115,666</b>	<b>117,198</b>	<b>119,192</b>
<b>-7,101</b>	<b>Operating Result</b>	<b>-6,754</b>	<b>-7,829</b>	<b>-16</b>	<b>-7,104</b>	<b>-6,895</b>	<b>-5,932</b>

## Procurement Support Services Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1,363	Government Payment for Outputs	1,363	1,443	6	1,553	1,576	1,576
9,747	User Charges - ACT Government	10,571	11,688	11	11,771	11,881	11,881
0	Interest	0	18	#	18	18	18
<b>11,110</b>	<b>Total Revenue</b>	<b>11,934</b>	<b>13,149</b>	<b>10</b>	<b>13,342</b>	<b>13,475</b>	<b>13,475</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>11,110</b>	<b>Total Income</b>	<b>11,934</b>	<b>13,149</b>	<b>10</b>	<b>13,342</b>	<b>13,475</b>	<b>13,475</b>
<b>Expenses</b>							
7,545	Employee Expenses	7,975	9,281	16	9,392	9,494	9,494
1,383	Superannuation Expenses	1,251	1,489	19	1,470	1,451	1,421
2,182	Supplies and Services	2,649	2,035	-23	2,130	2,178	2,178
100	Depreciation and Amortisation	100	63	-37	123	123	123
<b>11,210</b>	<b>Total Ordinary Expenses</b>	<b>11,975</b>	<b>12,868</b>	<b>7</b>	<b>13,115</b>	<b>13,246</b>	<b>13,216</b>
<b>-100</b>	<b>Operating Result</b>	<b>-41</b>	<b>281</b>	<b>785</b>	<b>227</b>	<b>229</b>	<b>259</b>

## Human Resources Services Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1,244	Government Payment for Outputs	1,244	39	-97	0	0	0
18,253	User Charges - ACT Government	17,739	20,257	14	20,594	20,835	20,835
0	Other Revenue	400	412	3	412	412	412
<b>19,497</b>	<b>Total Revenue</b>	<b>19,383</b>	<b>20,708</b>	<b>7</b>	<b>21,006</b>	<b>21,247</b>	<b>21,247</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>19,497</b>	<b>Total Income</b>	<b>19,383</b>	<b>20,708</b>	<b>7</b>	<b>21,006</b>	<b>21,247</b>	<b>21,247</b>
<b>Expenses</b>							
13,270	Employee Expenses	12,410	14,073	13	14,259	14,385	14,385
2,382	Superannuation Expenses	1,929	2,075	8	2,093	2,077	2,039
3,845	Supplies and Services	4,274	2,919	-32	2,994	3,080	3,080
400	Depreciation and Amortisation	309	2,272	635	2,236	665	665
<b>19,897</b>	<b>Total Ordinary Expenses</b>	<b>18,922</b>	<b>21,339</b>	<b>13</b>	<b>21,582</b>	<b>20,207</b>	<b>20,169</b>
<b>-400</b>	<b>Operating Result</b>	<b>461</b>	<b>-631</b>	<b>-237</b>	<b>-576</b>	<b>1,040</b>	<b>1,078</b>

## Finance Services Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1,053	Government Payment for Outputs	1,053	35	-97	0	0	0
12,458	User Charges - ACT Government	12,316	12,120	-2	12,368	12,693	12,691
<b>13,511</b>	<b>Total Revenue</b>	<b>13,369</b>	<b>12,155</b>	<b>-9</b>	<b>12,368</b>	<b>12,693</b>	<b>12,691</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13,511</b>	<b>Total Income</b>	<b>13,369</b>	<b>12,155</b>	<b>-9</b>	<b>12,368</b>	<b>12,693</b>	<b>12,691</b>
<b>Expenses</b>							
8,817	Employee Expenses	8,629	9,393	9	9,526	9,640	9,638
1,479	Superannuation Expenses	1,340	1,345	..	1,353	1,347	1,322
3,215	Supplies and Services	2,510	1,476	-41	1,537	1,721	1,721
400	Depreciation and Amortisation	294	502	71	502	502	502
<b>13,911</b>	<b>Total Ordinary Expenses</b>	<b>12,773</b>	<b>12,716</b>	<b>..</b>	<b>12,918</b>	<b>13,210</b>	<b>13,183</b>
<b>-400</b>	<b>Operating Result</b>	<b>596</b>	<b>-561</b>	<b>-194</b>	<b>-550</b>	<b>-517</b>	<b>-492</b>

### Notes to the Output Class Statements

Significant variations are as follows:

#### *InTACT Total Expenses*

- the decrease of \$2.426 million in the 2007-08 estimated outcome from the original budget is mainly due to lower than forecast staffing levels, reduced superannuation contributions and lower depreciation, partially offset by higher than forecast contractor expenditure.
- the increase of \$9.824 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to InTACT reaching full staffing levels in 2008-09, an increase in staff numbers as a result of the introduction of succession planning and traineeship initiatives to ensure service sustainability (\$1.936 million), wage increases, increase in contractor expenses associated with Government Desktop Upgrade and increase in CPI.

#### *Procurement Support Services Total Expenses*

- the increase of \$0.893 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to an increase in staff associated with a larger capital works program.

*Human Resources Services Total Expenses*

- the increase of \$2.417 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to Human Resource Services reaching full staffing levels in 2008-09, wage increases and the transfer of the Human Resources Salary System (Chris21) asset from Chief Minister's Department and its associated depreciation, partially offset partially by elimination of, and adjustments to, the allocation of internal trading costs between Shared Services Business units.

*Finance Services Total Expenses*

- the decrease of \$1.138 million in the 2007-08 estimated outcome from the original budget is mainly due to lower than expected staff numbers and related costs.