

SHARED SERVICES CENTRE

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 ACT 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.

2007-08 Priorities

Strategic and operational issues to be pursued in 2007-08 include:

- fine-tuning human resources and finance services based on customer feedback and assessment of the processes implemented in 2006-07;
- supporting Treasury in the implementation of a single consolidated instance of the Oracle Government Financials system;
- continuing to achieve savings of \$20 million across finance, ICT, human resources and procurement services;
- launching a redesigned buyers and sellers information service (basis) website to facilitate community and business access online to ACT government procurement and contracts;
- working with agencies to establish strategies for the rationalisation and management of the government software application portfolio;
- developing strategies to attract and retain skilled staff;
- establishing new contracts for major ICT supplier services;
- facilitating strategic Information Management and ICT strategic planning across government; and
- implementing an enhanced range of Whole of Government contracts and related common use arrangements.

Business and Corporate Strategies

The Shared Services Centre will continue to implement a range of business and corporate strategies. These include:

- re-aligning and refining shared service activities, supported by appropriate change management and business planning strategies, to support the Shared Services Centre's objectives and priorities;
- 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 (SLAs) with agencies utilising Shared Services;
- using financial practices which satisfy the requirements of the *Financial Management Act 1996*, including the associate Accounting Policy Papers modelled on the requirements of Accounting Standards, and which fairly present the financial position and operational 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

	2006-07 Est. Outcome	2007-08 Budget
Staffing (FTE) ¹	738	846

Note:

1. Once permanent staff transfers are complete and recruitment finalised, FTEs are expected to increase to 846 representing a full staffing level for Shared Services Centre.

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000
Output Class 1: InTACT				
Output 1.1: InTACT	96,115	106,173	5,580	1,745

Note:

1. Total cost includes depreciation and amortisation of \$17.121 million in 2006-07 and \$18.470 million in 2007-08.

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 ¹		Government Payment for Outputs	
	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000
Output Class 2: Procurement Support Services				
Output 2.1: Procurement Support Services	11,363	11,210	2,232	1,363

Note:

1. Total cost includes depreciation and amortisation of \$0.040 million in 2006-07 and \$0.1 million in 2007-08.

Output Description

Procurement Solutions undertakes procurement activities on behalf of Government departments and agencies for infrastructure, capital works and 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 (basis);
- the Government contracts register;
- supplier pre-qualification arrangements; and
- the secretariat to Government Procurement Board.

Output Classes cont.

	Total Cost ¹		Government Payment for Outputs	
	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000
Output Class 3: Human Resources Services				
Output 3.1: Human Resources Services²				
	8,381	19,897	1,590	1,244

Note:

1. Total cost includes depreciation and amortisation of \$0.160 million in 2006-07 and \$0.4 million in 2007-08.
2. Human resources in ACT Government agencies were 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 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 ACTPS-wide training and development;
- statutory and management reporting; and
- organisational position and data management.

Output Classes cont.

	Total Cost ¹		Government Payment for Outputs	
	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000
Output Class 4: Finance Services				
Output 4.1: Finance Services²	6,275	13,911	1,380	1,053

Note:

1. Total cost includes depreciation and amortisation of \$0.160 million in 2006-07 and \$0.4 million in 2007-08.
2. Finance services in ACT Government agencies were 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 tactical and transactional finance services to departments and agencies. Finance Services will provide:

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

Accountability Indicators

	2006-07 Targets	2006-07 Est. Outcome	2007-08 Targets
Output Class 1: InTACT			
Output 1.1: InTACT			
a. Costs within peer organisations' costs, as benchmarked by an independent organisation ¹	Within 10%	Within 10%	Within 5%
b. E-mail availability across government during core business hours ²	98%	98%	98%
c. Service requests made via the Service Desk are responded to within Service Level Agreements' timeframes ³	98%	90%	n/a
d. Service requests made via the Service Desk are resolved within Service Level Agreements' timeframes ⁴	80%	88%	85%
e. Average time taken for telephone service requests to be answered by a Service Desk officer ⁵	n/a	n/a	25 seconds

Note:

1. The independent benchmarking of InTACT services is undertaken annually.
2. Established by determining up-time of each core component of the network across core business hours (Monday to Friday 7.30am to 6pm).
3. Replaced by measure e.
4. Established by determining how quickly requests made to InTACT Service Desk are resolved in comparison to agreed Service Level Agreement timeframes.
5. New measure.

	2006-07 Targets	2006-07 Est. Outcome	2007-08 Targets
Output Class 2: Procurement Support Services			
Output 2.1: Procurement Support Services			
a. Proportion of Government funded annual Capital Works program supported with project procurement services ¹	80%	90%	95%
b. Quality Management Systems Compliance with ISO9001:2000 - Number of Category 1 non-conformance findings ²	<2	<2	<2
c. Increase in the number of Whole of Government contracts and related panel arrangements available for agency procurement ³	n/a	n/a	25%

Note:

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 a quality services are provided, utilising the principles of ISO9001:2000.
3. New measure. Number of Whole of Government contracts and related arrangements in place 30/6/07 compared to 30/6/08.

Accountability Indicators cont.

	2006-07 Targets	2006-07 Est. Outcome	2007-08 Targets
Output Class 3: Human Resources Services			
Output 3.1: Human Resources Services			
d. Level of satisfaction by Departmental Chief Executives with management of the shared services implementation ¹	80%	98%	n/a
e. Service requests made via the Integrated Customer Service (ICS) system are resolved within five working days ²	n/a	n/a	80%
f. Data for Annual Reports and the Workforce Profile are supplied to the Chief Minister's Department in accordance with the agreed timeframe ²	n/a	n/a	100%

Note:

1. The measures in the 2006-07 Budget only applied to the transition period. The measure is based on the percentage of satisfaction ratings of the Shared Services Implementation Steering Committee (SSISC) members for the implementation of the key deliverables of the Shared Services Transition project. Percentage of satisfaction was based on satisfied ratings as a percentage of all survey returns.
2. New measure.

	2006-07 Targets	2006-07 Est. Outcome	2007-08 Targets
Output Class 4: Finance Services			
Output 4.1: Finance Services			
g. Level of satisfaction by Departmental Chief Executives with management of the shared services implementation ¹	80%	98%	n/a
h. Business Activity Statements completed in accordance with Australian Taxation Office deadline ²	n/a	n/a	90%
i. Fringe Benefits Tax Return submitted to the Australian Taxation Office within 7 working days of agencies supplying all required information ²	n/a	n/a	90%
j. Monthly financial information available for use by agencies by 6th working day of the month ²	n/a	n/a	90%
k. Annual financial statements completed and sent to agencies by 9th working day of July ²	n/a	n/a	90%

Note:

1. The measures in the 2006-07 Budget only applied to the transition period. The measure is based on the percentage of satisfaction ratings of the Shared Services Implementation Steering Committee (SSISC) members for the implementation of the key deliverables of the Shared Services Transition project. Percentage of satisfaction was based on satisfied ratings as a percentage of all survey returns.
2. New measure.

Changes to Appropriation

Changes to Appropriation - Departmental

	2006-07	2007-08	2008-09	2009-10	2010-11
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2006-07 Budget	13,092	10,714	7,235	7,335	7,335
2007-08 Budget Policy Adjustments					
Wage Outcome	390	70	121	150	151
2007-08 Budget Technical Adjustments					
Revised Indexation Parameters	-	11	12	6	130
Shared Services Centre SLA Adjustment	-	(1,921)	(1,896)	(1,921)	(1,960)
Transfer of Technology Costs to DT	(1,200)	(1,200)	-	-	-
Decreased Notional Superannuation Contribution Rates	(1,500)	(2,269)	(2,244)	(2,266)	(2,288)
2007-08 Budget	10,782	5,405	3,228	3,304	3,368

Changes to Appropriation - Departmental

	2006-07	2007-08	2008-09	2009-10	2010-11
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2006-07 Budget	10,225	1,000	1,000	1,000	1,000
2007-08 Budget Technical Adjustments					
Rollover - Data Communication Centres	(1,500)	1,500	-	-	-
Integrated Document Management System	-	601	-	-	-
2007-08 Budget	8,725	3,101	1,000	1,000	1,000

2007-08 Capital Works Program

Departmental

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2007-08 \$'000	2007-08 Financing \$'000	2008-09 Financing \$'000	2009-10 Financing \$'000	Expected Completion Date
Works in Progress						
Data Communications Centres	2,975	1,475	1,500	-	-	Dec 2007
Total Works in Progress	2,975	1,475	1,500	-	-	
Total Departmental Capital Works	2,975	1,475	1,500	-	-	

Shared Services Centre Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
13,092	Government Payment for Outputs	10,782	5,405	-50	3,228	3,304	3,368
321	User Charges - Non ACT Government	321	407	27	443	457	468
111,730	User Charges - ACT Government	103,806	137,143	32	141,128	144,512	146,790
155	Other Revenue	155	235	52	239	242	246
125,298	Total Revenue	115,064	143,190	24	145,038	148,515	150,872
Gains							
0	Total Gains	0	0	-	0	0	0
125,298	Total Income	115,064	143,190	24	145,038	148,515	150,872
Expenses							
46,086	Employee Expenses	44,117	62,328	41	62,663	63,506	64,190
10,378	Superannuation Expenses	8,598	11,332	32	11,427	11,672	11,811
55,140	Supplies and Services	50,154	57,520	15	58,681	60,162	61,675
18,578	Depreciation and Amortisation	17,481	19,370	11	19,484	19,484	19,484
961	Borrowing Costs	1,384	641	-54	0	0	0
400	Grants and Purchased Services	400	0	-100	0	0	0
131,543	Total Ordinary Expenses	122,134	151,191	24	152,255	154,824	157,160
-6,245	Operating Result	-7,070	-8,001	-13	-7,217	-6,309	-6,288

Shared Services Centre Balance Sheet

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
Current Assets							
41,563	Cash and Cash Equivalents	33,583	23,671	-30	20,512	17,754	12,476
11,651	Receivables	20,061	19,920	-1	20,009	20,096	20,183
41	Inventories	36	36	-	36	36	36
3,180	Other	617	687	11	757	827	897
56,435	Total Current Assets	54,297	44,314	-18	41,314	38,713	33,592
Non Current Assets							
43,375	Property, Plant and Equipment	40,852	40,237	-2	40,213	37,859	38,046
21	Other	659	659	-	659	659	659
43,396	Total Non Current Assets	41,511	40,896	-1	40,872	38,518	38,705
99,831	TOTAL ASSETS	95,808	85,210	-11	82,186	77,231	72,297
Current Liabilities							
16,458	Payables	31,882	32,376	2	36,745	37,086	37,427
2,557	Finance Leases	4,036	1,556	-61	0	0	0
7,966	Employee Benefits	14,190	14,503	2	14,735	14,765	14,795
22,965	Other	3,669	3,648	-1	3,628	3,608	3,588
49,946	Total Current Liabilities	53,777	52,083	-3	55,108	55,459	55,810
Non Current Liabilities							
2,556	Finance Leases	4,169	0	-100	0	0	0
7,902	Employee Benefits	543	708	30	876	879	882
10,458	Total Non Current Liabilities	4,712	708	-85	876	879	882
60,404	TOTAL LIABILITIES	58,489	52,791	-10	55,984	56,338	56,692
39,427	NET ASSETS	37,319	32,419	-13	26,202	20,893	15,605
REPRESENTED BY FUNDS EMPLOYED							
39,427	Accumulated Funds	37,319	32,419	-13	26,202	20,893	15,605
39,427	TOTAL FUNDS EMPLOYED	37,319	32,419	-13	26,202	20,893	15,605

Shared Services Centre Cash Flow Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
13,092	Cash from Government for Outputs	10,782	5,405	-50	3,228	3,304	3,368
196,699	User Charges	104,831	138,390	32	142,415	145,812	148,106
33,470	Other Revenue	35,788	39,135	9	38,789	39,293	39,926
243,261	Operating Receipts	151,401	182,930	21	184,432	188,409	191,400
Payments							
56,461	Related to Employees	52,208	73,182	40	73,690	75,145	75,968
55,346	Related to Supplies and Services	50,360	57,648	14	58,940	60,447	61,960
961	Borrowing Costs	1,384	641	-54	0	0	0
400	Grants and Purchased Services	400	0	-100	0	0	0
117,558	Other	35,932	39,297	9	38,945	39,444	42,188
230,726	Operating Payments	140,284	170,768	22	171,575	175,036	180,116
12,535	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	11,117	12,162	9	12,857	13,373	11,284
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
100	Proceeds from Sale of Property, Plant & Equipment	84,044	84,044	-	84,044	84,044	84,044
100	Investing Receipts	84,044	84,044	-	84,044	84,044	84,044
Payments							
26,225	Purchase of Property, Plant and Equipment	110,919	102,444	-8	101,060	101,175	101,606
26,225	Investing Payments	110,919	102,444	-8	101,060	101,175	101,606
-26,125	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-26,875	-18,400	32	-17,016	-17,131	-17,562
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
10,225	Capital Injection from Government	8,725	3,101	-64	1,000	1,000	1,000
26,457	Receipt of Transferred Cash Balances	24,607	0	-100	0	0	0
36,682	Financing Receipts	33,332	3,101	-91	1,000	1,000	1,000
Payments							
7,977	Repayment of Finance Lease	7,977	6,775	-15	0	0	0
7,977	Financing Payments	7,977	6,775	-15	0	0	0

**Shared Services Centre
Cash Flow Statement**

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
28,705	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	25,355	-3,674	-114	1,000	1,000	1,000
15,115	NET INCREASE/(DECREASE) IN CASH HELD	9,597	-9,912	-203	-3,159	-2,758	-5,278
26,449	CASH AT BEGINNING OF REPORTING PERIOD	23,987	33,584	40	23,672	20,513	17,755
41,564	CASH AT THE END OF THE REPORTING PERIOD	33,584	23,672	-30	20,513	17,755	12,477

Shared Services Centre Statement of Changes in Equity

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
43,856	Opening Balance	45,753	37,319	-18	32,419	26,202	20,893
	Accumulated Funds						
-6,245	Operating Result for the Period	-7,070	-8,001	-13	-7,217	-6,309	-6,288
	Reserves						
-6,245	Total Income And Expense For The Period	-7,070	-8,001	-13	-7,217	-6,309	-6,288
	Transactions Involving Equity Holders Affecting Accumulated Funds						
10,225	Capital Injections	8,725	3,101	-64	1,000	1,000	1,000
-8,409	Inc/Dec in Net Assets due to Admin Restructure	-10,089	0	100	0	0	0
39,427	Closing Balance	37,319	32,419	-13	26,202	20,893	15,605

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the decrease of \$2.310 million in the 2006-07 estimated outcome from the original budget is mainly due to:
 - the transfer of technology costs funding to ACT Treasury associated with the implementation of the one instance of Oracle project (\$1.2 million); and
 - reduced superannuation expenditure (\$1.5 million) due to the timing and mix of staff transferring from other government agencies in 2006-07;
 - partially offset by:
 - an increase in funding for wage increases (\$0.390 million).
 - the decrease of \$5.377 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to:
 - the removal of one-off funding received in 2006-07 for consolidating information technology services (\$3 million);
 - a Service Level Agreement (SLA) adjustment that devolves to agencies superannuation funding previously received by the Shared Services Centre (\$1.921 million); and
 - decreased notional superannuation contribution rates (\$2.269 million);

partially offset by:

- the effect of 2006-07 Budget savings (\$0.910 million); and
- funding for previous years' initiatives which do not continue into 2007-08 (\$0.903 million).
- user charges – ACT Government:
 - the decrease of \$7.924 million in the 2006-07 estimated outcome from the original budget is mainly due to delays in the transfer of ICT business systems and staff which resulted in the Shared Services Centre not recovering full year costs from agencies; and
 - the increase of \$33.337 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to the full year effect of the recovery of costs associated with the transfer of Department of Education and Training (DET) and Canberra Institute of Technology (CIT) ICT business systems and staff from 1 January 2007 to InTACT, and human resources and finance services staff from 1 February 2007.
- employee and superannuation expenses:
 - the decrease of \$3.749 million in the 2006-07 estimated outcome from the original budget is due to delays in the transfer of DET and CIT ICT staff and permanent staffing levels not reaching budgeted expectations; and
 - the increase of \$20.945 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to:
 - the full year effect of transferring record services and publishing services staff (\$1.275 million);
 - the full year effect of transferring DET and CIT ICT staff (\$2.502 million);
 - the full year effect of transferring human resource and finance staff (\$14.742 million); and
 - wage increases (\$1.110 million).
- supplies and services:
 - the decrease of \$4.986 million in the 2006-07 estimated outcome from the original budget is mainly due to:
 - the transfer of technology costs to ACT Treasury associated with the implementation of the one instance of Oracle project (\$1.2 million); and
 - reduced contractors costs (\$4.071 million) associated with the timing of ICT business systems and staff transferring, and the lower than expected number of contracted staff transferring especially from DET and CIT.
 - the increase of \$7.366 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to:
 - a projected increase in ICT business systems identified and included in InTACT's SLA's and the full year effect of transferring DET and CIT ICT business systems costs (\$4.314 million);
 - the full year effect of transferring human resource and finance services costs (\$3.680 million); and

- the full year effect of transferring record services and publishing services costs (\$2.908 million);
- partially offset by:
- the impact of 2006-07 Budget savings (\$3.688 million).
- depreciation and amortisation:
 - the decrease of \$1.097 million in the 2006-07 estimated outcome from the original budget is mainly due to the time taken in finalising the Data Centre Refurbishments, the timing of asset purchases in 2006-07, and the reduced cost of ICT equipment; and
 - the increase of \$1.889 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to the full year effect of depreciation on significant asset purchases including the Data Centre Refurbishments, Enterprise Server and Eclipse and Allara House fitouts.
 - borrowing costs:
 - the increase of \$0.423 million in the 2006-07 estimated outcome from the original budget is mainly due to the timing associated with implementing the decision to purchase ICT equipment outright rather than leasing; and
 - the decrease of \$0.743 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the effect of the decision to purchase ICT equipment outright rather than leasing.
 - grants and purchased services: the decrease of \$0.4 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the completion of the sustainable infrastructure initiative and associated expenditure in 2006-07.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$7.980 million in the 2006-07 estimated outcome from the original budget is due to the expectation that fourth quarter invoices to be issued to clients in early June will not be paid by the end of the financial year; and
 - the decrease of \$9.912 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the purchase of significant Whole of Government ICT infrastructure assets from cash reserves including the Storage Area Network and the Enterprise Server, and the effect of implementing the policy of purchasing ICT assets rather than leasing.
- receivables: the increase of \$8.410 million in the 2006-07 estimated outcome from the original budget is due to the expectation that a significant amount of fourth quarter invoices to be issued in early June will not be paid by the end of the financial year.
- other current and other non current assets: the decrease of \$1.925 million in the 2006-07 estimated outcome from the original budget is mainly due to the expected payment of the Microsoft Licence Fees in June 2007.

- property, plant and equipment: the decrease of \$2.523 million in the 2006-07 estimated outcome from the original budget is mainly due to a lower than expected cost of ICT equipment and the timing of significant asset purchases in 2006-07, including the refurbishment of data centres.
- payables: the increase of \$15.424 million in the 2006-07 estimated outcome from the original budget is mainly due to a change in the accounting treatment for capital works payments received in advance which now flow through payables rather than as other current liabilities.
- current and non current finance leases:
 - the increase of \$3.092 million in the 2006-07 estimated outcome from the original budget is due to the effect of the timing of the decision to purchase ICT equipment outright rather than leasing; and
 - the decrease of \$6.649 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the decision to purchase ICT equipment outright rather than leasing.
- employee benefits: the change in allocation between current and non-current is due to a change in the accounting treatment for employee provisions.
- other current liabilities: the decrease of \$19.296 million in the 2006-07 estimated outcome from the original budget is due to a change in the accounting treatment for capital works payments received in advance which now flow through payables.

Cash Flow Statement

The major variations within the Cash Flow statement are explained in the Operating Statement section above.

Other significant variations relate to:

- user charges: the decrease of \$91.868 million in the 2006-07 estimated outcome from the original budget is due to reasons previously identified and a change in accounting treatment for capital works receipts which now flow through proceeds from sale of property, plant and equipment.
- other payments: the decrease of \$81.626 million in the 2006-07 estimated outcome from the original budget is due to reasons previously identified and a change in the accounting treatment for capital works payments which now flow through purchase of property, plant and equipment.
- receipt of transferred cash balances: the decrease of \$24.607 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to the one-off transfer in 2006-07 of Procurement Support Services cash balances to the Shared Services Centre on 1 July 2006.

Statement of Changes in Equity

- capital injections:
 - the decrease of \$1.5 million in the 2006-07 estimated outcome from the original budget is due to the rollover of funding for the Data Centre Refurbishment resulting from the strategy adopted to leverage refurbishment off other agencies capital work programs; and
 - the decrease of \$5.624 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the one-off funding received in 2006-07 for the Eclipse and Allara House fitouts (\$5 million), the Private Data Network extension to Hume (\$1.5 million) and the Data Centre Refurbishments (\$1.225 million). This has been partially offset by the rollover of the Data Centre Refurbishments due to the timing of construction (\$1.5 million), and the provision of a capital injection for the Information Document Management System (\$0.601 million).
- Increase/(Decrease) in Net Assets due to Admin Restructure:
 - the increase of \$1.680 million in the 2006-07 estimated outcome from the original budget is mainly due to an audited outcome adjustment as a result of delays in the transfer of ICT staff to InTACT and their associated employee entitlements; and
 - the decrease of \$10.089 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the one-off transfer in 2006-07 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 staff's employee benefits.

InTACT Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
7,589	Government Payment for Outputs	5,580	1,745	-69	1,714	1,754	1,795
263	User Charges - Non ACT Government	321	407	27	443	457	468
88,924	User Charges - ACT Government	83,081	96,685	16	99,691	102,405	104,006
100	Other Revenue	155	235	52	239	242	246
96,876	Total Revenue	89,137	99,072	11	102,087	104,858	106,515
Gains							
0	Total Gains	0	0	-	0	0	0
96,876	Total Income	89,137	99,072	11	102,087	104,858	106,515
Expenses							
29,565	Employee Expenses	27,890	32,696	17	33,542	34,015	34,377
6,656	Superannuation Expenses	5,142	6,088	18	6,268	6,409	6,488
47,678	Supplies and Services	44,578	48,278	8	50,010	51,259	52,454
18,210	Depreciation and Amortisation	17,121	18,470	8	18,584	18,584	18,584
961	Borrowing Costs	1,384	641	-54	0	0	0
103,070	Total Ordinary Expenses	96,115	106,173	10	108,404	110,267	111,903
-6,194	Operating Result	-6,978	-7,101	-2	-6,317	-5,409	-5,388

Procurement Support Services Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
2,206	Government Payment for Outputs	2,232	1,363	-39	1,440	1,550	1,573
8,338	User Charges - ACT Government	9,295	9,747	5	9,865	9,948	10,058
10,544	Total Revenue	11,527	11,110	-4	11,305	11,498	11,631
Gains							
0	Total Gains	0	0	-	0	0	0
10,544	Total Income	11,527	11,110	-4	11,305	11,498	11,631
Expenses							
6,353	Employee Expenses	7,033	7,545	7	7,702	7,780	7,851
1,465	Superannuation Expenses	1,444	1,383	-4	1,414	1,434	1,448
1,971	Supplies and Services	2,446	2,182	-11	2,189	2,284	2,332
40	Depreciation and Amortisation	40	100	150	100	100	100
400	Grants and Purchased Services	400	0	-100	0	0	0
10,229	Total Ordinary Expenses	11,363	11,210	-1	11,405	11,598	11,731
315	Operating Result	164	-100	-161	-100	-100	-100

Human Resources Services Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
	Income						
	Revenue						
1,503	Government Payment for Outputs	1,590	1,244	-22	39	0	0
6,755	User Charges - ACT Government	6,679	18,253	173	18,764	19,101	19,342
8,258	Total Revenue	8,269	19,497	136	18,803	19,101	19,342
	Gains						
0	Total Gains	0	0	-	0	0	0
8,258	Total Income	8,269	19,497	136	18,803	19,101	19,342
	Expenses						
5,187	Employee Expenses	5,326	13,270	149	12,931	13,104	13,235
1,147	Superannuation Expenses	1,149	2,382	107	2,324	2,374	2,398
1,924	Supplies and Services	1,746	3,845	120	3,548	3,623	3,709
160	Depreciation and Amortisation	160	400	150	400	400	400
8,418	Total Ordinary Expenses	8,381	19,897	137	19,203	19,501	19,742
-160	Operating Result	-112	-400	-257	-400	-400	-400

Finance Services Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
1,794	Government Payment for Outputs	1,380	1,053	-24	35	0	0
58	User Charges - Non ACT Government	0	0	-	0	0	0
7,713	User Charges - ACT Government	4,751	12,458	162	12,808	13,058	13,384
55	Other Revenue	0	0	-	0	0	0
9,620	Total Revenue	6,131	13,511	120	12,843	13,058	13,384
Gains							
0	Total Gains	0	0	-	0	0	0
9,620	Total Income	6,131	13,511	120	12,843	13,058	13,384
Expenses							
4,981	Employee Expenses	3,868	8,817	128	8,488	8,607	8,727
1,110	Superannuation Expenses	863	1,479	71	1,421	1,455	1,477
3,567	Supplies and Services	1,384	3,215	132	2,934	2,996	3,180
168	Depreciation and Amortisation	160	400	150	400	400	400
9,826	Total Ordinary Expenses	6,275	13,911	122	13,243	13,458	13,784
-206	Operating Result	-144	-400	-178	-400	-400	-400

