

Question No: 51

Question: Costs of Government Computing Equipment

Date: 13/08/91
Member: Mr EDE
To: TREASURER

1. How much did the government pay in total for lease of computing equipment in -
 - (a) 1989-90; and
 - (b) 1990-91.
2. How much did the government pay for computing equipment leased from IBM Australia in -
 - (a) 1989-90; and
 - (b) 1990-91.
3. Does IBM pay any amounts to the government as part of the lease agreement.
4. If so, how much did IBM pay to the government in -
 - (a) 1989-90; and
 - (b) 1990-91.
5. Are these payments recorded in the budget papers or Treasurer's financial statements.

ANSWER

The following schedule sets out the costs of government computing equipment based on details supplied to Treasury by all government departments and statutory authorities with the exception of the TIO and TAB.

1. The Northern Territory government paid the following amounts in total for lease of computing equipment in -
 - (a) 1989-90 \$17.8m
 - (b) 1990-91 \$20.9m.
2. The Northern Territory government paid the following amounts for computing equipment leased from IBM in -
 - (a) 1980-90 \$11.8m
 - (b) 1990-91 \$12.3m.
3. No.
4. Not applicable.
5. Not applicable.

Notes:

- a) Amounts shown related to both computing and communications services, including

telephone network equipment used throughout government.

b) As a result of competitive tendering the government uses operating lease facilities from IBM Credit Ltd for the acquisition of most major equipment items used by departments and authorities. This is an independent financing arrangement which may be and is used for both IBM and non-IBM supplied equipment.

c) Whilst not a condition of the lease agreement, at the government's discretion lease payments may be made in advance. When this occurs leasing rebates are credited against the outstanding lease balance.

Pre-payments occurred in 1989-90 and 1990-91, resulting in rebates of \$225 000 and \$227 000 respectively. These amounts were taken into account as offsets when assessing the net allocation of funds for computing equipment in the budget process.