

Department of  
INFRASTRUCTURE,  
PLANNING AND LOGISTICS

# Annual Report 2021-22



### **Acknowledgement**

The Department of Infrastructure, Planning and Logistics (DIPL) respectfully acknowledges the traditional owners and custodians of the lands on which we work and operate across the Northern Territory. We pay our respects to their elders – past, present and emerging.

While this report uses the term 'Aboriginal', the contents and information in this report should be read to include both Aboriginal and Torres Strait Islander people. DIPL respectfully acknowledge Torres Strait Islander peoples are First Nations people living in the Northern Territory.

### **Interpreter services**

If required, interpreter services are available to assist you to read this report. Please contact:

- Interpreting and Translating Service NT on 08 8999 8506, or
- the Aboriginal Interpreter Service on 1800 334 994.

Information regarding interpreter services in the Northern Territory can be accessed via [nt.gov.au/page/interpreter-services](http://nt.gov.au/page/interpreter-services)

### **Providing feedback**

DIPL welcomes feedback on this annual report and are contactable on the details below.

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# Introduction



**YOUR VOICE  
MATTERS**

# Letter to the Minister

Dear Minister,

I am pleased to present you with the Department of Infrastructure, Planning and Logistics annual report for the 2021-22 financial year. The report describes the performance and key achievements of each of the department's output groups, as required by section 28 of the *Public Sector Employment and Management Act (1993)*.

I advise, to the best of my knowledge and belief, that:

- a. proper records of all transactions affecting the department are kept, and employees under my control observe the provisions of the *Financial Management Act (1995)*, its regulations and applicable Treasurer's Directions
- b. procedures within the department afford proper internal control and a current description of such procedures is recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the *Financial Management Act (1995)*
- c. no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists
- d. in accordance with section 15 of the *Financial Management Act (1995)*, I advise that as at 30 June 2022, the department had adequate internal audit capacity and the results of all internal audit matters have been reported to me
- e. the financial statements included in the annual report have been prepared from proper accounts and records and in accordance with the Treasurer's Directions
- f. all Employment Instructions issued by the Commissioner for Public Employment have been satisfied
- g. the department is working in compliance with the *Information Act (2002)*.

I advise in relation to parts of items (a), (e) and (g) that to the best of my knowledge and belief, proper records are kept of transactions undertaken by the Department of Corporate and Digital Development on behalf of my agency.

Yours sincerely,



Andrew Kirkman  
Chief Executive  
Department of Infrastructure, Planning and Logistics  
30 September 2022

# About this report

## About this report

This annual report highlights the work and performance of the Department of Infrastructure, Planning and Logistics across the 2021-22 financial year. Performance is reported against strategic goals, approved budget and performance measures for the year.

This annual report has been developed to inform the Legislative Assembly, Territorians and other stakeholders of the:

- main functions and responsibilities of the department
- significant activities and highlights achieved throughout the year
- the fiscal management and performance reporting of the department.

The annual report is structured in the following sections:

<b>PART 1</b> Our organisation	<b>PART 2</b> Our highlights and achievements	<b>PART 3</b> Governance framework
<b>PART 4</b> Our people	<b>PART 5</b> How we performed	<b>PART 6</b> Our financial performance

# Chief Executive Message

**Despite the resourcing and supply chain impacts resulting from the COVID-19 Public Health Emergency and other national and international events, the Department of Infrastructure Planning and Logistics (DIPL) continued to deliver operational excellence, including finalising the amalgamation of all infrastructure delivery and maintenance across general government into the department.**

Planning and preparation for the Middle Arm Sustainable Development Precinct has progressed at pace during the financial year, and is a key priority for the department and government. A substantial funding announcement was made by the Federal Government in Budget 2022, announcing funding for the Middle Arm Sustainable Development Precinct. The Precinct, planned to be a 'development ready' industrial development, will preserve Darwin Harbour's environmental value for generations to come while playing a pivotal role in helping grow the Territory economy to \$40 billion by 2030. The project was referred to the Northern Territory Environmental Protection Authority (EPA) in May 2022, incorporating community feedback on the proposed project.

The timely and responsible release of urban titled residential land and supporting infrastructure remains a priority for the department. As part of this, several projects across the Northern Territory are at various stages of progress and development. This includes Holtze in the Top End, Katherine East in the Big Rivers region, and Kilgariff in Central Australia. The Bringing Land to Market report, an independent review of the land development process undertaken by Dick Guit, was released in early 2022. All 23 recommendations outlined in the report were accepted in principle by government and the department. Since the release of the report, the department has been active in supporting the implementation of the recommendations. One recommendation was to implement an appropriate governance structure to provide guidance on the Bringing Land to Market recommendations which has led to the formation of the Land Development Committee, chaired by report author Dick Guit and supported by this department.

The department continued to play a key role in the Northern Territory COVID-19 response through the Emergency Operations Centre, Transport and Engineering Functional Groups, Howard Springs Centre for National Resilience, media and communications, and COVID-19 surge workforce in support of the across government response. It was an effort that transcended every DIPL office with employees from every region playing a role to keep the Territory safe.

This department's contributions saw our response team successfully respond to over 6,300 tasks and over 26,000 COVID-19 related passenger trips. Some of these trips weren't easy. With remote sites and much of the Big Rivers region locked down for extended periods and our vulnerable at risk, the DIPL team ensured the safe and effective movement of people, food and water, vaccinations and medical supplies across the width and breadth of the Territory.

Across our infrastructure portfolio, work continued across the Territory with the delivery of new and revitalised projects as part of a massive infrastructure spend. Construction of the Palmerston Regional Fire, Rescue and Emergency Services Complex was substantially completed by the end of the financial year, providing a modern facility for firefighters and emergency services volunteers to service the growing Palmerston and rural communities. Upgrades to the Joan Ridley Unit at the Royal Darwin Hospital (RDH) Mental Health Inpatient Unit are also now complete. Increasing capacity for mental health services at RDH, the unit complements work underway to deliver more sub-acute beds and prevention services.

In June 2022 the 250 bay Alice Springs Hospital Multi-Storey Car Park was substantially completed supporting up to 65 jobs during construction.

Other significant job creating infrastructure projects have progressed including:

- awarding preferred tender status and continuing design and planning for the Darwin Ship Lift facility
- construction and redevelopment of contemporary youth justice centres in Darwin and Alice Springs
- the National Aboriginal Art Gallery in Alice Springs
- planning for the new 18 bed mental health inpatient unit, six bed stabilisation assessment and referral area and new expansion space at RDH
- planning for the ambulatory care centre at Alice Springs Hospital
- planning for upgrades to central sterilisation services departments at Territory hospitals
- extensions to art galleries in Arnhem Land, Katherine and Tennant Creek to create an iconic Territory Arts Trail experience
- Civic and State Square Revitalisation including a new, modern art gallery in the Darwin CBD
- completion of the Nightcliff Police Station and further progression on the John Stokes Square social housing units

- continued delivery of the Alice Springs CBD revitalisation project
- a range of projects to upgrade infrastructure in Kakadu and support the township of Jabiru to transition from a mining town to a tourism and regional services hub.

Our infrastructure delivery also spanned to remote housing, with the continued delivery of the \$2.1 billion remote housing program: Our Community. Our Future. Our Homes., jointly funded by the Australian Government and Northern Territory Government. This included the delivery of:

- 142 new remote community homes, comprising of 482 bedrooms
- 105 new lots delivered as part of land servicing works, with an additional 106 underway
- nine new subdivisions complete or underway
- completed upgrades to 154 remote homes, across a number of programs.

In the remote housing space 52% of contracts were awarded to Aboriginal Business Enterprises (ABEs) totalling \$95.6 million.

Our commitment to improving road safety and strengthening our road network continued through 2021-22. Tenders for civil works awarded across the Northern Territory included some of the largest tenders the department has entered into, to deliver major upgrades. Some highlights have included:

- committed to seal the Tanami Road with a tender awarded to seal the next 60 km and design a further 90 km
- tender awarded to upgrade to seal dual line 138 km of the Carpentaria Highway
- Stuart Highway duplication south of Katherine near Cyprus Street
- engagement of the Early Contractor Involvement (ESI) for major road safety improvements at the Tiger Brennan Drive / Berrimah Road intersection
- Weddell Freeway progressed to planning study stage
- \$25 million to seal an additional portion of the Roper Highway to Ngukurr
- \$21 million tender awarded to seal the remainder of the Plenty Highway.

Up from \$646 million the year prior, the department awarded \$782 million worth of construction contracts (tier 2 and above) in 2021-22, across 537 contracts.

Of these, 533 (99%) were awarded to Territory enterprises with a combined value of \$780 million.

Further, the department awarded \$136 million of contracts to local ABEs representing 11% of total value of all contracts awarded, and 8% of total number of contracts awarded (excluding tier 1 procurements).

In line with the Indigenous Participation on Construction Projects Policy, the department has provided employment opportunities to Aboriginal Territorians and built the capacity of Aboriginal businesses, to successfully share in the delivery of Northern Territory construction opportunities.

2021-22 has seen DIPL continue to work closely across divisions and with our client agencies. Enhancing existing relationships with client agencies and industry has ensured the efficient and considered delivery of infrastructure projects across the Northern Territory. The Strategic Asset Management team is delivering a suite of new procedures to assist this.

Building reform has continued to be a priority for the department to restore confidence in the local building industry whilst ensuring safety and amenity meets community expectations.

Priority reforms include:

- implementation of a third-party peer review of the structural design of significant and complex buildings
- introduction of legislation to increase civil penalties for disciplinary action taken by the Building Practitioners Board and increasing the timeframe for practitioners to be referred to the Board for misconduct
- consideration of options for the adoption of energy efficiency requirements for non-residential buildings in the National Construction Code (Section J)
- adoption of Livable Housing Design standard as part of the next edition of the National Construction Code to ensure that housing is designed to meet the needs of the community, including older people and those with mobility related disability
- requirements for continuing professional development for building practitioners inclusive of Territory wide industry consultation
- industry consultation and policy development for the creation of a new category of registration for commercial builders.



Infrastructure NT has continued to go from strength to strength under the guidance of Commissioner Louise McCormick. The Commission's inaugural Infrastructure Framework includes the delivery of the *NT Infrastructure Strategy 2022-2030* and the *NT Infrastructure Plan and Pipeline 2022*. The Strategy, Plan and Pipeline build the foundations of a sustainable and diverse \$40 billion economy by 2030. This strategy provides clear direction and whole-of-government leadership for project planning, development and delivery including:

- a refocused Strategy to outline governments infrastructure vision
- an Audit assessing the needs, analysis of gaps and reform identification
- a Plan outlining the enabling infrastructure roadmap
- a Pipeline outlining funded projects that will be delivered in the short term focused on assisting industry with workforce capability and capacity decisions.

Machinery of Government (MoG) changes were also finalised this financial year with the amalgamation of 70 property maintenance positions into DIPL from the Department of Territory Families, Housing and Communities as part of the Housing Program Office team on 1 July 2021.

In what was another tough year for many in the COVID era both personally and professionally, I am proud of the achievements of our department, our people and our many industry partners who have continued to deliver across the Territory.



Andrew Kirkman  
Chief Executive  
Department of Infrastructure, Planning and Logistics



# Part 1

# Our organisation



**MAKING  
IT EASY**

# Our department

## Our vision

To drive the sustainable, economic and social advancement of the Northern Territory through land use and transport planning, infrastructure investment and effective logistics supply chains.

## Our purpose

To work with Territory businesses, industry and the community to plan, regulate, construct and maintain integrated sustainable infrastructure, developments and services across the Northern Territory.



## About us

The Department of Infrastructure, Planning and Logistics (DIPL) is an agency of the Northern Territory Government driving the sustainable, economic, and social advancement of the Northern Territory (NT). We deliver this through land use and transport planning, infrastructure investment, and supporting effective logistics supply chains.

DIPL is made up of four project delivery units and a strategic infrastructure planning body, Infrastructure NT.

Our project delivery units are:

- Housing Program Office
- Infrastructure NT
- Infrastructure, Investments and Contracts
- Lands and Planning
- Transport and Civil Services.

All business units are supported by Governance and Executive Services and Corporate Services teams.

## We deliver

Some of the services and initiatives we deliver include:

- roads, traffic lights, intersections, road side signage and rest areas
- buildings to support making the NT a great place to live, such as health facilities, classrooms and police stations as well as places to come together such as galleries and green spaces
- remote and urban social housing across the NT
- the release of titled land for residential, industrial and commercial development
- planning, to make community land available
- urban and school bus public transport network in Darwin and Alice Springs
- vehicle registration and licensing
- road and marine safety
- the management and upgrades to boat ramps and amenities
- reform across building, planning, public transport and more.



# Strategic Plan 2022-2025

## OUR VISION

Safe and sustainable economic and social advancement of the Territory.

## OUR STRATEGIC OBJECTIVES



### 1. LONG-TERM PLANNING

Integrated long-term best practice planning that contributes to the Territory's future economic and community development, and delivers safe, inclusive and sustainable outcomes.



### 2. INFRASTRUCTURE DELIVERY

Deliver planned infrastructure, land release and development programs that create local jobs, stronger communities and stimulate growth.

## OUR KEY OUTCOMES

- 1.1. Coordinate and undertake integrated land use and infrastructure planning.
- 1.2. Plan, develop and implement an infrastructure framework for the Territory that includes an infrastructure plan, strategic asset management and accelerates a diverse pipeline of works.
- 1.3. Plan and implement strategies to support targeted infrastructure investment, and efficient safe transport systems and services.
- 1.4. Continue to develop and implement a reform agenda for the Northern Territory context that supports implementation of the national Building Confidence Report and enhances the Northern Territory building regulatory framework.

- 2.1. Efficiently manage and review the Territory's extensive infrastructure programs.
- 2.2. Manage and maintain the Northern Territory Government's land and infrastructure assets to support the current and future needs of all Territorians.
- 2.3. Maximise sustainable infrastructure investment opportunities to support the Territory's economic and social advancement, Aboriginal development and local decision making.
- 2.4. Deliver land development priorities that support private sector development, build local industry capability and contribute to broader population and economic growth.

## OUR VALUES

Commitment to Service and Safety | Ethical Practice | Respect

## OUR PURPOSE

To work with the community, business and government partners to plan, regulate, construct, maintain and invest in integrated sustainable infrastructure, developments and services across the Territory.



### 3. QUALITY SERVICES

Deliver professional, accessible, responsive, reliable and consistent services.



### 4. CONTEMPORARY ORGANISATION

Foster an organisation that empowers our people, builds capacity and capability to deliver effective service.

- 3.1. Develop and implement streamlined contemporary regulatory frameworks and policies that support innovation, efficiency and deliver safe outcomes.
- 3.2. Deliver services that are accessible, agile, and respond to the emerging needs of industry and the community.
- 3.3. Build partnerships and work co-operatively with other agencies, organisations, industry and the community.
- 3.4. Deliver exceptional customer service.

- 4.1. Build leadership and workforce capability that supports a high performing inclusive organisation, underpinned by a culture of respect, innovation and collaboration.
- 4.2. Maintain high standards of governance and integrity.
- 4.3. Provide and support a healthy and safe work environment.
- 4.4. Continue to grow and develop a skilled and capable Aboriginal workforce.
- 4.5. Strengthen consultation, engagement and communication with our people.

Accountability | Impartiality | Diversity | Collaboration | Innovation | Excellence

# Our leadership

Our Executive Management Board is made up of senior leaders from across the agency who represent various regions and business units.

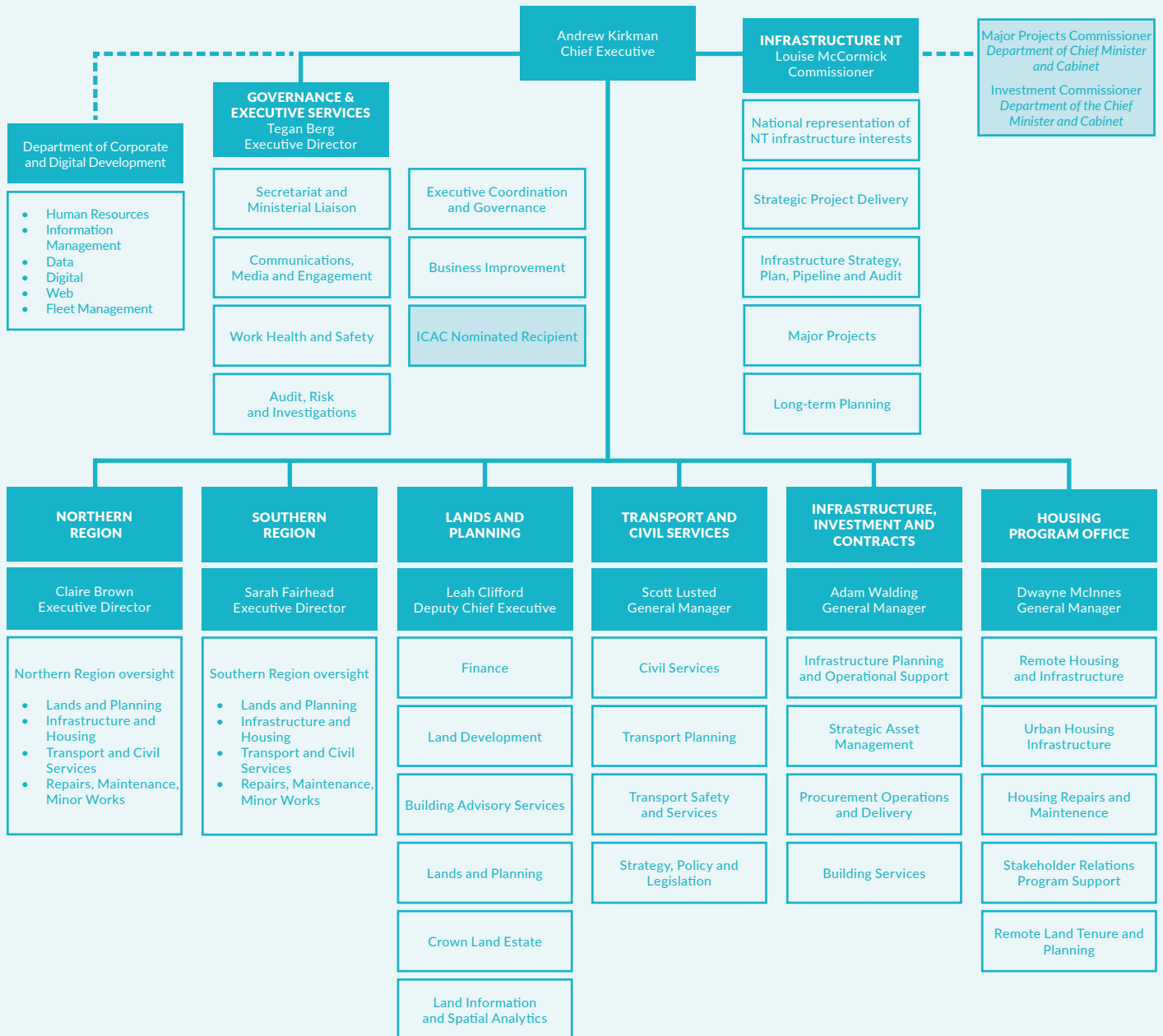
Members:

- Chief Executive - Andrew Kirkman
- Infrastructure NT Commissioner - Louise McCormick
- Deputy Chief Executive Lands and Planning - Leah Clifford
- General Manager Transport and Civil Services - Scott Lusted
- General Manager Infrastructure Investment and Contracts - Adam Walding
- General Manager Housing Program Office - Dwayne McInnes
- Executive Director Governance and Executive Services - Tegan Berg
- Executive Director Northern Region - Claire Brown
- Executive Director Southern Region - Sarah Fairhead.



Alice Springs CBD revitalisation

# Our structure



## Statutory bodies

*Statutory bodies that receive secretariat support from the department:*

- NT Planning Commission
- Development Consent Authority
- Building Advisory Committee
- Building Appeals Board
- Community Living Areas Tribunal
- Place Names Committee for the NT
- Swimming Pool Fencing Review Committee
- Valuation Board of Review Panel

*Statutory bodies that receive funding or support from the department:*

- Land Development Corporation
- AustralAsia Railway Corporation
- Northern Territory Land Corporation



# Our functions

Created in 2016, the Department of Infrastructure, Planning and Logistics aims to drive the sustainable, economic and social advancement of the Northern Territory through:

- strategic planning to set the direction for land use, transport networks and infrastructure to meet the community's needs and support future growth of the Northern Territory
- delivering the Northern Territory's infrastructure program and providing services as the Northern Territory's central construction agency
- managing land administered by the department on behalf of the Northern Territory of Australia and the Crown and holding land-related information and data, including developing and maintaining spatial information used to support long-term planning
- regulatory and customer services to ensure safe, efficient and sustainable land and building development and planning and transport systems
- advocating the Northern Territory's interests in national and local reforms and supporting statutory committees and boards.



## Governance and Executive Services

Secretariat and Ministerial Liaison  
Communications, Media and Engagement  
Work Health and Safety  
Audit, Risk and Investigations  
Executive Coordination and Governance  
Business Improvement  
ICAC Nominated Recipient



## Housing Program Office

Remote Housing and Infrastructure  
Urban Housing Infrastructure  
Housing Repairs and Maintenance  
Remote Land Tenure and Planning



## Infrastructure, Investments and Contracts

Procurement Operations and Delivery  
Infrastructure Planning and Operational Support  
Building Services  
Strategic Asset Management



## Infrastructure NT

Major projects  
Strategic program delivery  
Long-term planning  
National representation of NT infrastructure interests



## Lands and Planning

Finance  
Lands and Planning  
Crown land estate  
Land Development  
Building Advisory Services  
Land Information and Spatial Analytics



## Transport Civil Services

Transport Planning  
Civil Services  
Transport Safety and Services  
Strategy, Policy and Legislation

# Our operating context

The Department of Infrastructure, Planning and Logistics delivers projects across the width and breadth of the Northern Territory and have employees based in eight office locations across five regions.

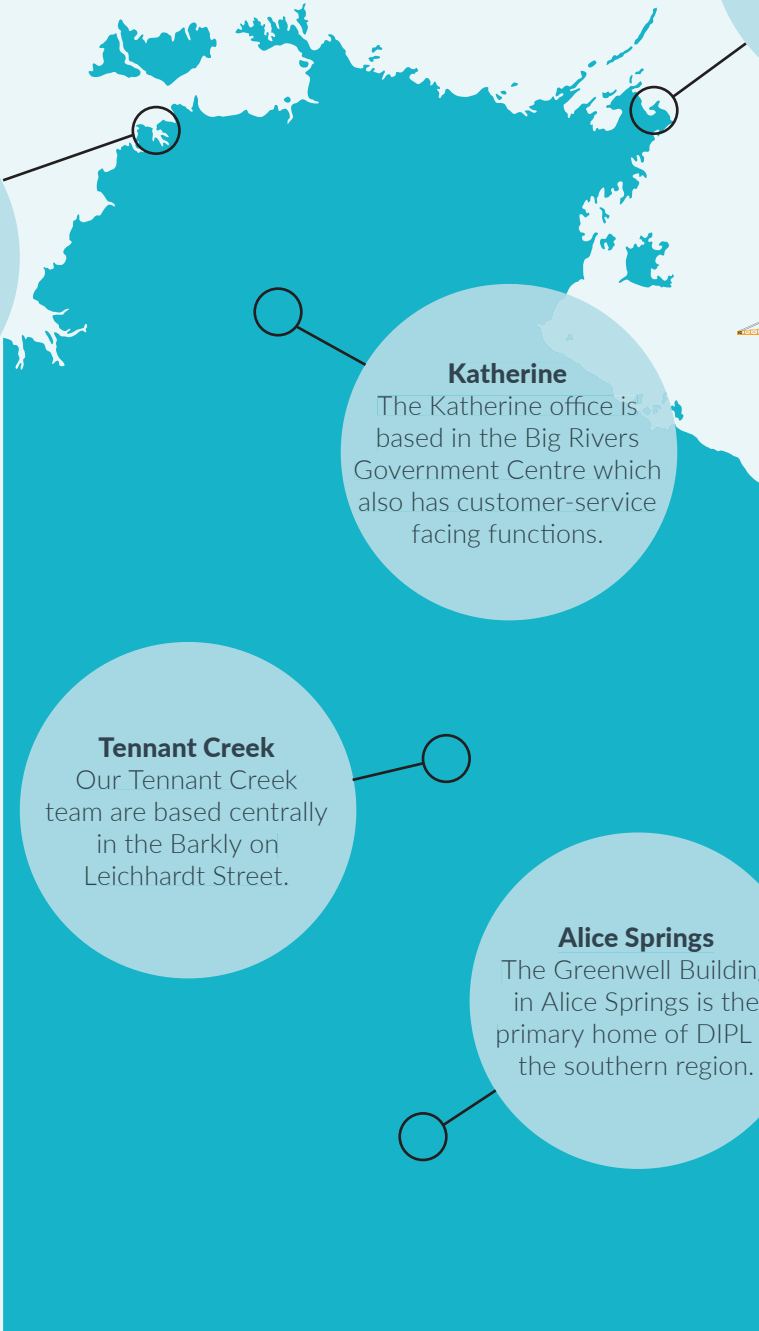
Across the Northern Territory services are also delivered at additional customer facing locations such as motor vehicle registries and vehicle inspection facilities.



**898**  
full time equivalent (FTE) staff based across the Northern Territory.

**Nhulunbuy**  
Located in the heart of the East Arnhem region on John Flynn Drive.

**Darwin**  
Teams located across four offices, Energy House (Darwin CBD), Highway House (Palmerston), Charles Darwin Building (Darwin CBD), and East Arm.



**Katherine**  
The Katherine office is based in the Big Rivers Government Centre which also has customer-service facing functions.



an infrastructure program worth **\$3.52 billion.**

**\$876.8 million** spent on infrastructure and related payments.

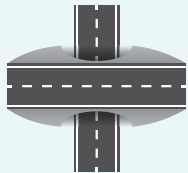
management of the Government's land portfolio worth over **\$700 million.**



collected revenue on behalf of Government, including **\$96.5 million** from rent, royalties and regulatory services including motor vehicle registration and stamp duty fees.

**Tennant Creek**  
Our Tennant Creek team are based centrally in the Barkly on Leichhardt Street.

**Alice Springs**  
The Greenwell Building in Alice Springs is the primary home of DIPL in the southern region.



management of buildings, roads, bridges and other assets with a written down value of over **\$9 billion.**

a total operational budget of **\$568.2 million**, most of which is funded through output appropriation from the Northern Territory Government's contribution of **\$376.2 million.**

# Shared services

Corporate and Governance is made up of Governance and Executive Services (GE&S) and Finance and Office Services.

GE&S provides high-level administrative, communication and governance support to assist the Chief Executive drive and achieve outcomes across the department. Shared Services incorporates six main functions:

## Audit, Risk and Investigations

The Audit, Risk and Investigations unit manages the internal audit, risk management, and investigative functions of the agency. Read more in the Corporate Governance Section of the report.

## Business Improvement (BI)

The BI team focuses on agency-wide business improvement, workforce planning and development, and Aboriginal workforce development. The BI team is also responsible for the department's response to emergency management (including COVID-19, counter disaster planning and emergency response), in collaboration with other key agencies and industry.

## Communications, Media and Engagement

The Communications, Media and Engagement unit provides communication, proactive and reactive media management, and stakeholder and community engagement services to the department. The unit work closely with the Minister's office on communications and media matters.

## Executive Coordination and Governance

Executive administrative support and coordination in the Office of the Chief Executive.

## Secretariat

The Secretariat unit plays a pivotal role in the relationship between the Minister's office and the department. The unit maintains records of ministerial correspondence, provides advice on preparing and handling ministerial, Cabinet and parliamentary documents, as well as coordinating whole of agency reporting.

## Work Health and Safety (WHS)

WHS provides oversight of the WHS framework which defines WHS responsibilities across the department, including risk assessment, development and implementation of relevant policy, employee health and wellbeing and coordination of WHS committees.

## Finance and Office Services

Finance and Office Services provide financial services, budgeting management and compliance reporting to the department to facilitate responsible financial management. Finance ensures the department meets financial compliance, budget obligations and supports maximisation of financial resources within the financial management frameworks including:

- manage and coordinate budgets
- ledger management
- financial reporting
- financial policy and procedures
- department taxation returns.

Office Services and Security provides property management, vehicle fleet and travel assistance to employees including:

- building and property maintenance
- building security
- vehicle fleet management
- general office services
- facility management
- support for travel
- TRIPS administration.

# Customer service charter

The Department of Infrastructure, Planning and Logistics is committed to delivering a professional, accessible, responsive, reliable and consistent service to our customers.

For more information on the Customer Service Charter, go to [dipl.nt.gov.au/strategies](http://dipl.nt.gov.au/strategies)



**01**  
  
**YOUR VOICE MATTERS**  
We will listen to you to understand your needs. We will engage with you to get to know you and your business better.

**02**  
  
**MAKING IT EASY**  
We will make it easy for you to access Department Services.

**03**  
  
**RESPECTING YOUR TIME**  
We will respect your time and take ownership to address your enquiry and keep you informed.

**04**  
  
**KEEPING YOU INFORMED**  
We will let you know what to expect and provide a transparent and responsive service.

**05**  
  
**QUALITY SERVICE FOR YOU**  
We are committed to delivering a quality service in a respectful and coordinated manner.

**06**  
  
**YOUR SAFETY FIRST**  
We will make your safety our priority.

# Our legislation

## Legislation and administrative responsibilities

The department administers the following pieces of legislation under the ministerial portfolio of Infrastructure, Planning and Logistics:

### Acts

1. *Aboriginal Land Act 1978*<sup>1</sup>
2. *Aerodromes Act Repeal Act 2002*
3. *AustralAsia Railway Corporation Act 1996*
4. *AustralAsia Railway (Special Provisions) Act 1999*
5. *AustralAsia Railway (Third Party Access) Act 1999*
6. *Building Act 1993 (except provisions relating to the regulation and licensing of occupations)*
7. *Commercial Passenger (Road) Transport Act 1991*
8. *Control of Roads Act 1953*
9. *Crown Lands Act 1992 (except section 79)*
10. *Crown Lands Freehold (Conversion from Crown Leasehold) Act 1980*
11. *Lands Acquisition Act 1978*
12. *Lands Acquisition (Pastoral Leases) Act 1982*
13. *Licensed Surveyors Act 1983 (except provisions relating to the regulation and licensing of occupations)*
14. *Marine Act 1981*
15. *Marine Safety (Domestic Commercial Vessel) (National Uniform Legislation) Act 2013*
16. *Miscellaneous Acts Amendment (Aboriginal Community Living Areas) Act 1989*
17. *Motor Vehicles Act 1949 (except Part V)*
18. *Northern Territory Land Corporation Act 1989*
19. *Pastoral Land Act 1992 (provisions about Aboriginal community living areas)*
20. *Place Names Act 1967*
21. *Planning Act 1999*
22. *Plumbers and Drainers Licensing Act 1983 (except provisions relating to the regulation and licensing of occupations)*
23. *Port of Darwin Act 2015*
24. *Ports Management Act 2015*
25. *Public Transport (Passenger Safety) Act 2008*
26. *Rail Safety (National Uniform Legislation) Act 2012*
27. *Special Purposes Leases Act 1953*
28. *Swimming Pool Safety Act 2004*
29. *Traffic Act 1987*
30. *Valuation of Land Act 1963*

<sup>1</sup>The *Aboriginal Land Act 1978* was administered by the Department of Infrastructure, Planning and Logistics until 12 April 2022, at which time it was transferred to the Department of the Chief Minister and Cabinet.

A young man with dark hair, wearing a high-visibility safety vest over a collared shirt, is smiling and looking slightly to his right. He is standing in front of a construction site. In the background, there are two large vertical concrete pillars, an excavator, and a fence. The entire image has a green tint.


# Part 2


## Our highlights and achievements




**RESPECTING  
YOUR TIME**

# Our highlights and achievements

 Transport and Civil Services

 Infrastructure, Investment and Contracts

 Lands and Planning

## Tiger Brennan Drive Overpass

We're building an overpass at the Tiger Brennan Drive and Berrimah Road intersection, and construction is about to commence. The overpass is being built at this intersection to improve road safety outcomes, reduce traffic delays during peak hours and increase the flow of traffic for freight connectivity.

The Tiger Brennan Drive and Berrimah Road intersection is subject to large traffic volumes during the morning and afternoon peak traffic periods.

Close to 20,000 vehicles travel on Tiger Brennan Drive each day and the intersection has seen many accidents, several resulting in fatalities.

The scope of the project includes:

- construction of an overpass to separate the major flow of traffic on Tiger Brennan Drive from the traffic movements on Berrimah Road
- reductions in the grade on Berrimah Road which will pass over Tiger Brennan Drive
- on and off ramps from Tiger Brennan Drive to Berrimah Road
- earthworks, drainage works, pavement construction, asphalt works, line marking and road safety barriers.
- construction of a new bridge
- street lighting, traffic signals and improved pedestrian and cyclist accessibility
- landscaping and urban design.

## Mimi Aboriginal Art and Craft Gallery

As part of the Northern Territory Governments \$30 million investment into extending the Arts Trail Gallery Extension Program, Katherine's Mimi Aboriginal Art and Craft Gallery had a \$3 million upgrade completed in March. The building was designed in line with the vision of the Mimi Ngarrdalingi Aboriginal Corporation Board members, staff and member artists. Mimi now features professional gallery and studio spaces for Aboriginal artists from Katherine and the Big Rivers region to produce, showcase and sell their work; while improved facilities and additional outdoor spaces enhance visitor experience and support engagement with authentic Aboriginal art and culture.



Entrance to Mimi Aboriginal Art and Craft Gallery



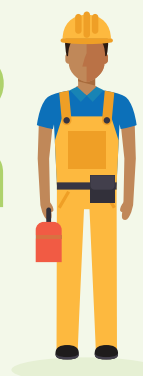
**35**  
contracts

(52%) were awarded to Aboriginal Business Enterprises (35)

**92** engagement visits  
undertaken across 48 remote communities

**\$95.6**  
million

worth of works were awarded to Aboriginal Business Enterprises



## Kalkarindji tenant consultations

Through Our Community. Our Future. Our Homes., a total of 37 new homes or 133 bedrooms will be delivered for the community of Kalkarindji off the back of consultation with community members undertaken in 2021-22. Staff from the Northern Territory Government consulted with Jezebel Dandy, Liam Kelly, and one of their children, DK, in accordance with local decision making principles. DK asked for the house to be red so that it would match his favourite superhero, Spiderman, which we were able to deliver.



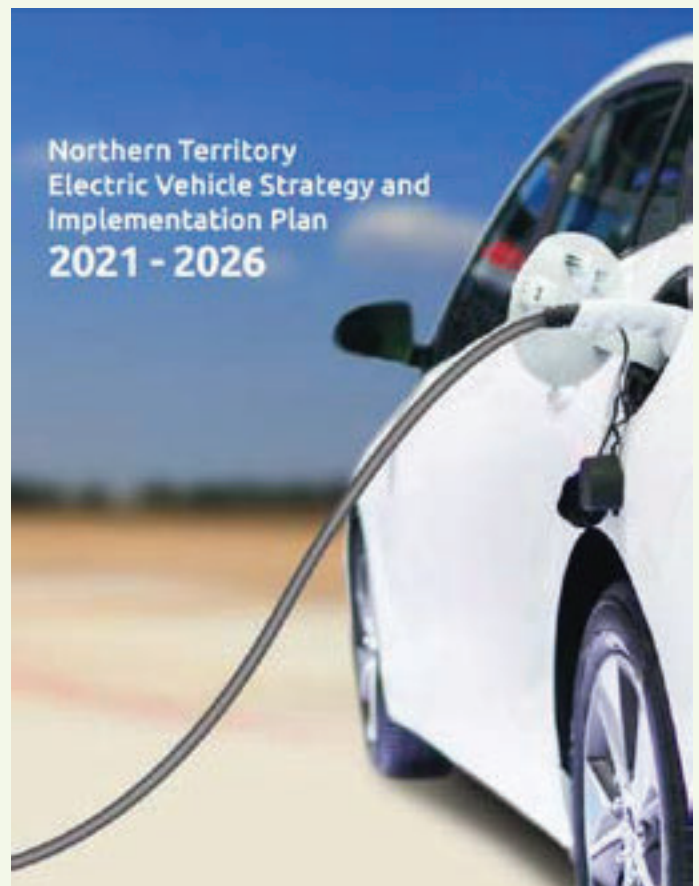
L-R: Jezebel Dandy, DK and Liam Kelly

## Northern Territory Infrastructure Framework

Infrastructure NT launched a new Framework in June, which includes a refocused Infrastructure Strategy and Plan as well as the addition of a Pipeline and Audit. The new Infrastructure Framework aligns infrastructure planning and investment with the Territory Government's 2030 goals of a sustainable and diverse \$40 billion economy, a population of 300,000 and 35,000 more jobs. It takes a place-based approach, which was strongly supported through the consultation feedback. The Plan and Pipeline identifies projects, programs and proposals that will address challenges and capture opportunities in each of the regions throughout the Territory from a nationally significant perspective, Territory-wide and the six distinct regions.

## Electric Vehicle Strategy


The Electric Vehicle (EV) Strategy and Implementation Plan 2021-2026 was released in July 2021, contributing to the Territory's climate commitment of net zero emissions by 2050 and aligning with global innovations in transport. In addition to addressing climate risk, the transition to low and zero emission vehicles will create new economic and business opportunities for the Northern Territory. The Strategy comprises 25 actions which aim to address priorities identified during consultation in the areas of vehicle cost and availability, vehicle charging, knowledge, skills and consumer information. Between October 2021 and June 2022 EV numbers on Territory roads increased by 55%. The Government has committed to change over 20 Northern Territory Government fleet vehicles each year for 10 years which, over time, will reduce fleet emissions and grow the Territory's second hand EV market.






# Our highlights and achievements

 Transport and Civil Services

 Infrastructure, Investment and Contracts

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## Review of building regulatory framework

The department progressed priority reforms to the building regulatory framework. Priority key reform areas that progressed this financial year include:

- introduction of regulations to establish a third-party peer review of the structural design of significant and complex buildings
- introduction of legislation to increase the civil penalties for disciplinary action taken by the Building Practitioners Board and increasing the timeframe for practitioners to be referred to the Board for misconduct
- industry consultation for continuing professional development (CPD) for building practitioners and new registration category for commercial builders.

## Youth Justice centres

Construction is continuing on a new purpose-built Darwin Youth Justice Centre and redevelopment of the Alice Springs Youth Justice Centre. Combined, the projects support more than 400 local Territory jobs during delivery.

**Darwin** - Halikos Pty Ltd commenced works on the Darwin Youth Justice Centre in July 2020 and construction completion is expected late 2023. Operational commissioning of the facility will occur after this date.

**Alice Springs** - Asbuild NT is facilitating the Alice Springs Youth Justice Centre redevelopment. Construction works are tracking for completion by June 2023. Operational commissioning of the facility will continue after this date.

## Infrastructure Corridor

A feasibility study to determine a preliminary alignment of the Tennant Creek to Darwin Infrastructure Corridor, which will be further refined through ongoing consultations and survey work, was completed this financial year.

## Ramingining subdivision works

Ramingining received a new 33 lot subdivision to build new homes to improve the general standard of infrastructure in the community through the sealing of roads and drainage improvements. New homes will be built on the subdivision which form part of the \$432.8 million investment in the development of serviced land for current and future housing projects, under Our Community. Our Future. Our Homes. program.



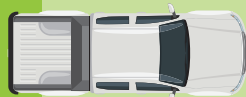
Ramingining subdivision works



Our roads make up part of the NT's 7.8 billion of infrastructure assets.

**22,512 km** of roads in the Northern Territory

**32%**  
7,306 km sealed



**68%**  
15,206 km unsealed

### Mandorah marine facilities

### Middle Arm Sustainable Development Precinct

The department is delivering new marine facilities at Mandorah to service the community and provide improved ferry access for people with mobility challenges.

The Northern Territory Government is working to transform Middle Arm into a sustainable ‘development ready’ industrial precinct. Preserving the Harbour’s environmental values for generations to come is an important part of meeting the sustainable objectives of the precinct.

A masterplan for the facilities was delivered in 2020, and the first tender for the first stage of works was released in early 2022, and closed late May.

The Middle Arm precinct is being master planned with a focus on:

- The first stage of works will include:
- a safe harbour formed by breakwaters
  - a new floating pontoon, gangway, jetty structure and causeway to enable access to the ferry from land
  - the re-purposing of an existing building to function as a ferry terminal
  - new car park, short connecting road, pedestrian paths, and improved access
  - a new single-lane boat ramp if budget in stage 1 permits, otherwise it will be included in a second stage of the project.

- low emission hydrocarbons
- green hydrogen
- advanced manufacturing
- carbon capture and storage
- minerals processing.

The project has included several years of significant stakeholder consultation to ensure the new facilities meet the needs of all users, which will continue as the project design is finalised.

The proposed precinct will deliver approximately 1,200 hectares of developable industrial land (with a total area of almost 1,600 hectares) and is already home to two of the Territory’s most significant gas processing facilities – Santos’ Darwin LNG plant and INPEX’s Bladin Point LNG processing facility.

The precinct will play a pivotal role in helping to grow the Territory economy to \$40 billion by 2030 while meeting net zero emissions by 2050. It will drive:

- industry diversification
- exports
- jobs
- population growth.


### Commercial Passenger Vehicle Review


The Commercial Passenger Vehicle Review was released in March 2022, with recommendations considered by Government. The review included the recommendation to increase the number of wheelchair accessible taxis on Territory roads which is being undertaken through a grants program to help taxi operators meet the cost of upgrading vehicles to be wheelchair accessible. Operators are able to apply for \$15,000 to assist with vehicle upgrades. Taxi wait times will be addressed via the removal of the cap on taxi license numbers in Darwin and Alice Springs in a staged approach over the next five years, via a ballot process.



# Our highlights and achievements

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## Litchfield's Central Valley

In May, Central Valley campgrounds two and three were opened and marked the completion of the \$17.5 million Turbocharging Tourism project, delivered by the department. The project has delivered 32 campsites with drop toilets and information shelters, 4WD access tracks, loop roads to the campsites and 10 km of walking trails. The project has supported more than 96 jobs during construction so far.



Litchfield Central Valley Campgrounds

## Road Safety Program

Delivery of the \$198 million Australian Government Road Safety Program commenced this financial year with works being delivered in a range of areas, to improve road safety outcomes for Territorians.

Projects delivered in 2021-22 include:

- extension of the Tiger Brennan Drive Roystonea Avenue on ramp
- intersection upgrades, including:
  - » Stuart Highway intersections at Barkly Stock Route, Western Creek Road and Wycliffe Well Roadhouse
  - » Prowse Gap and Wigleys Waterhole Access
  - » Chinner Road and Zimin Drive, and
  - » Cox Peninsula Road and Darwin River Road
- culvert extensions on Arnhem Highway, Roper Highway, Kakadu Highway and Plenty Highway
- 48.2 km of shoulder widening and tactile edge lines from Alice Springs to Erdunda
- three truck parking bays, two on the Stuart Highway, one between Larrimah and Daly Waters and one 55 km south of Elliot, and one on the Tanami Road 50 km south of Yuendumu.



**4** Crown leases granted to support economic development and deliver community infrastructure

**7** Crown land release development agreements managed across the Territory to enable the continued provision of titled residential lots to the market

**580** planning applications logged in 2021-22



**1,027** pool inspections undertaken

**300+** Crown land parcels treated to control declared weeds

**11,138** building approvals logged in 2021-22

### Program spotlight: Room to Breathe

Sustainable Aboriginal employment is a key principle of Our Community. Our Future. Our Homes. In Pirlangimpi, father/son duo, Ningle and Matthew Garlarla, are involved with the works to renovate their own home through the Room to Breathe program, amongst other homes in the community. Currently in Pirlangimpi, 20 homes have had works completed under Room to Breathe, achieving an additional 17 bedrooms and 42 additional living spaces.

### Civic and State Square revitalisation

The Northern Territory Government is continuing to revitalise the Civic and State Square precinct into a welcoming and interactive reimagined green heart of Darwin city. The revitalised precinct will provide community and event spaces that link the Waterfront with the city centre, creating an activated and lively place for all.

A number of projects have already been delivered with major milestones in 2021-22 delivered for Liberty Square and the State Square Art Gallery.



State Square Art Gallery - Artist impression

### Mobile Authorised Inspector Scheme

The Mobile Authorised Inspector Scheme was implemented in September 2021, complementing the existing Authorised Inspector Scheme. The Scheme promotes safer vehicles in remote and rural areas, and helps facilitate a higher number of roadworthy vehicles on the roads. There are now 11 Mobile Authorised Inspectors operating under the Mobile Authorised Inspector Scheme which are now able to offer registration inspection services for both light and heavy vehicles for people living in remote and rural locations across the Northern Territory.




Mobile Authorised Inspector Scheme


### Strategic Asset Management (SAM)


A number of highlights in the strategic asset management space were delivered in 2021-22 including:

- new processes for repairs and maintenance and minor new works programs
- new processes and methodologies developed for assessment of asset condition, and asset criticality
- asbestos registers for Northern Territory Government building assets transferred to new central database with simplified search capabilities
- Asset Management Framework and governance structure established to ensure sustainability and maximum value from the asset portfolio
- development of Konnect software for asset inspection and lifecycle cost estimation
- deployment of a new policy, strategy and minimum design standards for environmental sustainability.

# Our highlights and achievements

 Transport and Civil Services

 Infrastructure, Investment and Contracts

 Lands and Planning

## Holtze land release

The department is fast tracking land and residential release in Holtze, 1.8 km north of the Palmerston CBD. The release of titled residential land will support the development of a vibrant and sustainable urban community. The Greater Darwin area off the back of Palmerston has a growing and vibrant population requiring a healthy supply of serviced land for future needs. This development will provide more lots for people who live in and want to call Darwin home. Holtze will support a vibrant economy and will support commercial viability of surrounding areas including Palmerston and Coolalinga.

## Palmerston Regional Fire, Rescue and Emergency Services Complex

Construction is complete on the strategically located Palmerston Regional Fire, Rescue and Emergency Services Complex on Howard Springs Road. The centre provides emergency services workers with new and modern facilities, while ensuring they can respond to emergencies quickly.



Palmerston Regional Fire, Rescue and Emergency Services Complex under construction

## Roads of Strategic Importance (ROSI)

The department completed the Saddle Rail Creek Bridge project (Adelaide River to Wadeye Corridor) including 11.7 km of road upgrade to seal and construction of Saddle Rail Creek Bridge. Further, the Kentish Road upgrade under the \$21 million program for Mango Roads Program in the Alice Springs to Darwin corridor was completed, both as part of the ROSI program.

## Beswick subdivision

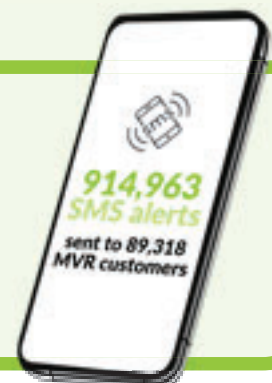
The \$3.2 million subdivision of 18 lots in preparation for new homes to be built in the community of Beswick was completed in May 2022. An \$11 million construction tender to build 20 new homes on the new subdivision was awarded in June 2022, with the first tranche of works to commence mid to late 2022.

## Mental health unit upgrades

Several projects are underway at Royal Darwin Hospital to enhance mental health services for Territorians. A design tender for the new Mental Health Inpatient Unit, and Stabilisation and Referral Area (SARA) was awarded in 2021. The co-funded initiative between the Australian Government and the Northern Territory Government will deliver 18 inpatient beds, support services and a six bed SARA connected to the Emergency Department via an elevated, enclosed walkway across Nightingale Road. Upgrades were completed on the Joan Ridley Unit, including internal reconfiguration to create a new women only unit, as well as enhancements to the Cowdy Ward High Dependency Unit courtyard.

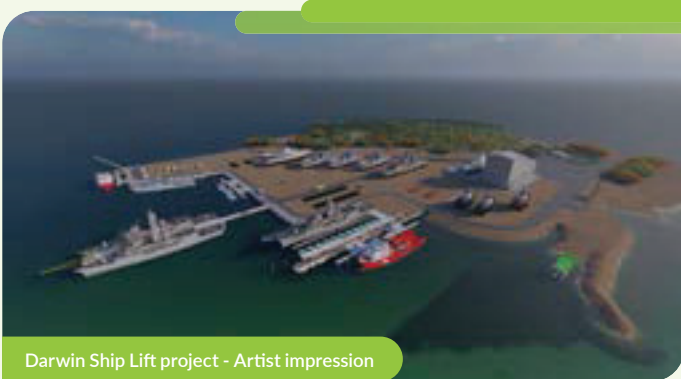


**159,365** licensed drivers  
**200,583** registered vehicles



### Ship Lift

The department continues to deliver the Ship Lift project for the Northern Territory. As a key piece of enabling infrastructure, the Ship Lift will establish Darwin as a key maritime maintenance hub and create the opportunity to grow a thriving marine service and supply sector in Darwin to create jobs and grow businesses and is key to establishing a marine services precinct at East Arm. In 2021-22, the Draft Environmental Impact Statement (EIS) was lodged with Northern Territory Environmental Protection Authority (NTEPA), and the procurement process reached milestones including completion of the request for detailed design stage, ahead of the announcement of the preferred contractor to deliver the project, anticipated in the third quarter of 2022.



Darwin Ship Lift project - Artist impression

### Katherine Stuart Highway duplication

To support the future growth and development of Katherine East, the current duplication of the Stuart Highway in the area is being extended. The upgrades are underway, with the construction tender awarded in February 2022 for \$15.5 million. Upgrades will see the existing two-lane highway upgraded to four-lanes, from the Katherine CBD southbound. Further, a new link road intersection between Cyprus Street and Uralla Road is part of these awarded works. Stormwater, sewer and electrical upgrades will be undertaken as part of the works to prepare for the second component of the Supporting Growth in Katherine East project.

### Supporting growth in Katherine East

The Australian Government and Northern Territory Government are supporting regional population growth by enabling future land development in Katherine East. The Supporting Growth in Katherine East project will provide serviced land parcels of flood free land to support residential, commercial and community purpose land. Work has commenced this financial year on the headworks infrastructure required to provide for a neighbourhood centre mixed use commercial development lot, four development lots for further residential development, with separate public space and a community purpose lot. This development will improve whole of Katherine community resilience to flooding by providing food, water and shelter outside of the flood zone.



### ROAD SAFETY COMMUNITY ENGAGEMENT OFFICERS



Delivered **280** community and school-based road safety education sessions, with **62** of these in remote areas





Visited **105** schools (87 urban) and early learning centres and delivered **224** education sessions to over **8,900** students




Participated in **6** community events and delivered **50** community presentations

# Our highlights and achievements

 Transport and Civil Services

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## Galiwinku Women's Safe House

Construction of the new Galiwinku Women's Safe House was completed in June 2022. The \$1.3 million project was constructed on behalf of Territory Families Housing and Communities to provide much needed accommodation and a centre for women and children who are experiencing domestic or family violence in the community of Galiwinku.

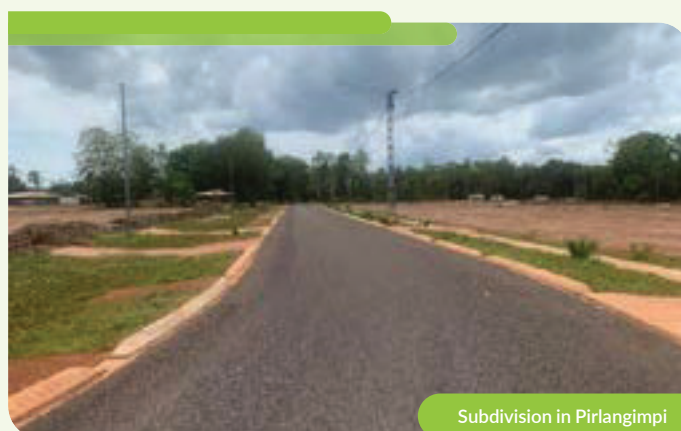
## Completion of 24 lot subdivision in Pirlangimpi

October 2021 saw the completed delivery of 24 new serviceable lots at Pirlangimpi. The subdivision was designed by the Housing Program Office's Land Servicing and Engineering team and delivers new roads, drains, power, lighting, sewers and water mains.

## Legislative reform program

Two major pieces of legislation were delivered as part of the department's legislative reform program.

- The *Transport Legislation Amendment Act 2022*, for amendment to the *Marine Act 1981*, *Motor Vehicles Act 1949*, *Ports Management Act 2015*, *Public Transport (Passenger Safety) Act 2008*, *Rail Safety (National Uniform Legislation) Act 2012*, *Rail Safety (National Uniform Legislation) Regulations 2013*, *Traffic Act 1987*, and the *Traffic Regulations 1999*
- Provided the Department of the Attorney-General with instructions to draft changes to the *Commercial Passenger (Road) Transport Act 1991* for inclusion in their instructions for the *Statute Law Amendment (Territory Economic Reconstruction) Bill 2022*.



**79**  
asbestos surveys  
completed

**287**  
(42%) of agency managed assets  
inspected in 2021-22

The department managed an Infrastructure Program of

**\$3.5 billion**

**684** agency assets  
managed

- ✓ asset condition assessments progressed in remote communities
- ✓ asset management policy implemented
- ✓ strategic asset management framework approved
- ✓ strategic asset plans are being established for client agencies
- ✓ implemented new sustainable buildings policy, strategy and minimum design standards



## Frances Bay Mooring Basin Lock

Designs for significant upgrades to the Frances Bay Mooring Basin Lock have advanced. A tender was awarded in June 2022 for design and construct of the upgrade to provide a more functional lock to service the Top End maritime industry, including seafood, pearling and charter vessels. The scope includes new lock doors, modernise the mechanical and electrical systems and provide increased protection to help ensure the longer term sustainability, efficiency and safety of the facility. Further design and off-site fabrication of lock components will take place during 2022, with construction work on site to begin in the first half of 2023.



## Planning reforms

Continued improvement to web presence and online customer experience has evolved in the planning reform space this financial year. Progress has been made to further reform with a focus on changes to development requirements that:

- incorporate local design responses from area plans into location specific development requirements, to more succinctly inform design and decision making about developments in strategic locations
- establish better guidance for apartment, mixed use and commercial buildings to ensure they respond to the local context
- increase the number of low-risk uses that can be interchanged in commercial zones without the need for a development application.

Planning also introduced new custom signs in early 2022. The signs which are physically placed at the proposed location of development now include a design image of the development that is being proposed by a proponent. The new signs add an element of usability and understanding amongst stakeholders and the general public, as well as increased transparency in the process.



## Roper Highway

Upgrades to the Roper Highway have continued as part of the Australian Government's Roads of Strategic Importance program. These upgrades provide improved access to the major Aboriginal communities of Ngukurr, Numbulwar and Rittarangu (Urapunga), as well as to the fishing and tourist attractions of the Roper River and Limmen National Park. A tender was awarded in April for \$25 million to seal and upgrade an additional 20 km between Wilton Bridge and the Ngukurr community. This is in addition to 4.7 km between the Wilton and Roper bridges, and an intersection upgrade at the Roper Highway and Urapunga Access Road.



## Delivering new classrooms

Students have continued to benefit from new classroom infrastructure delivered across the Northern Territory. Highlights include 15 classrooms for remote schools to assist students with additional needs and delivery of classrooms at Woodroffe Primary, Nightcliff Primary and Gapuwiayak. New classrooms provide high-quality educational spaces with good acoustic qualities and state-of-the-art IT connectivity.





## Gas Roads


Works have commenced on a \$367 million program to deliver priority road upgrades throughout the Beetaloo Sub-Basin to improve safety and travel times, reduce vehicle operating costs and also improve flood immunity to increase year round access. The first major contract was awarded in June 2022, for the design and construction of 140 km of Carpentaria Highway which will support key industries such as gas, pastoral and tourism.



# Our highlights and achievements

 Transport and Civil Services

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## Alice Springs Town Camps

Work has commenced on 64 new homes across 11 Alice Springs Town Camps. Construction contracts totalling \$33.7 million for the first 55 new homes were awarded in April 2022 to four Northern Territory contractors. At Karnte Camp, the first home has been demolished which will be replaced with a new five bedroom home. This new home will be used as transitional accommodation while other homes are constructed. The Australian Government and Northern Territory Government are jointly investing \$40 million to reduce overcrowding, improve housing and living standards for residents at the Alice Springs Town Camps.



New housing works in Alice Springs Town Camps

## Central Arnhem Road

Two early works packages totalling 20.6 km of road upgrades have been completed as part of a \$225 million commitment to upgrade the Central Arnhem Road to improve flood immunity and safety while reducing vehicle restrictions and road users' costs. The Central Arnhem Road is a key infrastructure that services a large number of Aboriginal communities and operates as a key tourism drive and freight route for the mining, pastoral, space and cattle industries.



Central Arnhem Road works

## Nightcliff Police Station

In late 2021 the Nightcliff Police Station was completed, providing improved proximity and visibility to assist police in keeping the community safe and to reduce antisocial behaviour in the area. The station, strategically located at 45 Progress Drive, Nightcliff, includes muster rooms to cater for general-duty officers, interview rooms, car park, and breakout spaces.



Nightcliff Police Station

## Reform of Crown land licences

In 2022, the department continued a reform of Crown land licences to make it easier to do business in the Northern Territory. This included amending the *Crown Lands Act 1992* to provide for the grant of a single, consistent Crown land licence that can be granted for longer periods and to develop a Licences of Crown land Policy to simplify and streamline licensing processes. This creates greater certainty and consistency for businesses and other users of Crown land.

 **Spatial services and mapping COVID-19**

Supporting the Northern Territory COVID-19 response, the Land Information and Spatial Analytics Group provided detailed advice to assist in the description and depiction of declared biosecurity areas. This included developing corresponding layers of spatial data for use in various government systems and maps and, through a number of declared iterations, updating this in real time. The group also produced an online public interactive map showing declared hotspots across Australia. This map has been viewed over 15 million times and has become the primary source of truth for the public.

 **COVID-19 Stimulus program delivery**

The Civil Services team have delivered Phase 1 of the \$6.5 million Local Roads and Community Infrastructure program. Works include the Corroboree Billabong Access Road upgrade (2.7 km to the sealed standard), Mt Denison Road upgrades (1.1 km), Kinjurra Road (6 km) pavement widening, and Fleming Road upgrades.

As part of the Road Safety Projects Program, \$16 million of safety improvements on Stuart Highway, Barkly Highway, Victoria Highway and Litchfield Park Road were delivered. The scope of these works included:

- approach and exits to roadhouses
- increase and improve shoulders to both sealed and unsealed roads
- guardrails
- tactile edge lines
- turning lanes
- lighting
- truck parking bay improvements.

 **Value for Territory**

This financial year the department commenced providing final weighted scores at the tender debrief stage for tier 3-5 contracts to increase transparency and improve the quality of future submissions.



**142**

**new homes completed**  
(482 bedrooms)



**154**


**homes upgraded**




**33**

**Room to Breathe**  
homes completed, including  
42 bedrooms and  
62 living spaces

# Our highlights and achievements

 Transport and Civil Services

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## John Stokes Square social housing

Work on 78 new social housing units continued to progress this financial year with the residential components of two of three unit blocks complete. The redevelopment in the heart of Nightcliff provides additional housing options designed specifically for seniors and people living with disabilities. Of the 78 units, 66 are one bedroom configurations, six of which are modified for disability and 12 are two bedrooms. The buildings incorporate communal breakout areas on each level, as well as communal gardens. Ground-level space for non-government organisations is also being constructed.

## Katherine flood mitigation

Works commenced on the delivery of flood mitigation projects in the Katherine region. Works underway include levees in Katherine North including headworks to provide commercial and future residential land outside of the flood zone within Katherine East. Flood levee construction will be staged across two packages, Stage 1 (\$10.3 million) commenced in 2021-22, and is anticipated to be complete late-2022. Detailed design for Stage 2 (\$9.4 million) also commenced this financial year.



John Stokes Square

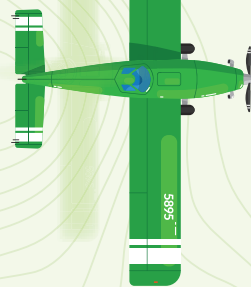


Katherine flood mitigation works



Digitisation of building files increased to **60%**

Acquired and processed **767 km<sup>2</sup>** of new **topographic mapping data** across the Territory to **enhance and improve** surface and terrain models



Acquired and processed **5,895 km<sup>2</sup>** of **high-resolution aerial imagery** to deliver 3D models and large-format spatially accurate maps and images

**270 km<sup>2</sup>** of **high-definition LiDAR** of Tennant Creek.

 Jabiru Futures redevelopment

Work is ongoing between the department and the Department of the Chief Minister and Cabinet as part of the \$135.5 million commitment to repurpose the Jabiru Township. This financial year a tender process for the construction phase of the Jabiru Health Centre was undertaken, with works planned to commence late 2022. Contracts have also been let to design, remediate and upgrade the existing wastewater treatment plant and ponds; and undertake an investigation into the sewer network and storm water system.

 Buntine Highway

The \$125 million National Partnership on Land Transport Infrastructure Project's next stage of upgrades are underway. The project jointly funded by the Australian Government and Northern Territory Government focuses on upgrading priority sections of the Buntine Highway from single lane sealed and gravel roads to dual lane. Three early works packages totalling \$16 million have seen 23 km of road upgraded and sealed during the 2021 calendar year, along with the development of an investment strategy to identify the priority areas for upgrade.



Jabiru Futures redevelopment - Artists concept

 12 homes for Hermannsburg

As part of works that form part of the \$2.1 billion remote housing investment program: Our Community. Our Future. Our Homes., jointly funded by the Australian Government and Northern Territory Government, \$6.4 million is being spent to construct 12 new homes. The tender awarded in mid-2022 will see two homes demolished, and 12 constructed, in line with consultation undertaken with community members, and include homes of one to five bedrooms.



**1,267,682**

rideshare transactions occurred in 2021-22


**1,608,129**

point-to-point transactions across taxis, minibuses and private hires occurred in 2021-22


**3,043,000**

passengers boarded urban bus services in Darwin and Alice Springs in 2021-22

# Our highlights and achievements

 Transport and Civil Services

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## Land acquisition - National Aboriginal Art Gallery

Plans to acquire land in Alice Springs as the site for the \$150 million National Aboriginal Art Gallery (NAAG) progressed. The current site will be transformed into an open, family-friendly community green space and entrance to the precinct. Construction is expected to commence in late 2023, with completion expected in 2025. The broader vision as part of this project includes the Kwatye Water Play and a new purpose-built home for Tourism Central Australia. Further, a \$7.1 million design tender was awarded to design the NAAG and broader precinct.

## Alice Springs CBD Revitalisation

Work continues on the Alice Springs CBD Revitalisation initiative, to create a safer and more vibrant CBD for locals and visitors. Works include lighting upgrades, River Activation space, cooling initiatives including shade structures and landscaping. The completed River Activation space includes a large shaded space with natural surveillance, shading and seating all located close to public amenities such as toilets, emergency phones and water fountains. The project, being delivered in collaboration with the Alice Springs Town Council is expected to be completed in 2023.

## Tanami Road

The Tanami Road is being progressively upgraded in stages over the next decade. The funding will initially support 150 km of upgrades, with a construction tender awarded in June 2022. The road is currently comprised of 281 km of sealed road and 422 km of unsealed road on the Northern Territory portion, with 330 km managed by Western Australia. This follows 11.8 km sealed in late 2021, and construction of truck parking bays and road widening, delivered in December 2021 and May 2022 respectively.



**1,091**  
people joined the  
Urban DriveSafe  
program

**47**  
remote  
communities  
visited by the  
DriveSafe team

### Daly River receiving new and upgraded homes

10 new homes are being built and 25 receiving upgrades in Daly River communities Nganmarriyanga, Nauiyu and Peppimenarti as part of an \$11.5 million tender awarded in May. The 10 new homes will be constructed in Nauiyu and Peppimenarti. The tender for the works was awarded as a joint venture between Aboriginal Business Enterprises Green River Aboriginal Corporation and Big River Housing. The works form part of the \$2.1 billion remote housing investment program: Our Community. Our Future. Our Homes., jointly funded by the Australian Government and Northern Territory Government.

### Alice Springs multi-storey car park

The Alice Springs multi-story hospital car park neared completion in the 2021-22 financial year. The project, which accommodates 288 cars will provide additional free on-site parking for hospital employees and the general visiting public. The car park will be open 24-hours per day, and improves safety for users enabling on-site parking in a secure, well-lit and undercover area. This project is being delivered as part of the Alice Springs Hospital Master Plan, and is supporting 65 local jobs.



Alice Springs multi-storey car park

### Plenty Highway

Supporting over 50 local jobs, a \$21 million tender was awarded in March 2022 to upgrade and seal 20.5 km of the Plenty Highway. The highway has experienced progressive sealing over recent years, with other works packages also completed or underway in 2021-22. The section to be sealed will greatly improve flood immunity for the region, and improve overall road safety. This section primarily sits below the natural surface level of the road, resulting in seasonal closure and vehicle restrictions.


### Katherine Hospital specialist suites


A \$2.77 million upgrade to the Katherine Hospital specialist suites was completed in October 2021. The upgrades provide a range of additional service suites to meet a number of community needs. Upgrades include additional consulting rooms for visiting specialists, telehealth ready consulting rooms, and a treatment room, a large room for family case conferences, and reception and waiting area. In addition to treatment and consultation spaces, support areas such as ablutions, utility, plant and store rooms have also been upgraded.


### \$81 million to build 150 homes across the Groote Archipelago

The first tenders as part of an \$81 million package to build 150 homes across the Groote Archipelago was awarded in December. The package of works is the largest since the inception of the Remote Housing Investment Package in 2017, and is being delivered in partnership with the Anindilyakwa Land Council. The scope of the initial works includes demolition, construction and upgrades within the Alyangula township and major communities of Angurugu, Umbakumba and Milyakburra. The joint program follows through on a 2018 Local Decision Making agreement between the NT Government and the Anindilyakwa Land Council. This includes plans to transition housing to regional and local control with an agreement to implement a single, sustainable, diverse and culturally-appropriate community housing system across the Groote Archipelago, controlled and managed by the Anindilyakwa people.

# Our highlights and achievements

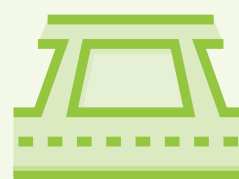
 Transport and Civil Services

 Infrastructure, Investment and Contracts

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## Remote police stations

Both Maningrida and Ngukurr police stations are being upgraded to meet current operational needs and requirements of the communities. The Australian Government funded and Northern Territory Government delivered projects have both been designed to meet the specific needs of the communities they will serve. The completed Ngukurr station upgrades include a new station and holding cells to support six officers, and a multi-function facility with the capacity to support local court matters, replacement homes for officers and visiting officers' quarters. The local community has worked closely with government and the contractor to deliver the purpose-built facility. Maningrida is at design tender stage and once complete will accommodate 16 operational officers. The upgrades will include holding cells, a multi-functional space with the capacity to support local court matters, and additional officer and visiting officer housing. Additionally, Maningrida will also feature kennelling for drug detection dogs and purpose built sheds for boat and equipment storage.



**105** new lots completed

**106** new lots underway

**118** infill lots completed



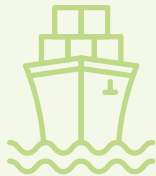
# \$7.8 billion

of infrastructure assets managed including:



## 69

aerodromes



## 14

barge landings



## 28

boat ramps



## 249

bridges



## 7

bus interchanges



## 3

jetties



## 15

pedestrian crossings



## 21

red light / speed cameras



## 66

rest areas



## 215 km

shared paths



## 735

bus stops



## 1

ferry terminal



## 155

truck parking bays



## 5

weighbridges



# Our highlights and achievements



DriveSafe NT issued

# 1,633



## learner licences

860 urban and 773 remote

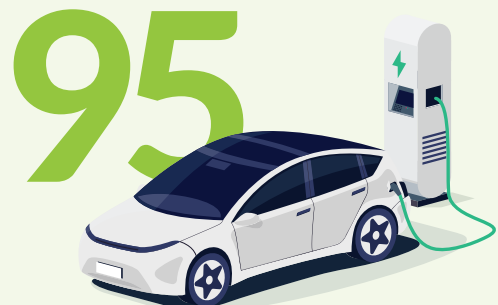
# 583



## provisional licences

359 urban and 229 remote

**13,096**  
vehicles checked  
as part of on road  
enforcement activities



electric cars registered in  
the Northern Territory



**FAST  
FACTS**  
INFRASTRUCTURE,  
INVESTMENT AND CONTRACTS

Implementation of  
**\$3.2 billion**  
design list program over  
three years to facilitate  
design works for future  
projects



**2,283**  
tender submissions

and facilitated **265** debriefs  
to provide tenderers  
opportunity to improve  
future tender scores

A year end expenditure of  
**\$876.8 million**  
inclusive of capital grants, and  
delivered an additional \$42 million  
in externally funded projects



**\$876.8 million**  
capital grants and infrastructure  
related expenses



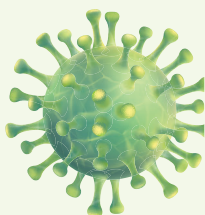
**158**  
Work Health  
and Safety Audits

undertaken across the  
Northern Territory



**537**  
construction contracts  
awarded by the department

**\$633 million**  
capital and minor works



Management of infrastructure to  
establish a **COVID-19 quarantine  
facility** (Centre for National  
Resilience) at Marrigurr-Ma (Howard  
Springs) with an initial capacity to  
accommodate up to **2,000 people**



**\$201 million**  
repairs and maintenance

# Road safety snapshot

Road safety continued to be a department priority across 2021-22. A range of campaigns, partnerships and activities continued in market and across the community as part of the Northern Territory Government's commitment towards a road toll of zero. In its final full year in its current form, the Towards Zero Action Plan 2018-22 focuses on road safety actions to address the key priority areas for the Northern Territory.



## The goal of Towards Zero is:

- to reduce death and serious injury on our roads
- to cultivate a responsible road culture, and
- for people to work together and 'own' our need to improve road safety.

## Initiatives in 2021-22 have included:

- National Road Safety Week – 15 to 22 May 2022.
- Back to School – slow down around school zones campaign.
- Dress for the ride and the slide – motorcycle protective gear campaign.
- What if?... The Brandon Wilson story.
- Towards Zero Road Safety Grants Program.
- Newland Park Road Safety Centre Family Fun Day.
- Parap Road Safety Centre School Holiday Program.
- TIO NTFL Road Safety Round.
- StreetSmart High.

## Key Towards Zero partnerships:

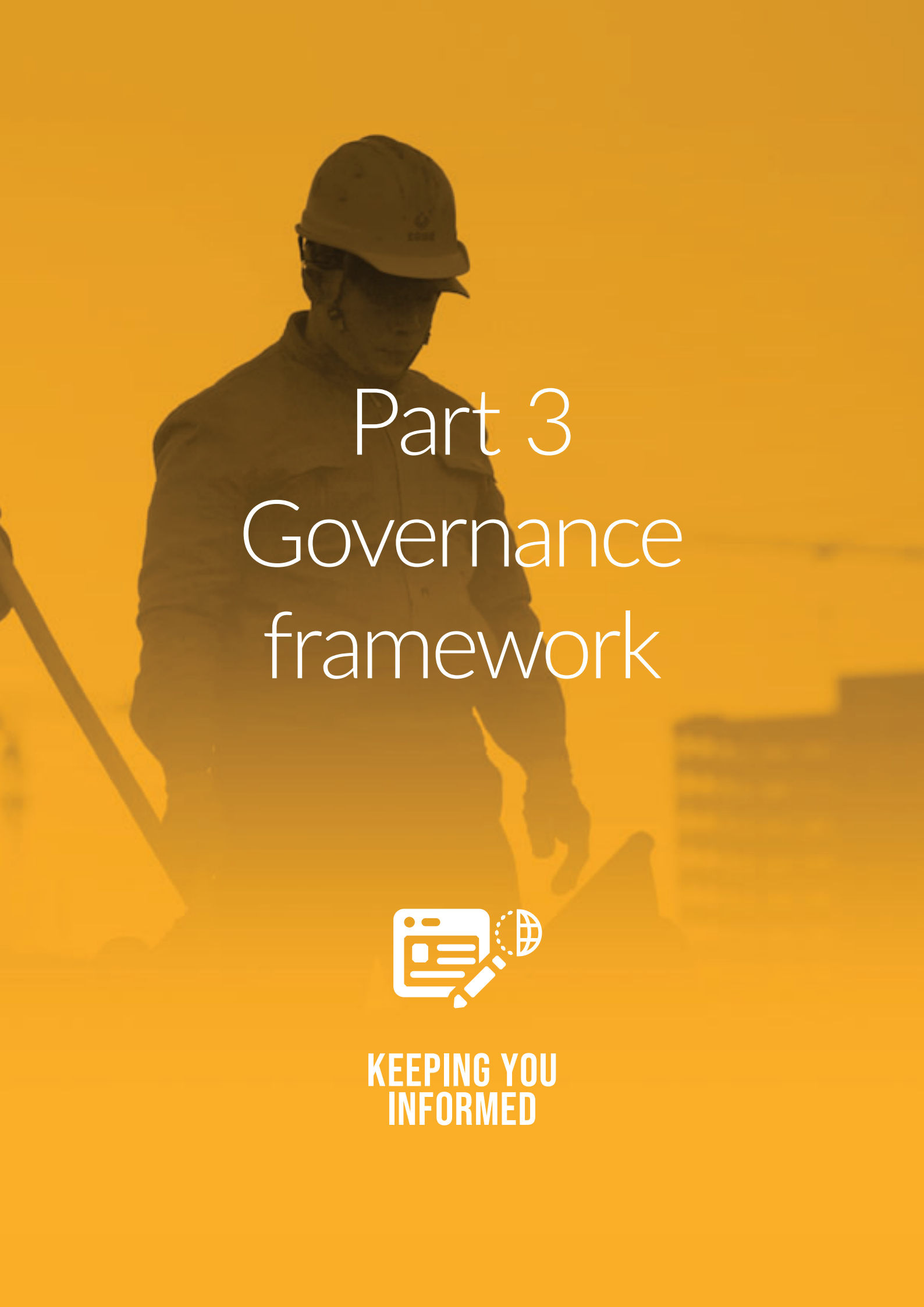
- NT Police, Fire and Emergency Services (PFES).
- NT Motor Accidents Compensation Commission (MACC).
- St John Ambulance.
- Automotive Association Northern Territory (AANT).
- AustralAsian New Car Assessment Program (ANCAP).
- Recording Artists, Actors and Athletes against Drink Driving (RADD).

## Hector the Road Safety Cat

Hector has continued his long tradition of educating Northern Territory school students about road safety in 2021-22 alongside department Road Safety Officers. While maintaining compliance with COVID-19 pandemic measures, Hector and the Road Safety Officers:

- participated in 6 community events including 2 Northern Territory shows
- delivered 280 community and school-based road safety education sessions, with 62 of these in remote areas
- visited 105 schools (87 urban) and early learning centres and delivered 224 education sessions to over 8,900 students
- presented 29 Hector the Road Safety Cat shows to around 670 children at childcare and early learning centres
- provided 18 safe bike rider sessions to over 400 students at the Parap and Newland Park Road Safety Centres
- delivered 50 road safety presentations and workshops to community groups and workplaces.





# Part 3

# Governance

# framework



**KEEPING YOU  
INFORMED**

# Corporate governance

The Department of Infrastructure, Planning and Logistics' governance framework has been developed to guide the actions of its people by providing clarity and direction about appropriate behaviour and decision making. Governance is underpinned by our accountability, planning, performance and compliance activities.



As a public sector organisation, the department's Chief Executive is required to meet operating and reporting requirements specified in the *Public Sector Employment and Management Act 1993*, *Financial Management Act 1995* and *Information Act 2002*.

The Chief Executive is supported by the Executive Management Board and Executive Leadership Team to provide leadership and direction to the department. This section describes the governance structures that operated during the year, along with a description of the achievements and forthcoming priorities.

# Executive boards and committees

## Executive Management Board

The Executive Management Board (EMB) is the department's decision making body on corporate governance matters. The Chief Executive is responsible for strategic leadership for the department.

The EMB meets weekly and membership is outlined on page 12 of this report.

EMB has the responsibility to:

- provide a forum to consider issues arising from divisional activity that may be relevant to other EMB members
- act as a decision making body that considers and determines responses to policies that impact on the community and our stakeholders
- set the strategic direction for the department
- provide advice and support on the planning, implementation, monitoring and reporting of the department's performance against its responsibilities and objectives.

This financial year EMB delivered:

- continual review of department performance reporting
- cross-agency and local government collaboration on current and emerging priorities, project and tasks
- management of the departments emergency response to COVID-19
- implementation of the DIPL Strategic Plan 2022-25, and Strategic People Plan 2022-25
- implementation of the department's first Aboriginal Employment Action Plan.

## Executive Leadership Team

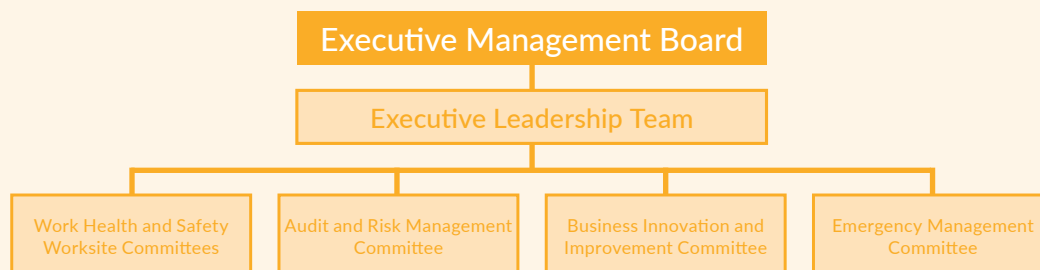
The Executive Leadership Team (ELT) meets monthly and has a performance monitoring and advisory role. The ELT considers, discusses and approves strategies, policies, initiatives and issues that impact on divisions or the department as a whole. Under the Work Health and Safety (WHS) Framework, the ELT act as the WHS Steering Committee and monitor activity and issues arising from WHS Worksite Committees.

The key functions of the ELT are to:

- develop and oversee the implementation of strategic directions, plans, policies and programs
- provide a high level monitoring of strategic issues, deliverables and organisational performance, including:
  - » financial and budget performance
  - » workforce development
  - » assets, facilities and resources
  - » cascade department messaging to staff
  - » monitor compliance against planned timeframes and outcomes, budgets, policies and targets where appropriate
  - » oversee governance arrangements and monitor the activities of committees
  - » under the WHS Framework, act as the WHS Steering Committee and monitor activity and issues arising from the WHS Worksite Committees.

This financial year the ELT:

- monitored and managed the department's budget and financial performance, workforce development, work health and safety, information technology, and records management, audit and risk management activities
- monitored the department's COVID-19 response including business continuity management
- reviewed and endorsed departmental policies, strategies and frameworks.



# Executive boards and committees

## Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) is established to provide the Chief Executive with independent advice on the effectiveness of the department's audit and risk management, internal control and compliance systems. The ARMC is overseen by independent chair Claire Milikins.

The ARMC:

- oversees and monitors the effectiveness of the department's risk management and internal compliance and control systems
- monitors and evaluates the effectiveness of the internal audit function including internal audit strategic planning, compliance with the internal audit charter, delivery of the internal audit plan and management's responsiveness to internal audit findings and recommendations
- monitors the external audit program including understanding external audit scope, identification of risk areas, remedial recommendations, and assessing the effectiveness of the department's relationship with external auditors.

In 2021-22, the ARMC:

- appointed a new external member
- reviewed the department's:
  - » Enterprise Risk Management Framework including the risk appetite and risk management approach
  - » risks to the department
  - » internal audit activities.

## Business Innovation and Improvement Committee

The Business Innovation and Improvement Committee (BIIC) is responsible for strategic oversight, governance, guidance and support for the delivery and management of innovation and continuous improvement initiatives throughout the Department of Infrastructure, Planning and Logistics (DIPL).

The Committee was previously known as the Technology and Innovation Committee, however the centralisation of Government's information and technology functions into the Department of Corporate and Digital Development (DCDD) presented an opportunity for DIPL (in partnership with DCDD) to review its information and technology governance, policies, procedures and innovation direction.

This review included reassessing the purpose of the Committee to ensure it not only supports governance and technology, but is aligned with the department's focus on business improvement, and provides a central point for customer experience and service improvement initiatives.

During the financial year BIIC:

- appointed a new Chair
- revised the Business Improvement and Innovation Committee's Terms of Reference to address Machinery of Government changes and encourage business improvement collaboration across the agency
- advised the ELT regarding matters including innovation, information technology and investments
- oversaw and supported the performance and delivery of innovation and continuous improvement initiatives across the department.

## Work Health and Safety Committee

As part of work health and safety (WHS), committees are established for each regional DIPL office.

Department committees:

- act as a consultative forum that provides advice on safety matters
- keep informed about standards of health and safety
- recommended maintenance and monitoring programs, measures and procedures relating to the health and safety of workers
- undertake WHS inspections when requested, or if an incident occurs
- consider and make recommendations about proposed workplace changes that may affect the health and safety of employees
- review hazard and incident report trends.

## Emergency Management Committee

The Emergency Management Committee's principal responsibility is to ensure the department is adequately prepared for emergencies and to lead initial response to emergency situations.

The Emergency Management Committee:

- leads department activities before, during and after an event
- manages communications and emergency messaging for staff and assists with coordination of messaging to stakeholders across government.

During financial year 2021-22 the committee:

- coordinated and provided departmental leadership for emergency management operations to assist with the COVID-19 response
- assisted with resources for the COVID-19 Surge Workforce including the call centre, testing sites and contract tracing
- worked closely with other divisional areas such as Work Health and Safety and Communications, Media and Engagement for messaging for industry and department employees.



Completed Upgrades: Royal Darwin Hospital Mental Health Unit



# Corporate framework

## Corporate Planning Framework

The Corporate Planning Framework links our vision with the department's purpose and context. The Framework provides links to annual performance reporting and is underpinned by accountabilities and values. Priorities and actions from divisional plans are translated into business unit plans, then into individual performance plans which are undertaken by all departmental employees.

### Operational Plans

Work units use annual operational plans to outline priority projects and focus areas for the year ahead. General Managers and Executive Directors use these plans to report on and monitor divisional performance using an Agency Performance Report, tabled at quarterly ELT meetings.

### Systems and Procedures

DIPL use online systems to streamline internal business processes. These systems are used for processing approvals related to procurement, finance, invoicing, accounting, credit cards, recruitment, employment and travel.

### Financial Reporting

The Finance and Office Services unit reports to the Deputy Chief Executive, EMB, ELT, General Managers, Executive Directors and Directors on departmental and divisional financial performance. The suite of monthly finance reports includes:

- detailed reporting on the department's financial position
- expenditure at department and divisional levels.



A Roads of Strategic Importance upgrade

# Controls and compliance

## Monitoring performance and risks through audits and reviews

The quality of our control systems is monitored as part of divisional plans. Internal and external audits, including performance and financial statement audits, and assurance reviews are conducted to assess the adequacy of internal controls and compliance of these controls.

Internal and external audits provide:

- an independent assessment of selected areas of the department
- an assurance about public sector financial reporting, administration and accountability.

The department completed four internal audits during 2021-22 and the Northern Territory Auditor General's Office conducted seven audits and reviews.

## Internal audits

Internal audit is a key pillar of governance in the department, providing a tool to effectively manage risk. Internal audit is a service function that provides key stakeholders with a range of risk-based activities to assess whether the department is operating satisfactorily. It also enables the department's ARMC and ELT to determine if appropriate risk and internal control mechanisms are in place for a strong risk and compliance culture.

The internal audit team is independent from operational areas of the department. This arrangement provides an independent and objective assurance and advisory service to the department as well as assurance to the Chief Executive and the ARMC that the department's financial and operational controls are capable of:

- managing organisational risk
- achieving organisational objectives
- operating efficiently, effectively and in an ethical manner
- assisting management to improve business performance.

## External audits

External audits play a major role in the department. External audits are conducted by outside entities, usually by the Northern Territory Auditor-General's Office, however occasionally other external parties can be engaged. The Auditor-General for the Northern Territory reports directly to the Northern Territory Parliament twice a year and releases reports publicly.

There were seven external audits and reviews finalised in 2021-22 by the Northern Territory Auditor-General's Office.

## Risk management

Risk management is an integral part of the management process and incorporates the principles of corporate governance, accountability, communication and strategic alignment. The department's Enterprise Risk Management Framework was developed in 2019, designed to assist staff in identifying, assessing, treating and monitoring risks at strategic, operational and project levels. The Framework is currently under a continuous improvement review for general effectiveness, and to align with department's approach to risk management.

## Fraud and corruption awareness

The Fraud and Corruption Control Framework was implemented during 2020 to detail the department's approach to fraud and corruption control. The Framework consists of a range of fraud control strategies designed to protect the agency and employees. Each strategy contributes to the effectiveness and efficiency of the Framework and is consistent with the department's operations and ethical culture.

## Compliance and reporting

The department has a number of internal control mechanisms designed to mitigate risks in the workplace.

## Code of Conduct

Through internal training programs, such as the corporate induction program, and regular internal communications, and a new department wide orientation program, employees are regularly reminded of their responsibility to act in accordance with the Northern Territory Public Sector Code of Conduct. Where an employee acts in contravention of the Code of Conduct, the department may undertake disciplinary proceedings. All departmental staff attended conflicts of interests training sessions in mid-2021. Specialised training has continued throughout 2021-22 in addition to the launch of the department workplace Induction on myLearning which is compulsory for all department employees to complete.

## Delegations

The Chief Executive delegates certain powers to other employees under the *Financial Management Act 1995*, the *Public Sector Employment and Management Act 1993*, the *Contracts Act 1978* and the *Procurement Act 1995*.

The Chief Executive has established the following delegations:

- financial delegations
- human resources delegations
- procurement and contracts delegations.

Business unit delegations include the following delegations operating in business units:

- land administration delegations (various Acts)
- planning delegations (*Planning Act 1999*).

A HR delegation review was conducted in May 2022 to ensure electronic system alignment with organisational structure.

The department holds a range of record sets that are captured, managed and disposed of, or archived, in accordance with the *Information Act 2002* (NT).

Department record sets include:


- building files
- planning and development applications
- Crown land files
- place names
- government works procurement and projects
- motor vehicle registration and licensing transactions
- administrative files
- survey plans
- transport and traffic management.

## Access to information

The *Northern Territory Information Act 2002* provides public access to information held by a public sector organisation.

A total of 44 applications to access information through the *Information Act 2002* in relation to this department were processed in 2021-22. Of the 44 applications in 2021-22, there were 36 applications for government information, two applications for personal information and six applications for mixed personal and government information.

Several other requests for government information were received during the year, which were managed using standard administrative processes, which is the preferred process where possible. The department has publications and information available to the public free of charge. These can be found on the agency website.



# Part 4 Our people



**YOUR SAFETY  
FIRST**

# Our people

The Department of Infrastructure, Planning and Logistics (DIPL) is proud to employ a diverse range of technical and administrative professionals across the agency. Our people are experienced and multi-skilled working hard to deliver projects across the Territory.

DIPL is committed to building a contemporary and progressive organisation with the values, capacity and capability to deliver effective services that benefit the Northern Territory in the future. It strives to foster a culture of collaboration, innovation, accountability and a drive for continuous improvement in service delivery. The department values the health and wellbeing of our people and celebrates our diverse and inclusive workforce through the provision of supportive programs.

We employ  
**898**  
people  
(full time employment)

## COMMENCEMENTS AND SEPARATIONS

**163**  
commenced

**133**  
separated

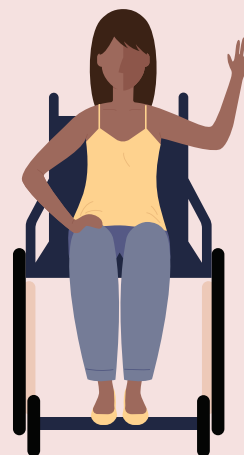
**101** transferred into  
**48** transferred out

This includes 70 property maintenance positions transferred across from Territory Families, Housing and Communities on 1 July 2021 as part of Machinery of Government changes.

**10.7 years**  
average length of service  
of our employees



**77.8%**  
of our people had prepared their  
Performance Development Plan  
for the year ahead



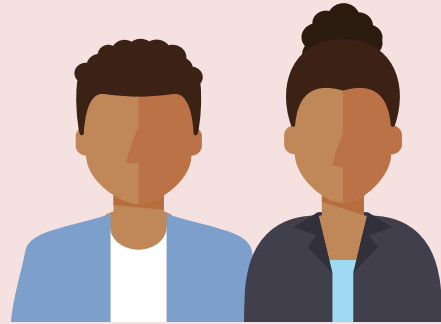
**2.1%**  
of our workforce  
identify  
with a disability

**12.7%**  
from a non-English speaking background  
(118 employees)



**46.2%**  
of our workforce is female

**37%**  
of our leadership is female  
(ECO1 and above)

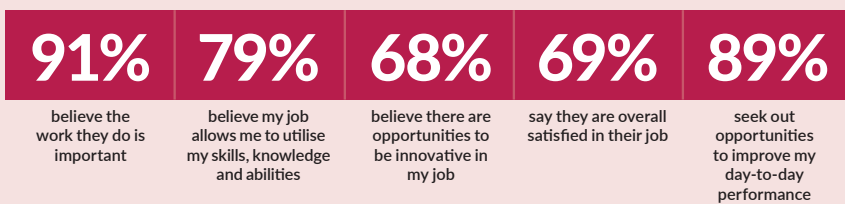


**8%**  
of our workforce  
(or 75 employees)  
are Aboriginal

**97.7%**  
of advertised vacancies were advertised  
under special measures (251 of 257 jobs)

# People Matter Survey results

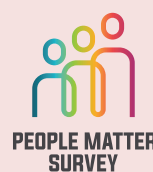
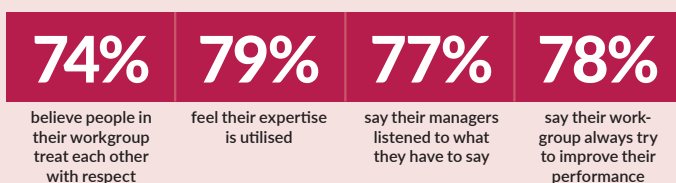
## About me



## About my organisation



## About my team



Our headline results from 2021 People Matter Survey run by the office of the Commissioner for Public Employment give the department a gauge as to how our people feel about the workplace, their role, management and the broader organisation. From the initial results Divisional Action Plans are developed to assist the department to continue to develop and improve based on employee feedback.

# Our people

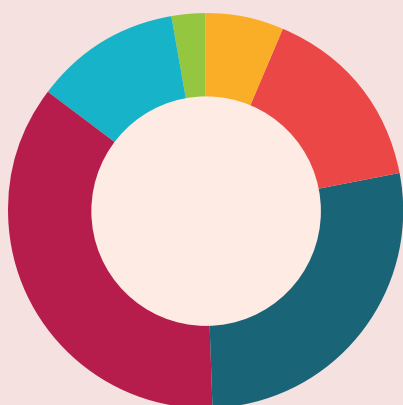


**26** of our people were supported through higher education, totalling over **\$58,000**

**28** of our people undertook scholarships and early careers programs<sup>1</sup>

1. Graduate Development Program, Aboriginal Employment Program, Vacation Employment Program, Work Integrated Learning Scholarships, Aboriginal Traineeships Program

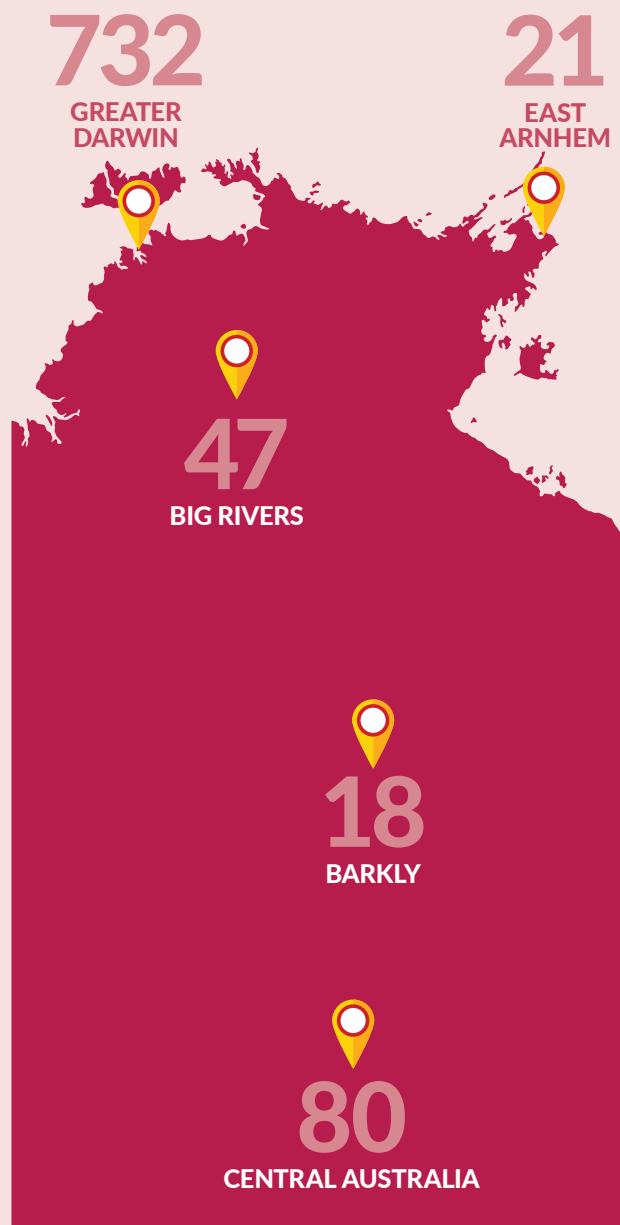
## Divisional distribution



- 59** Corporate and Governance
- 140** Lands and Planning
- 247** Infrastructure, Investments and Contracts
- 321** Transport and Civil Services
- 107** Housing Program Office
- 24** Infrastructure NT

**898 TOTAL**

## Regional distribution





Part 5  
How we  
performed



**QUALITY SERVICE  
FOR YOU**



# Performance against strategic objectives

For the 2021-22 financial year, the Department of Infrastructure, Planning and Logistics operated with 898 full time equivalent (FTE) staff and a budget of \$568.2 million.

It provided services across six output groups:

- Corporate and Shared Services<sup>1</sup>
- Lands and Planning
- Infrastructure investment program, support and delivery
- Infrastructure NT
- Logistics Infrastructure and Services
- Housing Program Office.

A breakdown of the distribution of financial and FTE resources to each output group that enable services to be delivered to the community and Government is detailed in the following charts.

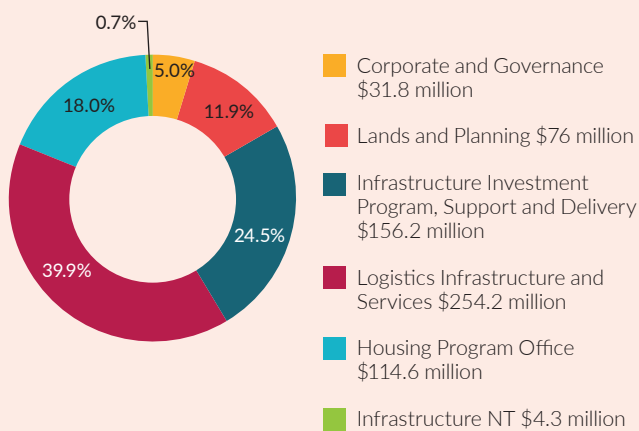
The department is funded mainly through output appropriation from the Northern Territory Government at a total of \$376.2 million.

Although the main source of funds is through appropriation, the department also collected revenue on behalf of the Government for taxation revenue, grants and subsidies, regulatory services and royalties and rents totalling \$96.5 million in 2021-22.

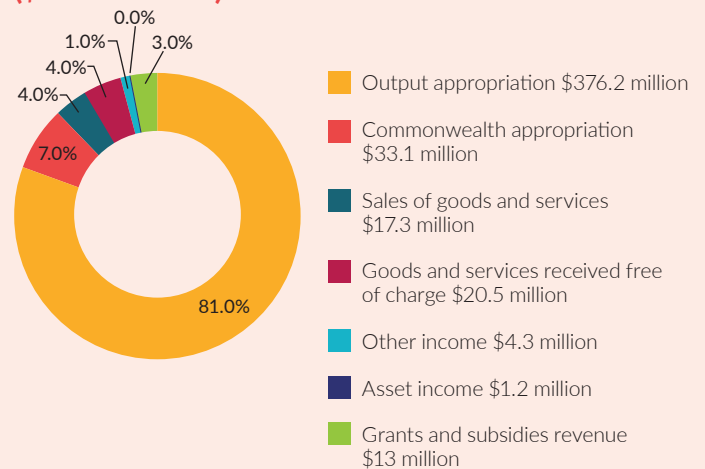
These funds are directed to the Central Holding Authority.

<sup>1</sup> Corporate includes Executive, Governance, Finance and Office Services

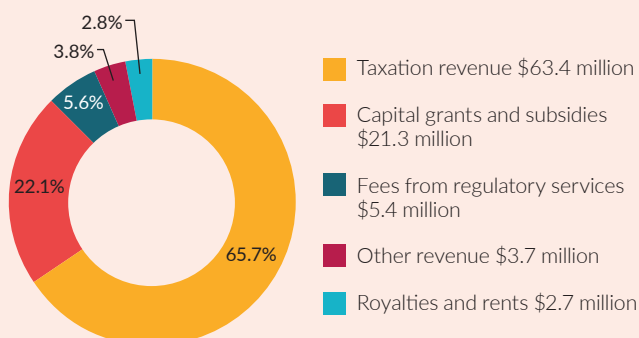
## Actual Expenditure by Output Group (\$637.1 million)



## 2022-22 Operating Income (\$465.6 million)



## Revenue collected on behalf of Government – Central Holding Authority (\$96.5 million)



The budget movement and annual expenses for all outputs in the department are summarised in the following table. When excluding the non-cash expenditure for 2021-22, the department's final result was in line with the approved final budget for 2021-22. Further information can be found in the financial overview section of this report.

OUTPUT	2021-22 Budget \$'000	2021-22 Final Budget \$'000	% change	2021-22 Actuals \$'000	% change to Final
<b>Infrastructure NT</b>	<b>3,222</b>	<b>3,222</b>	<b>0.00%</b>	<b>4,288</b>	<b>33.09%<sup>5</sup></b>
Infrastructure NT policy and development	800	800		2,191	
Strategic Project Office	2,422	2,422		2,097	
<b>Infrastructure Investment Program, Support and Delivery</b>	<b>143,626</b>	<b>129,586</b>	<b>-9.78%<sup>1</sup></b>	<b>156,190</b>	<b>20.53%<sup>6</sup></b>
Infrastructure Investment Delivery	32,242	35,373		34,137	
Program Support	8,927	8,520		8,863	
Asset Management	102,457	85,693		113,190	
<b>Lands and Planning</b>	<b>50,459</b>	<b>68,844</b>	<b>36.44%<sup>2</sup></b>	<b>76,004</b>	<b>10.40%<sup>7</sup></b>
Land Development	8,636	16,893		15,904	
Crown Land Estate	23,464	33,118		36,520	
Development Assessment Services	3,177	3,163		3,545	
Lands Planning	2,968	2,953		2,333	
Building Advisory Services	3,280	3,266		8,527	
Land Information	8,568	9,085		8,918	
Northern Territory Planning Commission	366	366		257	
<b>Logistics Infrastructure and Services</b>	<b>243,093</b>	<b>257,156</b>	<b>5.79%<sup>3</sup></b>	<b>254,190</b>	<b>-1.15%<sup>8</sup></b>
Passenger Transport	64,848	63,927		65,299	
Registration and Licensing	10,559	10,728		10,425	
Road and Water Safety and Compliance	9,814	9,795		8,337	
Transport Planning and Delivery	139,139	153,484		154,320	
Transport Assets	15,930	16,403		13,305	
Strategy, Policy and Legislation	2,803	2,819		2,504	
<b>Housing Program Office</b>	<b>72,295</b>	<b>79,188</b>	<b>9.53%<sup>4</sup></b>	<b>114,677</b>	<b>44.82%<sup>9</sup></b>
Capital Program Delivery	3,999	4,865		46,326	
Program Planning and Engagement	8,804	10,614		10,510	
Housing Maintenance Services	59,492	63,709		57,841	
<b>Corporate and Governance</b>	<b>30,395</b>	<b>30,200</b>	<b>-0.64%</b>	<b>31,784</b>	<b>5.25%<sup>10</sup></b>
Corporate and Governance	11,869	11,674		11,303	
Shared Services received	18,526	18,526		20,482	
<b>TOTAL OUTPUT BUDGET</b>	<b>543,090</b>	<b>568,196</b>	<b>4.62%</b>	<b>637,133</b>	<b>12.13%</b>

## Notes

1. Infrastructure Investment Program, support and delivery decreased from the original budget to the final budget mainly due to a transfer of appropriation from the repairs and maintenance program to the capital works program for accounting treatment, off-set by additional one-off grants funding.
2. Lands and Planning increased from the original budget to the final budget mainly due to one-off funding for the Middle Arm Sustainable Development Precinct, and one-off land servicing capital-related expenditure that cannot be recorded as assets.
3. Logistics Infrastructure and Services increased from the original budget to the final budget mainly due to one-off capital-related expenditure that cannot be recorded as assets.
4. Housing Program Office increase from the original budget to the final budget mainly due to a transfer of housing maintenance and support staff from the Department of Territory Families, Housing and Communities.
5. The variance in actual expenditure for Infrastructure NT against budget was mainly due to fast tracking of recruitment, in order to resource and accelerate the delivery of major capital works programs across the Territory and covered within other output groups.
6. The variance in actual expenditure for Infrastructure Investment Program, support and delivery against budget was mainly due to expenditure relating to Northern Territory's response to COVID-19, additional repairs and maintenance expenditure costs across whole of government and one-off capital-related expenditure that cannot be recorded as assets.
7. Lands and Planning variance in actual expenses against budget is mainly due to land servicing capital-related expenditure that cannot be recorded as assets.
8. Logistics Infrastructure and Services variance in actual expenditure against budget mainly resulted from non-cash capital-related expenditure which cannot be recorded as assets.
9. Housing Program Office variance is mainly due to capital-related expenditure that cannot be recorded as assets and one-off non-cash capital grants provided to Power and Water Corporation and local government councils, transferring ownership of assets for no consideration.



Zimin Drive/Stuart Highway, Katherine

## Housing Program Office

Key Performance Indicator	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Land servicing and infrastructure – new remote housing lots developed	116	260	180	223	200
Contracts awarded to Aboriginal Business Enterprises	48%	≥40%	50%	52%	≥40%
Proportion of Aboriginal people employed to deliver housing works and services <sup>1</sup>	47%	≥42%	45%	44%	≥46%
Completed bedrooms and living spaces <sup>2</sup>	990	1100	800	537	1,400
New remote house dwellings	211	245	200	142	260

1. New measure, commencing 1 July 2021.

2. The increases in 2021-22 are in line with the Remote Housing Investment Package.

### Notes

The 2021-22 financial year had significant contracts awarded to Aboriginal Business Enterprises, proportional to the overall capital works program.

The variations in 2021-22 reflect the impact of COVID-19 restrictions and weather events.

The targets in 2022-23 are in line with the Remote Housing Investment Package.

## Infrastructure, Investment and Contracts

Key Performance Indicator	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Average days to award tender	43	≤30	35	41	≤30
Construction contracts awarded to local enterprises	100%	≥97%	98%	99%	≥97%
Building assets inspected	33%	≥33%	33%	28%	≥33%
Contractor Work, Health and Safety audits completed <sup>1</sup>	91%	≥77%	95%	99%	≥90%
Indigenous Development Plan audits completed <sup>1</sup>	90%	≥77%	90%	88%	≥90%

1. The KPI is benchmarked against a total population of 198 contracts awarded based on tenders awarded in the previous year. In some instances, contracts of high value/high risk have been audited multiple times of the reporting period. Regardless of audit frequency, the count remains as one contract audited.

## Infrastructure NT

Key Performance Indicator	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Release of the infrastructure plan and pipeline within agreed timeframes <sup>1</sup>	N/A	N/A	N/A	N/A	100%

1. New measure commencing 1 July 2022.

# Performance against strategic objectives

## Lands and Planning

Key Performance Indicator	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Average processing time for development applications (number of days)	54	≤55	55	55	≤55
Proportion of projects progressed under the land development program to support economic development and community needs <sup>4</sup>	90%	>90%	N/A	90%	N/A
Major land use and urban planning projects undertaken to cater for future growth	13	13	13	13	13
Building practitioners audited (refers to practitioners registered under the <i>Building Act 1993</i> ) <sup>1</sup>	50	65	60	51	65
Investigated complaints finalised <sup>2</sup>	100	100	100	95	100
Swimming pool safety barrier inspections undertaken within three weeks	100%	100%	100%	100%	100%
Availability of access to the NT Land Information Systems (NTLIS) environment meets defined standard	100%	≥99%	100%	100%	100%
Survey plans approved in six working days	100%	≥90%	100%	100%	100%
Aerial photography and mapping projects acquired in accordance with established refresh cycle <sup>3</sup>	0%	≥95%	95%	85%	≥95%
Native title, land claim and Aboriginal land issues progressed or resolved <sup>4</sup>	24	24	N/A	24	N/A
Northern Territory Planning Commission Integrated strategic plans progressed <sup>4</sup>	9	9	N/A	9	N/A

1. Refers to practitioners registered under the *Building Act 1993*. Increase reflects additional emphasis on the auditing function to support building reforms

2. Completed investigations include those dismissed, completed or referred to the Building Practitioners Board or the courts. Increase reflects an adjustment to KPIs to support building reforms.

3. COVID-19 related travel restrictions resulted in the 2020-21 aerial photography and mapping program being deferred until 2021-22.

4. This KPI has been removed from the 2022-23 Budget Papers as not an accurate measure of output.

## Transport and Civil Services

Key Performance Indicator	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2021-22 Actual	2022-23 Budget
Average sealed road rated as smooth (IRI <4.2m/km)	95%	≥95%	95%*	95%	≥95%
Reported defects on roads versus number repaired	54%*	≥55%	80%*	77%*	>80%
Deliver community and school-based road safety education	407	350	350	280	350
Vehicles checked as part of on-road auditing activity	20,197	21,000	15,000	13,096	21,000
Average Motor Vehicle Registry (MVR) customer wait time (minutes)	16.45	≤10	12	17.33	≤10
Customer satisfaction with MVR	98%	≥95%	97%	97%	≥95%
Percentage of MVR renewals processed through alternative servicing channels	74%	≥70%	75%	79%	≥75 %

\*Measurement methodology has been revised to capture all defects and repairs, regardless of the year they were reported.



# Corporate governance reporting

Conflict of interest:	Whether actual, potential or perceived, conflicts of interest erode confidence in the integrity of the organisation. All staff are required to declare conflicts of interests as soon as they become aware of the conflict. Declared conflicts of interests are reported to the department's Executive Management Board. In addition, all Executive Contract Officers are required to declare conflicts of interests on annual basis. One hundred and ninety four (194) declarations of interests were made by departmental officers in 2021-22.
Gifts and benefits:	The department must be open, accountable and actions defensible when dealing with the acceptance of gifts and benefits. All staff are required to declare gifts and benefits including declined gifts and benefits. Declared gifts and benefits are reported to the department's Executive Management Board.
Whistle-blowers:	Staff are regularly reminded that they can report wrongdoing through various channels to the department or directly to the Independent Commissioner Against Corruption. The Executive Director Governance and Executive Services is the department's 'Nominated Recipient' under the <i>Independent Commissioner Against Corruption Act 2017</i> . The department has a Fraud and Corruption Control Framework which details protection available for individuals reporting wrongdoing.

## Compliance with whole-of-government directions

The department complied with all prescribed principles outlined in Part 1A (sections 5A–5F) of the *Public Sector Employment and Management Act 1993*. The department adhered to the Employment Instructions issued by the Commissioner for Public Employment. Performance against each Employment Instruction is detailed below.

Employment Instruction	2021-22 Performance
<p><b>Instruction 1</b> <b>Filing Vacancies</b></p> <p>Chief Executive must develop a procedure for the filling of vacancies.</p>	<p>For the 2021-22 period, the department had 163 employees commence/transfer in and 133 separations/transfers out. No promotion appeals were upheld for the reporting period.</p>
<p><b>Instruction 2</b> <b>Probation</b></p> <p>Chief Executive must develop a probation procedure.</p>	<p>The department has a Probation Policy and process compliant with the <i>Public Sector Employment and Management Act (1993)</i> and relevant awards. New ongoing employees are advised of the probation as part of their Offer of Employment. This process is explained further during induction and available on the intranet. The employee's manager monitors probationary reports and timeframes and works with the employee to ensure a successful completion.</p>

Employment Instruction	2021-22 Performance
<p><b>Instruction 3</b> <b>Natural Justice</b></p> <p>A person who may be adversely affected by an impending decision must be afforded natural justice before a final decision is made.</p>	<p>The principles of natural justice are communicated to all employees and embedded within the department's culture.</p>
<p><b>Instruction 4</b> <b>Employee Performance Management and Development Systems</b></p> <p>Chief Executive must develop and implement an employee performance management and development procedure.</p>	<p>The department's performance management system integrates the planning framework and objectives with employees' work priorities, and aligns with the department's Strategic Plan and objectives.</p>
<p><b>Instruction 5</b> <b>Medical Examinations</b></p> <p>Chief Executive may engage a health practitioner to undertake an examination of an employee in the case of inability, unsatisfactory performance or breach of discipline matters.</p>	<p>The department engages qualified health professionals to support our staff members when there are concerns pertaining to their health. Three employees undertook medical examinations for a range of matters, including assessment for fitness for duty and informing of inability.</p>
<p><b>Instruction 6</b> <b>Employee Performance and Inability</b></p> <p>Chief Executive may develop employee performance and inability procedures.</p>	<p>The department's performance management system provides a framework for managers and staff to document where performance improvement is required. Human Resource Services employees support managers dealing with matters of underperformance and help employees work together collaboratively to improve performance.</p> <p>Three employees were subject to employee Performance and Inability actions during 2021-22.</p>
<p><b>Instruction 7</b> <b>Discipline</b></p> <p>Chief Executive may develop discipline procedures.</p>	<p>The department has a robust Discipline Management Framework that applies considered and informed assessment of all discipline matters before determining outcomes. During 2021-22, five discipline processes were commenced with staff with two matters being finalised and three matters remaining ongoing.</p>



# Corporate governance reporting

Employment Instruction	2021-22 Performance
<p><b>Instruction 8</b>  <b>Internal Department Complaints and Section 59 Grievance Reviews</b></p> <p>Chief Executive must develop an internal employee grievance-handling policy and procedure.</p>	<p>In 2021-22 four complaint matters were lodged with the department for internal review, of which three were closed. Additionally, four were lodged with the Office of the Commissioner for Public Employment for review.</p>
<p><b>Instruction 9</b>  <b>Employment Records</b></p> <p>Chief Executive is responsible for keeping employees' records of employment.</p>	<p>DCDD stores all personnel files. The department complies with the DCDD policy regarding access to these files. Any requests to access employee records are made through the Director of Human Resources.</p>
<p><b>Instruction 10</b>  <b>Equality of Employment Opportunity Programs</b></p> <p>Chief Executive must develop an equality of employment opportunity program integrated with corporate, strategic and other department planning processes.</p>	<p>The department has an Equal Employment Opportunity Management Policy.</p> <p>The Aboriginal Employment and Career Development programs and initiatives are outlined in this report.</p>
<p><b>Instruction 11</b>  <b>Occupational Health and Safety Standards Programs</b></p> <p>Chief Executive must ensure the application of appropriate occupational health and safety standards and programs, and report annually on these programs.</p>	<p>The department has a Work Health and Safety (WHS) Committee to ensure WHS compliance. The details of the WHS activities are outlined in this report.</p>
<p><b>Instruction 12</b>  <b>Code of Conduct</b></p> <p>Chief Executive may issue a department-specific code of conduct.</p>	<p>All department employees are provided with training on the Code of Conduct through the essential OneNTG orientation program which all employees are required to complete.</p> <p>The Transit Safety Unit has its own Code of Conduct, which complements the Northern Territory Public Sector Code of Conduct.</p>

Employment Instruction	2021-22 Performance
<p><b>Instruction 13</b> <b>Appropriate Workplace Behaviour</b></p> <p>Chief Executive must develop and implement a department policy and procedure to foster appropriate workplace behaviour and a culture of respect, and to deal effectively with inappropriate workplace behaviour and bullying.</p>	<p>The department is committed to providing all employees with a safe and healthy workplace, free from inappropriate behaviours such as bullying, harassment and discrimination. Policy and procedures were in place for dealing with inappropriate workplace behaviour, including bullying. Appropriate Workplace Behaviour is also covered as part of the essential training in the OneNTG orientation program which all employees are required to complete.</p>
<p><b>Instruction 14</b> <b>Redeployment and Redundancy Procedures</b></p> <p>Management of employees who are redeployees or employees who are subject to a redundancy.</p>	<p>The department acts in accordance with redeployment and redundancy procedures as set out under the Enterprise Agreement and Employment Instruction 14. There are two active redeployees being supported by the department. There were no voluntary redundancies processed.</p>
<p><b>Instruction 15</b> <b>Special Measures</b></p>	<p>All positions in the department have special measures plans applied. The department also continues to participate in specific Aboriginal Early Careers Programs to meet identified targets.</p>

# Corporate governance reporting



Road Safety Program - Intersection upgrades

A person's hands are shown holding a smartphone over a laptop keyboard. The scene is overlaid with a semi-transparent pink color. The text 'Part 6' and 'Our financial performance' is centered in white.

# Part 6

## Our financial performance

# Financial statements

for the year ended 30 June 2022

## OVERVIEW OF FINANCIAL RESULT

The Department of Infrastructure, Planning and Logistics classifies services under 23 outputs summarised into six output groups. The Corporate and Governance Output Group, including finance, executive and governance services provides corporate support services to all of the output groups.

The department had a final adjusted budget of \$568.2 million for the 2021-22 year; an increase of \$25.1 million from the original 2021-22 budget. The increase mainly resulted from additional capital grant funding, and funding provided for the Middle Arm Sustainable Development Precinct. In addition, there was a non-cash increase to depreciation for a number of capital works projects that were capitalised during the 2021-22 financial year. Other significant changes to the budget, include the transfer of housing maintenance and support staff budget from the Department of Territory Families, Housing and Communities and one-off approved carryovers in 2021-22, of unspent funds from 2020-21 for a number of programs with committed expenditure. Further increases included an increase in budget due to non-cash capital grants to Power and Water Corporation and local government councils for completed works in progress and one-off non-cash land servicing capital related expenditure that cannot be recorded as an asset.

When excluding the non-cash expenditure for 2021-22, the department's final result was in line with the final adjusted budget for 2021-22. In addition, the department incurred a number of costs for unfunded items (such as COVID-19 related expenses), which were fully absorbed within the existing budget, due to timing of other expenses which qualified for carryovers into the 2022-23 financial year.

The department reported expenses for the financial year of \$637.1 million. The final result for the year was \$68.9 million over the operational budget. This is mainly due to the accounting treatment of one-off non-cash land servicing capital-related expenditure and one-off non-cash capital grants to Power and Water Corporation and local government councils, for the transfer of ownership of assets for nil consideration. It is important to note the funding for these transactions was within capital works.

## OPERATING STATEMENT (Financial performance)

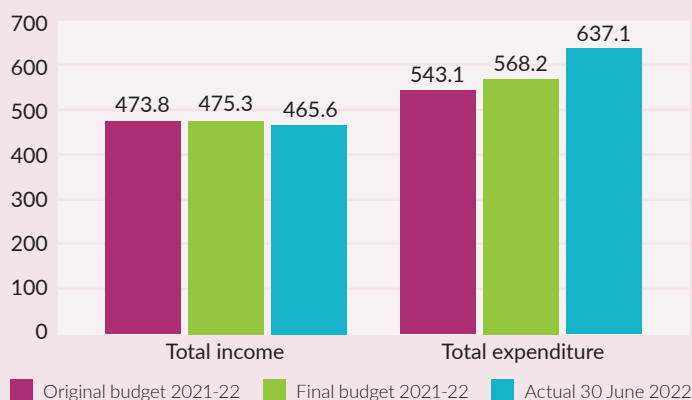
The department reports an operating deficit of \$171.6 million against a budgeted deficit of \$92.9 million. Deficit results are planned as depreciation expenses (\$77.3 million actual result), non-cash land servicing capital-related expenditure that cannot be recorded as assets (\$45.2 million actual result) and non-cash capital grants (\$38.8 million actual result), are not funded through output appropriation under the Territory's Financial Management Framework. Revenue was slightly lower for the year, mainly due to the timing of milestone payments from the Commonwealth for housing maintenance and resourcing services. The deficit also includes a number of costs for unfunded items, which the department was able to fully absorb within the budget capacity. When excluding a number the non-cash expenditure, the department's final result was in line with the final adjusted budget for 2021-22.

## SUMMARY OF FINANCIAL PERFORMANCE

The graph below summarises changes in total income and total expenditure over the 2021-22 financial year, from the original budget to the final budget which was revised in June 2022. This is compared against the actual result as at June 2022.

Variations in total expenditure against budget were mainly due to non-cash expenditure for land servicing capital-related expenditure that cannot be recorded as assets and non-cash capital grants to Power and Water Corporations and local government councils for the transfer of ownership of assets for nil consideration, from completed works in progress in 2021-22.

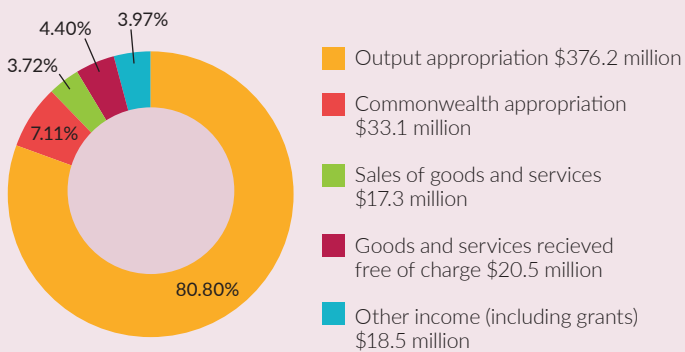
### Summary of financial performance



## OPERATING INCOME

Total operating income for 2021-22 was \$465.6 million, being \$9.7 million lower than the final budget. Revenue received was lower than the final adjusted budget mainly due to the timing of milestone payments from the Commonwealth for remote housing maintenance. The main source of funding was output appropriation \$376.2 million, followed by Commonwealth appropriation of \$33.1 million primarily relating to the repairs and maintenance on national highways, and remote housing maintenance, funding for the Black Spot and Bridge Renewal programs and administrative support to deliver the Commonwealth roads and remote housing maintenance program. Revenue was also derived from the sales of goods and services, grant funding and services received free of charge (for notional shared services) from the Department of Corporate and Digital Development.

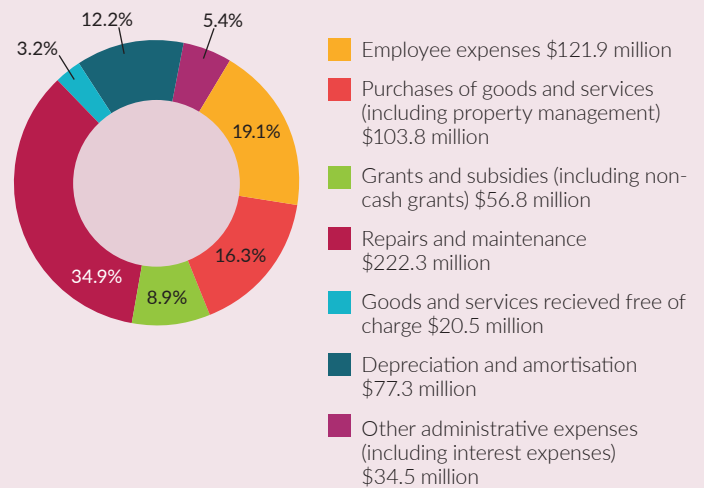
### 2021-22 Operating income profile (\$465.6 million)



## OPERATING EXPENSES

Total operating expenses for 2021-22 were \$637.1 million being \$68.9 million over the final budget. Repairs and maintenance expenditure of \$222.3 million is the greatest portion of this cost followed by employee expenses of \$121.9 million, purchases of goods and services (including property management) of \$103.8 million, depreciation and amortisation of \$77.3 million and grants and subsidies (including non-cash grants) of \$56.8 million.

### 2021-22 Operating expense profile (\$637.1 million)



# Financial statements

## for the year ended 30 June 2022

### Expenditure trend

The table bellows shows actual spend against the final budget in 2021-22.

	2020-21		2021-22		
	Actual \$M	Actual \$M	Final budget \$M	Variance \$M	Variance %
<b>OPERATING EXPENSES</b>					
Employee expenses	104.4	121.9	123.1	(1.2)	-1%
Purchases of goods and services (including property management)	90.2	103.8	94.7	9.1	9.6%
Repairs and maintenance	155.1	222.3	219.4	2.9	1.3%
Other administrative expenses (including interest)	16.6	34.5	6.7	27.8	414.9%
Grants and subsidies (including non-cash capital grants)	26.2	56.8	28.2	28.6	101.4%
Depreciation and amortisation	71.3	77.3	77.6	-0.3	-0.4%
Goods and services received free of charge	19.1	20.5	18.5	2	10.8%
<b>TOTAL</b>	<b>482.9</b>	<b>637.1</b>	<b>568.2</b>	<b>68.9</b>	<b>12.1%</b>

Overall, the department spent \$68.9 million more than budgeted. The department incurred a number of non-cash costs for land servicing capital-related expenditure and non-cash capital grant expenditure for the transfer of ownership of assets for nil consideration to Power and Water Corporation and local government councils. When excluding the non-cash expenditure for 2021-22, the department's final result was in line with the final adjusted budget, which included fully absorbing a number of costs for unfunded items within the existing budget, due to timing of other expenses which qualified for carryovers into the 2022-23 financial year.

Key expense variations to the final budget are highlighted below:

- Employee expenses were \$1.2 million lower than budget mainly due to recruitment timing. The underspend for these programs has been approved as carryover budget request into the 2022-23 financial year.
- Purchases of goods and services were \$9.1 million higher than budget mainly due to costs associated with the Northern Territory's response to COVID-19. These costs are beyond the control of the department and were able to be absorbed to timing of other expenses.
- Repairs and maintenance expenses were \$2.9 million higher than budget mainly due to costs associated with the Northern Territory's response to COVID-19.
- Other administrative expenses were \$27.8 million higher than budget mainly due to the accounting treatment of non-cash capital-related expenditure associated with land servicing that cannot be recorded as an asset.
- Grants and subsidies expenses were \$28.6 million higher than budget mainly due to non-cash capital grant expenditure for the transfer of ownership of assets for nil consideration. When excluding non-cash capital grant expenditure, grants and subsidies were under budget and assisted in absorbing COVID-19 expenditure across other categories.
- Goods and services received free of charge were \$2 million higher than budget. This is a non-cash notional charge by the Department of Corporate and Digital Development reflecting costs associated for the use of their services. Revenue for this service also is \$2 million higher than the budget and has a nil effect on the bottom line of the operating statement net surplus/deficit.

## Balance sheet

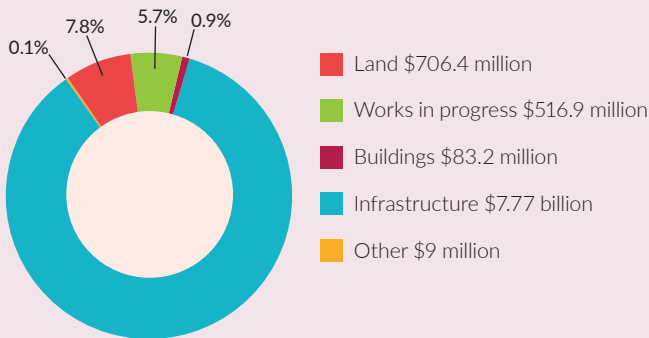
The balance sheet shows the department’s net worth and financial position. The department held assets totalling \$9.49 billion at 30 June 2022.

The largest component of the department’s asset profile relates to infrastructure assets of \$7.77 billion, which are predominantly Territory road network assets inclusive of roads and bridges. Also included in infrastructure assets are transport assets, such as barge landings, aerodromes and marine infrastructure. The department capitalised a number of completed capital work projects, which resulted in an increase in value of infrastructure assets of \$410 million.

Another significant component of the asset profile is land, primarily Crown land at \$706 million. The land portfolio includes vacant Crown land which is managed by the department as the Crown land administered to meet current and future land requirements of the Territory Government.

The department plays a lead role in planning, constructing and maintaining government infrastructure across the Northern Territory and holds construction (work in progress) at \$516.9 million. This value represents the current collective value of works which are yet to be completed and transferred to each appropriate host department.

### Asset portfolio – property, plant and equipment (\$9.083 billion)

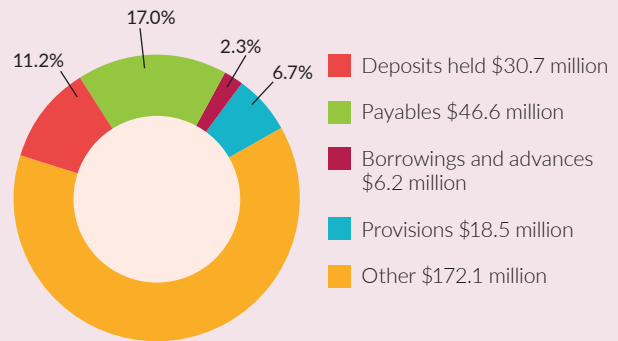


## Liabilities

The department held liabilities of \$274.1 million as at 30 June 2022 comprising of deposits held in trust, payables and provisions.

In 2021-22 the department continued to maintain a strong financial position, with liabilities representing approximately 2.9% of total assets. This is a decrease of approximately 13% to the previous year and is mainly due to a \$42.2 million decrease in other liabilities relating to the use of previously recorded Commonwealth unearned capital grants as per accounting standard AASB 1058.

### Liabilities (\$274.1 million)





# Financial statements

## for the year ended 30 June 2022

### STATEMENT OF CASH FLOW

The statement of cash flow represents cash received and applied during the year from operating, investing and financing activities. The table below summarises the movement of cash over the year.

The department held cash and deposits of \$243 million at year end, a \$143.7 million increase against the final approved budget of \$99.3 million. The increase in cash is mainly due to additional Commonwealth funding received for a number of capital works projects and a lower than expected spend due to milestone delays and COVID-19 restrictions. These funds will be utilised in future years to meet the department's obligations such as carrying out works on the Infrastructure Program including Commonwealth capital works expenditure.

Some of the funds held also relate to recoverable works funds which will be utilised in line with the progression of those works. Other significant balances relate to carry over items including grant commitments from prior years, infrastructure related expenses not spent in time, Commonwealth capital works and repairs and maintenance expenses.

The cash position during the year is predominantly impacted by the timing of payments, carryovers of unspent funds and timing of Commonwealth funding. The Commonwealth funded major projects often include early milestone provisions which are paid in advance of works occurring and contributes to the increased cash reserves held.

#### Cash flow movement summary

	2020-21		2021-22		
	Actual \$M	Actual \$M	Final Budget \$M	Variance \$M	Variance %
<b>CASH FLOW</b>					
Cash at beginning of year	141.2	302.1	302.1	-	-
Cash received	1 175.8	1 135.1	1 093.2	41.9	3.8%
Less cash spent	1 014.9	1 194.2	1296	(101.8)	7.9%
<b>CASH AT END OF REPORTING PERIOD</b>	<b>302.1</b>	<b>243</b>	<b>99.3</b>	<b>143.7</b>	<b>144.7%</b>

### INFRASTRUCTURE PAYMENTS

The department spent \$876.8 million in total infrastructure payments on behalf of the Territory. The majority of the expenditure relates to capital and minor new works expenditure of \$645.7 million. Within this capital expenditure, \$239 million was spent on the road network, \$212.4 million was spent on housing and \$194.3 million was spent on other built infrastructure across a number of portfolios.

In addition, the department spent \$204.6 million in repairs and maintenance delivered on behalf of the department and other government agencies, \$17.7 million infrastructure related consultancies to support the design and delivery of the Territory's infrastructure program and \$8.8 million in capital grants.

## CERTIFICATION OF THE FINANCIAL STATEMENTS

### DEPARTMENT OF INFRASTRUCTURE, PLANNING AND LOGISTICS FINANCIAL REPORT

We certify that the attached financial statements for the Department of Infrastructure, Planning and Logistics have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2022 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Andrew Kirkman  
Chief Executive Officer  
31 August 2022



Fotis Papadakis  
Chief Financial Officer  
31 August 2022

# Financial statements

## for the year ended 30 June 2022

### COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2022

	NOTE	2022	RESTATED 2021
		\$'000	\$'000
<b>INCOME</b>			
Grants and subsidies revenue	4a		
Current		12 168	11 244
Capital		824	2 752
Appropriation	4b		
Output		376 195	316 059
Commonwealth		33 148	26 287
Sales of goods and services	4c	17 334	17 939
Interest revenue		14	14
Goods and services received free of charge	5	20 482	19 128
Gain on disposal of assets	6	152	1 005
Other income	4d	5 299	12 024
<b>TOTAL INCOME</b>	3	465 616	406 452
<b>EXPENSES</b>			
Employee expenses		121 941	104 435
Administrative expenses			
Property management		20 980	16 210
Purchases of goods and services	7a	82 806	74 006
Repairs and maintenance	7b	222 287	155 054
Depreciation and amortisation	17, 18, 19	77 278	71 253
Other administrative expenses		34 416	16 484
Goods and services received free of charge		20 482	19 128
Grants and subsidies expenses			
Current	8a	9 190	8 980
Capital	8b	47 598	17 196
Community service obligations	8c	70	-
Interest expenses	9	85	116
<b>TOTAL EXPENSES</b>	3	637 133	482 862
<b>NET DEFICIT</b>		(171 517)	(76 410)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to net deficit</b>			
Transfers from reserve		8 773	2 049
Asset revaluation surplus		(2 268)	32 147
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		6 505	34 196
<b>COMPREHENSIVE RESULT</b>		(165 012)	(42 214)

The comprehensive operating statement is to be read in conjunction with the notes to the financial statements.

# BALANCE SHEET

As at 30 June 2022

	NOTE	2022	RESTATED 2021
		\$'000	\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	11	242 990	302 069
Receivables	13	114 901	71 671
Asset held for sale	14	12 159	18 277
Advances and investments	15	84	-
<b>Total current assets</b>		<b>370 134</b>	<b>392 017</b>
<b>Non-current assets</b>			
Receivables	13	10 075	8 920
Advances and investments	15	853	1 036
Property, plant and equipment	17,18,27	9 083 161	8 898 697
Intangibles	19a,27	989	1 172
Heritage and cultural assets	19b,27	1 465	1 489
Other assets	16	24 390	22 794
<b>Total non-current assets</b>		<b>9 120 933</b>	<b>8 934 108</b>
<b>TOTAL ASSETS</b>		<b>9 491 067</b>	<b>9 326 125</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deposits held	20	30 715	45 402
Payables	21	46 571	28 550
Borrowings and advances	22	1 954	4 748
Provisions	23	18 516	16 236
Other liabilities	24	117 507	180 902
<b>Total current liabilities</b>		<b>215 263</b>	<b>275 838</b>
<b>Non-current liabilities</b>			
Borrowings and advances	22	4 242	2 180
Other liabilities	24	54 557	37 776
<b>Total non-current liabilities</b>		<b>58 799</b>	<b>39 956</b>
<b>TOTAL LIABILITIES</b>		<b>274 062</b>	<b>315 794</b>
<b>NET ASSETS</b>		<b>9 217 005</b>	<b>9 010 331</b>
<b>EQUITY</b>			
Capital		4 986 738	4 615 051
Reserves	26	5 736 043	5 738 312
Accumulated funds		(1 505 776)	(1 343 032)
<b>TOTAL EQUITY</b>		<b>9 217 005</b>	<b>9 010 331</b>

The balance sheet is to be read in conjunction with the notes to the financial statements.

# Financial statements

## for the year ended 30 June 2022

### STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	NOTE	EQUITY AT 1 JULY	COMPREHENSIVE RESULT	TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	EQUITY AT 30 JUNE
2021-22		\$'000	\$'000	\$'000	\$'000
<b>Accumulated funds</b>		<b>(1 343 032)</b>	<b>(171 517)</b>	-	<b>(1 514 549)</b>
Transfers from reserves		-	8 773	-	8 773
<b>Total accumulated funds</b>		<b>(1 343 032)</b>	<b>(162 744)</b>	-	<b>(1 505 776)</b>
<b>Reserves</b>	<b>26</b>	<b>5 738 312</b>	-	-	<b>5 738 312</b>
Asset revaluation surplus		-	(2 268)	-	(2 268)
<b>Total reserves</b>		<b>5 738 312</b>	<b>(2 268)</b>	-	<b>5 736 043</b>
<b>Capital - transactions with owners</b>					
Equity injections					
Capital appropriation		4 297 010	-	390 351	4 687 361
Equity transfers In		3 957 068	-	3 201	3 960 269
Other equity injections		828 457	-	7 155	835 612
Specific purpose payments		97 364	-	11 777	109 141
National partnership payments		1 058 803	-	284 380	1 343 183
Commonwealth - capital		135 678	-	22 318	157 996
<b>Total equity injections</b>		<b>10 374 380</b>	-	<b>719 182</b>	<b>11 093 562</b>
Equity withdrawals					
Capital withdrawal		(594 353)	-	(15 107)	(609 460)
Equity transfer out		(5 164 976)	-	(332 388)	(5 497 364)
<b>Total equity withdrawals</b>		<b>(5 759 329)</b>	-	<b>(347 495)</b>	<b>(6 106 824)</b>
<b>Total capital</b>		<b>4 615 051</b>	-	<b>371 687</b>	<b>4 986 738</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>9 010 331</b>	<b>(165 012)</b>	<b>371 687</b>	<b>9 217 005</b>

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	NOTE	EQUITY AT 1 JULY	COMPREHENSIVE RESULT	TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	EQUITY AT 30 JUNE
2020-21 - restated		\$'000	\$'000	\$'000	\$'000
<b>Accumulated funds</b>		<b>(1 268 671)</b>	<b>(76 410)</b>	-	<b>(1 345 081)</b>
Transfers from reserve		-	2 049	-	2 049
<b>Total accumulated funds</b>		<b>(1 268 671)</b>	<b>(74 361)</b>	-	<b>(1 343 032)</b>
<b>Reserves</b>	<b>26</b>	<b>5 706 165</b>	-	-	<b>5 706 165</b>
Asset revaluation surplus		-	32 147	-	32 147
<b>Total reserves</b>		<b>5 706 165</b>	<b>32 147</b>	-	<b>5 738 312</b>
<b>Capital - transactions with owners</b>					
Equity injections					
Capital appropriation		3 876 092	-	420 918	4 297 010
Equity transfers In		3 859 311	-	97 757	3 957 068
Other equity injections		828 140	-	317	828 457
Specific purpose payments		95 829	-	1 535	97 364
National partnership payments		822 463	-	236 340	1 058 803
Commonwealth - capital		115 308	-	20 370	135 678
<b>Total equity injections</b>		<b>9 597 143</b>	-	<b>777 237</b>	<b>10 374 380</b>
Equity withdrawals					
Capital withdrawal		(590 278)	-	(4 075)	(594 353)
Equity transfer out		(4 778 369)	-	(386 607)	(5 164 976)
<b>Total equity withdrawals</b>		<b>(5 368 647)</b>	-	<b>(390 682)</b>	<b>(5 759 329)</b>
<b>Total capital</b>		<b>4 228 496</b>	-	<b>386 555</b>	<b>4 615 051</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>8 665 990</b>	<b>(42 214)</b>	<b>386 555</b>	<b>9 010 331</b>

This statement of changes in equity is to be read in conjunction with the notes to the financial statements.

# Financial statements

## for the year ended 30 June 2022

### CASH FLOW STATEMENT

For the year ended 30 June 2022

	NOTE	2022	RESTATED 2021
		\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating receipts</b>			
Grants and subsidies received			
Current		12 168	11 244
Capital		-	10 557
Appropriation			
Output		376 195	316 059
Commonwealth		31 494	29 536
Receipts from sales of goods and services		103 270	77 224
Interest received		13	14
<b>Total operating receipts</b>		<b>523 140</b>	<b>444 634</b>
<b>Operating payments</b>			
Payments to employees		(119 152)	(102 325)
Payments for goods and services		(398 302)	(304 468)
Grants and subsidies paid			
Current		(9 190)	(8 980)
Capital		(8 835)	(10 099)
Community service obligations		(70)	-
Interest paid		(85)	(116)
<b>Total operating payments</b>		<b>(535 634)</b>	<b>(425 988)</b>
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>12</b>	<b>(12 494)</b>	<b>18 646</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing receipts</b>			
Proceeds from asset sales	6	5 334	1 464
Repayment of advances		131	-
<b>Total investing receipts</b>		<b>5 465</b>	<b>1 464</b>
<b>Investing payments</b>			
Purchase of assets		(636 737)	(577 862)
Advances and investing payments		(32)	(27)
<b>Total investing payments</b>		<b>(636 769)</b>	<b>(577 889)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(631 304)</b>	<b>(576 425)</b>

## CASH FLOW STATEMENT

For the year ended 30 June 2022

	NOTE	2022 \$'000	RESTATED 2021 \$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing receipts</b>			
Deposits received		(14 687)	(13 347)
Equity injections			
Capital appropriation		390 351	420 918
Commonwealth appropriation		223 689	321 838
Other equity injections		7 155	317
<b>Total financing receipts</b>		<b>606 508</b>	<b>729 726</b>
<b>Financing payments</b>			
Finance lease payments		(6 682)	(6 974)
Equity withdrawals		(15 107)	(4 075)
<b>Total financing payments</b>		<b>(21 789)</b>	<b>(11 049)</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>12</b>	<b>584 719</b>	<b>718 677</b>
Net increase/(decrease) in cash held		(59 079)	160 898
Cash at beginning of financial year		302 069	141 171
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>11</b>	<b>242 990</b>	<b>302 069</b>

The cash flow statement is to be read in conjunction with the notes to the financial statements.



# Notes to the financial statements

## for the year ended 30 June 2022

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## 1. OBJECTIVES AND FUNDING

The Department of Infrastructure, Planning and Logistics works with the community, business and industry to plan, regulate, construct, maintain and invest in integrated sustainable infrastructure, developments and services across the Territory. The department also supports a number of statutory committees and boards related to the department's functions and responsibilities.

Additional information in relation to the department and its principal activities can be found in the Performance Reporting section of the annual report.

The department is predominantly funded and therefore dependent, on the receipt of parliamentary appropriations. The financial statements encompass all funds through which the department controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the department are summarised into several output groups. Note 3 provides summarised financial information in the form of a comprehensive operating statement by the output group.

Output groups/outputs:

- Infrastructure NT
- Infrastructure Investment Program, Support and Delivery
- Lands and Planning
- Logistics Infrastructure and Services
- Housing Program Office
- Corporate and Shared Services.

The transfer into the department of the Housing Maintenance Services function on 1 July 2021 further underpins the principles outlined in the March 2019 "A Plan for Budget Repair – Final Report" of organisational efficiencies and strategic alignment.

## Machinery of Government changes

### Transfers in

*Details of transfer:* The Housing Maintenance Services function transferred to the Department of Infrastructure, Planning and Logistics as part of the centralisation of Infrastructure Services.

*Date of transfer:* Effective from 1 July 2021

The assets and liabilities transferred as a result of this change were as follows:

Assets	\$'000
Receivables	919
<b>TOTAL ASSETS</b>	<b>919</b>
Payables	(453)
Provisions	919
<b>TOTAL LIABILITIES</b>	<b>466</b>
<b>NET ASSETS</b>	<b>453</b>

# Notes to the financial statements

## for the year ended 30 June 2022

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires the Department of Infrastructure, Planning and Logistics to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of department financial statements should include:

- a certification of the financial statements
- a comprehensive operating statement
- a balance sheet
- a statement of changes in equity
- a cash flow statement
- applicable explanatory notes to the financial statements.

### b) Basis of accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian accounting standards. The effects of all relevant new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

#### Standards and interpretations effective from 2021-22

Several amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

#### Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for 2021-22.

Several amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

### c) Reporting entity

The financial statements cover the department as an individual reporting entity.

The Department of Infrastructure, Planning and Logistics ("the department") is a Northern Territory department established under the *Interpretation Act 1978* and *Administrative Arrangements Order*.

The principal place of business of the department is 18-20 Cavanagh Street, Darwin.

### d) Agency and Territory items

The financial statements of the department include income, expenses, assets, liabilities and equity over which the department has control (agency items). Certain items, while managed by the department, are controlled and recorded by the Territory rather than the department (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the department's financial statements. However, as the department is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 33 – Schedule of administered Territory items.

### e) Comparatives

Where necessary, comparative information for the 2020-21 financial year has been reclassified to provide consistency with current year disclosures.

Output groups were realigned during 2021-22 to reflect the creation of Infrastructure NT, the transfer into the department of the Housing Maintenance Services function as well as minor internal restructures.

Output groups were realigned during 2020-21 to reflect the transfer into the department of the Housing Infrastructure and Capital Procurement function and minor internal restructures.

During 2021-22, the department identified some cross referenced land parcels within the Government Land Register that required an adjustment to their value. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$103.777 million.

The error corrected and restated in the 2020-21 comparatives has resulted in a reduction to property, plant and equipment and asset revaluation reserves by \$103.777 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to decrease property, plant and equipment balances by \$103.777 million with a corresponding reduction to asset revaluation reserves.

During 2021-22, the department identified that some developed land servicing infrastructure owned by Power Water Corporation, or its not-for-profit subsidiary Indigenous Essential Services, had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$25.312 million.

The error corrected and restated in the 2020-21 comparatives has resulted in a reduction to property, plant and equipment by \$25.312 million and corresponding accumulated funds.

During 2021-22, the department identified that some completed work in progress (WIP) for road infrastructure projects had not been transferred from WIP to property, plant and equipment. This error resulted in an increase to infrastructure assets and a corresponding decrease in construction WIP assets of \$165.937 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to amend the relevant opening balances of property, plant and equipment.

### f) Presentation and rounding of amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

### g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2021-22 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in k) below.

### h) Accounting judgments and estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Notes to the financial statements

## for the year ended 30 June 2022

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

#### i) Goods and services tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified. Gross GST recoverable on commitments is disclosed separately in the commitments note.

#### j) Contributions by and distributions to government

The department may receive contributions from government where the government is acting as owner of the department. Conversely, the department may make distributions to government. In accordance with the *Financial Management Act 1995* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by the department as adjustments to equity.

The statement of changes in equity provides additional information in relation to contributions by, and distributions to, government.

#### k) Impact of COVID-19

The impact of COVID-19 continued to effect the 2021-22 financial statements.

The department supported the Territory Emergency Operations Centre through staff secondments together with the Transport and Engineering Emergency Operations Functional Groups responding to domestic and international risks as required.

Upon request the department reviewed and assessed applications from businesses under the Northern Territory Government Hardship Package.

Services and works in some instances continued to be impacted by delays due to COVID-19 lockdowns and associated travel restrictions. In some instances, it required a different way of working with associated COVID-19 management plans introduced to worksites.

The department continued to have an active role in managing the infrastructure requirements of the Centre for National Resilience at Howard Springs, including the provision of base building services. A team supporting the centre was established in 2020-21. All repatriation costs continued to be fully reimbursed by the Australian Government, while the Northern Territory Government funded its own internal quarantine costs, with infrastructure and base building costs split accordingly. Other health related costs, including transport and border control activities were partially claimable from the Australian Government, from which the department continued to seek reimbursement for on a monthly basis through the Department of Health.

Due to changing circumstances with COVID-19, from 1 July 2022 the department has secured a commitment of Commonwealth funding for 12 months to keep the Centre for National Resilience at Howard Springs in standby mode enabling it to meet operational needs as and when required.

### 3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

NOTE	Infrastructure NT		Infrastructure Support and Delivery		Lands and Planning		Logistics Infrastructure and Services		Housing Program Office		Corporate and Shared Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>														
Grants and subsidies revenue														
4a														
Current	-	-	12 087	9 286	-	-	-	700	81	1 258	-	-	12 168	11 244
Capital	-	-	-	-	-	-	-	-	824	2 752	-	-	824	2 752
4b														
Output	3 218	-	113 097	114 635	46 763	35 899	152 706	140 818	48 979	12 405	11 432	12 302	376 195	316 059
Commonwealth	-	-	-	-	-	-	20 319	26 287	12 829	-	-	-	33 148	26 287
4c														
Sales of goods and services	-	-	1	10	3 198	3 106	13 815	14 491	-	2	320	330	17 334	17 939
Interest revenue	-	-	-	-	14	14	-	-	-	-	-	-	14	14
5														
Goods and services received free of charge	-	-	-	-	-	-	-	-	-	-	20 482	19 128	20 482	19 128
6														
Gain on disposal of assets	-	-	-	-	152	1 005	-	-	-	-	-	-	152	1 005
4d														
Other income	-	-	808	1 149	4 206	10 076	106	361	139	35	40	403	5 299	12 024
<b>TOTAL INCOME</b>	<b>3 218</b>	<b>-</b>	<b>125 993</b>	<b>125 080</b>	<b>54 333</b>	<b>50 100</b>	<b>186 946</b>	<b>182 657</b>	<b>62 852</b>	<b>16 452</b>	<b>32 274</b>	<b>32 163</b>	<b>465 616</b>	<b>406 452</b>
<b>EXPENSES</b>														
Employee expenses	3 519	-	33 749	30 509	19 960	19 407	42 075	38 113	15 058	9 769	7 580	6 637	121 941	104 435
Administrative expenses														
Property management	36	-	5 406	5 464	4 287	3 777	5 989	6 389	4 625	100	637	480	20 980	16 210
7a														
Purchases of goods and services	615	-	12 157	7 488	8 740	7 548	55 805	53 618	2 353	2 814	3 136	2 538	82 806	74 006
7b														
Repairs and maintenance	-	-	87 582	74 854	15 647	8 647	72 392	71 553	46 666	-	-	-	222 287	155 054
17,18,19														
Depreciation and amortisation	85	-	1 522	1 508	8 545	7 885	67 012	61 753	-	-	114	107	77 278	71 253
Other administrative expenses	-	-	10 774	865	15 226	3 844	1 331	3 887	7 271	6 246	(186)	1 642	34 416	16 484
Goods and services received free of charge	-	-	-	-	-	-	-	-	-	-	20 482	19 128	20 482	19 128
Grants and subsidies expenses														
8a														
Current	30	-	-	-	1 647	1 624	7 432	6 870	81	486	-	-	9 190	8 980
8b														
Capital	-	-	5 000	8 480	1 881	3 562	2 094	1 619	38 623	3 535	-	-	47 598	17 196
8c														
Community service obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expenses	3	-	-	-	1	1	60	94	-	-	21	21	85	116
<b>TOTAL EXPENSES</b>	<b>4 288</b>	<b>-</b>	<b>156 190</b>	<b>129 168</b>	<b>76 004</b>	<b>56 295</b>	<b>254 190</b>	<b>243 896</b>	<b>114 677</b>	<b>22 950</b>	<b>31 784</b>	<b>30 553</b>	<b>637 133</b>	<b>482 862</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(1 070)</b>	<b>-</b>	<b>(30 197)</b>	<b>(4 088)</b>	<b>(21 671)</b>	<b>(6 195)</b>	<b>(67 244)</b>	<b>(61 239)</b>	<b>(51 825)</b>	<b>(6 498)</b>	<b>490</b>	<b>1 610</b>	<b>(171 517)</b>	<b>(76 410)</b>
<b>OTHER COMPREHENSIVE INCOME</b>														
Items that will not be reclassified to net surplus/(deficit)														
Transfers from reserve	-	-	-	-	8 773	2 049	-	-	-	-	-	-	8 773	2 049
Asset revaluation surplus	-	-	-	-	(2 965)	(28 797)	697	60 944	-	-	-	-	(2 268)	32 147
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 808</b>	<b>(26 748)</b>	<b>697</b>	<b>60 944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 505</b>	<b>34 196</b>
<b>COMPREHENSIVE RESULT</b>	<b>(1 070)</b>	<b>-</b>	<b>(30 197)</b>	<b>(4 088)</b>	<b>(15 863)</b>	<b>(32 943)</b>	<b>(66 547)</b>	<b>(295)</b>	<b>(51 825)</b>	<b>(6 498)</b>	<b>490</b>	<b>1 610</b>	<b>(165 012)</b>	<b>(42 214)</b>

The comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.

# Notes to the financial statements

## for the year ended 30 June 2022

### 4. REVENUE

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

#### a) Grants and subsidies revenue

	2022			2021		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Current grants	11 607	561	12 168	10 928	316	11 244
Capital grants	824	-	824	2 752	-	2 752
<b>TOTAL GRANTS AND SUBSIDIES REVENUE</b>	<b>12 431</b>	<b>561</b>	<b>12 992</b>	<b>13 680</b>	<b>316</b>	<b>13 996</b>

Grants revenue is recognised at fair value exclusive of the amount of GST.

Where a grant agreement is enforceable and has sufficiently specific performance obligations for the department to transfer goods or services to the grantor or a third party beneficiary, the transaction is accounted for under AASB 15. In this case, revenue is initially deferred as a contract liability when received in advance and recognised as, or when, the performance obligations are satisfied.

Current grants revenue encompasses Commonwealth funds received for:

- reimbursement of department expenditure for public health and compliance service costs due to COVID-19,
- Birritjimil (Wallaby Beach) - Memorandum of Understanding with the Commonwealth for repair of houses.

Capital grants revenue encompasses Commonwealth funds received for Pirlangimpi subdivision land servicing.

A financing component for consideration is only recognised if it is significant to the contract and the period between the transfer of goods and services and receipt of consideration is more than one year. For the 2021-22 and 2020-21 reporting periods, there were no adjustments for the effects of a significant financing component.

Where grant agreements do not meet criteria above, they are accounted for under AASB 1058 and income is recognised on receipt of funding except for capital grants revenue received for the purchase or construction of non-financial assets to be controlled by the department. Capital grants with enforceable contracts and sufficiently specific obligations are recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue as or when the department satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the point in time the asset is acquired and control transfers to the department.

For constructed assets, revenue is recognised over time, using the percentage of completion method, measured as the costs incurred as a proportion of estimated total project costs.

Grant revenue, passed on from a Territory Government-controlled entity with the exception of the Central Holding Authority, is recognised upfront on receipt, irrespective of which revenue accounting standard it may fall under in accordance with the Treasurer's Direction on income.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

## 4. REVENUE (continued)

### a) Grants and subsidies revenue (continued)

Grant agreements that satisfy recognition requirements under AASB 15 are disaggregated below.

	2022	2021
	\$'000	\$'000
<i>Type of good and service:</i>		
Construction services	824	4 510
Other	11 607	9 170
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE</b>	<b>12 431</b>	<b>13 680</b>
<i>Type of customer:</i>		
Australian Government entities	12 431	13 680
State and Territory Governments	-	-
Non-government entities	-	-
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER</b>	<b>12 431</b>	<b>13 680</b>
<i>Timing of transfer of goods and services:</i>		
Over time	12 431	13 630
Point in time	-	50
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER</b>	<b>12 431</b>	<b>13 680</b>

### b) Appropriation

	2022			2021		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output	-	376 195	376 195	-	316 059	316 059
Commonwealth	-	33 148	33 148	-	26 287	26 287
<b>TOTAL APPROPRIATION</b>	<b>-</b>	<b>409 343</b>	<b>409 343</b>	<b>-</b>	<b>342 346</b>	<b>342 346</b>

Output appropriation is the operating payment to each department for the outputs they provide as specified in the *Appropriation (2022-2023) Act*. It does not include any allowance for major non-cash costs such as depreciation. Output appropriations do not have sufficiently specific performance obligations and are recognised on receipt of funds.

Commonwealth appropriation follows from the inter-governmental agreement on federal financial relations, resulting in specific purpose payments (SPPs) and national partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then passed on to the relevant agencies as Commonwealth appropriation.

Where appropriation received has an enforceable contract with sufficiently specific performance obligations as defined in AASB 15, revenue is recognised as, and when, goods and or services are transferred to the customer or third party beneficiary. Otherwise revenue is recognised when the department gains control of the funds.



# Notes to the financial statements

## for the year ended 30 June 2022

### 4. REVENUE (continued)

#### c) Sales of goods and services

	2022			2021		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Sales of goods and services	4 097	13 237	17 334	4 344	13 595	17 939
<b>TOTAL SALES OF GOODS AND SERVICES</b>	<b>4 097</b>	<b>13 237</b>	<b>17 334</b>	<b>4 344</b>	<b>13 595</b>	<b>17 939</b>

Revenue from regulatory fees is recognised when the department satisfies its performance obligations. These also include fees for the issue of licences, taxes and certain rents collected on behalf of the Central Holding Authority. Refer to Note 33 Schedule of Administered Territory items. The department's sole performance obligations for the issue of a non-intellectual property licence is the issue of the licence, as such revenue is recognised upfront on issue of the licence. For intellectual property licences, revenue is recognised at a point in time or over time as or when the performance obligation is satisfied. The department recognises licences with a term less than 12 months or a low value of \$10,000 or less, upfront on receipt of cash.

#### Sale of goods and rendering of services

Revenue from sales of goods is recognised when the department satisfies a performance obligation by transferring the promised goods. The department typically satisfies its performance obligations when control of goods is transferred to the customers. The payments are typically due at that point in time.

Revenue from these sales are based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is no element of financing present as sales are made with a short credit term.

Revenue from rendering of services is recognised when the department satisfies the performance obligation by transferring the promised services. The department typically satisfies its performance obligations for the majority of services it renders at a point in time deemed to occur when the department delivers the promised services. Services rendered over time relate to the fulfilment of annual service level agreements. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

The department records goods and services revenue from a range of fees and charges which are not limited to:

- Frances Bay Mooring Basin operations
- motor vehicle registry operations
- land business advisory services
- land development assessment services
- service level agreements
- bus ticket sales
- property rents.

## 4. REVENUE (continued)

### c) Sales of goods and services (continued)

Revenue from contracts with customers has been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2022	2021
	\$'000	\$'000
<b>Type of good and service:</b>		
Service delivery	852	855
Other	3 245	3 489
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE</b>	<b>4 097</b>	<b>4 344</b>
<b>Type of customer:</b>		
State and Territory Government	309	308
Non-government entities	3 788	4 036
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER</b>	<b>4 097</b>	<b>4 344</b>
<b>Timing of transfer of goods and services:</b>		
Over time	309	308
Point in time	3 788	4 036
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER</b>	<b>4 097</b>	<b>4 344</b>

### d) Other income

	2022			2021		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Other income	-	5 299	5 299	-	12 024	12 024
<b>TOTAL OTHER INCOME</b>	<b>-</b>	<b>5 299</b>	<b>5 299</b>	<b>-</b>	<b>12 024</b>	<b>12 024</b>

Donated assets include assets received at below fair value or for nil consideration that can be measured reliably. These are recognised as revenue at their fair value when control over the assets is obtained, normally either on receipt of the assets or on notification the assets have been secured, unless received from another government entity as a consequence of a restructuring of administrative arrangements.

Other income encompasses revenue items reported under AASB 1058 such as the recovery of specific department expenditure items as well as under AASB 16 being finance lease income. For the year ended 30 June 2022 the department reported other income of \$1.02 million which relates to the recognition of assets acquired for nil consideration.

# Notes to the financial statements

## for the year ended 30 June 2022

### 5. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2022	2021
	\$'000	\$'000
Corporate and information services	20 482	19 128
<b>TOTAL GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>	<b>20 482</b>	<b>19 128</b>

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources are recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Corporate services staff and functions are centralised and provided by the Department of Corporate and Digital Development and forms part of the goods and services received free of charge by the department.

### 6. GAIN ON DISPOSAL OF ASSETS

	2022	2021
	\$'000	\$'000
Net proceeds from the disposal of non-current assets	5 334	1 464
Less: Carrying value of non-current assets disposed	(5 182)	(460)
<b>TOTAL GAIN ON DISPOSAL OF ASSETS</b>	<b>152</b>	<b>1 005</b>

## 7. a) PURCHASES OF GOODS AND SERVICES

The net deficit has been arrived at after charging the following expenses:

	2022	2021
	\$'000	\$'000
<b>Goods and services expenses:</b>		
Agency service arrangements <sup>1</sup>	45 774	44 634
Information technology charges and communications	11 995	10 711
COVID-19 related transportation costs	4 935	868
Equipment expenses	4 081	3 847
Motor vehicle expenses	2 566	2 169
Legal expenses <sup>2</sup>	1 976	676
Consultants <sup>3</sup>	1 241	2 228
Survey, drafting and drilling	1 064	668
Insurance	925	916
Memberships	903	1 131
Bank charges	872	808
Official duty fares	739	555
Marketing and promotion <sup>4</sup>	730	553
Training and study	726	592
Freight	530	477
Regulatory, advisory boards, committees	411	466
Accommodation	369	246
Travelling allowance	311	273
Recruitment <sup>5</sup>	242	105
Document production	147	175
Advertising <sup>6</sup>	17	79
Other	2 252	1 829
<b>TOTAL PURCHASES OF GOODS AND SERVICES</b>	<b>82 806</b>	<b>74 006</b>

(1) Includes bus contracts.

(2) Includes legal fees, claims and settlement costs.

(3) Includes marketing, promotion and IT consultants.

(4) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

(5) Includes recruitment related advertising costs.

(6) Does not include recruitment advertising or marketing and promotion advertising.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

## 7. b) REPAIRS AND MAINTENANCE EXPENSE

Costs associated with repairs and maintenance works on Territory assets are expensed as incurred.

# Notes to the financial statements

## for the year ended 30 June 2022

### 8. GRANT AND SUBSIDIES EXPENSES

#### a) Current grant and subsidy expenses

	2022	2021
	\$'000	\$'000
<b>Current Grants</b>		
<b>Infrastructure NT</b>	<b>30</b>	<b>-</b>
Charles Darwin University	30	-
<b>Lands and Planning</b>	<b>1 397</b>	<b>1 374</b>
Darwin Waterfront Corporation	1 377	1 374
PLAN the Planning Action Network	20	-
<b>Logistics Infrastructure and Services</b>	<b>4 779</b>	<b>4 512</b>
Public and school ferry services	2 271	2 186
Remote Transport Passenger Program	1 884	1 619
Towards Zero Community Grants	75	78
Remote community transport services	397	285
AustralAsia Railway Corporation	152	152
AANT Street Smart High	-	192
<b>Housing Program Office</b>	<b>81</b>	<b>486</b>
Birritjimiil (Wallaby Beach) Infrastructure	81	-
Maruku Arts	-	471
Tiwi Land Council - Munupi project	-	15
<b>Total current grants</b>	<b>6 287</b>	<b>6 372</b>
<b>Subsidies</b>		
<b>Lands and Planning</b>	<b>250</b>	<b>250</b>
Northern Territory Land Corporation	250	250
<b>Logistics Infrastructure and Services</b>	<b>2 653</b>	<b>2 358</b>
Regional transport capacity support (multiple recipients)	2 218	1 885
DriveSafe NT (multiple recipients)	435	473
<b>Total subsidies</b>	<b>2 903</b>	<b>2 608</b>
<b>TOTAL CURRENT GRANT AND SUBSIDY EXPENSE</b>	<b>9 190</b>	<b>8 980</b>

Current grants expenses are intended to finance the current activities of the recipient for which no economic benefits of equal value are receivable in return. Current grant expenses largely comprise providing public transportation facilities and regional transport capacity.

Subsidies are payments aimed at reducing all or part of the costs of an activity. This includes payments made for regional transport and driving instruction support.

Current grant and subsidy expenses are recognised as an expense in the reporting period in which they are paid or payable, exclusive of the amount of GST.

## 8. GRANT AND SUBSIDIES EXPENSES (continued)

### b) Capital grant expense

	2022	2021
	\$'000	\$'000
<b>Infrastructure Investment Program, Support and Delivery</b>	<b>5 000</b>	<b>8 480</b>
City of Palmerston - Palmerston Aquatic Centre	5 000	-
Community playground	-	250
Roper Gulf Regional Council - Borroloola cyclone shelter	-	2 500
City of Palmerston - landscaping, graffiti control, greening and cooling city and public lighting upgrades	-	4 000
City of Darwin - Malak Oval clubhouse, graffiti control, electronic speed signs for Darwin schools, road safety works	-	1 730
<b>Lands and Planning</b>	<b>1 881</b>	<b>3 562</b>
Capital grants - various completed works that cannot be recorded as the department's assets*	458	3 562
Home Building Certification Fund	1 423	-
<b>Logistics Infrastructure and Services</b>	<b>2 094</b>	<b>1 619</b>
West Arnhem Regional Council - Malabam Road upgrades - Maningrida	500	-
Katherine Town Council - Bridge Renewal Program Leight Creek Bridge	750	-
Black Spot Program	442	785
Capital grants - various completed works that cannot be recorded as the department's assets*	402	-
Improving Strategic Local Roads Infrastructure Program (ISLRIP)	-	75
Regional Economic Infrastructure Fund (REIF)	-	759
<b>Housing Program Office</b>	<b>38 623</b>	<b>3 535</b>
Capital grants* - various completed works that cannot be recorded as the department's assets* (primarily land servicing - Power and Water Corporation assets and local government councils)	38 623	3 535
<b>TOTAL CAPITAL GRANT EXPENSE</b>	<b>47 598</b>	<b>17 196</b>

\* Non cash capital works expenditure relate to expenditure for land servicing works; asset ownership transferred to Power Water Corporation, Indigenous Essential Services and local government councils for nil consideration.

Capital grant expenses are transfers made to a recipient for the purposes of acquiring or constructing a new physical asset or upgrading an existing physical asset, for which no economic benefits of equal value are receivable in return. It also includes transfer of existing department assets to another entity for which no economic benefits of equal value are receivable in return.

Capital grant expenses largely comprise of the department's commitment to specifically funded projects. In 2021-22 the department funded the Palmerston Aquatic Centre - Swimming, Wellness, Events, Leisure, Lifestyle (SWELL) project.

Capital grant expenses are recognised in the reporting period in which they are paid or payable, exclusive of the amount of GST. Where an existing department asset is transferred to a recipient, the transaction is recognised when the department transfers control of asset to the recipient.

# Notes to the financial statements

## for the year ended 30 June 2022

### 8. GRANT AND SUBSIDIES EXPENSES (continued)

#### c) Community service obligations

	2022	2021
	\$'000	\$'000
<b>Lands and Planning</b>	<b>70</b>	<b>-</b>
Marine Industry Park - Precinct 2	70	-
<b>TOTAL COMMUNITY SERVICE OBLIGATIONS</b>	<b>70</b>	<b>-</b>

Community service obligations (CSO) are payments the department makes to a government business division or a government owned corporation to compensate them for undertaking activities they would not elect to undertake on a commercial basis or would only undertake commercially at a higher price. CSO payments are recognised as an expense in the reporting period in which they are paid or payable, exclusive of the amount of GST.

### 9. INTEREST EXPENSE

	2022	2021
	\$'000	\$'000
Interest from lease liabilities	85	116
<b>TOTAL INTEREST EXPENSE</b>	<b>85</b>	<b>116</b>

Interest expenses consist of interest and other costs incurred in connection with the borrowing of funds. It includes interest on lease liabilities.

## 10. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	Agency				Territory items			
	2022 \$'000	No. of Trans.	2021 \$'000	No. of Trans.	2022 \$'000	No. of Trans.	2021 \$'000	No. of Trans.
<b>Write-offs, postponements and waivers under the Financial Management Act 1995</b>								
Represented by:								
<b>Amounts written off, postponed and waived by delegates</b>								
Irrecoverable amounts payable to the Territory or an agency written off	6	1	3	1	-	1	-	1
Losses or deficiencies of money written off	-	4	1	7	-	-	-	-
Public property written off	3 310	16	359	102	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
<b>TOTAL WRITTEN OFF, POSTPONED AND WAIVED BY DELEGATES</b>	<b>3 316</b>	<b>21</b>	<b>363</b>	<b>110</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Amounts written off, postponed and waived by the Treasurer</b>								
Write-offs, postponements and waivers due to COVID-19 <sup>1</sup>	-	-	27	14	764	15	846	94
Irrecoverable amounts payable to the Territory or an agency written off	232	2	-	-	-	-	4	2
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
<b>TOTAL WRITTEN OFF, POSTPONED AND WAIVED BY THE TREASURER</b>	<b>232</b>	<b>2</b>	<b>27</b>	<b>14</b>	<b>764</b>	<b>15</b>	<b>850</b>	<b>96</b>
<b>Write-offs, postponements and waivers authorised under other legislation <sup>(2)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>Gifts under the Financial Management Act 1995</b>								
<b>Gifts by delegate</b>	<b>3</b>	<b>13</b>	<b>2</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gifts by Treasurer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gifts authorised under other legislation <sup>(3)</sup></b>	<b>4 623</b>	<b>7</b>	<b>754</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ex gratia payments under the Financial Management Act 1995</b>	<b>100</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) To ease financial hardship faced by individuals and businesses as a result of COVID-19, the Treasurer approved a modified debt recovery process and postponed the payment date for a number of regulatory fees and charges.

(2) Gifted under provisions of the *Crown Lands Act 1992*.

(3) Gifted under provisions of the *Aboriginal Land Rights (Northern Territory) Act 1976* and *Crown Lands Act 1992*.



# Notes to the financial statements

## for the year ended 30 June 2022

### 11. CASH AND DEPOSITS

	2022	2021
	\$'000	\$'000
Cash on hand	25	25
Cash at bank	242 965	302 044
<b>TOTAL CASH AND DEPOSITS</b>	<b>242 990</b>	<b>302 069</b>

For the purposes of the balance sheet and the cash flow statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 32.

### 12. CASH FLOW RECONCILIATION

#### a) Reconciliation of cash

The total of department cash and deposits of \$242,989,782 recorded in the balance sheet is consistent with that recorded as cash in the cash flow statement.

#### Reconciliation of net deficit to net cash from operating activities

	2022	Restated 2021
	\$'000	\$'000
<b>Net deficit</b>	<b>(171 517)</b>	<b>(76 410)</b>
<b>Non-cash Items:</b>		
Depreciation and amortisation	77 278	71 253
Asset write-offs/write-downs	29 743	15 154
Asset donations/gifts	4 623	754
Gain on disposal of assets	(152)	(1 005)
Repairs and maintenance non-cash	38 762	7 127
Assets acquired for nil consideration	(1 019)	(7 890)
<b>Changes in assets and liabilities:</b>		
Decrease/(increase) in receivables	6 441	(5 730)
Decrease/(increase) in prepayments	(1 429)	17
Decrease/(increase) in other assets	(1 596)	(1 492)
(Decrease)/increase in payables	6 325	4 418
(Decrease)/increase in provision for employee benefits	1 908	1 224
(Decrease)/increase in other provisions	373	422
(Decrease)/increase in other liabilities	(2 234)	10 804
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(12 494)</b>	<b>18 646</b>

## 12. CASH FLOW RECONCILIATION (continued)

### b) Reconciliation of liabilities arising from financing activities

		Cash flows				Non-cash					
2021-22		Deposits received	Finance leases	Appropriation	Equity injection/(withdrawals)	Total cash flows	Lease Acquisitions and other movements (remeasurements/transfers)	Other liability related changes	Other equity related changes	Total non-cash	
1 July	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Deposits held	45 402	(14 687)	-	-	-	(14 687)	-	-	-	30 715	
Borrowings and advances	6 928	-	(6 682)	-	-	(6 682)	5 949	-	-	5 949	
Provisions	16 236	-	-	-	-	-	-	2 280	-	2 280	
Other	-	-	-	614 040	(7 952)	606 088	-	-	(234 401)	(234 401)	
<b>TOTAL</b>	<b>68 566</b>	<b>(14 687)</b>	<b>(6 682)</b>	<b>614 040</b>	<b>(7 952)</b>	<b>584 719</b>	<b>5 949</b>	<b>2 280</b>	<b>(234 401)</b>	<b>(226 172)</b>	
		<b>30 June</b>				<b>30 June</b>				<b>\$'000</b>	
2020-21		Deposits received	Finance leases	Appropriation	Equity injection/(withdrawals)	Total Cash Flows	Lease Acquisitions and other movements (remeasurements/transfers)	Other liability related changes	Other equity related changes	Total non-cash	
1 July	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Deposits held	58 748	(13 347)	-	-	-	(13 347)	-	-	-	45 402	
Borrowings and advances	7 922	-	(6 974)	-	-	(6 974)	5 981	-	-	5 981	
Provisions	14 589	-	-	-	-	-	-	1 647	-	1 647	
Other	-	-	-	742 756	(3 758)	738 998	-	-	(352 444)	(352 444)	
<b>TOTAL</b>	<b>81 259</b>	<b>(13 347)</b>	<b>(6 974)</b>	<b>742 756</b>	<b>(3 758)</b>	<b>718 677</b>	<b>5 981</b>	<b>1 647</b>	<b>(352 444)</b>	<b>(344 816)</b>	
		<b>30 June</b>				<b>30 June</b>				<b>\$'000</b>	

### c) Non-cash financing and investing activities

#### Lease transactions

During the financial year, the department recorded right-of-use asset for the lease of buildings, and other assets located on Aboriginal land with an aggregate value of \$1,848 (2021: \$7,444).

# Notes to the financial statements

## for the year ended 30 June 2022

### 13. RECEIVABLES

	2022	Restated 2021
	\$'000	\$'000
<b>Current</b>		
Accounts receivable	3 251	8 372
Less: Loss allowance	(2 579)	(2 766)
Accrued contract revenue	1 113	5 056
Less: Loss allowance	-	-
	<b>1 785</b>	<b>10 662</b>
GST receivables	18 625	16 240
Other receivables	92 175	41 719
Prepaid expenses <sup>(a)</sup>	2 316	3 050
<b>Total current</b>	<b>114 901</b>	<b>71 671</b>
<b>Non-current</b>		
Accounts receivable	990	-
Less: Loss allowance	-	-
	<b>990</b>	<b>-</b>
Prepaid expenses	9 085	8 920
<b>Total non-current</b>	<b>10 075</b>	<b>8 920</b>
<b>TOTAL RECEIVABLES</b>	<b>124 976</b>	<b>80 591</b>
<b>(a) Prepaid expense comprises:</b>		
<b>Current</b>		
Prepaid capital works	1 592	2 600
Other	668	429
Salary advances	55	21
<b>Total current</b>	<b>2 316</b>	<b>3 050</b>
<b>Non-current</b>		
Prepaid land and capital works	8 920	8 920
Other	165	-
<b>Total non-current</b>	<b>9 085</b>	<b>8 920</b>
<b>TOTAL PREPAID EXPENSES</b>	<b>11 401</b>	<b>11 970</b>

## 13. RECEIVABLES (continued)

Receivables are initially recognised when the department becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue, GST receivables, other receivables and prepaid expenses.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

Accounts receivable are generally settled within 30 days and other receivables within 30 days.

The loss allowance reflects lifetime expected credit losses and represents the amount of accounts receivables the department estimates are likely to be uncollectible and are considered doubtful.

### Accrued contract revenue

Accrued contract revenue arises from contracts with customers where the department's right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once the department's rights to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers are reported as part of other receivables.

### Prepaid expenses

Prepaid expenses represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. The department applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on monthly analysis throughout 2021-22 of actual collection rates of all accounts receivable and contract receivables. This monthly percentage is averaged for the year and applied to the outstanding accounts receivable and contract receivables balance at the end of the financial year.

Further macroeconomic trends were not applied to the expected credit loss as these factors were inherently included through the decrease in the observed collection rate directly attributable to the current COVID-19 environment.

In accordance with the provisions of the *Financial Management Act (1995)*, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes a failure to make contractual payments for a period greater than 90 days past due.

Due to COVID-19, the department's credit risk exposure has increased and is reflected in the expected credit losses reported. To ease financial hardship faced by individuals and businesses as a result of the COVID-19, the Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges. This has been reflected in the expected credit loss recorded within the reporting period.

# Notes to the financial statements

## for the year ended 30 June 2022

### 13. RECEIVABLES (continued)

The loss allowance for receivables and reconciliation as at the reporting date is disclosed below:

#### Loss allowance for receivables

Internal receivables	2022				2021			
	Gross receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
	\$'000	%	\$'000	\$'000	\$'000	%	\$'000	\$'000
Not overdue	7	34.4%	(2)	5	93	65.0%	(60)	33
Overdue for less than 30 days	-	0%	-	-	-	0%	-	-
Overdue for 30 to 60 days	-	0%	-	-	-	0%	-	-
Overdue for more than 60 days	-	0%	-	-	-	0%	-	-
<b>TOTAL INTERNAL RECEIVABLES</b>	<b>7</b>		<b>(2)</b>	<b>5</b>	<b>93</b>		<b>(60)</b>	<b>33</b>

External receivables	2022				2021			
	Gross receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
	\$'000	%	\$'000	\$'000	\$'000	%	\$'000	\$'000
Not overdue	965	34.4%	(332)	633	173	65.0%	(112)	61
Not overdue	1 113	0%	-	1 113	5 056	0%	-	5 056
Overdue for less than 30 days	23	67.1%	(15)	8	24	84.2%	(20)	4
Overdue for 30 to 60 days	14	97.9%	(14)	-	22	81.9%	(18)	4
Overdue for more than 60 days	2 242	98.9%	(2 216)	26	2 560	99.8%	(2 555)	5
Overdue for more than 60 days	990	0%	-	990	5 500	0%	-	5 500
<b>TOTAL EXTERNAL RECEIVABLES</b>	<b>5 347</b>		<b>(2 577)</b>	<b>2 770</b>	<b>13 335</b>		<b>(2 706)</b>	<b>10 629</b>

Total amounts disclosed exclude statutory amounts and prepayments; and includes contract receivables and accrued contract revenue.

#### Reconciliation of loss allowance for receivables

	2022	2021
	\$'000	\$'000
<b>Internal receivables</b>		
Opening balance	(60)	-
Written off during the year	-	-
Recovered during the year	88	-
Increase in allowance recognised in profit or loss	(30)	(60)
<b>TOTAL INTERNAL RECEIVABLES</b>	<b>(2)</b>	<b>(60)</b>
<b>External receivables</b>		
Opening balance	(2 706)	(2 263)
Written off during the year	1 048	37
Recovered during the year	639	-
Increase in allowance recognised in profit or loss	(1 558)	(480)
<b>TOTAL EXTERNAL RECEIVABLES</b>	<b>(2 577)</b>	<b>(2 706)</b>

## 14. ASSETS HELD FOR SALE

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Land	12 159	18 277
<b>TOTAL ASSETS HELD FOR SALE</b>	<b>12 159</b>	<b>18 277</b>

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probable within one year from the date of classification.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

In accordance with legislation and policy the Territory releases Crown land for development and community purposes.

The Territory continues to manage a range of development agreements to provide residential and industrial land to support economic development across the Territory. The Territory also closely monitors land availability and plans for future land supply.

Land held for sale include those contracted for sale and not yet settled at 30 June as well as those being available for sale within the next 12 months.

# Notes to the financial statements

## for the year ended 30 June 2022

### 15. ADVANCES AND INVESTMENTS

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Advances paid	84	-
Less: Loss allowance	-	-
	<b>84</b>	<b>-</b>
<b>Non-current</b>		
Advances paid	853	1 036
Less: Loss allowance	-	-
	<b>853</b>	<b>1 036</b>
<b>TOTAL ADVANCES AND INVESTMENTS</b>	<b>937</b>	<b>1 036</b>

#### Advances paid

During 2012-13, the department provided a loan to the Master Builders Association (NT) towards the Fidelity Fund Scheme for Residential Building Cover which replaced the Home Building Certification Fund (HBCF). On 31 December 2012 the HBCF ceased issuing new policies and was replaced by the Residential Building Cover Package.

Advances paid are recognised initially at fair value plus or minus relevant transaction costs and are recognised in the balance sheet when the department becomes party to the contractual provisions of the financial instruments. Where the advances are provided with interest free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount lent. This fair value is calculated in accordance with Note 27. The difference between the amount lent and the fair value is recognised as an expense in the comprehensive income statement

Subsequently, advances paid are measured at amortised cost using the effective interest method. The average discount rate used to calculate the amortised cost is 4.29%.

Loss allowances on advances paid reflect either 12-month or lifetime expected credit losses depending on changes in credit risk and represents the amount of advances paid the department estimates are likely to be uncollectible and are considered doubtful.

No loss allowance has been recognised for the department as all advances are expected to be collected in full.

#### Credit risk exposure of advances paid

Advances paid are monitored on an ongoing basis to ensure exposure to bad debts is not significant. The department applies the AASB 9 general approach to measuring expected credit losses. This approach recognises a loss allowance based on 12-month expected credit losses if there has been no significant increase in credit risk since initial recognition and lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

## 16. OTHER ASSETS

	2022	2021
	\$'000	\$'000
<b>Non-current</b>		
Lease receivable	24 390	22 794
<b>TOTAL OTHER ASSETS</b>	<b>24 390</b>	<b>22 794</b>

### a) Agency as a lessor

Leases under which the department assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee (intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

#### Finance leases

At the lease commencement date, the entity recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Future minimum lease receipts under the finance lease as at 30 June are as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	1 708	1 596
Later than one year and not later than five years	8 116	7 585
Later than five years	13 189 008	13 191 248
<b>TOTAL</b>	<b>13 198 833</b>	<b>13 200 429</b>

### Port of Darwin lease

The Territory (through the former Department of Lands, Planning and Environment) entered into a 99-year lease agreement with Landbridge Group to lease land assets and interest in the Port of Darwin.

A lease premium amounting to \$391 million was received in advance. The lease also provides for the receipt of incremental contingent rentals where a revenue-based threshold is exceeded. No contingent rental was received during the year.

Under the terms of the lease, the leased assets will revert to the Territory at the end of 99 years. The Port lessee has the majority of the risks and rewards associated with ownership of the leased assets. Therefore the assets have been derecognised and a finance lease receivable recognised representing a residual interest in the leased assets.

Any leasehold improvements over and above those already anticipated in the leased assets' residual value will be accounted for at the end of the 99 years when the assets return to the Territory. The lease terms provide the Territory the option to buy back identified port assets for a nominal amount, and to buy or lease, for nominal consideration, additional port land purchased or leased by Landbridge during the 99-year term and used for port purposes.



# Notes to the financial statements

## for the year ended 30 June 2022

### 16. OTHER ASSETS (continued)

Reconciliation of net investment in the lease at 30 June is as follows:

	2022	2021
	\$'000	\$'000
Future undiscounted rental receivable	13 223 223	13 223 223
Unguaranteed residual amounts - undiscounted	-	-
Less: Unearned finance income	(13 198 833)	(13 200 429)
<b>NET INVESTMENT IN FINANCE LEASE</b>	<b>24 390</b>	<b>22 794</b>

As the lease premium has been prepaid, the balance of the finance lease receivable represents the unguaranteed residual for the Port of Darwin land related assets accruing to the benefit of the Territory. As of 30 June 2022, no impairment losses have been recorded on the finance lease receivables.

On 30 June 2017, the Territory Government agreed to retain the 20 per cent equity interest in the Port of Darwin. Under the revised terms of the shareholding, the Territory does not have any right to participate in the distributions of capital or income of the Port of Darwin group trusts.

Although the 20 per cent equity interest does not satisfy criteria for consolidation or recognition as a joint venture or associate, it is considered a financial asset.

#### Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	936	939
Later than one year and not later than five years	1 247	1 247
Later than five years	-	-
<b>TOTAL</b>	<b>2 183</b>	<b>2 186</b>

#### b) Contract cost asset

Costs to obtain a contract are expensed where goods and services will be transferred within one year or less and only capitalised if deemed material. Territory Government employee costs that satisfy the criteria for recognition as a cost to fulfil a contract are not capitalised and expensed immediately.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The department owns land and buildings that are leased to tenants under operating lease arrangements with rentals payable monthly. Lease payments for some contracts include Consumer Price Index (CPI) increases, however there are no other variable lease payments that depend on an index or rate.

The leases at the Frances Bay Mooring Basin and Sadgroves Creek are generally for a 12 month licence with an option to extend annually up to 5 years. Rental receivable greater than one year is not certain.

Some leased buildings are inter-agency arrangements. Other land and building leased assets are external arrangements.

## 17. PROPERTY, PLANT AND EQUIPMENT

### a) Total property, plant and equipment

	2022	Restated 2021
	\$'000	\$'000
<b>Land</b>		
At fair value	706 396	700 160
<b>Buildings</b>		
At fair value	167 711	169 084
Less: Accumulated depreciation	(84 526)	(79 908)
	<b>83 185</b>	<b>89 176</b>
<b>Infrastructure</b>		
At fair value	11 474 417	11 169 053
Less: Accumulated depreciation	(3 706 728)	(3 641 730)
	<b>7 767 689</b>	<b>7 527 323</b>
<b>Construction (Work in Progress)</b>		
At capitalised cost	516 913	571 818
<b>Plant and equipment</b>		
At fair value	10 308	9 947
Less: Accumulated depreciation	(7 748)	(6 982)
	<b>2 560</b>	<b>2 965</b>
<b>Computer hardware</b>		
At fair value	1 075	1 044
Less: Accumulated depreciation	(724)	(621)
	<b>351</b>	<b>423</b>
<b>Transport equipment</b>		
At fair value	68	68
Less: Accumulated depreciation	(68)	(68)
	<b>-</b>	<b>-</b>
<b>Land leases</b>		
At capitalised cost	578	577
Less: Accumulated depreciation	(119)	(104)
	<b>459</b>	<b>473</b>
<b>Building leases</b>		
At capitalised cost	507	-
Less: Accumulated depreciation	(84)	-
	<b>423</b>	<b>-</b>
<b>Transport equipment leases</b>		
At capitalised cost	(3 175)	20 294
Less: Accumulated depreciation	8 360	(13 935)
	<b>5 185</b>	<b>6 359</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>9 083 161</b>	<b>8 898 697</b>

# Notes to the financial statements

## for the year ended 30 June 2022

### 17. PROPERTY, PLANT AND EQUIPMENT (continued)

#### 2022 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets are disclosed in Note 18. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end year is set out below:

	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Transport equipment	Land leases	Building leases	Transport equipment leases	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount as at 1 July 2021</b>	<b>700 160</b>	<b>89 176</b>	<b>7 527 323</b>	<b>571 818</b>	<b>2 965</b>	<b>423</b>	<b>-</b>	<b>473</b>	<b>-</b>	<b>6 359</b>	<b>8 898 697</b>
Additions	1 256	1 962	-	645 790	153	31	-	-	507	3 482	653 181
Disposals	(5 182)	-	-	-	-	-	-	-	-	-	(5 182)
Depreciation expense – asset owned	-	(4 700)	(64 446)	-	(859)	(103)	-	-	-	-	(70 108)
Amortisation expense – right-of-use asset	-	-	-	-	-	-	-	(16)	(84)	(6 615)	(6 715)
Additions/disposals from asset transfers	277	(1 291)	304 580	(700 695)	309	-	-	-	-	-	(396 820)
Revaluation increments/decrements	3 767	(1 962)	1 750	-	-	-	-	2	-	1 959	5 516
Impairment losses	-	-	(1 518)	-	(8)	-	-	-	-	-	(1 526)
Transfer to/from assets for sale	6 118	-	-	-	-	-	-	-	-	-	6 118
<b>CARRYING AMOUNT AS AT 30 JUNE 2022</b>	<b>706 396</b>	<b>83 185</b>	<b>7 767 689</b>	<b>516 913</b>	<b>2 560</b>	<b>351</b>	<b>-</b>	<b>459</b>	<b>423</b>	<b>5 185</b>	<b>9 083 161</b>

## 17. PROPERTY, PLANT AND EQUIPMENT (continued)

### 2021 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets are disclosed in Note 18. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end year is set out below:

	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Transport equipment	Land leases	Building leases	Transport equipment leases	Restated total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount as at 1 July 2020</b>	<b>836 200</b>	<b>89 243</b>	<b>7 176 683</b>	<b>657 165</b>	<b>5 559</b>	<b>525</b>	<b>12</b>	<b>481</b>	<b>-</b>	<b>7 357</b>	<b>8 773 225</b>
Prior year error - cross referenced parcels <sup>1</sup>	(103 777)	-	-	-	-	-	-	-	-	-	(103 777)
Prior year error - land servicing related WIP <sup>2</sup>	-	-	-	(25 312)	-	-	-	-	-	-	(25 312)
Prior year error - completed WIP transfer <sup>3</sup>	-	-	165 937	(165 937)	-	-	-	-	-	-	-
<b>Adjusted carrying amount as at 1 July 2020</b>	<b>732 423</b>	<b>89 243</b>	<b>7 342 620</b>	<b>465 916</b>	<b>5 559</b>	<b>525</b>	<b>12</b>	<b>481</b>	<b>-</b>	<b>7 357</b>	<b>8 644 136</b>
Additions	-	-	934	592 847	25	-	-	-	-	-	593 806
Disposals	(460)	-	-	-	-	-	-	-	-	-	(460)
Depreciation expense - asset owned	-	(5 144)	(55 022)	-	(777)	(102)	(1)	-	-	-	(61 046)
Amortisation expense - right-of-use asset	-	-	-	-	-	-	-	(16)	-	(6 972)	(6 988)
Additions/disposals from asset transfers	20 201	12 696	177 978	(486 945)	(139)	-	-	-	-	-	(276 209)
Revaluation increments/decrements	(35 941)	(851)	60 944	-	-	-	-	8	-	5 974	30 134
Impairment losses	-	(6 768)	(131)	-	(1 703)	-	(11)	-	-	-	(8 613)
Transfer to/from assets for sale	(16 063)	-	-	-	-	-	-	-	-	-	(16 063)
<b>CARRYING AMOUNT AS AT 30 JUNE 2021</b>	<b>700 160</b>	<b>89 176</b>	<b>7 527 323</b>	<b>571 818</b>	<b>2 965</b>	<b>423</b>	<b>-</b>	<b>473</b>	<b>-</b>	<b>6 359</b>	<b>8 898 697</b>

<sup>1</sup> During 2021-22 the department identified some cross referenced land parcels within the Government Land Register that required an adjustment to their value. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$103,777 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to decrease property, plant and equipment balances by \$103,777 million with a corresponding reduction to asset revaluation reserves.

<sup>2</sup> During 2021-22 the department identified some developed land servicing infrastructure that was owned by Power Water Corporation, or its not for profit subsidiary service Indigenous Essential Services had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$25,312 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to decrease property, plant and equipment balances by \$25,312 million with a corresponding reduction to accumulated funds.

<sup>3</sup> During 2021-22 the department identified some completed WIP for road infrastructure projects. This error resulted in a increase to infrastructure assets and a corresponding decrease in construction work in progress assets of \$165,937 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to amend the relevant opening balances of property, plant and equipment.

# Notes to the financial statements

## for the year ended 30 June 2022

### 17. PROPERTY, PLANT AND EQUIPMENT (continued)

#### b) Property, plant and equipment held and used by the department

A reconciliation of the carrying amount of property, plant and equipment held and used by the department is set out below:

	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Transport equipment	Land leases	Building leases	Transport equipment leases	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount as at 1 July 2021</b>	<b>663 263</b>	<b>77 967</b>	<b>7 527 323</b>	<b>571 818</b>	<b>2 965</b>	<b>423</b>	<b>-</b>	<b>473</b>	<b>-</b>	<b>6 359</b>	<b>8 850 591</b>
Additions	1 256	1 962	-	645 790	153	31	-	-	507	3 482	<b>653 181</b>
Disposals	(5 182)	-	-	-	-	-	-	-	-	-	<b>(5 182)</b>
Depreciation expense - asset owned	-	(3 617)	(64 446)	-	(859)	(103)	-	-	-	-	<b>(69 025)</b>
Amortisation expense - right-of-use asset	-	-	-	-	-	-	-	(16)	(84)	(6 615)	<b>(6 715)</b>
Additions/disposals from asset transfers	857	1 617	304 580	(700 695)	309	-	-	-	-	-	<b>(393 332)</b>
Revaluation increments/decrements including remeasurement	3 767	(1 962)	1 750	-	-	-	-	2	-	1 959	<b>5 516</b>
Impairment losses	-	-	(1 518)	-	(8)	-	-	-	-	-	<b>(1 526)</b>
Transfer to/from assets for sale	6 118	-	-	-	-	-	-	-	-	-	<b>6 118</b>
<b>CARRYING AMOUNT AS AT 30 JUNE 2022</b>	<b>670 079</b>	<b>75 967</b>	<b>7 767 689</b>	<b>516 913</b>	<b>2 560</b>	<b>351</b>	<b>-</b>	<b>459</b>	<b>423</b>	<b>5 185</b>	<b>9 039 626</b>

## 17. PROPERTY, PLANT AND EQUIPMENT (continued)

A reconciliation of the carrying amount of property, plant and equipment held and used by the department is set out below:

	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Transport equipment	Land leases	Building leases	Transport Equipment leases	Restated total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July 2020</b>	<b>787 223</b>	<b>77 419</b>	<b>7 176 683</b>	<b>657 165</b>	<b>5 559</b>	<b>525</b>	<b>12</b>	<b>481</b>	<b>-</b>	<b>7 357</b>	<b>8 712 424</b>
Prior year error - cross referenced parcels <sup>1</sup>	(103 777)	-	-	-	-	-	-	-	-	-	(103 777)
Prior year error - land servicing related WIP <sup>2</sup>	-	-	-	(25 312)	-	-	-	-	-	-	(25 312)
Prior year error - completed WIP transfer <sup>3</sup>	-	-	165 937	(165 937)	-	-	-	-	-	-	-
<b>Adjusted carrying amount as at 1 July 2020</b>	<b>683 446</b>	<b>77 419</b>	<b>7 342 620</b>	<b>465 916</b>	<b>5 559</b>	<b>525</b>	<b>12</b>	<b>481</b>	<b>-</b>	<b>7 357</b>	<b>8 583 335</b>
Additions	-	-	934	592 847	25	-	-	-	-	-	593 806
Disposals	(460)	-	-	-	-	-	-	-	-	-	(460)
Depreciation expense - asset owned	-	(4 080)	(55 022)	-	(777)	(102)	(1)	-	-	-	(59 982)
Amortisation expense - right-of-use asset	-	-	-	-	-	-	-	(16)	-	(6 972)	(6 988)
Additions/disposals from asset transfers	22 255	12 247	177 978	(486 945)	(139)	-	-	-	-	-	(274 604)
Revaluation increments/decrements including remeasurement	(25 915)	(851)	60 944	-	-	-	-	8	-	5 974	40 160
Impairment losses	-	(6 768)	(131)	-	(1 703)	-	(11)	-	-	-	(8 613)
Transfer to/from assets for sale	(16 063)	-	-	-	-	-	-	-	-	-	(16 063)
<b>CARRYING AMOUNT AS AT 30 JUNE 2021</b>	<b>663 263</b>	<b>77 967</b>	<b>7 527 323</b>	<b>571 818</b>	<b>2 965</b>	<b>423</b>	<b>-</b>	<b>473</b>	<b>-</b>	<b>6 359</b>	<b>8 850 591</b>

<sup>1</sup> During 2021-22 DIPL identified some cross referenced land parcels within the Government Land Register that required an adjustment to their value. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$103,777 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to decrease property, plant and equipment balances by \$103,777 million with a corresponding reduction to asset revaluation reserves.

<sup>2</sup> During 2021-22 DIPL identified some developed land servicing infrastructure that was owned by Power Water Corporation, or its not for profit subsidiary service Indigenous Essential Services had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$25,312 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to decrease property, plant and equipment balances by \$25,312 million with a corresponding reduction to accumulated funds.

<sup>3</sup> During 2021-22 DIPL identified some completed WIP for road infrastructure projects. This error resulted in a increase to infrastructure assets and a corresponding decrease in construction work in progress assets of \$165,937 million. As this restatement also impacts prior financial years, the 2020-21 opening balances have also been restated to amend the relevant opening balances of property, plant and equipment.

# Notes to the financial statements

## for the year ended 30 June 2022

### 17. PROPERTY, PLANT AND EQUIPMENT (continued)

#### c) Property, plant and equipment where entity is lessor under operating leases

A reconciliation of the carrying amount of property, plant and equipment where the department is the lessor under operating leases is set out below:

	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Transport equipment	Land leases	Building leases	Transport equipment leases	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount as at 1 July 2021</b>	<b>36 897</b>	<b>11 209</b>	-	-	-	-	-	-	-	-	<b>48 106</b>
Depreciation expense – asset owned	-	(1 083)	-	-	-	-	-	-	-	-	<b>(1 083)</b>
Additions/disposals from asset transfers	(580)	(2 908)	-	-	-	-	-	-	-	-	<b>(3 488)</b>
Revaluation increments/decrements including remeasurement	-	-	-	-	-	-	-	-	-	-	-
<b>CARRYING AMOUNT AS AT 30 JUNE 2022</b>	<b>36 317</b>	<b>7 218</b>	-	-	-	-	-	-	-	-	<b>43 535</b>
	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Transport equipment	Land leases	Building leases	Transport equipment leases	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount as at 1 July 2020</b>	<b>48 977</b>	<b>11 824</b>	-	-	-	-	-	-	-	-	<b>60 801</b>
Depreciation expense – asset owned	-	(1 064)	-	-	-	-	-	-	-	-	<b>(1 064)</b>
Additions/disposals from asset transfers	(2 054)	449	-	-	-	-	-	-	-	-	<b>(1 605)</b>
Revaluation increments/decrements including remeasurement	(10 026)	-	-	-	-	-	-	-	-	-	<b>(10 026)</b>
<b>CARRYING AMOUNT AS AT 30 JUNE 2021</b>	<b>36 897</b>	<b>11 209</b>	-	-	-	-	-	-	-	-	<b>48 106</b>

## 17. PROPERTY, PLANT AND EQUIPMENT (continued)

### Acquisitions

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

### Complex assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

### Subsequent additional costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the department in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

### Land under roads

Land under roads is land roadways and road reserves including land under footpaths, nature strips and median strips. The department has elected to recognise all land under roads in accordance with AASB 116 where all the asset recognition criteria have been met.

### Construction (work in progress)

As part of the financial management framework, the department is responsible for managing general Government capital works projects on a whole of Government basis. Therefore appropriation for all capital works is provided directly to the department and the cost of construction work in progress is recognised as an asset. Once completed, capital works assets are transferred to the relevant Northern Territory Government agency.

### Revaluations and impairment

#### Revaluation of assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets
- heritage and cultural assets.

Land is generally revalued to unimproved capital value (UCV). Utilising a three year rolling revaluation plan, most land is revalued annually to UCV which is deemed to equate to fair value.

Buildings were revalued at 30 June 2020 by Territory Property Consultants Pty Ltd on a current replacement cost basis.

Land infrastructure assets were revalued at 30 June 2021 by Territory Property Consultants Pty Ltd on a current replacement cost basis.

Transport infrastructure assets were revalued at 30 June 2021 based on current replacement cost.

Road and bridge infrastructure assets were revalued at 30 June 2020 based on current replacement cost.



# Notes to the financial statements

## for the year ended 30 June 2022

### 17. PROPERTY, PLANT AND EQUIPMENT (continued)

The revaluation of infrastructure assets requires engineering and technical expertise due to the complex nature of the assets. The department engages an external quantity surveyor and cost consultant, Construction Estimating Pty Ltd, trading as QS Services, as well as using in-house engineering expertise to revalue transport, road and bridge infrastructure assets.

Recent infrastructure valuations have a high level of accuracy due to improvements in the process and records held, such as a greater accuracy of asset componentisation following a comprehensive survey of infrastructure assets and improvements in unit costs following external advice using regional unit cost rates.

Construction Estimating Pty Ltd trading as QS Services, quantity surveyors and cost consultants provided unit rates representative of NT current industry standard market rates for infrastructure revaluations in 2020-21.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

For right-of-use assets under leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, the department has elected to measure the asset at cost. These right-of-use assets are not subject to revaluation.

Refer to Note 27: Fair value for additional disclosures.

#### Impairment of assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical department assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the department determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's current replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the comprehensive operating statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the comprehensive operating statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 26 provides additional information in relation to the asset revaluation surplus.

Department property, plant and equipment assets were assessed for impairment as at 30 June 2022. No impairment adjustments were required as a result of this review.

## 17. PROPERTY, PLANT AND EQUIPMENT (continued)

### Depreciation and amortisation expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2022	2021
Buildings	20 - 50 years	20 - 50 years
Infrastructure assets		
Bridges	70 years	70 years
Sealed pavement	40 years	40 years
Unsealed pavement	8 years	8 years
Road formation	Infinite - not depreciated	Infinite - not depreciated
Street lights and traffic control systems	15 - 20 years	15 - 20 years
Transport assets	5 - 50 years	5 - 50 years
Plant and equipment	2 - 15 years	2 - 15 years
Computer hardware	3 - 6 years	3 - 6 years
Leased land	n/a	n/a
Right-of-use assets	1 - 40 years	1 - 40 years
Heritage and cultural assets	100 years	100 years
Intangibles	2 - 10 years	2 - 10 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use. The estimated useful lives disclosed above includes the useful lives of right-of-use assets under AASB 16. For further detail, refer to Note 18.

# Notes to the financial statements

## for the year ended 30 June 2022

### 18. AGENCY AS A LESSEE

The department leases assets in the course of achieving its outcomes.

The land leases relate to department buildings and other assets located on aboriginal land. These leases are fixed and capitalised over a period of 40 years, which includes the extension option of 28 years due to the fixed nature of the asset on the land. There are provisions contained in the leases which allow for annual Consumer Price Index (CPI) changes.

The building lease relates to the leasing of office accommodation for the Darwin Harbour Infrastructure Projects group. This lease has a term of 4 years with an option to extend and subject to a CPI change after the initial 12 months.

The transport equipment leases relate to the provision of public, school and special needs bus and ferry services throughout the Northern Territory. These contracts have been assessed as being a lease and are capitalised by separating the lease component from the non-lease component provided by the suppliers. The department uses a lease component identified in a contract or sourced from other documentation provided by the supplier. If not available, the department shall determine a lease rate on the basis of similar suppliers lease components. These leases expire between 1 and 5 years based on the current contracts. It is likely that this method of service delivery will continue, however no provisions have been provided for past the current contract expiry dates.

The department has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement.

### Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 17.

	Land	Buildings	Transport equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2021</b>	<b>473</b>	<b>-</b>	<b>6 359</b>	<b>6 832</b>
Additions	-	507	3 482	<b>3 989</b>
Amortisation expense	(16)	(84)	(6 615)	<b>(6 715)</b>
Revaluation increments/decrements including remeasurement	2	-	1 959	<b>1 961</b>
<b>CARRYING AMOUNT AS AT 30 JUNE 2022</b>	<b>459</b>	<b>423</b>	<b>5 185</b>	<b>6 067</b>

	Land	Buildings	Transport equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2020</b>	<b>481</b>	<b>-</b>	<b>7 357</b>	<b>7 838</b>
Amortisation expense	(16)	-	(6 972)	<b>(6 988)</b>
Revaluation increments/decrements including remeasurement	8	-	5 974	<b>5 982</b>
<b>CARRYING AMOUNT AS AT 30 JUNE 2021</b>	<b>473</b>	<b>-</b>	<b>6 359</b>	<b>6 832</b>

## 18. AGENCY AS A LESSEE (continued)

The following amounts were recognised in the statement of comprehensive operating statement for the year in respect of leases where the department is the lessee:

	2022	2021
	\$'000	\$'000
Amortisation expense of right-of-use assets	(6 715)	(6 988)
Interest expense on lease liabilities	(85)	(116)
Expense relating to short-term leases	(2 647)	(3 334)
Expense relating to leases of low-value assets	(265)	(53)
Inter-governmental leases		
<i>NT Fleet</i>	(1 925)	(1 667)
<i>Government Employee Housing</i>	(118)	(101)
<i>Parking</i>	(9)	-
<i>Pastoral Lease</i>	(13)	(12)
Income from subleasing right-of-use assets	16	16
<b>TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT</b>	<b>(11 761)</b>	<b>(12 255)</b>

### Recognition and measurement

The department assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The department recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The department recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2022	2021
Land	30 to 40 years	30 to 40 years
Buildings	1 to 4 years	-
Transport equipment	1 to 5 years	1 to 4 years

If ownership of the leased asset transfers to the department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are subsequently measured at fair value which approximates costs except for those arising from leases that have significantly below-market terms and conditions principally to enable the department to further its objectives and are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability including indexation and market rent review that approximates fair value and only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

### Inter-governmental leases

The department applies the inter-governmental leases recognition exemption as per the Treasurer's Direction – Leases and recognise these as an expense on a straight-line basis over the lease term. These largely relate to the lease of:

- motor vehicles from NT Fleet
- Government Employee Housing from Department of Territory Families, Housing and Communities (DTFHC)
- parking areas associated with office accommodation from DTFHC
- pastoral lease with Department of Environment, Parks and Water Security.

Leases of commercial properties for office accommodation are centralised with the Department of Corporate and Digital Development (DCDD). Consequently all lease liabilities and right-of-use assets relating to these arrangements are recognised by DCDD and not disclosed within these financial statements.

# Notes to the financial statements

## for the year ended 30 June 2022

### 19. a) intangibles

	2022	2021
	\$'000	\$'000
<b>Carrying amount</b>		
<b>Intangibles with a finite useful life</b>		
<b>Other intangibles</b>		
Computer software at valuation	4 887	4 639
Less: Accumulated amortisation	(3 898)	(3 467)
<b>Written down value - 30 June</b>	<b>989</b>	<b>1 172</b>
<b>TOTAL INTANGIBLES</b>	<b>989</b>	<b>1 172</b>

The department's other intangibles are computer software assets.

The department recognises other intangible assets only if it is probable that future economic benefits will flow to the agency and the costs of the asset can be measured reliably. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

There is no active market for any of the department's other intangible assets. As such, the department's other intangible assets are recognised and carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangibles with limited useful lives are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised.

The estimated useful lives for finite intangible assets are determined in accordance with the Treasurer's Directions and are determined as follows:

	2022	2021
Computer software	2 to 10 years	2 to 10 years

Intangible assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment.

Department intangible assets were assessed for impairment as at 30 June 2022. No impairment adjustments were required as a result of this review.

	2022	2021
	\$'000	\$'000
<b>Reconciliation of movements</b>		
<b>Other intangibles</b>		
<b>Carrying amount at 1 July</b>	<b>1 172</b>	<b>1 362</b>
Additions	248	245
Amortisation	(431)	(435)
<b>CARRYING AMOUNT AS AT 30 JUNE</b>	<b>989</b>	<b>1 172</b>

## b) heritage and cultural assets

	2022	2021
	\$'000	\$'000
<b>Carrying amount</b>		
At valuation	1 573	1 573
Less: Accumulated amortisation	(108)	(84)
<b>Written down value - 30 June</b>	<b>1 465</b>	<b>1 489</b>
<b>Reconciliation of movements</b>		
<b>Carrying amount at 1 July</b>	<b>1 489</b>	<b>302</b>
Amortisation	(24)	(19)
Additions/(disposals) from asset transfers	-	851
Revaluation increment	-	356
<b>CARRYING AMOUNT AS AT 30 JUNE</b>	<b>1 465</b>	<b>1 489</b>

The department recognises heritage and cultural assets only if it is probable that future economic benefits will flow to the department and the costs of the asset can be measured reliably. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

The latest revaluations as at 30 June 2021 were independently conducted by the valuer, Territory Property Consultants Pty Ltd.

Refer to Note 27: Fair value measurement for additional disclosures.

The fair value of these assets were determined based on any restrictions on asset use. Where reliable market values were not available, the fair value of agency assets were based on their current replacement cost.

Heritage and cultural assets are depreciated using the straight-line method over their estimated useful lives.

	2022	2021
Heritage and cultural	100 years	100 years

Heritage and cultural assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment.

Department heritage and cultural assets were assessed for impairment as at 30 June 2022. No impairment adjustments were required as a result of this review.

# Notes to the financial statements

## for the year ended 30 June 2022

### 20. DEPOSITS HELD

	2022	2021
	\$'000	\$'000
Recoverable works	27 798	41 239
Accountable Officer's trust account	504	938
Land sales deposits	30	965
Other deposits held	2 383	2 260
<b>TOTAL DEPOSITS HELD</b>	<b>30 715</b>	<b>45 402</b>

The department contract manages a number of capital works projects on behalf of other non-government entities; these projects are deemed recoverable works where the department recovers costs in full.

Accountable Officer's trust account is further disclosed in Note 32.

### 21. PAYABLES

	2022	2021
	\$'000	\$'000
Accounts payable	9 337	6 492
Accrued expenses	12 818	9 338
Accrued expenses - works in progress	24 416	12 720
<b>TOTAL PAYABLES</b>	<b>46 571</b>	<b>28 550</b>

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the department. Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

## 22. BORROWINGS AND ADVANCES

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	1 954	4 748
<b>Non-Current</b>		
Lease liabilities	4 242	2 180
<b>TOTAL BORROWINGS AND ADVANCES</b>	<b>6 196</b>	<b>6 928</b>

Borrowings and advances are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

### Lease liabilities

At the commencement date of the lease where the department is the lessee, the department recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase option reasonably certain to be exercised by the entity
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the department's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



# Notes to the financial statements

## for the year ended 30 June 2022

### 22. BORROWINGS AND ADVANCES (continued)

The following table presents liabilities under leases:

	2022	2021
	\$'000	\$'000
<b>Balance at 1 July</b>	<b>6 928</b>	<b>7 922</b>
Additions/remeasurements	5 949	5 981
Interest expenses	85	116
Payments	(6 766)	(7 091)
<b>Balance at 30 June</b>	<b>6 196</b>	<b>6 928</b>

The department had total cash outflows for leases of \$6.766 million in 2022 (\$7.091 million in 2021).

Future minimum lease payments under non-cancellable leases not recorded as liability are as follows:

	2022		2021	
	Internal	External	Internal	External
	\$'000	\$'000	\$'000	\$'000
Within one year	1 210	-	1 110	-
Later than one year and not later than five years	1 662	-	1 500	-
Later than five years	3	-	-	-
<b>TOTAL</b>	<b>2 875</b>	<b>-</b>	<b>2 610</b>	<b>-</b>

## 23. PROVISIONS

	2022	2021
	\$'000	\$'000
<b>Current</b>		
<b>Employee benefits</b>		
Recreation leave	14 098	12 354
Leave loading	1 640	1 494
Other employee benefits	62	45
<b>Other current provisions</b>		
Fringe benefits tax	118	203
Payroll tax	986	852
Superannuation	1 612	1 288
<b>TOTAL PROVISIONS</b>	<b>18 516</b>	<b>16 236</b>

The department employed 898 full time equivalent (FTE) employees as at 30 June 2022 (799 FTE employees as at 30 June 2021). There were further Machinery of Government changes in 2021-22 as outlined in Note 1 which increased the department's FTE.

### Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 12 months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave and other leave entitlements
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the Department of Infrastructure, Planning and Logistics and as such no long service leave liability is recognised in the department's financial statements.

### Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS), or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The department makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and therefore not recognised in the department's

# Notes to the financial statements

## for the year ended 30 June 2022

### 24. OTHER LIABILITIES

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Unearned contract revenue	20	20
Unearned capital grants	117 233	180 836
Other liabilities	254	46
	117 507	180 902
<b>Non-current</b>		
Unearned capital grants	54 557	37 776
<b>TOTAL OTHER LIABILITIES</b>	<b>172 064</b>	<b>218 678</b>

#### Unearned contract revenue liability

The unearned contract revenue balance as at 30 June 2022 is \$20,071 for the Regional Aviation Access Reseal Program.

The department anticipates to recognise as revenue, any liabilities for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2022	2021
	\$'000	\$'000
Not later than one year	20	20
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>TOTAL</b>	<b>20</b>	<b>20</b>

#### Unearned capital grants liabilities

Below is a reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the department.

	2022	2021
	\$'000	\$'000
<b>Unearned capital grants at the beginning of the year</b>	<b>218 612</b>	<b>114 346</b>
Add: Receipt of cash during the financial year	223 689	330 371
Less: Income recognised during the financial year	270 511	226 105
<b>TOTAL UNEARNED CAPITAL GRANTS LIABILITIES</b>	<b>171 790</b>	<b>218 612</b>

For assets acquired, performance obligations are typically satisfied at the point in time the asset is acquired.

## 24. OTHER LIABILITIES (continued)

For constructed assets, performance obligations are typically satisfied over time as the asset is constructed and revenue is recognised accordingly. An input method is used to measure the progress towards the satisfaction of performance obligations and hence the amount of revenue recognised.

The progress towards satisfaction of the performance obligations is measured using the percentage of completion method, which is the cost incurred to date as a proportion of the total project costs.

The department anticipates to recognise as income, any liability for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2022	2021
	\$'000	\$'000
Not later than one year	117 233	180 836
Later than one year and not later than five years	54 557	37 776
Later than five years	-	-
<b>TOTAL</b>	<b>171 790</b>	<b>218 612</b>

## 25. COMMITMENTS

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

Disclosures in relation to capital and other commitments are detailed below:

	2022 External	2021 External
	\$'000	\$'000
<b>(i) Capital expenditure commitments</b>		
Capital expenditure commitments are primarily related to the construction of buildings, infrastructure and road networks. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:		
Within one year	261 798	218 039
Later than one year and not later than five years	19 245	14 108
Later than five years	-	-
<b>Total commitments (exclusive of GST)</b>	<b>281 043</b>	<b>232 147</b>
Plus: GST recoverable	21 740	19 867
<b>Total commitments (inclusive of GST)</b>	<b>302 783</b>	<b>252 014</b>
<b>(ii) Other expenditure Commitments</b>		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	33 200	22 018
Later than one year and not later than five years	8 384	6 843
Later than five years	-	-
<b>Total commitments (exclusive of GST)</b>	<b>41 584</b>	<b>28 861</b>
Plus: GST recoverable	3 370	2 886
<b>Total commitments (inclusive of GST)</b>	<b>44 954</b>	<b>31 747</b>

# Notes to the financial statements

## for the year ended 30 June 2022

### 26. RESERVES

#### Asset revaluation surplus

##### (i) Nature and purpose of the asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

	Land		Buildings		Infrastructure		Cultural		Other		Total	
	2022	Restated 2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	Restated 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>(ii) Movements in the asset revaluation surplus</i>												
Balance as at 1 July	574 850	604 003	28 664	28 664	5 118 193	5 057 249	356	-	16 249	16 249	5 738 312	5 706 165
Increment/(decrement)	5 808	(27 103)	-	-	697	60 944	-	356	-	-	6 505	34 196
Transfers to accumulated funds	(8 773)	(2 049)	-	-	-	-	-	-	-	-	(8 773)	(2 049)
<b>Balance as at 30 June</b>	<b>571 885</b>	<b>574 850</b>	<b>28 664</b>	<b>28 664</b>	<b>5 118 890</b>	<b>5 118 193</b>	<b>356</b>	<b>356</b>	<b>16 249</b>	<b>16 249</b>	<b>5 736 043</b>	<b>5 738 312</b>

## 27. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments not available publicly but relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal department adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

# Notes to the financial statements

## for the year ended 30 June 2022

### 27. FAIR VALUE MEASUREMENT (continued)

#### a) Fair value hierarchy

The department does not recognise any financial assets or liabilities at fair value as these are recognised at amortised cost. The carrying amounts of these financial assets and liabilities approximate their fair value.

The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total Fair Value	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	Restated 2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Asset classes</b>								
Land (Note 17)	-	-	706 396	700 160	-	-	706 396	700 160
Buildings (Note 17)	-	-	-	-	83 185	89 176	83 185	89 176
Infrastructure (Note 17)	-	-	-	-	7 767 689	7 527 323	7 767 689	7 527 323
Plant and equipment <sup>1</sup> (Note 17)	-	-	-	-	2 911	3 388	2 911	3 388
Intangibles (Note 19a)	-	-	-	-	989	1 172	989	1 172
Heritage and cultural asset (Note 19b)	-	-	-	-	1 465	1 489	1 465	1 489
Assets held for sale (Note 14)	-	-	12 159	18 277	-	-	12 159	18 277
<b>TOTAL ASSETS</b>	-	-	<b>718 555</b>	<b>718 437</b>	<b>7 856 239</b>	<b>7 622 548</b>	<b>8 574 794</b>	<b>8 340 985</b>

(1) Includes computer hardware and transport equipment.

There were no transfers between level 1 and levels 2 or 3 during 2021-22.

#### b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2021-22 are:

	Level 2 techniques	Level 3 techniques
<b>Asset classes</b>		
Land	Market	
Buildings		Cost
Infrastructure		Cost
Plant and equipment		Cost
Intangibles		Cost
Heritage and cultural assets		Cost
Asset held for sale	Market	

There were no changes in valuation techniques from 2020-21 to 2021-22.

Level 2 fair values of land were based on market evidence of sales price per square metre of comparable land.

## 27. FAIR VALUE MEASUREMENT (continued)

Level 3 fair values of specialised buildings and infrastructure were determined by computing their current replacement costs because an active market does not exist for such facilities. The current replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction approaches. Significant judgement was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage, and records of the current condition of the facilities.

Buildings were revalued at 30 June 2020 by Territory Property Consultants Pty Ltd on a current replacement cost basis.

Land infrastructure assets were revalued at 30 June 2021 by Territory Property Consultants Pty Ltd on a current replacement cost basis.

Transport infrastructure assets were revalued at 30 June 2021 based on current replacement cost. Road and bridge infrastructure assets were revalued at 30 June 2020 based on current replacement cost.

The revaluation of road, bridge and transport infrastructure assets requires engineering and technical expertise due to the complex nature of the assets. The department engaged an external quantity surveyor and cost consultant, Construction Estimating Pty Ltd trading as QS Services as well as using in-house engineering expertise to revalue roads, bridges and transport infrastructure assets in the 2020-21 year.

Construction Estimating Pty Ltd trading as QS Services, quantity surveyors and cost consultants provided rates representative of NT current industry standard market rates for their valuation carried out for the department in 2021.

Plant and equipment, computer hardware and transport equipment assets are based on depreciated cost and assessed for impairment on an annual basis.

Intangible assets consists of computer software stated at amortised cost.

Heritage and cultural assets were revalued at 30 June 2021 by Territory Property Consultants Pty Ltd on a current replacement cost basis.

### c) Additional information for level 3 fair value measurements

#### (i) Reconciliation of recurring level 3 fair value measurements of non financial assets

2021-22	Buildings	Infrastructure	Plant and equipment	Intangible assets	Heritage and cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair value as at 1 July 2021</b>	<b>89 176</b>	<b>7 527 323</b>	<b>3 388</b>	<b>1 172</b>	<b>1 489</b>	<b>7 622 548</b>
Additions	1 962	-	184	248		<b>2 394</b>
Depreciation/amortisation	(4 700)	(64 446)	(962)	(431)	(24)	<b>(70 563)</b>
Additions/disposal from asset transfer	(1 291)	304 581	309	-	-	<b>303 599</b>
Gains/losses recognised in net surplus/deficit	-	(1 518)	(8)	-	-	<b>(1 526)</b>
Gains/losses recognised in other comprehensive income	(1 962)	1 750	-	-	-	<b>(212)</b>
<b>FAIR VALUE AS AT 30 JUNE 2022</b>	<b>83 185</b>	<b>7 767 689</b>	<b>2 911</b>	<b>989</b>	<b>1 465</b>	<b>7 856 239</b>



# Notes to the financial statements

## for the year ended 30 June 2022

### 27. FAIR VALUE MEASUREMENT (continued)

2020-21	Buildings	Infrastructure	Plant and equipment	Intangible assets	Heritage and cultural	Restated total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair value as at 1 July 2020</b>	<b>89 243</b>	<b>7 176 683</b>	<b>6 096</b>	<b>1 362</b>	<b>302</b>	<b>7 273 686</b>
Prior year error - completed WIP transfer	-	165 937	-	-	-	165 937
<b>Adjusted fair value as at 1 July 2020</b>	<b>89 243</b>	<b>7 342 620</b>	<b>6 096</b>	<b>1 362</b>	<b>302</b>	<b>7 439 623</b>
Additions	-	934	25	245	-	1 204
Depreciation/amortisation	(5 144)	(55 022)	(880)	(435)	(19)	(61 500)
Additions/disposal from asset transfer	12 696	177 978	(139)	-	851	191 386
Gains/losses recognised in net surplus/deficit	(6 768)	(131)	(1 714)	-	-	(8 613)
Gains/losses recognised in other comprehensive income	(851)	60 944	-	-	356	60 449
<b>FAIR VALUE AS AT 30 JUNE 2021</b>	<b>89 176</b>	<b>7 527 323</b>	<b>3 388</b>	<b>1 172</b>	<b>1 489</b>	<b>7 622 549</b>

#### (ii) Reconciliation of recurring level 3 fair value measurement of financial assets

	2022	Restated 2021
	\$'000	\$'000
<b>Balance as at 1 July</b>	<b>7 622 549</b>	<b>7 273 686</b>
Prior year error - completed WIP transfer	-	165 937
<b>Adjusted balance as at 1 July 2021</b>	<b>7 622 549</b>	<b>7 439 623</b>
Gains/losses recognised in net deficit	(212)	(8 613)
Gains/losses recognised in other comprehensive income	(1 526)	60 449
Purchases	2 394	1 204
Additions/disposals from asset transfers	303 599	191 386
Depreciation	(70 563)	(61 500)
<b>BALANCE AS AT 30 JUNE</b>	<b>7 856 240</b>	<b>7 622 549</b>

#### (iii) Sensitivity analysis

Given the large number of department assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost would generally result in a higher fair value and greater consumption of economic benefit lowers fair value.

## 28. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised on the balance sheet when the department becomes a party to the contractual provisions of the financial instrument. The department's financial instruments include cash and deposits; receivables; advances paid; payables; deposit held and finance leases.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes including GST and penalties.

The department has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The Territory Government's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates

### a) Categories of financial instruments

The carrying amounts of the department's financial assets and liabilities by category are disclosed in the table below.

#### 2021-22 Categories of financial instruments

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	-	-	242 990	-	242 990
Receivables <sup>1</sup>	-	-	672	-	672
Advances paid	-	-	853	-	853
Other - finance lease assets	-	-	24 390	-	24 390
<b>TOTAL FINANCIAL ASSETS</b>	-	-	<b>268 905</b>	-	<b>268 905</b>
Deposit Held <sup>1</sup>	-	-	2 413	-	2 413
Payables <sup>1</sup>	-	-	9 337	-	9 337
Lease liabilities	-	-	6 196	-	6 196
<b>TOTAL FINANCIAL LIABILITIES</b>	-	-	<b>17 946</b>	-	<b>17 946</b>

<sup>1</sup>Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

# Notes to the financial statements

## for the year ended 30 June 2022

### 28. FINANCIAL INSTRUMENTS (continued)

#### a) Categories of financial instruments (continued)

##### 2020-21 Categories of financial instruments

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$'000	\$'000	\$'000	\$'000	
Cash and deposits	-	-	302 069	-	302 069
Receivables <sup>1</sup>	-	-	5 606	-	5 606
Advances paid	-	-	1 036	-	1 036
Other - finance lease assets	-	-	22 794	-	22 794
<b>TOTAL FINANCIAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>331 505</b>	<b>-</b>	<b>331 505</b>
Deposit held <sup>1</sup>	-	-	3 225	-	3 225
Payables <sup>1</sup>	-	-	6 492	-	6 492
Lease liabilities	-	-	6 928	-	6 928
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>16 645</b>	<b>-</b>	<b>16 645</b>

<sup>1</sup>Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

The department's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- fair value through profit or loss (FVTPL).

These classifications are based on the department's business model for managing the financial assets and the contractual terms of the cash flows. Where assets are measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income.

Financial instruments are reclassified when and only when the department's business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the department to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. The department's financial assets categorised at amortised cost include cash, receivables, advances paid, leases receivables.

#### Financial assets at fair value through other comprehensive income

Financial assets are classified at fair value through other comprehensive income when they are held by the department to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

## 28. FINANCIAL INSTRUMENTS (continued)

### a) Categories of financial instruments (continued)

These assets are initially and subsequently recognised at fair value. Changes in the fair value are recognised in other comprehensive income, except for the recognition of impairment gains or losses and interest income which are recognised in the operating result in the comprehensive operating statement. When financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the comprehensive operating statement.

For equity instruments elected to be categorised at FVOCI, changes in fair value recognised in other comprehensive income are not reclassified to profit or loss on de-recognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when the department's right to receive payments is established.

The department does not have any financial assets under this category.

#### Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL where they do not meet the criteria for amortised cost or FVOCI. These assets are initially and subsequently recognised at fair value with gains or losses recognised in the net result for the year.

The department's financial assets categorised at FVTPL include investments in managed unit trusts and certain debt instruments. Unrealised gains in relation to these investments are recognised in other economic flows in the comprehensive operating statement, however realised gains are recognised in the net result.

The department does not have any financial liabilities under this category.

#### Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. The department's financial liabilities categorised at amortised cost include all accounts payable, deposits held, advances received, lease liabilities and borrowings.

#### Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the liabilities are either held for trading or designated as FVTPL. Financial liabilities classified at FVTPL are initially and subsequently measured at fair value with gains or losses recognised in the net result for the year.

For financial liabilities designated at FVTPL, changes in the fair value of the liability attributable to changes in the department's credit risk are recognised in other comprehensive income, while remaining changes in the fair value are recognised in the net result.

The department does not have any financial liabilities under this category.

#### Derivatives

The department may enter into a variety of derivative financial instruments to manage its exposure to interest rate risk. The department does not speculate on trading of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the comprehensive operating statement immediately unless the derivative is designated and qualifies as an effective hedging instrument, in which event, the timing of the recognition in the comprehensive operating statement depends on the nature of the hedge relationship. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied.

#### Netting of swap transactions

The department, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the comprehensive operating statement.

# Notes to the financial statements

## for the year ended 30 June 2022

### 28. FINANCIAL INSTRUMENTS (continued)

#### b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

The department has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the department has adopted a policy of only dealing with credit-worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the department's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Credit risk relating to receivables is disclosed in Note 13 and advances paid in Note 15.

#### c) Liquidity risk

Liquidity risk is the risk the department will not be able to meet its financial obligations as they fall due. The department's approach to managing liquidity is to ensure it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in the department bank account to meet various current employee and supplier liabilities. The department's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure items arise that deplete cash to levels that compromise the department's ability to meet its financial obligations.

The following tables detail the department's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet, which are based on discounted cash flows.

#### 2022 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>					
Deposit held	2 413	2 413	-	-	2 413
Payables	9 337	9 337	-	-	9 337
Leased liabilities	6 196	2 019	3 916	774	6 709
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>17 946</b>	<b>13 769</b>	<b>3 916</b>	<b>774</b>	<b>18 459</b>

#### 2021 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>					
Deposit held	3 225	3 225	-	-	3 225
Payables	6 492	6 492	-	-	6 492
Leased liabilities	6 928	4 815	1 819	755	7 389
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>16 645</b>	<b>14 532</b>	<b>1 819</b>	<b>755</b>	<b>17 106</b>

## 28. FINANCIAL INSTRUMENTS (continued)

### (d) Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. The primary market risk that the department is likely to be exposed to is interest rate risk.

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The department's exposure to interest rate risk by asset and liability classes is disclosed below.

#### 2022 Interest rate risk for financial assets and liabilities

	Interest bearing		Non-interest bearing	Total	Weighted average
	Variable	Fixed			
	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>					
Cash and deposits	-	-	242 990	242 990	
Receivables	-	-	672	672	
Advances	853	-	-	853	3.18%
Other assets - finance lease	-	24 390	-	24 390	7.00%
<b>TOTAL FINANCIAL ASSETS</b>	<b>853</b>	<b>24 390</b>	<b>243 662</b>	<b>268 905</b>	
<b>Liabilities</b>					
Deposits held	-	-	2 413	2 413	
Payables	-	-	9 337	9 337	
Lease liabilities - land	-	507	-	507	4.56%
Lease liabilities - transport equipment	-	5 265	-	5 265	1.25%
Lease liabilities - buildings	-	424	-	424	0.77%
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>-</b>	<b>6 196</b>	<b>11 750</b>	<b>17 946</b>	

#### 2021 Interest rate risk for financial assets and liabilities

	Interest bearing		Non-interest bearing	Total	Weighted average
	Variable	Fixed			
	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>					
Cash and deposits	-	-	302 069	302 069	
Receivables	-	-	5 606	5 606	
Advances	1 036	-	-	1 036	3.30%
Other assets - finance lease	-	22 794	-	22 794	7.00%
<b>TOTAL FINANCIAL ASSETS</b>	<b>1 036</b>	<b>22 794</b>	<b>307 675</b>	<b>331 505</b>	
<b>Liabilities</b>					
Deposits held	-	-	3 225	3 225	
Payables	-	-	6 492	6 492	
Lease liabilities - land	-	513	-	513	4.56%
Lease liabilities - transport equipment	-	6 415	-	6 415	1.32%
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>-</b>	<b>6 928</b>	<b>9 717</b>	<b>16 645</b>	

# Notes to the financial statements

## for the year ended 30 June 2022

### 28. FINANCIAL INSTRUMENTS (continued)

#### (d) Market risk (continued)

##### Sensitivity analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on the department's profit or loss and equity.

	Profit or loss and equity	
	100 basis points increase	100 basis points decrease
	\$'000	\$'000
<b>30 June 2022</b>		
Financial assets – receivable loans	9	(9)
<b>NET SENSITIVITY</b>	<b>9</b>	<b>(9)</b>
<b>30 June 2021</b>		
Financial assets – receivable loans	10	(10)
<b>NET SENSITIVITY</b>	<b>10</b>	<b>(10)</b>

##### (ii) Price risk

The department is not exposed to price risk as the department does not hold units in unit trusts.

##### (iii) Currency risk

The department is not exposed to currency risk as the department does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

### 29. RELATED PARTIES

#### i) Related parties

The department is a government administrative entity and is wholly owned and controlled by the Northern Territory Government. Related parties of the department include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly
- close family members of the portfolio minister or KMP including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMP's or the portfolio minister or controlled or jointly controlled by their close family members.

#### ii) Key management personnel (KMP)

Key management personnel of the department are those persons having authority and responsibility for planning, directing and controlling the activities of the department. These include the Minister for Infrastructure, Planning and Logistics, the Chief Executive Officer, the members of the executive team.

## 29. RELATED PARTIES (continued)

### iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits of the Minister for Infrastructure, Planning and Logistics as the Minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of the department is set out below:

	2022	2021
	\$'000	\$'000
Short-term employee benefits	1 904	1 561
Post-employment benefits	176	115
<b>TOTAL</b>	<b>2 080</b>	<b>1 676</b>

### iv) Related party transactions:

#### Transactions with Northern Territory Government controlled entities

The department's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation and on-passed Commonwealth national partnership and specific purpose payments.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

#### 2022

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$'000	\$'000	\$'000	\$'000
All NTG departments	34 142	77 233	1 223	2 339
Associates	-	-	-	-
Subsidiaries	-	-	-	-
<b>TOTAL</b>	<b>34 142</b>	<b>77 233</b>	<b>1 223</b>	<b>2 339</b>

#### Restated 2021

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$'000	\$'000	\$'000	\$'000
All NTG departments	30 990	48 001	5 836	8 824
Associates	-	-	-	-
Subsidiaries	-	-	-	-
<b>TOTAL</b>	<b>30 990</b>	<b>48 001</b>	<b>5 836</b>	<b>8 824</b>



# Notes to the financial statements

for the year ended 30 June 2022

## 29. RELATED PARTIES (continued)

### iv) Related party transactions: (continued)

Most of the department's transactions with other government entities are not individually significant. Transactions which were significant with other government entities are listed as follows:

- \$20.482 million in notional revenue and expenditure related services received free of charge from the Department of Corporate and Digital Development
- \$12.087 million in grant revenue recovered through the Department of Health for COVID-19 health related expenditure that is on passed from the Australian Government
- \$1.377 million grant payment to support the operations of the Darwin Wharf Precinct through the Darwin Waterfront Corporation
- \$30.673 million non cash capital grant for land servicing infrastructure owned by Power and Water Corporation for its not-for-profit subsidiary Indigenous Essential Services.

### Other related party transactions are as follows:

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There are no other related party transactions to disclose.

## 30. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### a) Contingent liabilities

The department has entered into contracts and agreements which contain indemnities. The contingent liabilities arising from these indemnities are unquantifiable, and the likelihood of occurrence is considered low. For all the events that would give rise to potential liabilities, the department has comprehensive risk management strategies in place. Legal proceedings or disputes in which the department is a party are not separately disclosed. Due to the wide variety and nature of individual cases, and the uncertainty of any potential liability means that no value can be attributed to individual cases until such time as the courts make a decision so as to not prejudice the outcome of the proceeding or dispute.

The department had no reportable contingent liabilities as at 30 June 2022 or 30 June 2021.

### b) Contingent assets

The department had no contingent assets as at 30 June 2022 or 30 June 2021.

## 31. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

## 32. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act 1995*, an Accountable Officer's trust account has been established for the receipt of money to be held in trust.

A summary of activity is shown below:

Nature of trust money	Opening balance 1 July 2021	Receipts	Payments	Closing balance 30 June 2022
	\$'000	\$'000	\$'000	\$'000
Retention/security deposits	313	33	(274)	72
Bank guarantees	625	-	(193)	432
<b>TOTAL</b>	<b>938</b>	<b>33</b>	<b>(467)</b>	<b>504</b>

## 33. SCHEDULE OF ADMINISTERED TERRITORY ITEMS

The following Territory items are managed by the department on behalf of the government and are recorded in the Central Holding Authority (refer Note 2(d)).

	2022	2021
	\$'000	\$'000
<b>TERRITORY INCOME AND EXPENSES</b>		
<b>Income</b>		
Taxation revenue	63 341	59 892
Grants and subsidies revenue		
Capital	21 290	12 414
Fees from regulatory services	5 427	5 409
Royalties and rents	2 699	2 257
Other income	3 708	17 345
<b>TOTAL INCOME</b>	<b>96 465</b>	<b>97 317</b>
<b>Expenses</b>		
Central Holding Authority income transferred	95 956	97 409
Write off and losses	811	7
Doubtful debts	(302)	(99)
<b>TOTAL EXPENSES</b>	<b>96 465</b>	<b>97 317</b>
<b>TERRITORY INCOME LESS EXPENSES</b>	<b>-</b>	<b>-</b>
<b>TERRITORY ASSETS AND LIABILITIES</b>		
<b>Assets</b>		
Accounts receivables	(57)	809
Central Holding Authority receivables	14 524	13 191
<b>TOTAL ASSETS</b>	<b>14 467</b>	<b>14 000</b>
<b>Liabilities</b>		
Central Holding Authority income payable	2 058	1 690
Unearned Central Holding Authority income	12 409	12 310
<b>TOTAL LIABILITIES</b>	<b>14 467</b>	<b>14 000</b>
<b>NET ASSETS</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements

## for the year ended 30 June 2022

### 34. BUDGETARY INFORMATION

Comprehensive operating statement	2021-22 Actual	2021-22 Original Budget	Variance	Note
	\$'000	\$'000	\$'000	
<b>INCOME</b>				
Grants and subsidies revenue				
Current	12 168	11 792	376	1
Capital	824	-	824	2
Appropriation				
Output	376 195	374 639	1 556	3
Commonwealth	33 148	48 894	(15 746)	4
Sales of goods and services	17 334	17 874	(540)	5
Interest revenue	14	-	14	
Goods and services received free of charge	20 482	18 526	1 956	6
Gain on disposal of assets	152	-	152	
Other income	5 299	2 109	3 190	7
<b>TOTAL INCOME</b>	<b>465 616</b>	<b>473 834</b>	<b>(8 218)</b>	
<b>EXPENSES</b>				
Employee expenses	121 941	120 077	1 864	8
Administrative expenses				
Purchases of goods and services	103 786	93 841	9 945	9
Repairs and maintenance	222 287	229 065	(6 778)	10
Depreciation and amortisation	77 278	71 179	6 099	11
Other administrative expenses	34 416	-	34 416	12
Goods and services received free of charge	20 482	18 526	1 956	13
Grants and subsidies expenses				
Current	9 190	10 335	(1 145)	14
Capital	47 598	-	47 598	15
Community service obligations	70	-	70	
Interest expenses	85	67	18	
<b>TOTAL EXPENSES</b>	<b>637 133</b>	<b>543 090</b>	<b>94 043</b>	
<b>NET DEFICIT</b>	<b>(171 517)</b>	<b>(69 256)</b>	<b>(102 261)</b>	
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to net deficit</b>				
Changes in asset revaluation surplus	8 773	-	8 773	16
Transfers from reserves	(2 268)	-	(2 268)	17
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>6 505</b>	<b>-</b>	<b>6 505</b>	
<b>COMPREHENSIVE RESULT</b>	<b>(165 012)</b>	<b>(69 256)</b>	<b>(95 756)</b>	

## 34. BUDGETARY INFORMATION (continued)

### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred. The original budget used for comparison is in line with accounting standards and is as per the budget published in May 2021. The original budget does not include any government decisions, additional appropriation and Machinery of Government changes made since. Comparison against the revised budget can be found in the Financial Statement Overview of the Annual Report. The department came in on budget against its revised budget in 2021-22.

1. Current grants revenue variation primarily relates to additional funding received for the Centre for National Resilience which is claimed through the Department of Health.
2. Capital grants revenue variation is in line with operational expenditure including capital works expenditure recognised in accordance with AASB 1058.
3. Output appropriation variance primarily relates to additional funding transferred in from the Department of Territory Families, Housing and Communities as part of the Machinery of Government changes which is offset by a transfer from repairs and maintenance to capital works.
4. Commonwealth appropriation variance primarily relates to the department receiving payment from the Commonwealth for 50% of funding for the 2021-22 Housing Program Office repairs and maintenance program, with the remaining 50% of the funding to be paid in 2022-23. This was not able to be accrued as it is not sufficiently specific.
5. Goods and services revenue was lower than budget across multiple areas of the department, with no significant individual variations.
6. Goods and services received free of charge are resources received from the Department of Corporate and Digital Development without charge. This does not impact the operating result as notional revenue is fully offset by notional expenditure. Variance against budget is attributable to additional services provided to the department following Machinery of Government changes.
7. Other income is over budget due to infrastructure contributions from developers which were not budgeted for.
8. Employee expenditure variance to original budget primarily relates to the establishment of the Infrastructure NT output within the department. Personnel expenses were under budget at year end against the revised budget.
9. Purchases of goods and services variance primarily relates to additional COVID-19 related expenditure for the Centre of National Resilience. These costs were subject to a Treasurer's Advance, however the department was able to absorb these costs in the current approved budget excluding non-cash expenditure due to the timing of other expenses which will be carried forward in the budget.
10. Repairs and maintenance expenditure was under the original budget but came in line with the final revised budget due to the subsequent transfer of projects to capital works to meet accounting standards.
11. Depreciation variance relates to a number of assets and capital projects that were completed and capitalised in 2021-22.
12. Other administrative expenses variance relates to non-cash capital works, including one-off non-cash land servicing capital related expenditure, not meeting the capitalisation criteria and was required to be expensed. The department is funded for these works in capital works, however the accounting treatment requires de-recognition.
13. Refer to point 6 above.
14. Current grants variance relates to an underspend due to timing across multiple grant programs.
15. Capital grants variance primarily relates to one-off non-cash land servicing capital related expenditure that cannot be recorded as an asset of the department. The department is funded for these works in capital works, however the accounting treatment requires de-recognition.
16. Asset revaluation surplus variance is due to the realisation of associated land transaction reserve amounts.
17. Transfer from reserve variance is due to the net impact of asset revaluations for land.

# Notes to the financial statements

## for the year ended 30 June 2022

### 34. BUDGETARY INFORMATION (continued)

Balance Sheet	2021-22 Actual	2021-22 Original Budget	Variance	Note
	\$'000	\$'000	\$'000	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and deposits	242 990	50 661	192 329	1
Receivables	114 901	21 557	93 344	2
Advances	84	-	84	
Assets held for sale	12 159	-	12 159	3
<b>Total current assets</b>	<b>370 134</b>	<b>72 218</b>	<b>297 916</b>	
<b>Non-current assets</b>				
Receivables	10 075	14 318	(4 243)	4
Advances and investments	853	1 008	(155)	
Property, plant and equipment	9 085 615	10 161 866	(1 076 251)	5
Other assets	24 390	25 753	(1 363)	6
<b>Total non-current assets</b>	<b>9 120 933</b>	<b>10 202 945</b>	<b>(1 082 012)</b>	
<b>TOTAL ASSETS</b>	<b>9 491 067</b>	<b>10 275 163</b>	<b>(784 096)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Deposits held	30 715	58 749	(28 034)	7
Payables	46 571	13 786	32 785	8
Borrowings and advances	1 954	2 173	(219)	
Provisions	18 516	16 128	2 388	9
Other liabilities	117 507	28 648	88 859	10
<b>Total current liabilities</b>	<b>215 263</b>	<b>119 484</b>	<b>95 779</b>	
<b>Non-current liabilities</b>				
Borrowings and advances	4 242	-	4 242	11
Other liabilities	54 557	-	54 557	12
<b>Total non-current liabilities</b>	<b>58 799</b>	<b>-</b>	<b>58 799</b>	
<b>TOTAL LIABILITIES</b>	<b>274 062</b>	<b>119 484</b>	<b>154 578</b>	
<b>NET ASSETS</b>	<b>9 217 005</b>	<b>10 155 679</b>	<b>(938 674)</b>	
<b>EQUITY</b>				
Capital	4 986 738	5 714 516	(727 778)	13
Reserves	5 736 043	5 854 147	(118 104)	14
Accumulated funds	(1 505 776)	(1 412 984)	(92 792)	15
<b>TOTAL EQUITY</b>	<b>9 217 005</b>	<b>10 155 679</b>	<b>(938 674)</b>	

## 34. BUDGETARY INFORMATION (continued)

### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred. The original budget used for comparison is in line with accounting standards and is as per the budget published in May 2021. The original budget does not include any government decisions, additional appropriation and Machinery of Government changes made since. Comparison against the revised budget can be found in the Financial Statement Overview of the Annual Report. The department came in on budget against its revised budget in 2021-22.

1. Cash at bank budget reflects the opening balance of the 2020-21 financial year with budget movements factored in. The increase is primarily due to lower capital works expenditure.
2. Receivables is over budget due to timing of payments for the NT Remote Housing Program from the Commonwealth which is causing higher accrued revenue for capital works achieved.
3. Assets held for sale variance relates to land identified as being available for sale.
4. Lower than anticipated capital prepaid expenses to original budget.
5. Property, plant and equipment variance primarily relates to higher than originally budgeted transfer of completed works to other government entities and lower capital works expenditure due to COVID-19 restrictions and resulting contractor resourcing constraints.
6. Other assets variance primarily relates to the 99-year lease agreement for the Port of Darwin.
7. Deposits held variance primarily relates to funds held for non-government works.
8. Payables variance primarily relates to higher repairs and maintenance accruals, which is impacted by the addition of the Housing Program Office.
9. Provisions variance primarily relates to the Machinery of Government transfer in of the Housing Program Office resulting in an increase in employees. Evidenced in employee expenses compared to prior year.
10. Other liabilities variance primarily relates to advance milestone payments from the Commonwealth related to the Land Transport Infrastructure National Partnership agreement for which expenditure is yet to occur.
11. Borrowings variance primarily relates to a new bus services contract entered into and recognition of the lease under accounting standards.
12. Other liabilities variance primarily relates to advance milestone payments from the Commonwealth related to the Land Transport Infrastructure National Partnership agreement for which expenditure is yet to occur.
13. Capital variance primarily relates to higher completed works transfer to other government entities.
14. Reserves variance is due to the impact of land revaluations and prior year adjustments to the value of land.
15. Accumulated funds variance primarily relates to the additional impact to the operating result though the de-recognition of assets not meeting recognition criteria under accounting standards.

# Notes to the financial statements

## for the year ended 30 June 2022

### 34. BUDGETARY INFORMATION (continued)

Cash flow statement	2021-22 Actual	2021-22 Original Budget	Variance	Note
	\$'000	\$'000	\$'000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Operating receipts</b>				
Grants and subsidies received				
Current	12 168	11 792	376	1
Capital	-	-	-	
Appropriation				
Output	376 195	374 639	1 556	2
Commonwealth	31 494	48 894	(17 400)	3
Receipts from sales of goods and services	103 270	18 092	85 178	4
Interest received	13	-	13	
<b>Total operating receipts</b>	<b>523 140</b>	<b>453 417</b>	<b>69 723</b>	
<b>Operating payments</b>				
Payments to employees	(119 152)	(120 077)	925	5
Payments for goods and services	(398 302)	(322 906)	(75 396)	6
Grants and subsidies paid				
Current	(9 190)	(10 335)	1 145	7
Capital	(8 835)	-	(8 835)	8
Community service obligations	(70)	-	(70)	
Interest paid	(85)	(67)	(18)	
<b>Total operating payments</b>	<b>(535 634)</b>	<b>(453 385)</b>	<b>(82 249)</b>	
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(12 494)</b>	<b>32</b>	<b>(12 526)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Investing receipts</b>				
Proceeds from asset sales	5 334	2 715	2 619	9
Repayments of Advances	131	-	131	
<b>Total investing receipts</b>	<b>5 465</b>	<b>2 715</b>	<b>2 750</b>	
<b>Investing payments</b>				
Purchase of assets	(636 737)	(955 399)	318 662	10
Advances and investing payments	(32)	-	(32)	
<b>Total investing payments</b>	<b>(636 769)</b>	<b>(955 399)</b>	<b>318 630</b>	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(631 304)</b>	<b>(952 684)</b>	<b>321 380</b>	

## 34. BUDGETARY INFORMATION (continued)

Cash flow statement	2021-22 Actual	2021-22 Original Budget	Variance	Note
	\$'000	\$'000	\$'000	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Financing receipts</b>				
Deposits received	(14 687)	-	(14 687)	11
Equity injections				
Capital appropriation	390 351	400 719	(10 368)	12
Commonwealth appropriation	223 689	500 902	(277 213)	13
Other equity injections	7 155	1 517	5 638	14
<b>Total financing receipts</b>	<b>606 508</b>	<b>903 138</b>	<b>(296 630)</b>	
<b>Financing payments</b>				
Finance lease payments	(6 682)	(4 749)	(1 933)	15
Equity withdrawals	(15 107)	-	(15 107)	16
<b>Total financing payments</b>	<b>(21 789)</b>	<b>(4 749)</b>	<b>(17 040)</b>	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>584 719</b>	<b>898 389</b>	<b>(313 670)</b>	
Net (decrease) in cash held	(59 079)	(54 263)	(4 816)	
Cash at beginning of financial year	302 069	104 924	197 145	17
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>242 990</b>	<b>50 661</b>	<b>192 329</b>	



# Notes to the financial statements

## for the year ended 30 June 2022

### 34. BUDGETARY INFORMATION (continued)

#### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred. The original budget used for comparison is in line with accounting standards and is as per the budget published in May 2021. The original budget does not include any government decisions, additional appropriation and Machinery of Government changes made since. Comparison against the revised budget can be found in the Financial Statement Overview of the Annual Report. The department came in on budget against its revised budget in 2021-22.

1. Current grants revenue variation primarily relates to additional funding received for the Centre for National Resilience which is claimed through the Department of Health.
2. Output appropriation variance primarily relates to additional funding transferred in from the Department of Territory Families, Housing and Communities as part of the Machinery of Government changes which is offset by a transfer from repairs and maintenance to capital works.
3. Commonwealth appropriation primarily relates to payment from the Commonwealth for 50% of funding for the 2021-22 Housing Program Office repairs and maintenance program, with the remaining 50% of the funding to be paid in 2022-23. This was not able to be accrued as it is not sufficiently specific.
4. Receipts from sales of goods and services variance is due to GST receipts which are not budgeted for.
5. Payments to employees variance to original budget primarily relates to the establishment of the Infrastructure NT output within the department. Personnel expenses were under budget at year end against the revised budget.
6. Payments for goods and services variance is due to GST payments which are not budgeted for.
7. Current grants variance relates to an underspend due to timing across multiple grant programs.
8. Capital grants increased since the original budget, after government decisions, with the most significant grant being \$5 million paid to the City of Palmerston for the Palmerston Aquatic Centre.
9. Proceeds from asset sales variance is due to additional land sales.
10. Purchases of assets are under budget due to COVID-19 restrictions and resulting contractor resourcing constraints.
11. Deposits received relates to recoverable works projects managed by the department and the Accountable Officers Trust Account (AOTA) and reflects the use of those funds towards projects and offset by deposits held for land sales.
12. Capital appropriation variance is due to the transfer of capital appropriation to other government departments for specific funding decisions.
13. Commonwealth appropriation variance primarily relates to revised milestones for Commonwealth funded projects, in particular the Land Transport Infrastructure National Partnership Agreement.
14. Other equity injections relate to cash transfers from other agencies for projects such as government lease incentives, Arafura Stadium athletics track, remote repairs and maintenance funding, Barkly Visitor Park and Remote Housing NT.
15. Finance lease payments variance primarily relates to adjustments for bus contracts in line with AASB 16.
16. Equity withdrawal variance is due to a transfer of excess cash balances.
17. Cash at bank budget reflects the opening balance of the 2020-21 financial year with budget movements factored in. This is a calculated field at each year end in the budget papers. The increase is primarily due to an lower capital works expenditure (refer point 10 above).

## 35. BUDGETARY INFORMATION: ADMINISTERED TERRITORY ITEMS

In addition to the specific departmental operations which are included in the financial statements, the department administers or manages other activities and resources on behalf of the Territory such as royalties and rents on Crown land and land related regulatory fees and charges as well as collection fees from regulatory services for registration and licensing associated with road users.

The department does not gain control over assets arising from these collections, consequently no income is recognised in the department's financial statements. The transactions relating to these activities are reported as administered items in this note.

ADMINISTERED TERRITORY ITEMS	2021-22 Actual	2021-22 Original budget	Variance	Note
	\$'000	\$'000	\$'000	
<b>TERRITORY INCOME AND EXPENSES</b>				
<b>Income</b>				
Taxation revenue	63 341	58 347	4 994	1
Grants and subsidies revenue)				
Capital	21 290	37 097	(15 807)	2
Fees from regulatory services	5 427	7 106	(1 679)	3
Royalties and rents	2 699	3 785	(1 086)	4
Other income	3 708	3 208	500	5
<b>TOTAL INCOME</b>	<b>96 465</b>	<b>109 543</b>	<b>(13 078)</b>	
<b>Expenses</b>				
Other administrative expenses	96 465	109 543	(13 078)	6
<b>TOTAL EXPENSES</b>	<b>96 465</b>	<b>109 543</b>	<b>(13 078)</b>	
<b>TERRITORY INCOME LESS EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TERRITORY ASSETS AND LIABILITIES</b>				
<b>Assets</b>				
Other receivables	14 467	6 652	7 815	7
<b>TOTAL ASSETS</b>	<b>14 467</b>	<b>6 652</b>	<b>7 815</b>	
<b>Liabilities</b>				
Unearned Central Holding Authority income	14 467	6 652	7 815	8
<b>TOTAL LIABILITIES</b>	<b>14 467</b>	<b>6 652</b>	<b>7 815</b>	
<b>NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# Notes to the financial statements

## for the year ended 30 June 2022

### 34. BUDGETARY INFORMATION (continued)

#### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred.

1. Taxation revenue variance primarily relates to additional revenue from vehicle registrations.
2. Capital variance primarily relates to timing of milestone payments from the Commonwealth and local government councils for various capital works projects.
3. Fees from regulatory services variance primarily relates to lower than expected revenue received for motor vehicle registry fees.
4. Royalties and rents variance primarily relates to lower than expected revenue received for land rent on Crown leases.
5. Other income variance primarily relates to bank guarantees being transferred to the Central Holding Authority and the recognition of unclaimed monies.
6. Other administrative expenses variance is due to all the revenue explanations above.
7. Other receivables variance is due to the recognition of receivable from the Central Holding Authority to match the liability of unearned revenue.
8. Unearned variance is due to the recognition of unearned revenue in line with expenditure milestones which are collected through the Central Holding Authority.



**NORTHERN  
TERRITORY**  
GOVERNMENT

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