

2025-2026

Annual Report

Department of Logistics
and Infrastructure









NORTHERN TERRITORY GOVERNMENT

Acknowledgement

The Department of Logistics and Infrastructure (DLI) acknowledges the Traditional Owners of the Northern Territory and recognises their continuing cultural and spiritual connections to the lands, waters and communities.

While this report uses the term Aboriginal, the contents and information should be read to include both Aboriginal and Torres Strait Islander people.

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

Aboriginal Interpreter Service on 1800 334 944

Information regarding interpreter services in the Northern Territory can be accessed via nt.gov.au/itsnt

Providing feedback

DLI welcomes feedback on this annual report and can be contacted on the details below.

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INTRODUCTION

About the report

This annual report highlights the work and performance of the Department of Logistics and Infrastructure (DLI) during the 2025-26 financial year. Performance is reported against strategic goals, approved budget and output measures.

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

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

The report is structured in the following sections:

PART 1
Our organisation

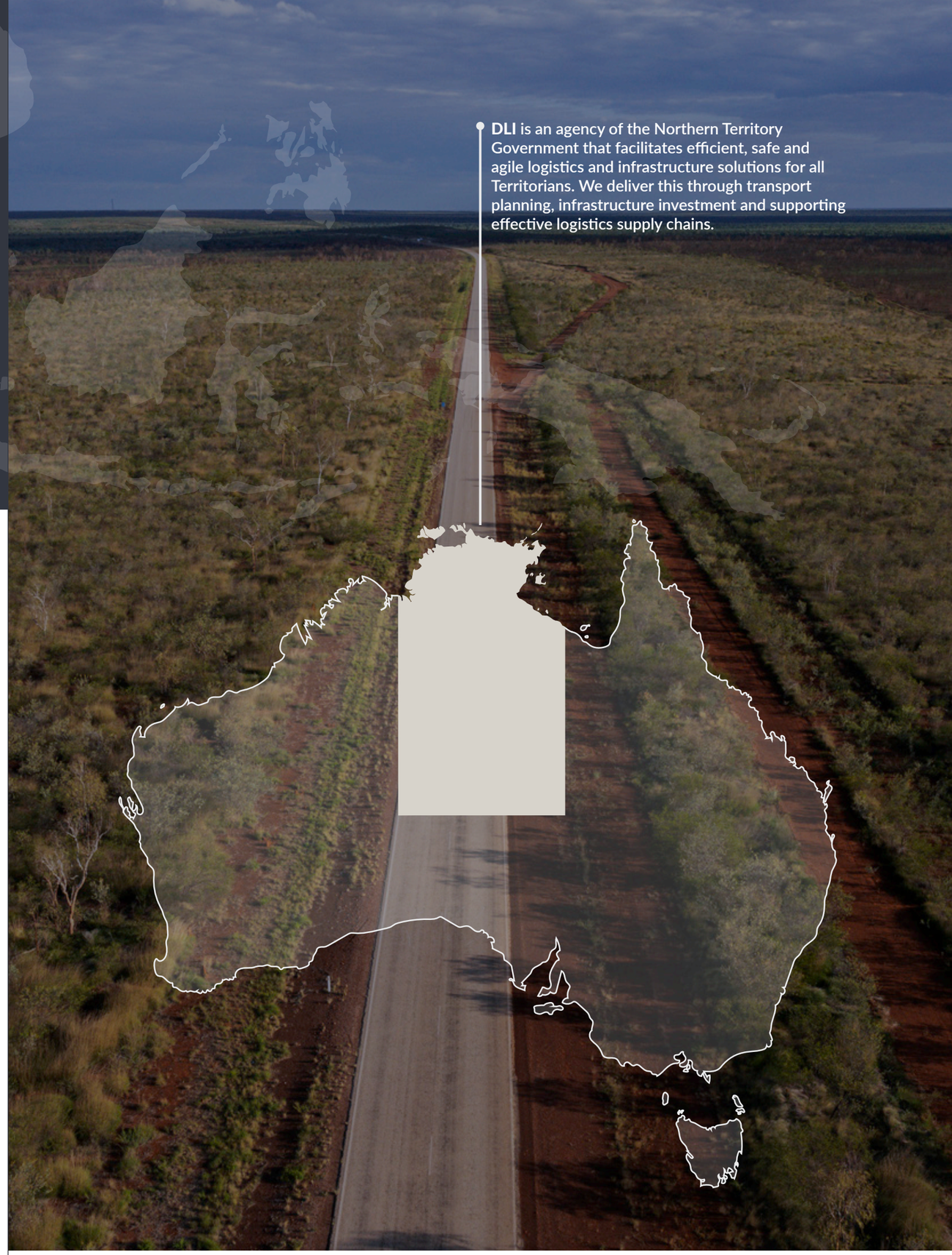
PART 2
Our highlights and achievements

PART 3
Governance framework

PART 4
Our people

PART 5
Our performance

PART 6
Financial statements



DLI is an agency of the Northern Territory Government that facilitates efficient, safe and agile logistics and infrastructure solutions for all Territorians. We deliver this through transport planning, infrastructure investment and supporting effective logistics supply chains.

LETTER TO THE MINISTER

7 September 2026

Minister for Logistics and Infrastructure
Parliament House
State Square
Darwin NT 0800

Dear Minister Yan

Re: Agency Representation Letter 2025-26

As part of the presentation of the agency's Annual Report, and in accordance with Treasurer's Direction R2.1.6, each accountable officer shall include a representation to the relevant minister that to the best of the accountable officer's knowledge and belief:

a. proper records of all transactions affecting the agency are kept and that employees under their control observe the provisions of the *Financial Management Act 1995* (FMA), the Financial Management Regulations and Treasurer's Directions

b. procedures within the agency 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 FMA.

c. no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists (or where this is not the case, details to be provided of any such instances)

d. in accordance with the requirements of section 15 of the FMA, the internal audit capacity available to the agency is adequate and the results of internal audits have been reported to the accountable officer

e. the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions

f. reporting required under Employment Instructions issued by the Commissioner for Public Employment has been satisfied

g. the agency is working in compliance with the *Information Act (2002)*.

In addition, the Chief Executive of the Department of Corporate and Digital Development (DCDD) advises that, in relation to items a), e) and g) above that involve functions provided by DCDD, to the best of her knowledge and belief, proper records are kept of transactions undertaken by DCDD on behalf of the agency and that the employees of DCDD observe the provisions of the FMA, the Financial Management Regulations and Treasurer's Directions and Part 9 of the *Information Act 2002*.

Yours sincerely

Gemma Lake
Chief Executive Officer
7 September 2026



MESSAGE FROM THE CEO

Gemma Lake
Chief Executive Officer
Department of Logistics and Infrastructure

I am pleased to present the 2025-26 Annual Report for the Department of Logistics and Infrastructure.

This year has been one of transformation, resilience and achievement. Across every division, our people have demonstrated an unwavering commitment to serving Territorians by delivering essential infrastructure, supporting government services and responding to some of the most significant operational challenges faced throughout the year.

Following my appointment as Chief Executive Officer in March 2026, the department commenced implementation of a refreshed organisational structure designed to strengthen capability, improve service delivery and position the organisation for future success. As part of this restructure, we welcomed the appointments of:

- Tegan Berg as General Manager Regions
- Ryan Coppola as General Manager Housing and Land Servicing
- Alan Chambers as General Manager Infrastructure NT
- Kirrily Chambers as General Manager Built Infrastructure.

Together with our leadership team, they will play an important role in guiding the department through its next phase.

Throughout this period of change, our workforce remained focused on delivering outcomes for Territorians.

The department recorded strong employee engagement results in the 2025 People Matter Survey and continued to invest in workforce development through initiatives such as the Technical Trainee Program, which saw 5 trainees graduate with Certificate IV qualifications. We further strengthened our organisational culture through the release of a refreshed customer service charter, a new staff behaviour framework, and the introduction of a department-wide onboarding and induction program.

It was also a privilege to recognise 46 employees for their long and dedicated service to the Northern Territory Public Sector, celebrating milestones of 10, 20, 30 and 40 years of service.

The year was marked by significant emergency response and recovery efforts following Tropical Cyclones Fina and Narelle, and subsequent severe weather events across the Top End, Katherine, Barkly and Central Australia. Staff worked tirelessly to maintain essential services, restore road access, support schools and communities, and coordinate critical recovery activities.

Our teams facilitated the evacuation of 253 Daly River residents to Darwin and their safe return, while also preparing emergency accommodation facilities. The dedication and professionalism demonstrated during these events reflected the department's strong emergency management capability and commitment to supporting communities when they need it most.

Alongside these efforts, the department continued to deliver critical infrastructure projects across the Northern Territory.

Major milestones included the opening of the Mandorah Marine Facilities, completion of the Dundee Boat Ramp upgrade, delivery of the Katherine High School STEAM Centre, and the successful redevelopment of Parap Preschool in time for the start of the school year. The Cullen Bay dredging project was completed ahead of schedule, allowing ferry services to resume 3 weeks earlier than anticipated, while significant road upgrades progressed at Maguk Road in Kakadu National Park and along the Plenty Highway.

Infrastructure NT also continued to progress several strategically significant projects, including the Territory Energy Link, the Middle Arm Precinct, the Darwin Region Water Supply Infrastructure Program, and the Northern Marine Complex. These projects are expected to provide long-term benefits for the Territory by improving connectivity, supporting industry development and enhancing critical infrastructure capability.

The department also delivered on key corrections infrastructure commitments. Through the Corrections Infrastructure Masterplan, 1,092 correctional beds were delivered by 31 March 2026, with planning continuing for future work camps in Darwin and Katherine to support rehabilitation outcomes and reduce reoffending.

One of the year's standout achievements was the successful delivery of the new Motocross Grand Prix (MXGP) track at Hidden Valley, hosting the 2025 FIM Motocross World Championship. Completed within demanding timeframes, the event attracted more than 36,000 attendees and showcased the department's ability to deliver complex infrastructure projects to support major events and community outcomes.

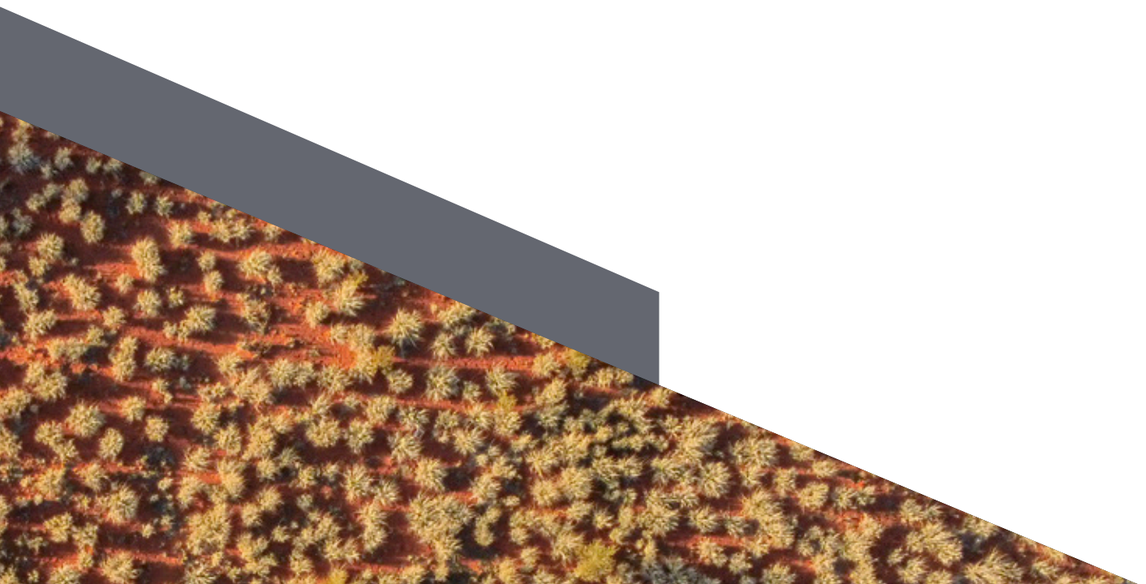
As I reflect on the year, I am immensely proud of what we have achieved together. Whether responding to emergencies, delivering critical infrastructure, supporting frontline services or implementing significant organisational change, our people have consistently demonstrated professionalism, resilience and a commitment to excellence.

As we look ahead, the department remains focused on delivering the infrastructure, services and capabilities required to support Northern Territory communities and government priorities.

I extend my sincere thanks to our employees across the Territory for their dedication, adaptability and commitment throughout a year of significant change and challenge. I also acknowledge the valuable contribution of our contractors, industry partners, government agencies and stakeholders whose collaboration has been fundamental to our success.



Gemma Lake
Chief Executive Officer
Department of Logistics and Infrastructure





PART 1

Our organisation

DEPARTMENT OF LOGISTICS AND INFRASTRUCTURE

STRATEGIC PLAN 2025-28

NORTHERN TERRITORY GOVERNMENT

OUR VISION

Build, Connect,
Grow the Territory.
Plan for tomorrow.
Deliver for today.

OUR PURPOSE

To facilitate efficient, safe and agile logistics and infrastructure solutions for all Territorians.

NTPS VALUES

- Accountability
- Respect
- Diversity
- Commitment to Service
- Ethical Practice
- Impartiality

OUR GOALS

Integrated strategic infrastructure planning and agile delivery

Coordinated infrastructure planning is executed collaboratively, acting as a critical enabler of successful delivery

OBJECTIVES

- Place-based planning that facilitates successful and effective infrastructure delivery
- Infrastructure that supports local, Territory and national priorities
- Regionally focused integrated infrastructure plans are in place
- Positive stakeholder engagement through debriefs and performance reports
- Delivering quality projects on time and in budget

Clear and informed accountability

Empowered decision making through clear, focused accountability

OBJECTIVES

- Accountabilities are simple and clearly defined in strong governance frameworks
- Defensible, efficient and timely decision-making
- Transparency and consistency in decision-making
- Improved integration and collaboration
- Empowered decision-making with the use of appropriate delegations
- Strong reputation with external stakeholders

Streamlined systems and processes

Integrated and improved systems, technology and processes

OBJECTIVES

- Efficient, effective and consistent processes across the agency
- Data driven and informed decision-making
- User friendly applications and processes
- Improved user experience
- Minimising duplication and maximising efficiency
- Fewer non-compliances identified in audits
- Improved and consistent approach to project/program management
- Reduced wait times on departmental process
- More targeted and responsive reporting
- Early investigation and adoption of new systems and technologies that improve our service delivery across the agency

Strong engagement and consultation

Foster strong relationships and transparent communications across government, industry and our stakeholders

OBJECTIVES

- Dynamic, trusted and authentic relationships
- Improved responsiveness
- Support government priorities by leading a consistent approach to collaboration and engagement
- Improved agency performance feedback from industry and clients
- Reduction in the number of complaints
- Increased positive feedback provided
- Projects delivered in partnership with others including NT Agencies, Federal Government and the private sector

Skilled, committed and engaged workforce

Attract, build and retain a skilled and committed workforce within a supported and connected environment

OBJECTIVES

- Attract and retain people with the right knowledge and skills
- Connected teams and knowledge sharing
- Efficient resource structuring and utilisation through workforce planning
- Staff are supported through improved people-focussed initiatives and programs
- Increased learning and development opportunities to develop highly knowledgeable and capable workforce
- Reduction in vacancies, time to fill, and the number of times a role is advertised
- Increased number of applicants through improved attraction methods
- Increased positive feedback through the People Matter Survey
- Recognition as an Employer of Choice
- Improved employee retention rates

DELIVERY OF THE STRATEGIC PLAN SUPPORTS THE 3 PILLARS OF GOVERNMENT:

REDUCE CRIME - REBUILD THE ECONOMY - RESTORE OUR LIFESTYLE

OUR FUNCTIONS

DLI aims to drive the sustainable, economic and social advancement of the Northern Territory through:

- strategic transport planning and infrastructure investment to meet community needs, support future growth and enable effective logistics supply chains
- delivering the Northern Territory's infrastructure program and providing services as the Territory's central construction agency
- regulatory and customer services that promote safe, efficient and sustainable building development and transport systems
- advocating the Northern Territory's interests in national and local reforms and supporting statutory committees and boards to ensure coordinated progress.

CORPORATE AND ENABLING SERVICES

- Enterprise Project Services
- Executive Services
- Financial Management Services
- Policy and Legal Services
- Procurement
- Strategy, Governance and Workforce

PROGRAM DELIVERY

- Built Infrastructure
- Corrections Infrastructure
- Housing and Land Servicing
- Transport and Civil Infrastructure

INFRASTRUCTURE NT

- Darwin Harbour Infrastructure Projects
- Enabling Infrastructure
- Environment
- Precincts, Freight and Logistics

TRANSPORT SAFETY AND SERVICES

- Customer Service
- Policy and Reform
- Regional Harbourmaster
- Regulation and Compliance
- Transit Safety
- Transport Safety and Services Contracts

REGIONS

- Northern Region
  - » Big Rivers
  - » East Arnhem
- Southern Region
  - » Central Australia
  - » Barkly

OUR OPERATING STRUCTURE

DLI delivers projects across the Northern Territory and has employees based in 8 office locations across 5 regions.

Services are also delivered at customer facing locations such as Motor Vehicle Registries and Vehicle Inspection facilities across the Northern Territory.

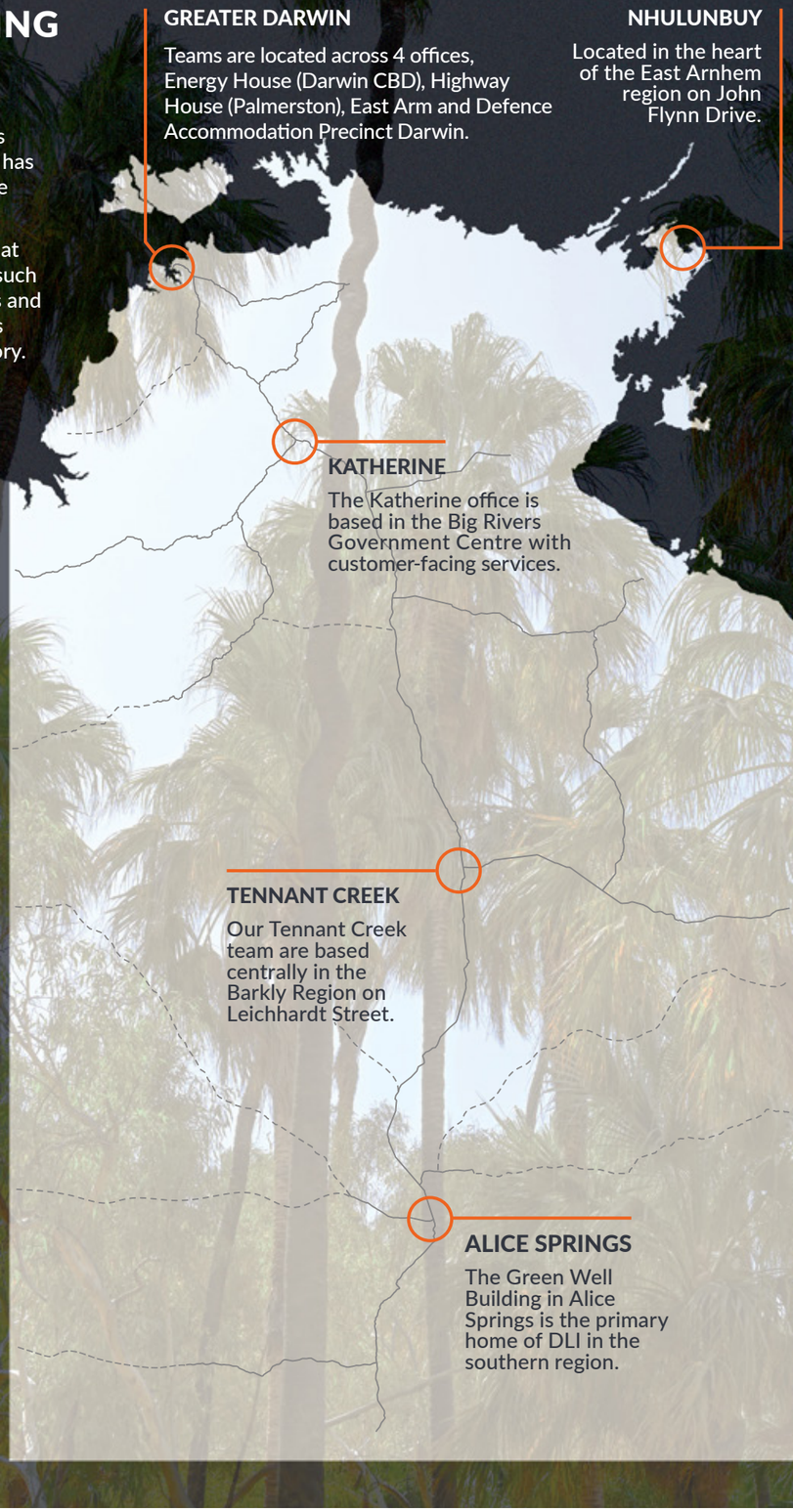
738
Full time equivalent (FTE) staff based across the Northern Territory

$1.34B
Spent on infrastructure and related payments

An infrastructure program worth over
$4.69B

Collected revenue on behalf of government, including
$99.5M
from rent, royalties and regulatory services, including motor vehicle registration and stamp duty fees

Management of buildings, roads, bridges and other assets with a written down value of over
$10.5M



SHARED SERVICES

There are several corporate services which are centralised across the department that largely fall under the Corporate and Enabling Services division. These services are provided across 6 branches.

Executive Services

The Executive Services branch delivers high-level strategic advice and business support services across the agency. Its responsibilities include audit, risk and investigations, communications, media and engagement, secretariat and ministerial liaison and emergency management functions, while also providing direct support to the Chief Executive Officer.

Strategy, Governance and Workforce

The Strategy, Governance and Workforce branch supports the department in achieving its strategic objectives by translating strategy into clear plans, priorities and performance expectations, while strengthening safe, ethical and inclusive workplaces through governance, WHS systems and workforce programs and initiatives. It builds a capable and future-ready workforce by attracting and recruiting talent, delivering corporate training and development, and aligning workforce capability to organisational needs. The branch also leads corporate governance frameworks, ensuring effective oversight, informed decision-making and a positive, engaged employee experience.

Financial Management Services

The Financial Management Services branch delivers integrated financial and business support services to enable the department to operate efficiently, maximise financial resources and meet its statutory obligations.

Key functions include:

- budget development and management
- financial reporting
- financial system administration
- taxation and audit compliance
- financial statement preparation
- fixed asset management
- travel and fleet administration
- provision of office accommodation services.

The branch also manages and reports on government capital works, minor works, and repairs and maintenance programs, providing expenditure oversight and reporting to support budget development and decision-making across the department and client agencies. This has been enabled by the recent centralisation of program support staff.

Policy and Legal Services

The Policy and Legal Services branch provides a centralised team to support the department in legal matters, legislative development and strategic policy guidance including:

- Legal support: centralised support for legal matters including coronial investigations, Freedom of Information requests, privacy issues and contract management support.
- Legislation development: preparation of legislation for the Legislative Assembly.
- Strategic policy: supporting the development of Northern Territory transport and infrastructure related strategy, providing and coordinating representation, advice and advocacy on national strategic transport and infrastructure forums, boards, committees and other statutory bodies.

Enterprise Project Services

The Enterprise Project Services branch is responsible for strengthening project and contract delivery across the department through governance, assurance, capability development and data-driven insights. The branch provides the systems, services and expertise that support consistent, efficient and accountable delivery of infrastructure, programs and strategic initiatives.

Project administration staff, previously dispersed across business divisions, have transitioned to a centralised service model within the branch, providing consistent, coordinated support to project and contract managers across the department.

The branch comprises of 4 business units, providing:

- assurance, audit and compliance services to support contractor performance and contractual obligations (Contractor Compliance Unit)
- project governance, assurance, capability development and portfolio management function (Enterprise Project Management Office)
- business intelligence, reporting and digital solutions to support informed decision-making (Program Solutions)
- centralised administrative support for project and contract delivery (Project and Contract Administration).

Procurement

The Procurement branch provides procurement leadership, governance and assurance services to support the department as the Territory's central construction authority. The branch facilitates approximately 50% of NT Government procurement activity and maintains procurement frameworks, controls and capability programs that strengthen accountability and support value-for-Territory outcomes.

The branch delivers advisory and facilitation services, monitors compliance and assurance outcomes, builds procurement capability, and drives continuous improvement and reform. These functions support consistent and defensible procurement practices, effective management of procurement risk and continuous improvement across the department.

OUR LEGISLATION

Legislation and administrative responsibilities

Legislation administered under the Administrative Arrangements Order 2025

1. *Aerodromes Act Repeal Act 2002*
2. *AustralAsia Railway Corporation Act 1996*
3. *AustralAsia Railway (Special Provisions) Act 1999*
4. *AustralAsia Railway (Third Party Access) Act 1999*
5. *Commercial Passenger (Road) Transport Act 1991*
6. *Control of Roads Act 1953*
7. *Marine Act 1981*
8. *Marine Safety (Domestic Commercial Vessel) (National Uniform Legislation) Act 2013*
9. *Motor Vehicles Act 1949* (except Part V)
10. *Port of Darwin Act 2015*
11. *Ports Management Act 2015*
12. *Public Transport (Passenger Safety) Act 2008*
13. *Rail Safety (National Uniform Legislation) Act 2012*
14. *Traffic Act 1987*

General administrative responsibilities

- Administration of arrangements with operator for Port of Darwin
- Assets and program management (except repairs, maintenance and minor works for social and remote housing (including public housing))
- Commercial passenger vehicle industry
- Designated ports (including regional harbourmasters)
- Freight and logistics industry development
- Housing construction industry development
- Infrastructure planning, management and delivery
- Maritime industry development
- Ports development
- Procurement (infrastructure services)
- Public transport
- Rail industry development
- Recreational boating safety
- Regional air services development
- Road network management
- Road safety
- Road transport
- Strategic growth and infrastructure planning
- Transport assets
- Transport policy and planning
- Whole of government strategic logistics and infrastructure policy, planning and delivery required for the development of the Northern Territory.

Statutory bodies

Statutory bodies that receive funding or support from the department

- AustralAsia Railway Corporation



NATIONAL TRANSPORT REFORMS

The department is participating in the development of key national transport reforms including:

» ***Automated vehicles*** – development of a regulatory framework for the safe deployment of automated vehicles across Australia. States, territories and the Australian Government are working with the National Transport Commission to implement legislative reform and establish an Automated Vehicle Safety Regulator.

» ***Heavy vehicle road reform*** – development of national road funding and pricing reform to link heavy vehicle user needs with service levels, industry charges and investment into heavy vehicle road infrastructure and services.

» ***National road safety strategy and action plan*** – working with the national Office of Road Safety and all jurisdictions to implement the National Road Safety Strategy and Action Plan, report on implementation, and commence the development of a new national Action Plan.

» ***Improving the interoperability of rail systems*** – working with the National Transport Commission and Australian jurisdictions to improve rail interoperability through the National Rail Action Plan, including alignment of digital technology, harmonised rail standards and improved governance arrangements.

» ***e-Mobility Devices*** – development of a national regulatory framework for the safe supply and use of electronic mobility devices, including devices such as electric scooters and bicycles. Consideration of consumer product standards and legislative implications for the Northern Territory.



LEGISLATIVE REFORM PROGRAM

Legislation

Traffic Amendment (Demerit Points) Regulation 2026

Made May 2026

- Increased demerit points applicable for drink and drug driving offences dealt with by traffic infringement notice to 6 demerit points.

Commercial Passenger (Road) Transport Legislation Amendment (Licensing) Bill 2026

Made March 2026

- Provided options of 12, 24 and 36 month licence terms for commercial passenger vehicle licences.

Taxi Amendment Regulations 2025

Made December 2025

- Extended the operation of voluntary taxi fare pre-payment scheme to any hiring that occurs between 7 pm and 7 am on any day of the week (previously weekend nights only).

Motor Vehicles (Fees and Charges) Amendment Regulations 2025

Made July 2025

- Increased the national heavy vehicle number plate fee from $30.30 to $31.10.

Transport Legislation Amendment Act 2025

Made October 2025

- Amended the *Commercial Passenger (Road) Transport Act 1991*, *Motor Vehicles Act 1949*, *Public Transport (Passenger Safety) Act 2008 and Traffic Act 1987*, as well as several regulations made under these Acts, to enable:
  - Increased penalties for repeat drink and drug drivers – cumulative disqualifications for multiple offences.
  - Traffic infringements for unlicensed driving – capturing unsupervised learner drivers and unlicensed drivers.
  - Improved Transit Officers powers to remove antisocial behaviour from public transport and allow the use of gel-based OC spray.
  - Reduced timeframes for abandoned vehicles (from 7 to 3 days) and expansion of the powers beyond roads to verges/public places.
  - Increased light trailer registration periods to 3 years.
  - Abolished the defunct Commercial Passenger Vehicle Board.
  - Increased penalties for commercial passenger fare overcharging.



PART 2

Our highlights and achievements



FAST FACTS

2,600 evacuees were registered at evacuation centres and emergency shelters across the NT, including:

- **Nauiyu (Daly River)**
- **Nganmarriyanga (Palumpa)**
- **Katherine**
- **Jilkminggan**
- **Beswick**
- **Numbulwar**

96 residents relocated

89 to Gove **7 to Gapuwiyak**

from Baniyala, Rurrangala, Gangan and Balma Homelands

983 repatriated residents were returned to their communities, including:

- **248 Nauiyu (Daly River)** residents
- **180 Nganmarriyanga (Palumpa)** residents
- **416 Numbulwar** residents
- **139 Jilkminggan** residents

2,214 online road consent applications processed

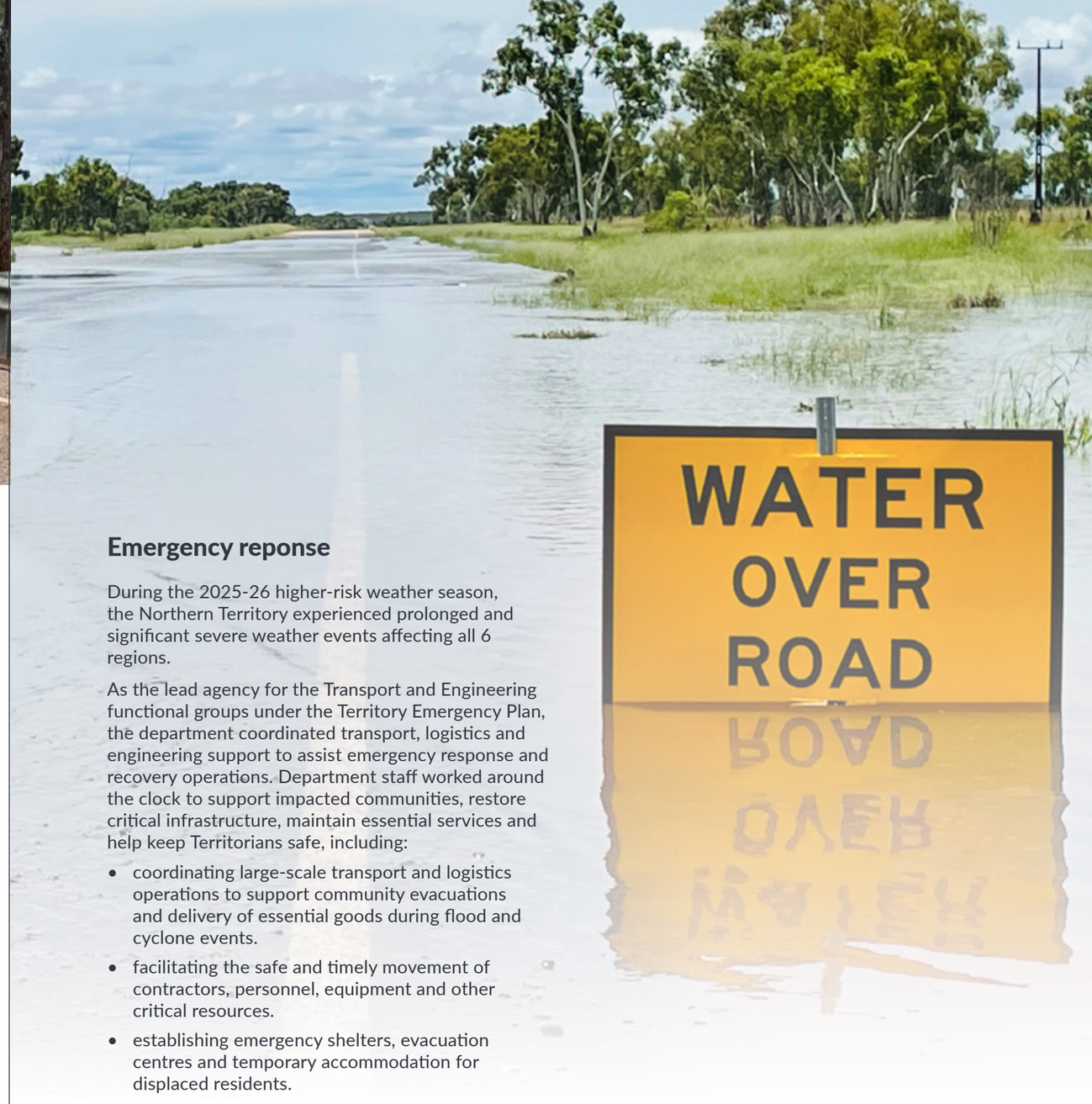
$55.6M in disaster-related repairs to national highways and Territory roads

300+ NT Government assets assessed during the 2025-26 higher-risk weather season

Assessments and restoration across key community infrastructure

- Schools
- Health
- Housing
- Police
- Roads
- Aerodromes

40 flood-affected assets repaired in Alice Springs and remote Central Australia



Emergency reponse

During the 2025-26 higher-risk weather season, the Northern Territory experienced prolonged and significant severe weather events affecting all 6 regions.

As the lead agency for the Transport and Engineering functional groups under the Territory Emergency Plan, the department coordinated transport, logistics and engineering support to assist emergency response and recovery operations. Department staff worked around the clock to support impacted communities, restore critical infrastructure, maintain essential services and help keep Territorians safe, including:

- coordinating large-scale transport and logistics operations to support community evacuations and delivery of essential goods during flood and cyclone events.
- facilitating the safe and timely movement of contractors, personnel, equipment and other critical resources.
- establishing emergency shelters, evacuation centres and temporary accommodation for displaced residents.
- undertaking damage assessments, debris clearance and delivering urgent repairs to restore critical infrastructure and reopen essential road networks, following severe weather impacts.
- providing transport and engineering advice through the Emergency Operations Centre to support whole-of-government operational decision-making.
- supporting ongoing response operations in affected communities as conditions evolved.
- supporting the safe and coordinated repatriation of displaced residents back to their communities and homelands as access routes were restored and housing became available.

22,450 km of Northern Territory Government managed roads in the Territory

495,184 Road Report website visitors

Procurement operations and capability

DLI is the lead provider and construction authority for public infrastructure across the Territory and facilitates 50% of procurement on behalf of government agencies each financial year.

Over the past 5 years, more than 95% of contracts have been awarded to Territory enterprises, with only 15% using a select tendering method.

Aboriginal procurement policy

The whole of government target for contracts awarded to Aboriginal enterprises by both quantity and contract value is 5%.

In 2025-26, DLI exceeded these targets, awarding 10.6% of contracts by value and 9.4% of contracts by quantity to Aboriginal businesses.

Internal capability improvement

During 2025-26, procurement capability training was delivered across the department, including a new tender negotiation module piloted in February 2026.

A total of 1,119 staff attended face-to-face procurement training across all phases of the procurement lifecycle.

Process improvement

Contractor performance assessment processes were strengthened through the inclusion of contractor feedback.

Shortlisting was applied to construction and consultant tenders with clearer guidance for tenderers.

Tender processes were standardised through 90-day validity periods for tenders over $200,000 and 14-day revalidation timeframes.

Response Schedule requirements were streamlined to reduce administrative burden on tenderers.

Procurement key performance indicators

The department has several key performance indicators for the procurement process, as detailed below with results for 2025-26.

Process	KPI	Actual
Construction contracts awarded to Territory Enterprises	97%	98.3%
Process tenders to market on receipt of tender documentation	5 days	6 days
Provide offers to tender assessment panel after close	14 days	58%[1]
Average days to award from close	30 days	60 days

1. Acutal reflects the percentage completed within 14-day KPI.

FAST FACTS

1,449
Tender submissions received from industry

$5.34B
awarded for capital major and minor works

336
tender debriefs facilitated to help tenderers improve future tender submissions



Marine Safety

In 2025-26, the Marine Safety team:

- Carried out **198** compliance checks
- Participated in **9** community events
- maintained navigation aids in Northern Territory waters
- marked **100** navigation hazards on the Daly River
- participated in National Safe Boating Week and national marine safety forums
- Conducted **198** marine safety compliance checks



Gunyangara (Gove Port) Tourism Precinct

The Gunyangara (Gove Port) Tourism Precinct project at Inverell Bay, near Nhulunbuy, was completed in August 2025, enhancing marine and landside infrastructure in the East Arnhem region.

The upgrade enables larger commercial and recreation vessels, including yachts, cruise ship tenders, charter vessels and pleasure craft, to access the precinct, supporting increased visitation and tourism activity.

The $9.3 million funded project delivered a range of improvements, including a 60 m floating pontoon, a new car park, and upgraded amenities and safety measures to enhance visitor experience and accessibility.

FAST FACTS

Approximately **850 cubic metres** of concrete was recycled from the site and used to construct the rock groyne

Approximately **6,000 tonnes** of rock was placed to build the groyne from Gulkula Quarry

600 tyres were recycled to create the new floating pontoon

100 m approximate length

15% Aboriginal employment on the project



Mandorah Marine Facilities completion

The $85 million Mandorah Marine Facilities project on the Cox Peninsula was completed in August 2025, delivering major marine and landside infrastructure to support transport connectivity and community access.

The new facilities enhance public transport services for residents and visitors travelling to Mandorah, Wagait Beach and Belyuen, while improving safety, accessibility and overall user experience.

Key features include a new boat ramp, upgraded car parking, accessible amenities compliant with the *Disability Discrimination Act 1992*, and a repurposed building providing a dedicated ferry terminal. Installation of a new pontoon and gangway has further improved ferry operations and passenger access.

Significant marine works were also completed, including the construction of 2 breakwaters using approximately 80,000 tonnes of rock to create a protected basin, improving resilience to sea swells and wave action.

The project delivered strong local economic benefits, with more than 90% of subcontractors and suppliers being Territory businesses, and a total of 404 people employed during construction.

FAST FACTS

More than **90%** of suppliers and subcontractors were Territory-based (193 of 213)

New floating pontoon for **150** people each year

Facility will support over **4,000** ferry services annually

Northern Marine Complex

Construction of the first phase of the Northern Marine Complex is progressing.

A purpose-built maritime precinct, the Northern Marine Complex spans 246 hectares of land and water at East Arm and is anchored by the ship lift, which has a 5,500-tonne vessel lifting capacity and is co-located with marine engineering, fabrication, logistics and specialist services.

The Northern Marine Complex will allow multiple vessels to be dry-docked at the same time, enabling Darwin to service defence, commercial and international fleets across northern Australia and the Indo-Pacific.

Significant construction activities during 2025-26 included:

- marine piling continued with 74 of 186 tubular piles driven in total
- 45 of the 47 caissons required were constructed to form the seawalls of the complex
- all 59 bored piles were installed to form the foundations for the Blast and Paint Facility
- stormwater drainage works to manage stormwater on the site during operations
- steel wall frames, plumbing and the electrical switchboard installed at the administration building
- steel wall framing, roofing and plastering continues on the security gatehouse building
- construction started on the Blast and Paint Facility.

Several milestones were reached for the fabrication and delivery of key components of the ship lift and transfer systems in 2025–26, including:

- the wire rope assemblies shipped from the UK to connect the ship lift platform with the hoist, which is the machine that raises and lowers the platform
- load cells pins arrived from the United States and will be used to register the load applied to each hoist assembly during a docking or undocking operation for vessels being lifted or lowered
- lower sheave units arrived from Vietnam and are a set of pulleys fixed to the ship lift platform and used to lower the platform in and out of the water during docking or undocking procedures
- first batch of self-propelled modular transporters (SPMTs), which will move the vessels between the ship lift platform and around the complex.

The department's Darwin Harbour Infrastructure Projects team have been working on weekends and early mornings conducting inspections on a range of construction activities across the 16-hectare site.

FAST FACTS

More than **700** individual site inspections conducted for construction activities by a dedicated team of **12 DLI team members** since construction began in 2024

Support hundreds of **ongoing jobs** in the marine maintenance industry once constructed

More than **1 milion hours** had been worked to construct the project at East Arm



Darwin Region Water Supply Infrastructure Program

The Darwin Region Water Supply Infrastructure Program is a multi-stage initiative to secure Darwin's future water supply. With the Darwin River Dam operating at capacity, the program aims to double water supply through a 2-stage infrastructure development program.

Stage 1 of the Program is jointly funded by the Australian Government, through the National Water Grid Fund, and the Northern Territory Government and delivered in partnership with the Power and Water Corporation.

During 2025-26, Stage 1 of the Program progressed with the Manton Dam Return to Service project on track for completion in 2026. Once operational, the reservoir will provide an additional 7,300 megalitres of water per year to the Darwin region, supporting population growth, development and water security.

The 2025-26 financial year has also seen advancement in key investigations required for the progress of the proposed Adelaide River Off-stream Water Storage (AROWS) project. These areas include flora, fauna and aquatic surveys, as well as wet-season water-quality sampling across the basin and broader catchment. These studies continue to strengthen understanding of surface water hydrology and water quality, seasonal dynamics and ecological conditions and will directly inform future environmental assessments.

In July 2025, the department installed monitoring bores to improve baseline data on groundwater levels and water quality information. Stage 1 of the regional monitoring bore network consisted of 17 bores across 9 sites on the outside of the basin.

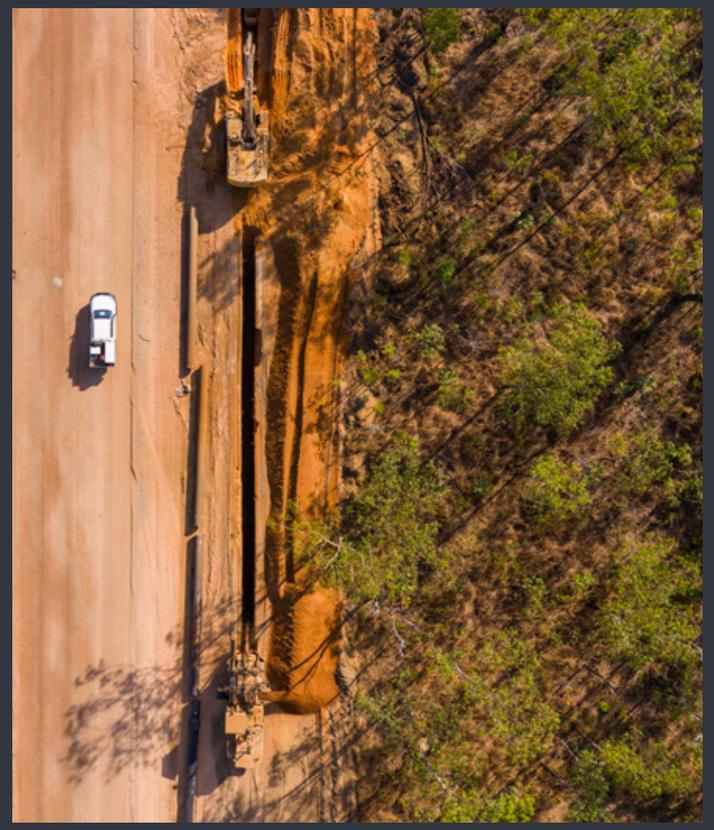
The concept design for the AROWS project has been underway and provides a structured definition of the proposed project's key infrastructure components. This early design phase integrates initial engineering with preliminary hydrology, geotechnical insights, environmental and cultural considerations. The outputs from this early design concept and the environmental investigations inform the next stage of project work.

In the 2025-26 financial year, the Program's Community Reference Group held 2 meetings in July 2025 and February 2026. The Group discussed the Program's progress including key topics such as the Manton and Strauss works progress, environmental and water quality data, concept design and engineering options.

The Program team has also been engaging with key stakeholders including Coomalie Community Government Council, the CEO Water Taskforce, the Adelaide River Water Advisory Committee, the Pastoral Land Board and Northern Land Council representatives.

FAST FACTS

- Safe and secure drinking water for the future
- Enable economic growth
- DOUBLE our water supply
- Endorsed by Infrastructure Australia
- Sustainable solution







Territory Energy Link

Territory Energy Link is a proposed multi-user infrastructure corridor extending approximately 670 km from Elliott to Darwin. The corridor is being planned to accommodate future buried infrastructure such as gas pipelines, water, optical fibre and other utilities within a single, strategically managed alignment.

The corridor is intended to support the long-term development of the Beetaloo Sub-basin, the Middle Arm Precinct and other strategic industries, while strengthening the Northern Territory's energy and infrastructure network.

During 2025-26, the project progressed through the feasibility phase, with activities including route refinement, geotechnical investigations, environmental and cultural assessments, stakeholder engagement and technical studies. These investigations will inform future government decision-making, the business case and identification of a preferred corridor alignment.

The project is being delivered in stages:

- Stage 1: Pre-feasibility stage 2022-24 (completed)
- Stage 2: Feasibility stage approx. 2025-26 (underway)
- Stage 3: Development approx. 2026-28
- Stage 4: Construction and operations 2030+

Planning for Territory Energy Link supports the Northern Territory Government's priority to strengthen enabling infrastructure that facilitates private investment, supports major projects and provides a coordinated approach to future infrastructure development across the Territory.



FAST FACTS

Elliott to Darwin

buried services infrastructure corridor

130 m final alignment width

within

530 m wide corridor study area

Approximately **670 km** long

STAGE 2 feasibility

Operational by **2030**



FAST FACTS

Up to **1,500 km** between hubs and the Port of Darwin

6000+ construction jobs expected

12-40% potential reduction in freight costs (via rail)

Reduced reliance on **road trains** (safer transport network)

Regional Logistics Hubs

The Northern Territory Government is progressing a network of regional logistics hubs to strengthen supply chains, support industry growth and improve connectivity across the Territory.

Proposed hubs will support key sectors including resources, agriculture, renewable energy and construction, while improving freight efficiency and access to the Port of Darwin.

The program addresses current infrastructure constraints and long transport distances by enhancing intermodal connections and increasing rail utilisation. Supporting upgrades, including expanded capacity at the Berrimah Rail Terminal, will further strengthen the network.

The regional logistics hubs are expected to reduce transport costs, improve safety, lower emissions and support economic growth, while creating employment opportunities, including an estimated 6,000 construction jobs.

Dripstone Secondary College science lab tender award

A contract was awarded in June 2026 to Darwin business KF Building and Painting Contractors to upgrade the Dripstone Secondary College's existing science lab.

The refurbishment will improve functionality and create additional space for students through new laboratory benches, upgraded services, replacement of joinery, and refreshed flooring, pinboards and finishes.

The project is one of several priorities under the NT Government Secondary Reform Program, supporting students to complete school and transition into post-school pathways and careers in the Territory.

Construction will be staged to enable continuous operation of the school, with minimal disruption to staff and students. The upgrades are expected to be complete in December 2026.

Humpty Doo Primary School Kiss and Go

Parents and students at Humpty Doo Primary School are a step closer to having a safer school drop off and pick up time, with a contract awarded in June 2026 to Whatareya Pty Ltd to build a new Kiss and Go area.

The new Kiss and Go area will be built between the school oval and Challoner Circuit. Entry will be via a newly created slip lane on Challoner Circuit.

After entering the Kiss and Go area, parents will be able to drive in a single direction, completing a turnaround in a newly completed cul-de-sac removing excessive traffic turns and congestion. Other features of the project will improve line marking, stormwater drainage, footpath connections, kerbing and signage.

The upgrade will improve safety for nearly 400 students enrolled at Humpty Doo Primary School by reducing traffic congestion during peak drop off and pick up times.



Driver Primary School Kiss and Go

Safety and accessibility have been improved at Driver Primary School with the completion of a new $1.25 million Kiss and Go area.

The upgrade reduces congestion during peak drop off and pick up periods, providing a safer and more convenient environment for students, families, staff and visitors, as well as nearby residents.

The project delivered upgraded line marking, improved stormwater drainage, new footpath connections and covered drop off area, kerbing and signage to support safer traffic flow and pedestrian access.

Palmerston Secondary Special Education School

Development of a new secondary special education school in Palmerston is progressing, enhancing access to inclusive, high-quality education for students with disability.

The design, document and construct tender was released in June 2026, marking a key milestone for the project. The new school, featuring 25 classrooms and VET facilities, is planned to accommodate up to 200 students from years 7 to 12. It will deliver tailored learning environments and expanded inclusive opportunities through its co-location with Rosebery Secondary School, while providing Palmerston and rural area residents with a more accessible, local education option.

The preliminary design was informed by an Expert Design Advisory Group (EDAG) alongside key government departments, with broad representations from parents, students, teachers, disability advocates, and special education school principals, ensuring the facility reflects contemporary best practice in inclusive education.

Once operational, the Palmerston Secondary Special Education School will help reduce enrolment pressures across existing special education schools and special education centres in Darwin and Palmerston. The school is scheduled to open for Term 1, 2029, and represents a key component of broader secondary education reforms across the Territory.





Milingimbi workers accommodation

Construction of the Milingimbi workers accommodation was completed in June 2026. The workers camp was constructed using emergency accommodation demountables, utilised during Cyclone Lam recovery that hit Galiwinku community in February 2015. The camp includes 24 bedrooms with ensuite bathrooms. Additionally, the camp also includes kitchen and mess area, site office, carpark, laydown yard and batch plant area.

The camp will be utilised to accommodate workers delivering the HomeBuild program in Milingimbi as part of the $4 billion Northern Territory Remote Housing Program.







Baruwei Lookout lizard sculptures

Sculptural lizards now installed at the Baruwei Lookout in Nitmiluk National Park hold deep cultural significance, representing the Goanna Dreaming creation story of the local Traditional Owners and reflecting their enduring connection to Country.

The project was delivered through a collaborative partnership between DLI and the Department of Tourism and Hospitality, working closely with the artist and local Traditional Owners. This collaborative approach ensured the cultural integrity of the artwork and that the story was shared in a respectful and culturally appropriate manner.

The installation serves both cultural and educational purposes. It provides a visible acknowledgement of Aboriginal heritage, supports the sharing of important cultural stories, and enhances visitor understanding and appreciation of the landscape as a living cultural place.

Overall, the lizard sculptures demonstrate a meaningful integration of cultural storytelling into public infrastructure and delivering a richer and more informed visitor experience at Nitmiluk National Park.

Parap Preschool redevelopment

A $10 million redevelopment of the Parap Preschool was completed, allowing students to attend classes in the new building in Term 1, 2026.

The redeveloped site provides a preschool teaching and learning environment with contemporary multipurpose spaces to support modern learning outcomes.

Focused on flexible and mix-mode learning opportunities inside and out, the new preschool features:

- 2 classrooms linked by a multipurpose central node and outdoor learning and play spaces
- administrative space including office, storage, staff preparation room and internal and external staff break-out zones
- a welcoming entry zone with secure outdoor courtyard leading into the internal foyer and parent alcove
- carpark with 18 bays.

The project was delivered by local Territory company, Jaytex Construction, and more than 70 Territory contractors and suppliers who worked on the redevelopment.





Infrastructure program

The department managed a total infrastructure program of over

$5 billion

including repairs and maintenance, and infrastructure-related expenses

A year end infrastructure spend of

$1.3 billion

including

$269.8 million

for repairs and maintenance, including disaster maintenance

A year end total expenditure of

$1.82 billion

(including operating expenses and infrastructure spend)

436 contracts (all types) awarded, valued at

$742.5 million

- **365** construction contracts awarded by the department, valued at $667.3 million
- **1204** direct and 2281 indirect Territory jobs supported by awarded construction contracts
- **98%** or 359 awarded construction contracts were awarded to Territory Enterprises, valued at $666.3 million

Provided governance support to 22 client agencies to assist in maintaining and managing their infrastructure assets, including:

- Schools
- Hospitals
- Health clinics
- Government buildings
- Parks
- Courts
- Police stations

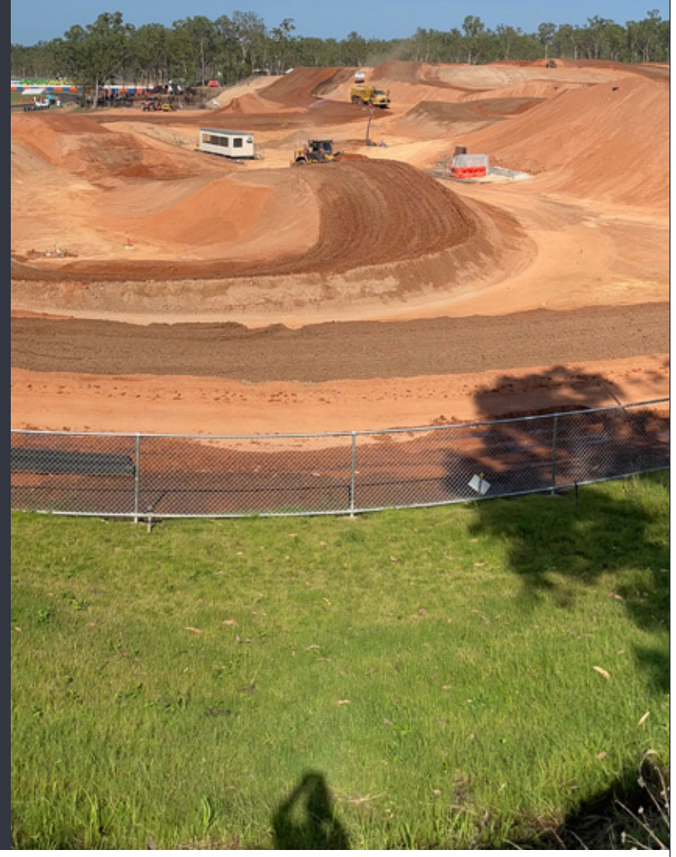
MXGP track construction at the Hidden Valley Motorsport Precinct

An $8.85 million MXGP track was constructed at the Hidden Valley Motor Sport Precinct, enabling Australia to host the FIM Motocross World Championship for the first time in 24 years.

The purpose-built 1.6 km track, featuring 22 corners, 21 jumps and a 90 m starting straight, is the first dedicated world championship motocross track developed in Australia in more than 2 decades.

The department worked with contractors, consultants and NT Major Events Company to deliver headworks including the base track works, a new MXGP pitlane, dedicated spectator areas, accessible paths, plumbing and electrical works, and a new stormwater drainage system.

The event attracted more than 36,000 attendees over 3 days, with almost 60% of visitors travelling from interstate or overseas. It delivered an estimated $21 million boost to the Northern Territory economy and supported employment for more than 100 Territorians.



Corrections Infrastructure Master Plan

Since late 2024, the Corrections Infrastructure Master Plan has delivered new and upgraded facilities across Darwin and Alice Springs, expanding capacity, improving operational flexibility and strengthening rehabilitation outcomes.

Stage 1 of the Master Plan has delivered 1,092 beds through a combination of new builds and upgrades and is nearing completion. The next stage focuses on long-term system resilience through dedicated transition facilities and work camps, supporting rehabilitation, reintegration and improved community safety.

The program has continued to evolve to meet operational requirements and reform priorities, with the overall scope increasing by 40% under the revised Master Plan. The March 2026 revision forecasts a total capacity of approximately 1,535 beds across the Northern Territory.

Key delivery milestones include the opening of the Sector 11 interim women's facility at Darwin Correctional Precinct in January 2026, providing a dedicated and contemporary facility to support women in custody. Additional capacity has also been delivered at Alice Springs Correctional Centre, strengthening regional service capability.



FAST FACTS

Across the program, significant capacity has been delivered through:

842 beds at the Berrimah Correctional Precinct

88 beds at the interim women's facility at Darwin Correctional Precinct

95 beds to be delivered across a staged expansion (50 beds in Stage 1, with a further 45 beds to come online in Stage 2) of Alice Springs Women's Correctional Centre

96 additional beds at Alice Springs Correctional Centre

16 youth beds for the Youth Boot Camp and Bail Support Facility



Leliyn (Edith Falls) accessibility upgrade

Accessibility at Nitmiluk National Park has been enhanced with the installation of a new wheelchair hoist at the Leliyn (Edith Falls) plunge pool, improving access for visitors with limited mobility.

Nitmiluk National Park attracts more than 120,000 visitors each year, with Leliyn a popular destination for swimming. The new infrastructure enables wheelchair users to safely access the water, enhancing the visitor experience and promoting inclusive access to one of the Territory's iconic areas.

This upgrade represents a significant step forward in delivering accessible infrastructure across the parks estate.

Maningrida Police Station Complex

Construction of the Maningrida Police Station Complex is progressing on schedule, with Stage 1 structural works for the main police station reaching final height.

Once complete, the complex will deliver contemporary policing infrastructure, including facilities for up to 16 officers, 5 holding cells, an 8-member visiting officers' quarters (VOQ), and supporting infrastructure such as a secure vehicle compound, boat shed, fuel storage and dog kennels.

Construction of officer housing is advancing, with main structures for 3 houses and 2 duplexes almost complete with fit out underway. Works on the boat shed and VOQ have progressed to roof installation, and site works and fencing surrounding the complex are also progressing.

The project construction contract was awarded to C&R Constructions in July 2025 and is expected to be completed in early 2027, strengthening policing capability and community safety in Maningrida and surrounding regions.





Northern Suburbs Youth Hub

The Northern Suburbs Youth Hub is progressing at Leanyer Recreation Park, with a design and construct tender released in March 2026. The facility will be designed to cater for up to 60 children, with capacity to accommodate up to 100 during one off events. The project will provide a space where young people can learn, connect, and access support.

Located alongside existing recreational facilities, including basketball courts, swimming amenities and skate areas, the hub will integrate with the broader Leanyer Recreation Park precinct to encourage participation and engagement.

The project is funded by the Australian Government.

The contract was awarded to Aspire Design and Construct in July 2026 with anticipated completion in July 2027.





Maningrida Arts and Culture Centre

The Maningrida Arts and Culture Centre (MACC) is a step closer with the award of a contract to construct the new culture hub building to complement the existing arts centre.

The project aims to relocate some of the existing Djómi Museum collection and allow collections access for preservation, storing and archiving. The building includes a general storage, quarantine area, culture office, repatriation, store and archive space and ancillary amenities.

The new culture hub on the art centre site will create a more sustainable and accessible Arts and Culture Precinct for the community, while also focusing on the history, culture and traditions of the community and region.

The construction of the hub building will:

- enhance the cultural and historical value of community-held collections through secure and fit-for-purpose facilities that provide for their preservation, display and improved community access
- support greater operational and staffing efficiencies
- facilitate revenue opportunities and enhanced visitor experiences at the MACC precinct by fostering increased visitation and established tourism partnerships.

The project, which will provide a boost to the region's economy and more opportunities for local artists, is progressing in consultation with Bawinanga Homeland Aboriginal Corporation, the Maningrida Arts and Culture Centre Subcommittee, the Djómi Museum Steering Committee, and other Traditional Owners.

Royal Darwin Hospital upgrades

Infrastructure upgrades at Royal Darwin Hospital are progressing to strengthen healthcare capacity and improve patient outcomes in the Top End.

A new 32-bed multipurpose ward was completed in mid 2026. The $23.95 million expansion increases inpatient capacity, to improve patient flow and reduce pressure on existing services. The ward has been designed in accordance with Australasian Health Facility Guidelines and supports bariatric, renal and general patient care.

Construction of the new Mental Health Inpatient Unit (MHIU) is also advancing, with structural works complete and internal fit-out underway. The facility will deliver 18 inpatient beds, along with a 6-bed Stabilisation Assessment and Referral Area (SARA), providing short-term, therapeutic care for patients presenting with acute mental health needs.

Once complete, the MHIU will enhance acute mental health service capacity in the Northern Territory and support more timely assessment, treatment and referral pathways.



Carpentaria Highway upgrades

The Industry Roads Program is delivering vital road upgrades to Carpentaria Highway to support access to the Beetaloo Sub-basin, Borroloola and surrounding regions.

The program is progressing in stages, with 173 km of the Carpentaria Highway now upgraded. Stages 1 to 3 have delivered road widening, elevation and dual-lane sealing, improving flood immunity and reliability.

Construction of the October Creek Bridge is underway, with completion expected in October 2026. Planning and design for the Carpentaria Highway and Stuart Highway intersection upgrade, is also progressing.

The works improve safety, reliability and access, supporting the Territory's pastoral, tourism, agriculture, mining and energy sectors, including development of the Beetaloo Sub-basin.

STAGE 1
completed
(ch. 2–50 km)

STAGE 2
completed
(ch. 50–140 km)

STAGE 3
in construction
(ch. 140–175 km)

STAGE 4
planning and design underway
(Carpentaria Highway and Stuart Highway intersection upgrade)

STAGE 5
planning and design in 2027
(ch. 175–270 km)



FAST FACTS

Approximately **15 pastoral stations** rely on Carpentaria Highway

Approximately **30,000** cattle transported annually to East Arm Wharf, Darwin

Key supply route for the McArthur River Mine, supporting delivery of supplies, transport of heavy equipment and approximately 40,000 L of diesel per day, supplied by road train from Darwin

Industry roads

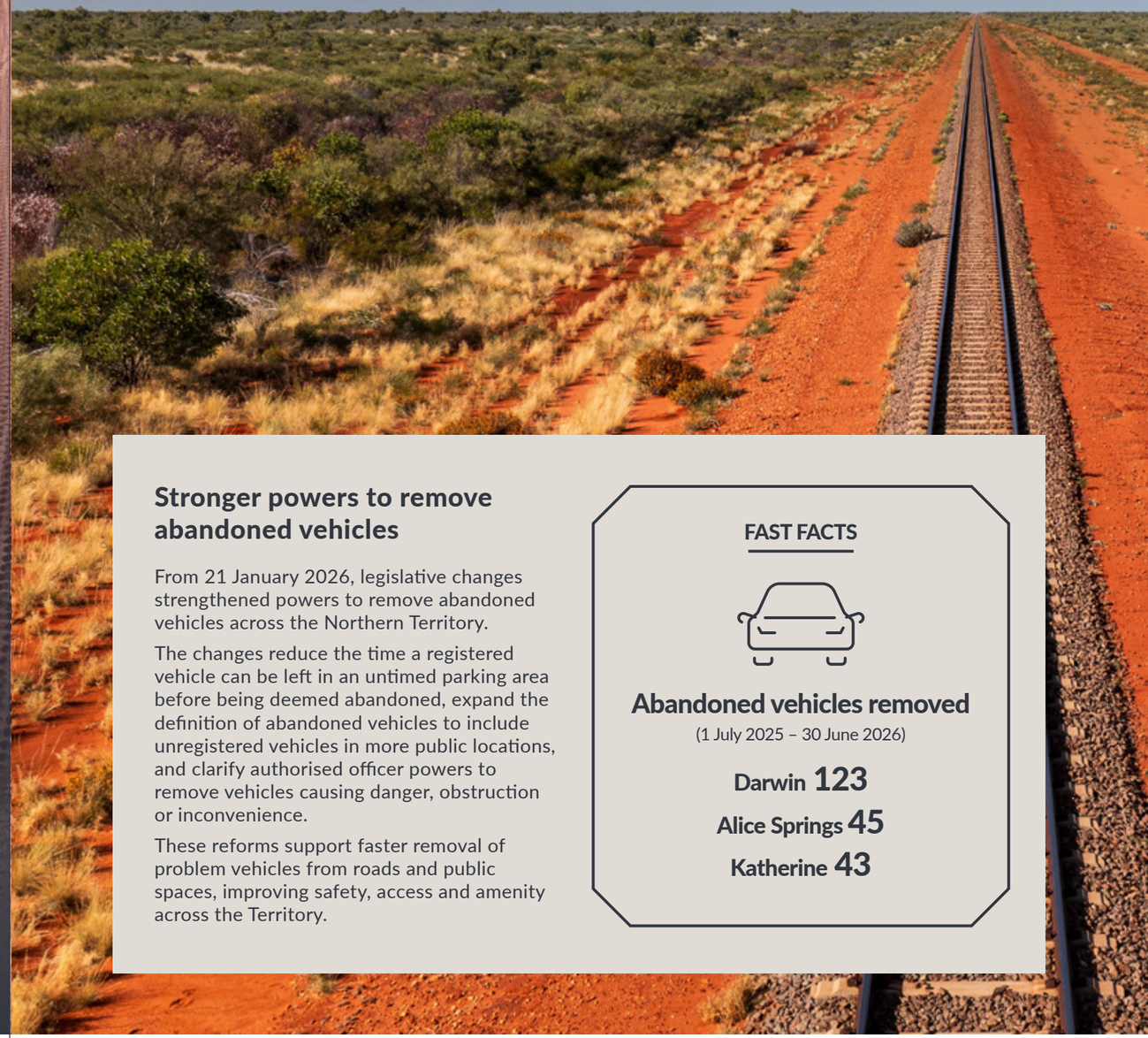
A total of $648.12 million is committed under the Industry Roads Program, jointly funded by the Australian Government and Northern Territory Government.

This investment will deliver crucial enabling infrastructure for the growing gas sector, while also supporting existing road users, industry and communities by providing more reliable transport and freight links.

The program will support increased traffic activity, improve safety and reduce travel times.

It will also cut costs for freight operators and enhance economic opportunities related to the Beetaloo Sub-basin development, as well as the cattle, mining and tourism industries.

Key projects under the program include upgrades to the Stuart Highway, Carpentaria Highway, Buntine Highway, Western Creek Road and Sandover Highway upgrade and sealing.



Stronger powers to remove abandoned vehicles

From 21 January 2026, legislative changes strengthened powers to remove abandoned vehicles across the Northern Territory.

The changes reduce the time a registered vehicle can be left in an untimed parking area before being deemed abandoned, expand the definition of abandoned vehicles to include unregistered vehicles in more public locations, and clarify authorised officer powers to remove vehicles causing danger, obstruction or inconvenience.

These reforms support faster removal of problem vehicles from roads and public spaces, improving safety, access and amenity across the Territory.

FAST FACTS

Abandoned vehicles removed
(1 July 2025 – 30 June 2026)

Darwin **123**
Alice Springs **45**
Katherine **43**

172,527
drivers licences issued

17,338 electric passenger and light commercial vehicles registered in the NT

11,319
students were reached by road safety education sessions
- 40 presentations and workshops delivered
- 361 presentations delivered to schools and children
  - 180 were in remote locations

488
students attended bike safety sessions at Parap and Newland Park Road Safety Centres

121 Hector the Road Safety Cat visits to early learning centres, preschools and primary schools

DriveSafeNT statistics

1,322
DriveSafe urban enrolments. The DriveSafeNT remote team visited **61** remote communities

2,364
DriveSafeNT learner licences issued
- **1,034** urban
- **1,330** remote

MVR online booking services

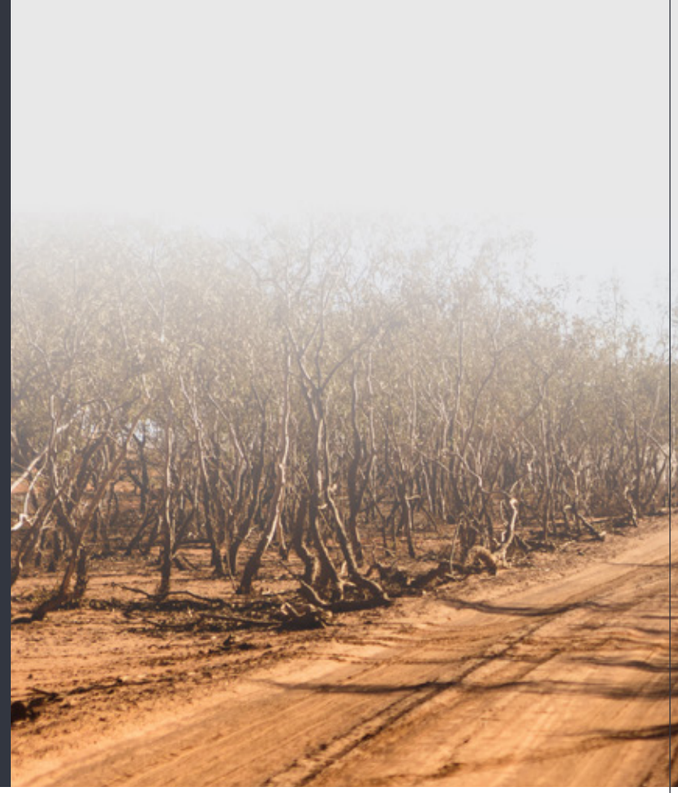
- **472** learner driver licences
- **427** overseas driver licence transfers
- **417** interstate driver licence transfers
- **434** interstate vehicle registrations

Bagot Road safety and capacity upgrades

The department is progressing the Bagot Road safety and capacity upgrades to improve safety, traffic flow and network capacity along one of Darwin's key arterial corridors.

This $30 million project is jointly funded by the Australian Government and the Northern Territory Government. It builds on recent streetlighting improvements between Nightcliff Road and the Stuart Highway overpass, which have enhanced nighttime visibility and supported safer travel for motorists, pedestrians and cyclists.

The works will improve safety by better separating traffic movements and reducing the risk of collisions at busy intersections. They will also support more reliable travel through a corridor that carries significant daily traffic and serves local communities, commuters and freight movements across Darwin.



Stuart Highway duplication (Darwin to Katherine)

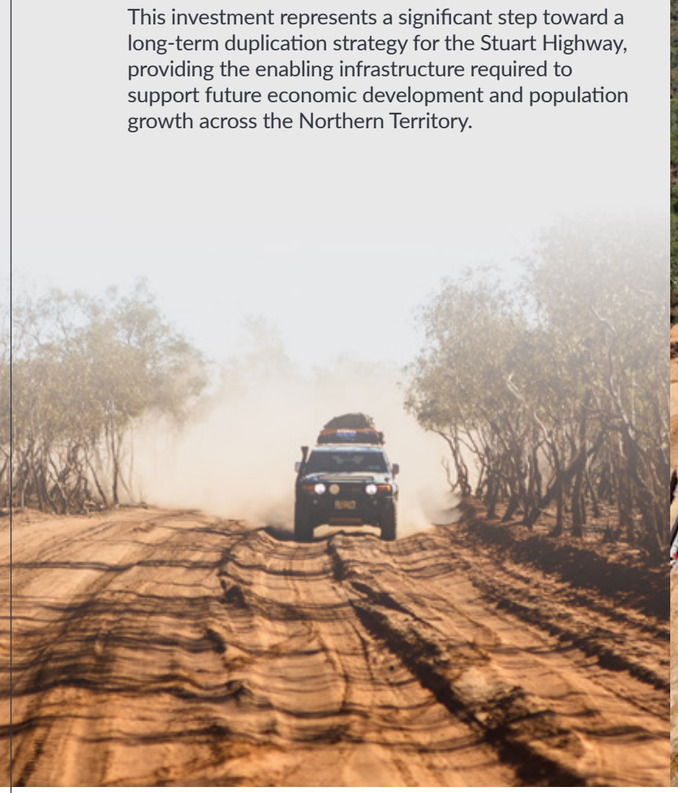
A total of $204.37 million has been committed to support the planning and initial upgrade works for the Stuart Highway between Darwin and Katherine, jointly funded by the Australian Government and the Northern Territory Government. This includes $200 million in Australian Government funding for priority upgrades and $4.37 million to undertake planning and design for future duplication.

This investment will deliver critical improvements to the Northern Territory's primary north–south transport corridor, which underpins freight movement, mining operations, agribusiness supply chains, tourism and emergency service access across remote regions.

The program will support increasing traffic volumes, improve road safety and reliability, and reduce travel times along key sections of the corridor. It will also enhance freight efficiency and support economic growth across multiple sectors reliant on safe and dependable road access.

Key activities under the program include planning and design to inform duplication of the Stuart Highway within the existing corridor, as well as the identification and delivery of priority upgrade sections funded under the Australian Government's $200 million commitment.

This investment represents a significant step toward a long-term duplication strategy for the Stuart Highway, providing the enabling infrastructure required to support future economic development and population growth across the Northern Territory.



Roystonea Avenue duplication

Construction is underway to duplicate Roystonea Avenue between Terry Drive and Lambrick Avenue, improving road safety, traffic flow and network resilience.

The project will extend the existing duplication and deliver upgrades to drainage and key intersections at Inverway Circuit and Buscall Avenue, with the Inverway Circuit intersection to be signalised to address congestion and safety risks during peak periods.

These works respond to a history of incidents at the Roystonea Avenue and Inverway Circuit intersection and are expected to deliver safer, more efficient travel for the community.

The project is jointly funded by the Australian Government and Northern Territory Government.



179
new homes

From 1 July 2025 to 30 June 2026, the Northern Territory Government, in partnership with the Australian Government, has delivered 179 new homes under the $4 billion Northern Territory Remote Housing Program

13
new homes delivered in urban centres

51
remote housing upgrades completed

Housing

The Northern Territory Government is committed to improving housing outcomes in both urban and remote communities.

On behalf of the Department of Housing, Local Government and Community Development, the Department of Logistics and Infrastructure is delivering several housing programs, including the Federation Funding Agreement on Remote Housing and Homelands.

This joint $4 billion investment with the Australian Government, each contributing $2 billion, will deliver new and upgraded housing across remote communities over 10 years, from 2024–25 to 2033–34.

Since the commencement of the agreement on 1 July 2024, significant progress has been achieved. As at 30 June 2026:

- 401 homes have been delivered, providing 1,508 bedrooms (equivalent to approximately 502, 3-bedroom homes)
- 211 (53%) were delivered by Aboriginal Business Enterprises
- 89 homes are currently under construction.

This program is helping to reduce overcrowding, improve living conditions and support stronger, healthier communities across the Northern Territory.

Holtze enabling infrastructure

Construction of Part A of the Holtze enabling infrastructure project is on track for completion in July 2026, supporting the Northern Territory Government's plan to unlock land for residential development.

The works include upgrades and extensions to Glyde Point Road and Linco Road, improvements to stormwater drainage and street lighting, landscaping, and upgrades to underground services.

The new road alignments are open to the public, providing access to the emerging residential development, The Parks Living, in the new suburb of Asche (located within the Greater Holtze development area).

The project is delivering significant local benefits, engaging 78 local businesses and supporting 352 local workers, including 29 apprentices.

Construction of Part B is underway, with completion expected in late 2026. Part B will deliver additional enabling works to support future community infrastructure, including a planned aged-care facility.



Plenty Highway upgrades

A 27 km section of the Plenty Highway in Central Australia was completed for $44.9 million, improving safety and connectivity for road users. The upgrades also improve access for remote communities and support the tourism, mining and freight sectors.

The Plenty Highway forms part of the Outback Way, a key east–west route connecting Queensland, the Northern Territory and Western Australia.

Additional works were recently completed, including construction of concrete causeways at the Plenty River, Marshall River and Bonya Creek crossings, upgrades to key intersections including access to Bonya community and Jervois Station Roadhouse, and realignment of the Lucy Creek Mine intersection to improve safety.

The project is jointly funded by the Australian Government and the Northern Territory Government.

FAST FACTS

The recent completion of the 27 km road upgrade and seal supported

69 employees including

29 Aboriginal employees

14 apprentices

Part of the **2,720 km** Outback Way connecting WA, NT and QLD

27 km of road upgraded to dual lane and sealed in June 2026

155 km of Plenty Highway upgraded to dual-lane sealed road as of June 2026

3 concrete causeways constructed (Plenty River, Marshall River, Bonya Creek)

4 flood ways and **7** culverts installed

6 intersections upgraded, including access to Jervois Station Roadhouse

63 km dual lane seal in final design stage

201 km of Plenty Highway upgrades still in planning stage

80 km single lane seal requiring widening to a dual lane seal

Tanami Road upgrades

Upgrades to the Tanami Road are continuing, strengthening a vital inter-regional transport link connecting Alice Springs to Western Australia. The route services Aboriginal communities and supports tourism, pastoral, mining and freight activity.

A $49.5 million contract was awarded to Northern Territory business, Exact Contracting, to upgrade 34 km of road between Renehans Bore and Refrigerator Bore. Works include sealing the existing gravel road to a dual-lane standard, along with safety improvements.

A further 21 km of upgrades are underway through a $26 million contract awarded to Sitzler Pty Ltd in October 2025. These works build on the completion of 150 km of sealed road from Yuendumu to west of Chilla Well in June 2025.

The upgrades will support regional and local economic development by improving connectivity and increasing safety for industry and communities in the region.

The Australian Government and Northern Territory Government have invested $254 million since 2019 on a co-funding basis to upgrade the Tanami Road within the NT under the Federal Funding Agreement Schedule.



Middle Arm Precinct

The Middle Arm Precinct will unlock development across the Northern Territory, help rebuild the economy and enable the Northern Territory to further participate in the global energy market.

The Department of Logistics and Infrastructure is currently in the planning and concept design phase, and the strategic environmental assessment for the Middle Arm Precinct is underway.

As part of a strategic environmental assessment, an Environmental Impact Statement (EIS) is being prepared in accordance with the requirements of the *NT Environmental Protection Act 2019* and the *Australian Government's Environment Protection and Biodiversity Conservation Act 1999* (including the Environment Protection Reform Bills 2025).

A preliminary draft EIS has undergone a full adequacy review by regulators.

The department has been progressing additional technical studies and investigations undertaken in 2025–26 include:

- migratory shorebird monitoring program to build a baseline understanding of shorebirds on the peninsula
- groundwater monitoring program to understand pre-development groundwater conditions
- creating a hydrodynamic model of Darwin Harbour to provide a clearer picture of existing and new pressures and impacts on water quality
- important terrestrial habitats and species, such as the black-footed tree-rat, in the Middle Arm and Weddell areas
- building a cost estimate to deliver an environmental program to avoid and mitigate impacts and monitor and protect environmental values once approvals are achieved.

The department is creating a draft Middle Arm Precinct program that describes the scope of development that has been assessed in the EIS.

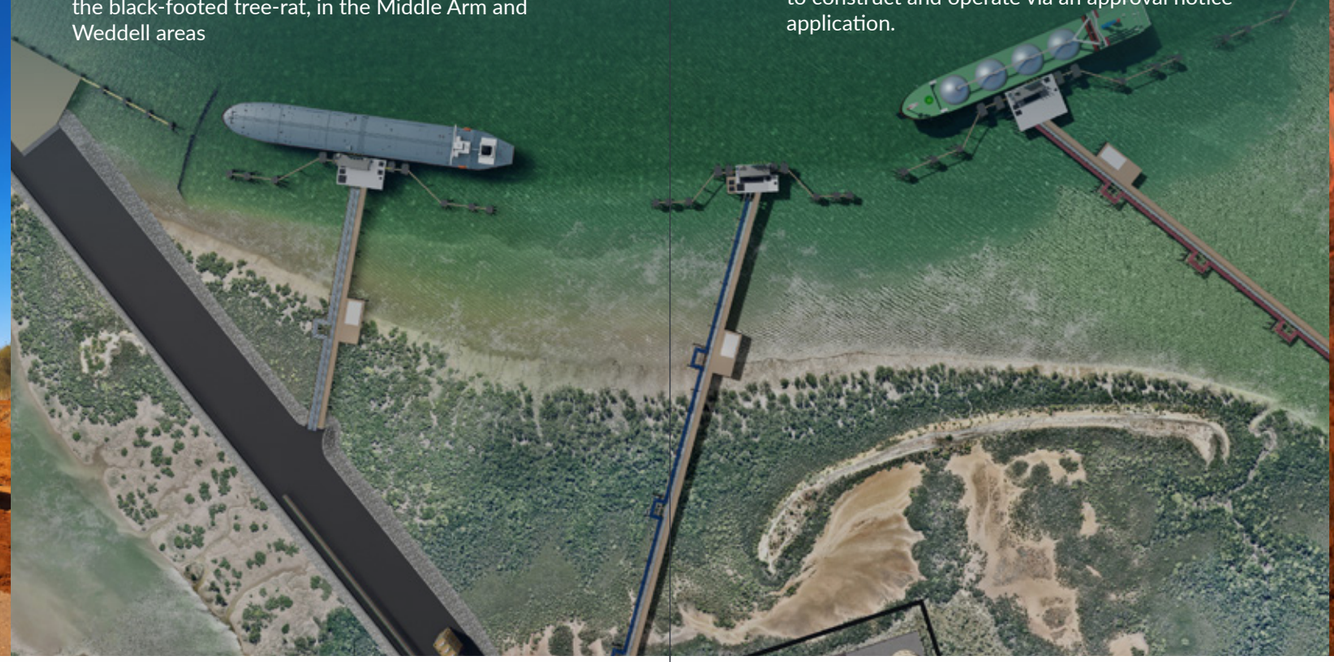
A revised EIS will describe the environmental outcomes that are required to be met, and the commitments to avoid, mitigate or offset impacts to ensure the long-term protection of the environment.

Assessment for the Middle Arm Precinct will include putting the EIS documents on public exhibition for the community to review and provide comment. It is anticipated that the draft EIS will go on public exhibition in 2027.

The Australian Government has recognised the national importance of the Middle Arm Precinct and has included the proposal on its national infrastructure priority list and committed $1.5 billion of planned equity towards common user infrastructure.

Common user infrastructure will reduce environmental impact, avoid unnecessary duplication and de-risk investment for proponents wishing to establish at Middle Arm.

Once the strategic environmental assessment of the Middle Arm Precinct has been endorsed and approved, individual projects can seek approval to construct and operate via an approval notice application.



Ali Curung and Ampilatwatja aerodrome upgrades

The department has secured joint Australian Government and Northern Territory Government funding to deliver critical upgrades at Ali Curung and Ampilatwatja aerodromes. These projects will deliver surface sealing, marking and rehabilitation works to meet Civil Aviation Safety Authority MOS 139 standards, ensuring safe, all-weather access for essential services, including the Royal Flying Doctor Service.

Ali Curung Aerodrome has received a combined funding package of over $4 million. The project is scheduled to be released to market in late 2026 for construction.

Ampilatwatja Aerodrome has received $3.5 million in funding to support sealing and surface upgrades. Design activities are planned for 2026, with the project expected to be released to tender in 2027 for construction.

These upgrades will significantly improve aerodrome reliability, safety and accessibility for remote communities.



Gillen Oval Multi-Sport Precinct

The Gillen Oval Multi-Sport Precinct continues to progress as a key project under the Alice Springs Priority Infrastructure Plan.

The master plan, released in December 2025, outlines a flexible, multi-use sporting facility featuring irrigated playing fields designed to accommodate a range of sporting codes. Adaptable design elements, including flexible line marking and removable infrastructure, will enable the precinct to support a variety of sports and community uses.

A design and construct tender closed in April 2026, with the successful contractor to finalise the design and deliver construction. Works are anticipated to commence in Q4 2026, with completion expected in 2027.



Alice Springs Priority Infrastructure Plan

The Northern Territory Government is delivering a coordinated program of works under the Alice Springs Priority Infrastructure Plan to enhance liveability, strengthen community connection and support the local economy.

The plan includes a range of projects across recreation, culture and tourism, including reinstatement of Anzac Oval (completed May 2025), upgrades to sporting infrastructure, and development of new community and cultural facilities.

Key initiatives under the plan include the Gillen Oval Multi-Sport Precinct and the Alice Springs Multicultural Centre, both designed to support active lifestyles, community participation and cultural connection.



Alice Springs Multicultural Centre

The Alice Springs Multicultural Centre is progressing as part of the Alice Springs Priority Infrastructure Plan, supporting a more inclusive and connected community.

A design and construct tender closed in April 2026, with the project set to deliver a purpose-built facility in the Alice Springs CBD. The centre will provide a welcoming space for multicultural communities to gather, host events and celebrate the region's cultural diversity.

The project will contribute to activating the town centre while strengthening social cohesion and community engagement.

Upgrades to Jim McConville Oval have been completed, including the installation of 4 x 30-metre light towers to enable expanded, year-round use of the facility.

The Northern Territory Government has also partnered with Alice Springs Town Council through a Memorandum of Understanding to deliver additional community infrastructure, including a new Tourism Central Australia Visitor Information Centre, a public library, and a regional Skate and Play Precinct at Newland Park.



Tennant Creek streetscape

A $2.95 million streetscape revitalisation project has been completed in the Tennant Creek town centre, enhancing amenity, safety and liveability.

Upgrades along Paterson Street and Memorial Drive include improved shading and cooling, new landscaping and tree planting, upgraded lighting, seating and signage, and the installation of public amenities such as water bubblers.

Delivered in staged packages to minimise disruption, the project has created a more comfortable, accessible and safer town centre environment for residents, visitors and local businesses.

FAST FACTS

9
Room to Breathe extensions delivered

Demolition of **17** remote community houses and **4** government employee houses, including the safe removal and disposal of asbestos from the island

87
remote community homes constructed



Galiwin'ku homes

In April 2021, a contract for the construction of 87 homes in Galiwin'ku was awarded to Bukmak Constructions Pty Ltd, a 100% Aboriginal-owned business that is a subsidiary of the Arnhem Land Progress Association (ALPA).

In April 2026, the final 6 homes constructed under this contract were formally handed over to the department, marking the successful completion of the project and the delivery of the 87th dwelling.

The project delivered strong local employment and capability outcomes alongside construction works. The workforce included 2 Aboriginal plumbing apprentices who moved into their final apprenticeship year through the program.

Local employees also participated in ALPA's Indigenous Skills and Employment Program, building foundational literacy and job-readiness skills whilst working toward a Certificate II in English Language, enabling them to progress into additional construction training programs.

Training and licensing opportunities were also provided across key construction competences, including working at heights, scaffolding tickets and skid steer loader licences.

A further capability milestone was achieved when 6 local Aboriginal employees completed a Certificate II in Indigenous Housing Repairs and Maintenance, gaining practical skills in general construction principles, housing repairs, and ongoing maintenance.

Despite the challenges of remote delivery, the project strengthened local capability, improved housing outcomes and created meaningful employment pathways, leaving a lasting legacy for the Galiwin'ku community, supported by the strong collaboration between Bukmak Constructions and the department.



Barkly Student Boarding House (Papulu Pika Pikka-Ka)

Construction of the Barkly Student Boarding House at Tennant Creek High School is underway, delivering safe and supportive accommodation for students from across the Barkly region.

Located on the Tennant Creek High School campus, construction commenced in June 2026, with a key milestone achieved through the pouring of the first concrete slab.

The 40-bed facility will provide purpose-built boarding for secondary school students, with separate accommodation for male and female boarders, improving access to education and supporting better learning outcomes for those from remote communities.

The project includes residential buildings, an administration building, a communal kitchen and dining facility, and associated landscaping.

Delivered as part of the $100.5 million Barkly Regional Deal, the project will enhance education opportunities while contributing to improved liveability and regional development.

FAST FACTS

$15.07 million
construction contract awarded

Part of the **$100.5 million** Barkly Regional Deal

40-bed
purpose-built boarding facility



Commercial passenger transport amendment bill

The *Commercial Passenger (Road) Transport Amendment (Licensing) Bill 2026* (the Bill) was introduced to amend the *Commercial Passenger (Road) Transport Act 1991*.

From 1 July 2026, the Bill standardises and extends licence terms, allowing operators to choose licence periods of one, 2 or 3 years.

These changes reduce regulatory burden, lower costs and improve efficiency by minimising renewal requirements, while providing greater flexibility for industry.

The reform was informed by recommendations from the Approvals Fast-Track Taskforce's Saying 'Yes' to Business report (May 2025), which identified opportunities to streamline approval processes and reduce unnecessary regulatory touchpoints.

This change will reduce red tape, reduce costs and improve efficiency for Territorians.

Changes to light vehicle inspections

From 9 February 2026, changes were introduced to the light vehicle inspection regime in the Northern Territory.

Under the revised arrangements, light vehicles (up to and including 4.5 tonnes GVM) now require a roadworthy inspection only when they are 7 years or older and at key registration events, including transfer of ownership, re-establishment of registration after more than 12 months, and first registration in the Northern Territory.

There are no changes to inspection requirements for heavy vehicles, commercial passenger vehicles, or trailers 750 kg or less. Existing requirements for modified vehicles also remain in place.

These changes streamline inspection processes while maintaining safety standards through targeted inspections and on-road compliance activities.

Written-off vehicle register reforms

During 2025–26, the Northern Territory Government continued to strengthen the written-off vehicle register to improve the integrity of the motor vehicle registration system and reduce vehicle theft.

The register ensures vehicles assessed as a total loss are appropriately recorded and classified as statutory or repairable write-offs, preventing unsafe vehicles from returning to the road and limiting opportunities for re-registration using false identities.

These measures support community safety and help maintain confidence in the Territory's vehicle registration framework.

Stronger penalties for drink and drug driving

From 29 May 2026, demerit point penalties for drink and drug driving increased from 3 to 6 points.

This measure is designed to deter dangerous driving behaviour, reduce repeat offending and encourage safer choices on Territory roads.

Road safety remains a priority, with the Northern Territory continuing to experience higher rates of road trauma compared to the national average.



Bus Safety Reform Strategy

The Bus Safety Reform Strategy is a multi-stage program to improve safety, reduce anti-social behaviour and enhance service delivery across the Darwin, Palmerston and rural bus network.

During 2025-26, the department progressed key initiatives to improve passenger experience, strengthen safety measures and optimise network performance.

Key actions included:

- Free bus travel: Free travel continued across Darwin, Palmerston and Alice Springs, an interim measure to improve driver safety.
- NT Bus Tracker app: A new Bus Tracker app was implemented in August 2025, providing real-time service information, journey planning and passenger notifications.
- The Palmerston interchange remains under consideration as part of ongoing planning, reflecting its important role in connecting both Palmerston suburbs and surrounding rural areas.
- Network review: The initial phase of the network review was completed in October 2025, with further work underway to improve routes, service frequency and network integration, including school services.
- Infrastructure improvements (planned): Ongoing review of bus stop locations and shelter design to improve safety and accessibility.
- Upgraded safety measures (planned): Enhanced driver communication systems and improved onboard safety features.

FAST FACTS

Reduced anti-social behaviour and incident rates

71.4% less assaults reported on Bus Drivers

100% less assaults reported on Transit Officers

75% less assaults reported on Security Officers

12,275 NT Bus Tracker app downloads

74 APXNext radios installed in Darwin urban buses

1M+ student trips

3.8M urban passengers

424 students supported with special needs services

7,189 passengers on special event services



Road Safety Grants

Since launching the redesigned Road Safety Grants program, up to $85,000 has been awarded to 8 community-led projects across the Northern Territory for 2025-26, supporting locally driven initiatives that improve road safety awareness.



FAST FACTS

Up to **$15,000** in funding available to support community-led road safety initiatives (increased from $5,000)

Empowers local non-profit organisations, schools and councils to address road safety issues specific to their communities

Streamlined into a single, more accessible program, combining previous grant streams

FAST FACTS

Updated bus routes

24 **Lyons to Muirhead**
New departure from Casuarina added

70 71 **Palmerston loop**
Late-night departures removed from Palmerston Bus Interchange (Mon – Sat)

School bus services
Continuous service improvements to meet changing operational and student transport needs

INFRASTRUCTURE UPGRADES

NEW **Alan Walker Cancer Centre**
New bus stop

46 **Trower Road bus stop**
Upgraded to a shelter

47 **Scaturchio Street bus stop**
Upgraded to a shelter

231 **Dick Ward Drive bus stop**
Upgrade to existing shelter

290 **Albatross Street**
Upgraded to a shelter

PART 3

Governance framework

CORPORATE GOVERNANCE FRAMEWORK

The department's corporate governance framework outlines our governance model, principles, legislative responsibilities, governance committees and resources that work together to ensure effective oversight of our organisation.

It ensures that, as an agency, we are operating effectively, ethically and aligned with our strategic goals.

Our framework comprises of several components that guide the actions of the department and provides a model through which our activities and actions are planned, implemented, controlled and reviewed (as per figure below).

STRATEGIC PLAN

Our Vision and Purpose

Corporate Governance Principles

Strong leadership	Integrity	Transparency	Risk and resource management	Sustainability

Governance Model Elements

Leadership, roles & accountability	Strategic direction, performance & improvement	Risk, compliance & assurance	Transparent & informed decision making	Stakeholder engagement & collaboration

Guiding NTPS principles

Accountability | Respect | Diversity | Commitment to service | Ethical practice | Impartiality



Principles

We follow 5 key corporate governance principles when making decisions, implementing policies, meeting obligations and undertaking operational activities:

- Strong leadership - We demonstrate strong, ethical leadership that clearly defines roles, responsibilities and decision making authority, ensuring accountability at every level of the organisation.
- Integrity - We act with honesty, consistency and strong moral principles, always operating in the public interest and upholding the highest ethical standards.
- Transparency - We communicate openly, provide clear and accessible information, and maintain documented, transparent processes that support trust and informed decision making.
- Risk and resource management - We proactively identify, evaluate and manage risks while ensuring the efficient, responsible and value for money use of resources.
- Sustainability - We make decisions with long term impacts in mind, considering environmental, social and economic sustainability to support enduring organisational success.

Governance model

As part of the framework, the governance model sets out the structures, behaviours and systems that guide how the agency is directed, controlled and held to account. It brings together 5 key elements to ensure our operations are well governed, aligned with organisational priorities and consistently deliver value to the community.

Leadership, roles & accountability	• Provides a robust organisational structure with clear lines of authority and reporting. • Defines the desired ethical tone and values across the department, set by the Accountable Officer and senior leadership. • Outlines mechanisms for encouraging integrity and accountability, fostering open communication, building capability and recognising behaviour that aligns with value.
Strategic direction, performance & improvement	• Sets integrated planning processes that are prioritised to achieve our strategic objectives and allocate appropriate resources. • Establishes streamlined systems, key performance measures and monitoring mechanisms to review, measure and track progress and make necessary adjustments. • Continuous improvement is supported by regular assessment of financial, operational and service delivery outcomes.
Risk, compliance & assurance	• Provides a shared understanding of the authorising environment that we need to operate within to deliver our functions and meet our obligations within laws, regulations and industry standards. • Outlines a robust risk management framework for identifying, assessing, mitigating and reporting on potential risks to the department. • Establishes independent internal and external oversight functions to provide effective oversight, compliance and assurance.
Transparent & informed decision making	• Provides mechanisms to ensure decisions are guided by clear processes, reliable information and accurate reporting to ensure decisions are consistent, transparent and evidence based. • Provides delegations to empower decision makers at the appropriate level, ensuring decisions are made efficiently, confidently and within defined authority. • Sets open communication standards with stakeholders, providing the rationale and expected outcomes to strengthen trust and accountability.
Stakeholder engagement & collaboration	• Identifies key stakeholders and outlines strategies for effective and meaningful communication and collaboration, including in decision-making that will affect them. • Provides mechanisms for obtaining stakeholder feedback to ensure decisions are well-informed, outcomes are fit for purpose, and their concerns are addressed in a transparent manner.

GOVERNANCE COMMITTEES

Committees and sub-committees provide oversight and support for key governance, project and specialist activities across the department. Their roles and responsibilities are defined through formal terms of reference.

The Governance Committee Structure supports the Chief Executive Officer through clear leadership, accountability and oversight of organisational performance and risk, ensuring alignment with the department's strategic objectives and risk appetite.

In 2025–26, the department undertook a comprehensive review of its governance structures and committees following its organisational realignment. Updated governance arrangements were implemented as a result, with further committee establishment to be finalised in 2026–27.



Executive Leadership Board — ELB

Purpose: Leads strategic planning, agency performance monitoring and policy direction. Oversees risk and issues from a whole of agency perspective.

Chair: CEO

Secretariat: Corporate Governance

Audit & Risk Management Committee — ARMC

Purpose: Provide independent advice to the CEO on how well the agency manages audits, risks, internal controls and compliance.

Independent Chair: Clare Gardiner-Barnes

Secretariat: Corporate Governance

Emergency Management Committee — EMC

Purpose: Leads emergency preparedness, response and recovery during declared emergencies. Ensures business continuity planning and activation during disruptions.

Chair: CEO

Secretariat: Corporate Governance

STRATEGY & LEADERSHIP

Chief Executive Officer

PERFORMANCE, DELIVERY & WORKFORCE

Department's Procurement Board — DPB

Purpose: Provide oversight, strategic guidance and decision-making for procurement plans, policy and audits within the agency.

Chair: Deputy CEO

Secretariat: N/A

People & Safety Committee (to be established) — PSC

Purpose: Provide oversight of the strategic workforce planning and work health and safety (WHS) risks and management activities.

Chair: Executive Director Strategy, Governance and Workforce

Secretariat: TBA

ICT Improvement & Innovation Committee (to be established) — ICT IIC

Purpose: Prioritisation and coordination of Information and Communications Technology (ICT) services, systems and solutions for the agency.

Chair: Chief Operating Officer

Secretariat: TBA

- Health & Safety Committees
- ASNEX Working Group (to be reviewed)
- Strategic Asset Management Working Group (to be reviewed)

DLI strategic risk areas:

- Program delivery
- Asset management & maintenance
- Workforce
- Reputation & relationships

In 2025–26, the department's governance focus was on embedding new leadership and decision-making arrangements following organisational realignment. This included establishing the Executive Leadership Board (ELB) as the central forum for strategic direction, oversight and coordinated decision-making across the department.

The ELB played a key role in strengthening the department's governance and corporate frameworks. This included endorsing a new Corporate Governance Framework, a new Conflict of Interest Policy, as well as overseeing the department's response to the Government's procurement reform review and associated implementation activities. ELB also approved a new Work Health and Safety Policy and the accompanying Work Health and Safety Management System, supporting a consistent and proactive approach to safety across the department.

A parallel priority was strengthening governance arrangements to support emergency preparedness and response. Governance structures for emergency events were reviewed to ensure clear accountabilities, effective escalation pathways and timely decision-making in high-pressure operating environments.

During the 2025–26 higher-risk weather season, the Emergency Management Committee played a critical role in overseeing the department's preparedness activities and operational response. In preparation for the season, the Committee reviewed and updated the department's Emergency Management Plan to reflect organisational changes, clarify governance arrangements and strengthen readiness across the department.

During the reporting period, the Committee provided strategic oversight and coordination in response to several significant weather and flooding events, including:

- Severe Tropical Cyclone Fina (02U)
- Big River flooding event
- Daly River flooding event
- Todd River flooding event
- Severe Weather – Barkly and Central Australia
- Tropical Low (31U)
- Tropical Cyclone Narelle (34U)

Through these events, the Committee monitored emerging risks and operational impacts, coordinated departmental preparedness and response activities, and supported decision-making across the department's Transport and Engineering Functional Groups. This oversight helped maintain critical transport networks, essential infrastructure and service delivery to affected communities while supporting broader efforts.

The department worked closely with the Northern Territory Emergency Service, the Emergency Operations Centre and partner agencies established under Territory Emergency Management Arrangements, contributing to coordinated whole of government responses. Lessons identified from these events continue to inform improvements to departmental preparedness, governance and operational capability.



CONTROLS AND COMPLIANCE

Monitoring performance and risks through audits and reviews

Divisions monitor the quality of control systems through their divisional plans, supported by scheduled audits and reviews. Internal and external audits, including performance, financial statement and assurance reviews, assess the adequacy of internal controls and compliance with required standards.

Internal and external audits and reviews provide:

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

The department completed 2 internal audits/reviews during 2025-26 and the Northern Territory Auditor-General's Office finalised 7 audits/reviews.

Internal audits

Internal audit is a key pillar of governance in the department. It strengthens the department's ability to create, protect and sustain value by providing the Chief Executive Officer and management with independent, risk-based and objective assurance, advice, insight and foresight.

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 Audit and Risk Management Committee (ARMC) and ELB 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 reporting through Executive Services. This arrangement provides an independent and objective assurance and advisory service to the department, as well as assurance to the Chief Executive Officer 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 crucial role in providing assurance on the department's conformance with laws, regulations and other requirements. External audits are mainly mandated by legislation or contractual arrangements, such as grant agreements. For the department, most external audits are conducted by the Northern Territory Auditor-General's Office, however, occasionally other suitably qualified external parties are engaged. The Auditor-General for the Northern Territory reports directly to the Northern Territory Parliament and releases reports publicly.

There were 7 external audits/inquiries finalised in 2025-26 by the 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 maintains a range of internal control mechanisims to mitigate risks across its operations.

The department's Enterprise Risk Management Framework is designed to assist staff in identifying, assessing, treating and monitoring risks at strategic, operational and project levels.

This framework provides a coordinated approach to risk management across all divisions while ensuring the approach remains relevant to the specific context of our different business functions and priorities.

Fraud and corruption awareness

The Fraud and Corruption Control Framework details 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.

The department is committed to fostering a workplace culture that encourages staff to report suspected fraud, corruption or other improper conduct, and to protecting individuals who make reports.

The department strives to enhance fraud and corruption awareness and to strengthen internal controls to prevent, detect and respond to fraud and corruption.

Code of Conduct

Through internal training programs, such as the OneNTG Online Orientation program, regular internal communications and a department induction and onboarding program, employees are regularly reminded of their responsibility to act in accordance with the Code of Conduct for the Northern Territory Public Sector. Where an employee acts in contravention of the Code of Conduct the department may undertake disciplinary proceedings. Specialised training has continued throughout 2025-26 including the mandatory requirement for staff to complete essential training.

Delegations

The Chief Executive Officer 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 Officer has established the following delegations:

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

Business unit delegations

- transport legislation delegations (various acts).

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

Department record sets include:

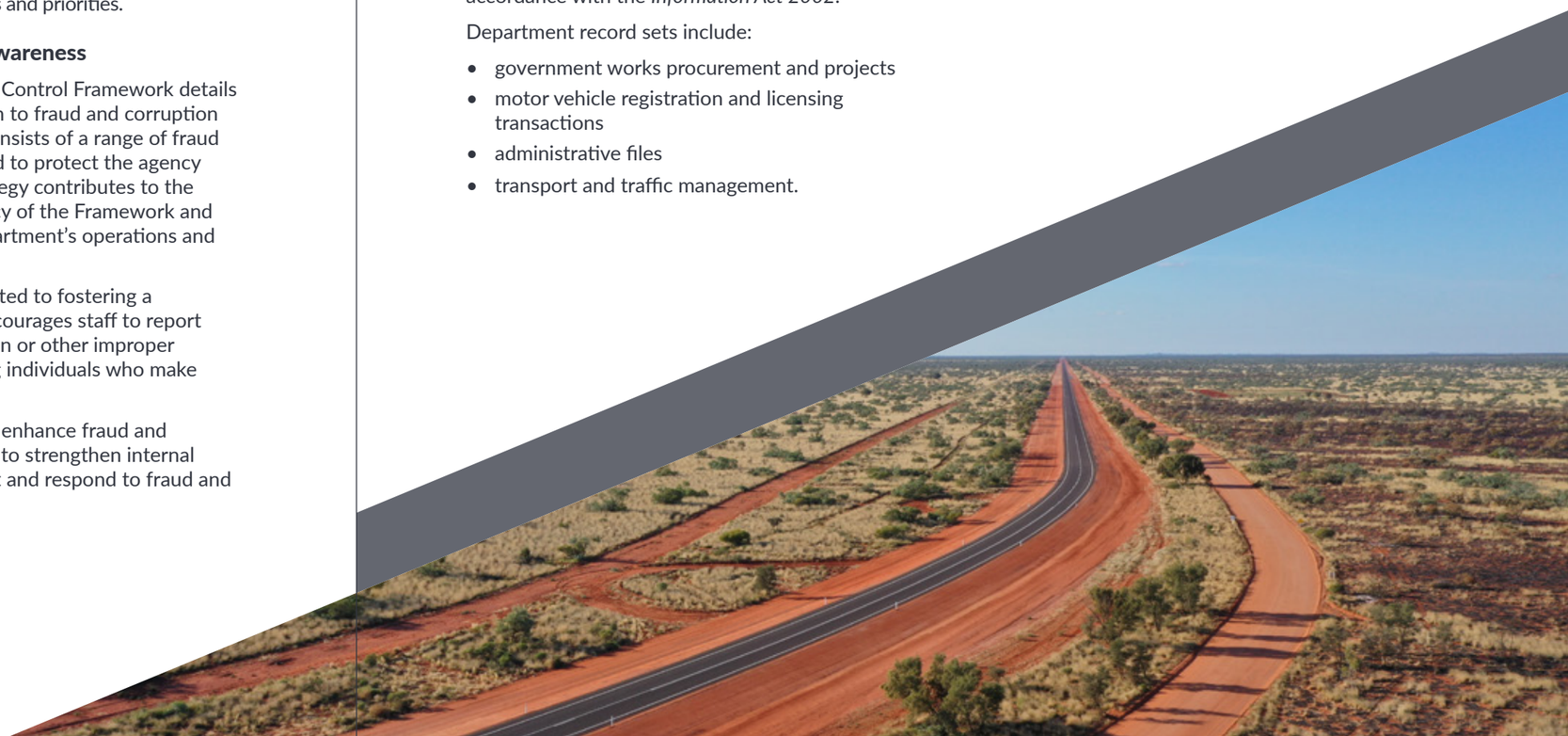
- government works procurement and projects
- motor vehicle registration and licensing transactions
- administrative files
- transport and traffic management.

Access to information

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

A total of 37 applications to access information through the Act in relation to this department were processed in 2025-26. Of the 37 applications, 26 were for government information, 6 for personal information, 3 for mixed personal and government information, and 2 for internal reviews.

The department was consulted for access to information under the *Freedom of Information Act 1982* (Cth) in relation to one separate application for government information from the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts.



Corporate governance reporting

Conflicts of interest

Whether actual, potential or perceived, undisclosed and unmanaged conflicts of interest can lead to the loss of public confidence in government and the organisation.

All staff are required to identify and declare conflicts of interest as soon as they arise, including prior to commencing specified work activities such as procurement, recruitment and governance processes, and through formal activity-based declaration requirements.

All staff are required to take reasonable steps to avoid conflicts, and all disclosed interests must be assessed and, where required, have an approved management strategy in place.

It is mandatory for all Senior Executives (including Executive Contract Officers) and employees in designated positions to complete an annual conflict of interest declaration, including nil declarations, in accordance with the department's Conflict of Interest Policy.

Staff disclosures are recorded in the department's central conflict of interest register, managed by the Strategy, Governance and Workforce branch.

The department undertakes regular reviews of the conflict of interest policy and procedures to ensure continuous improvement in the disclosure and management of conflicts of interest.

Gifts and benefits

The department is committed to maintaining integrity, accountability and public trust in all dealings involving gifts, benefits and hospitality.

Acceptance of reportable gifts is only permitted in limited circumstances where there is a clear and legitimate business benefit and requires approval in accordance with the policy.

All staff are required to declare all reportable offers of gifts and benefits, including those declined, in accordance with policy requirements. Reportable offers are recorded in a central register and reported to governance bodies in line with policy requirements.

Certain offers, including money, repeat offers, or offers that may give rise to an actual, perceived or potential conflict of interest, must be declined and declared.

The department undertakes regular reviews of the gifts and benefits policy and procedures to ensure continuous improvement in the management, reporting and oversight of gifts, benefits and hospitality.

Improper conduct

The department is committed to creating and maintaining an environment that encourages staff to report improper conduct and to protect those individuals who make reports.

There are various avenues available for staff to report improper conduct within the department or directly to the Independent Commissioner Against Corruption. The Executive Director of Strategy, Governance and Workforce and the Strategy and Governance Manager are the department's 'Nominated Recipients' under the *Independent Commissioner Against Corruption Act 2017.*

The department undertakes regular reviews of the Fraud and Corruption Control Framework, including the Whistleblower Policy, to ensure the department has mechanisms in place to prevent, detect and respond effectively to allegations of improper conduct.

Compliance with whole-of-government directions

The department complied with all prescribed principles outlined in Part 1A (sections SA-SF) of the *Public Sector Employment and Management Act 1993*. The department complied with its obligations under each Employment Instruction issued by the Commissioner for Public Employment throughout 2025-26. Performance against each Employment Instruction is detailed below.

Employment Instruction	2025-26 Performance
Instruction 1 **Filling Vacancies** Chief Executive Officer must develop a procedure for the filling of vacancies.	The department publishes procedures on how to fill a vacancy on its intranet for staff information, which link to the NT Public Sector (NTPS) Recruitment and Selection Policy on the Office of the Commissioner for Public Employment's website as well as procedures on the NT Government's intranet.
Instruction 2 **Probation** Chief Executive Officer must develop a probation procedure.	The department has a Probation Policy and process compliant with the *Public Sector Employment and Management Act 1993* 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.
Instruction 3 **Natural Justice** A person who may be adversely affected by an impending decision must be afforded natural justice before a final decision is made.	The principles of natural justice are communicated to all employees and embedded within the department's culture.
Instruction 4 **Employee Performance Management and Development Systems** Chief Executive Officer must develop and implement an employee performance management and development procedure.	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. The department has further developed its online performance management tools to better support employee growth, team development and succession planning. The online system provides a reporting dashboard for managers and executive.
Instruction 5 **Medical Examinations** Chief Executive Officer may engage a health practitioner to undertake an examination of an employee in the case of inability, unsatisfactory performance or breach of discipline matters.	The department engages qualified health professionals to support staff members when there are concerns pertaining to their health. In 2025-26, one employee undertook a medical examination or assessment to assess their fitness for duty.

Employment Instruction	2025-26 Performance
Instruction 6 **Employee Performance and Inability** Chief Executive Officer may develop employee performance and inability procedures.	The department's performance management system provides a framework for managers and staff to document where performance improvement is required. The Strategy, Governance and Workforce branch supports the Performance Management Framework process and system. Further assistance is sought from DCDD Workforce Services, as required, to deal with matters of underperformance, and assist employees and managers to work together collaboratively to improve performance.
Instruction 7 **Discipline** Chief Executive Officer may develop discipline procedures.	The department utilises the NTPS Discipline Handbook and the *Public Sector Employment and Management Act 1993* to apply considered and informed assessment of all discipline matters before determining outcomes and seeks further guidance from DCDD Workforce Services as required.
Instruction 8 **Internal Department Complaints and Section 59 Grievance Reviews** Chief Executive Officer must develop an internal employee grievance-handling policy and procedure.	The department is committed to having a fair and just working environment and publishes procedures on how to resolve and manage disputes and complaints on its intranet for staff information to support the prompt and effective resolution of internal disputes for all employees; in compliance with the *Public Sector Employment and Management Act 1993*, relevant Employment Instructions and centralised procedures published on NTG Central. In 2025-26, 7 complaint matters were lodged with the department for internal review and 8 were closed (finalised).
Instruction 9 **Employment Records** Chief Executive Officer is responsible for keeping employees' records of employment.	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 appropriate delegate. The department maintains current employee personnel files, providing employees with the option to store employment-related correspondence, such as Performance Development Plans, training certificates and other relevant documents.

Employment Instruction	2025-26 Performance
Instruction 10 **Equality of Employment Opportunity Programs** Chief Executive Officer must develop an equality of employment opportunity program integrated with corporate, strategic and other department planning processes.	The department is committed to treating all employees equally in the workplace, and has implemented various strategic plans and programs to assist with providing equity across our workforce, such as: • the Strategic People Plan 2022-2025 represents an overall workforce strategy and framework that sets the direction for change and improvement for the department and our people • the Aboriginal Employment Action Plan 2021-2025 outlines key priorities and initiatives to continue to grow and develop a skilled and capable Aboriginal workforce including program initiatives for mentoring, leadership training and engagement with schools • the Special Measures Recruitment Plan 2026-2030 gives priority consideration and preference in selection for all vacancies at the AO6 level and below. The department also implements the NTPS EmployAbility Strategy 2024-2027 to deliver active and meaningful whole of sector diversity strategies and actively promote workplace inclusion practices.
Instruction 11 **Occupational Health and Safety Standards Programs** Chief Executive Officer must ensure the application of appropriate occupational health and safety standards and programs, and report annually on these programs.	The department has appropriate plans, strategies and guidelines as well as Work Health and Safety (WHS) committees to ensure WHS compliance.
Instruction 12 **Code of Conduct** Chief Executive Officer may issue a department-specific code of conduct.	All department employees are required to complete the OneNTG orientation program and OneNTG: Creating Respectful Workplaces training that both incorporate Code of Conduct training. The Transit Safety Unit has its own Code of Conduct, which complements the Code of Conduct for the NTPS.

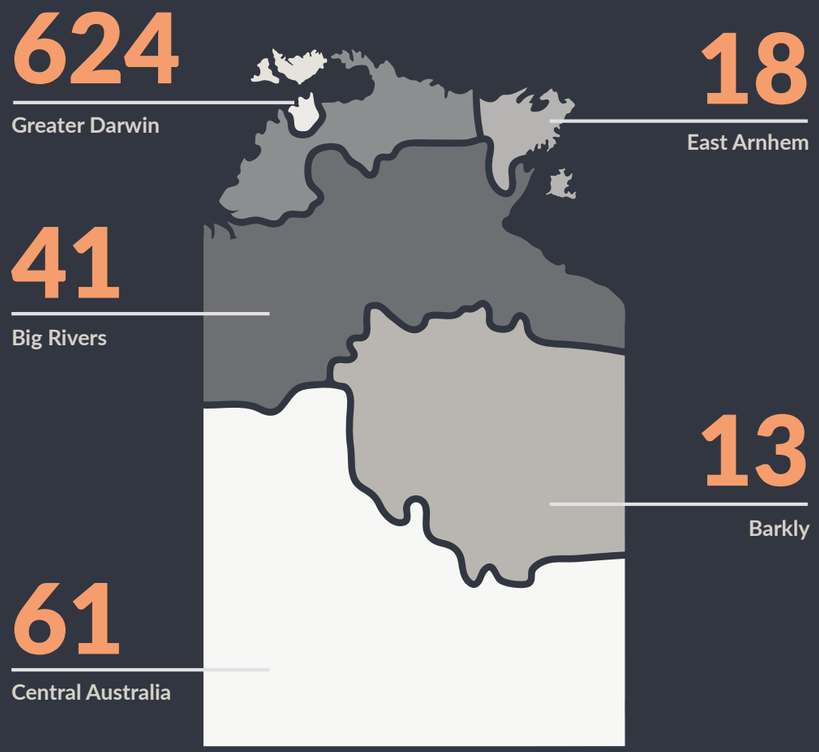
Employment Instruction	2025-26 Performance
Instruction 13 **Appropriate Workplace Behaviour** Chief Executive Officer must develop and implement a department policy and procedure to foster appropriate workplace behaviour and a culture of respect, and to deal effectively with inappropriate workplace behaviour and bullying.	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 are in place for managing inappropriate workplace behaviour, including bullying. All department employees are required to complete the OneNTG: Creating Respectful Workplaces training which incorporates the Code of Conduct and Positive Duty.
Instruction 14 **Redeployment and Redundancy Procedures** Management of employees who are redeployees or employees who are subject to a redundancy.	The department acts in accordance with redeployment and redundancy procedures as set out under the Enterprise Agreement and Employment Instruction 14.
Instruction 15 **Special Measures**	The department has a Special Measures plan that includes all externally advertised vacancies (for positions at the AO6 level and equivalent and below). The department also continues to participate in specific Aboriginal Early Careers Programs to meet identified targets.



PART 4

Our people

GEOGRAPHICAL SPREAD



Divisional distribution



170	Corporate and Enabling Services
291	Program Delivery
153	Transport Safety and Services
45	Infrastructure NT
98	Regions
757	Total headcount

Commencements and separations

104	commenced with the department
100	separated from the department
53	transferred into the department
69	transferred out the department

74% of DLI employees had a current Performance Development Plan in place as at 30 June 2026

scholarships and early career programs include:

- **1x** Aboriginal Employment Program
- **5x** Co-Op Scholarships in Engineering
- **1x** Work Integrated Learning Scholarship
- **6x** Graduate development programs
- **2x** Work experience

15 people undertook scholarships and early careers programs with the department

738 full time equivalent employees

39 DLI employees have been with NTG more than 30 years

57.1% of our leadership are female (ECO1 and above) (24 employees)

52 employees identify as Aboriginal or Torres Strait Islander

252 people participated in the OneNTG Orientation

152 are from culturally and linguistically diverse backgrounds

49.1% of our workforce is female (372 employees)

191 DLI employees are on a formal flexible work arrangement

2.7% of our workforce identify with a disability (21 employees)

PEOPLE MATTER SURVEY RESULTS

The People Matter Survey gives employees across the Northern Territory Public Sector an opportunity to share their workplace experiences and help identify areas for improvement. The results below reflect responses from 538 employees within the department, representing a 67% response rate in 2025.

DLI employee satisfaction was 71%, with 66% of respondents indicating they feel connected to the agency's goals and objectives. Housing and Land Servicing (Darwin) and Enabling Infrastructure achieved 100% participation rates.

67% Participation rate

71% Employee satisfaction

66% Employee engagement

NUMBER OF RESPONDENTS BY WORKGROUP

- 267 Program Delivery and Procurement
- 139 Transport Operations and Corporate Services
- 69 Infrastructure NT
- 63 Regions

538 DLI employees participated



100% Participation

- Housing and Land Servicing (Darwin)
- Enabling Infrastructure

***You** matter, **we** matter, **our** people matter.*

HIGHEST SCORING

96% Seek out opportunities to improve
96% of employees seek out opportunities to improve day to day performance

93% Guided by the Code of Conduct
93% of employees stated that behaviours are guided by the Code of Conduct

91% Guided by the NTPS values
91% of employees stated that behaviours are guided by the NTPS values

91% Believe the work they do is important
91% of employees believe the work they do is important

90% Effective management of conflicts of interest
90% of employees believe the organisation encourages effective management of conflicts of interest

NEUTRAL SCORING

54% Action taken
54% of employees believe the organisation took appropriate action from the last People Matter Survey

39% Future action
39% of employees believe the organisation will take action as a result of this survey

37% Inclusion and equity
37% of employees said executives consistently integrate diversity and equity principles into decision making practices and actions within the organisation

36% Performance management
36% of employees said their manager appropriately deals with employees who perform poorly

34% Recruitment
34% of employees said people are recruited in the organisation with the right skills for the job

LOW SCORING

22% Communication
22% of employees said that communication from executives is timely

21% Collaboration
21% of employees said there is good cooperation between teams

20% Psychological safety
20% of employees said it is safe to speak up and challenge the way things are done

20% Decision-making
20% of employees said that executives make timely decisions

19% Leadership engagement
19% of employees said that executives engage with employees at all levels

CUSTOMER SERVICE CHARTER

In 2025-26, the department refreshed its Customer Service Charter, which is a clear statement of the standards our customers can expect from us and our commitment to delivering a consistently professional, responsive and reliable service.

The charter builds on the strong foundation of our previous version, which has guided our service approach for many years, and reflects what we have learned from our customers and staff. It is an important step forward on how we engage, collaborate and deliver our services to Territorians.



Our commitment to you

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

ENGAGE & COLLABORATE

We will actively **listen to understand your needs** and get to know your business better.

EFFICIENT & ACCESSIBLE

We will make it **easy for you to connect** and access our services through streamlined systems and clear processes.

RESPONSIVE

We will respect your time and **provide a transparent and agile service** to keep you informed.

QUALITY SERVICE

We are committed to delivering a **professional and respectful** service.

SAFETY FIRST

We will make **your safety our priority.**



PART 5

Our performance

KEY PERFORMANCE INDICATORS

Key Performance Indicator	2024-25 Actual	2025-26 Target	2025-26 Estimate	2025-26 Actual	2026-27 Target
Government's strategic infrastructure planning document, Northern Territory Infrastructure Plan and Pipeline, developed and released annually	No	Yes	Yes	No[1]	Yes
Construction contracts awarded to Territory enterprises	99.37%	≥97%	99%	98.36%	≥97%
Territory Government-owned building assets inspected	30.15%	≥33%	33%	33%	≥33%
Reported defects on roads repaired[2]	90%	≥80%	86%	81%	≥80%
Average processing time for corridor access applications (days)[3,4]					
• Category 1 – Average time in issuing Road Agency Authority decision	4.6	≤10[5]	6	3.2	≤10
• Category 2 – Road Agency Authority comment issued within DAS deadline				100%	
• Category 3 – Average time in issuing Road Agency Authority comment to Proponent				4.3%	
School and community-based road and marine safety programs delivered	536				
• marine safety[6]		225	150	198	170
• road safety[6]		450	300	499	300
Heavy vehicles checked as part of on-road auditing activity	4 702	7 000	7 000	4 617[7]	7 000
Motor Vehicle Registry customers served within 15 minutes[8]	32%	≥80%	45%	45%	≥80%
Remote housing lots developed	264	200	200	172	200
Proportion of Aboriginal people employed to deliver housing works and services	30.84%	≥30%	30%	31.7%	≥30%
New constructed homes:					
• remote[9]	238	270	230	192	240
• urban[10]	8	17	37	13	26

Notes:

1. The Infrastructure Plan and Pipeline is currently under review to align with key objectives.
2. The variation in 2025-26 mainly reflects higher volume of disaster-related defect repairs.
3. The variation in 2025-26 reflects a combination of workforce capacity, external dependencies, and early improvements from changes to systems and processes that are still being tested and embedded into standard operations.
4. The 2026-27 target of 10 days has been set to align with a sustainable service standard that supports consistent, high-quality governance and decision-making across varying application volumes and levels of complexity.
5. This KPI is relevant to Category 1 only where it is required that a decision by the Road Agency Authority is made within 10-business days. Categories 2 and 3 are additional performance reporting for applications requiring comments.
6. The variation in 2025-26 reflects staff resourcing availability and weather-related access challenges, affecting program delivery in regional and remote communities.



7. A high percentage of Transport Inspector positions have remained unfilled over the past 5 years due to low recruitment rates. This has impacted heavy vehicle enforcement activities, however, during 2026, staffing numbers have increased and audits of vehicles are expected to increase in 2027. DLI is also developing an on-road enforcement strategy to support the light vehicle inspection regime changes, including public awareness campaigns and joint DLI and Police activities.
8. The variation in 2025-26 reflects ongoing recruitment and retention pressures, together with a change in customer mix as simpler transactions increasingly shift to online self-service or alternative servicing channels. As a result, a higher proportion of customers attending the Motor Vehicle Registry require more complex, time-intensive assistance, increasing average wait and service times.
9. The variation in 2025-26 is due to weather-related access challenges in remote communities.
10. The variations mainly reflect the expected completion of homes under the Social Housing Accelerator Program and key workers accommodation in Katherine.

PART 6

Financial statements

OVERVIEW

This section summarises the department's financial results and provides an assessment of actual performance compared with the final budget for 2025-26.

The final budget comprises the 2025-26 revised budget as published in the May 2026 Budget, plus any approved budget adjustments affecting 2025-26 since that publication.

Excluding non-cash items and other accounting related adjustments, the key financial results when compared with final budget includes:

total revenue of $481 million $7 million higher than projected

total expenses of $538 million $78 million higher than projected (due to disaster expenses)

a net operating deficit of $57 million $71 million higher than projected



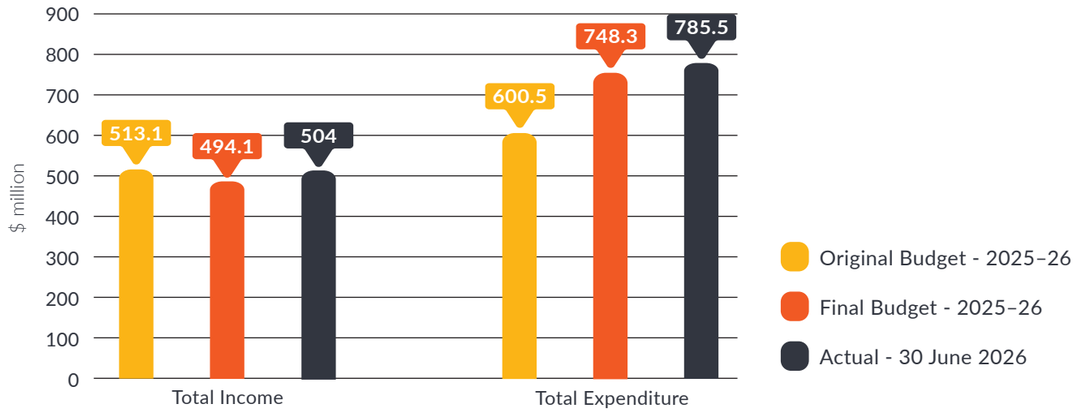
COMPREHENSIVE OPERATING STATEMENT (financial performance)

The comprehensive operating statement presents income and expenditure for the financial year.

The statement shows an unadjusted operating deficit of $281.5 million against a final budget deficit of $254.2 million; a net difference of $27.3 million.

As the department is a not-for-profit public sector entity, it is normal to budget and report an operating deficit due to unfunded non-cash items and other accounting adjustments. This includes depreciation and amortisation expenses, and reclassification of items funded on the cash flow statement as capital purchases and expensed in the comprehensive operating statement. Reclassification of capital works largely relates to transfers of completed assets to be owned by third parties, such as local government councils; and capital costs that do not meet the capitalisation criteria and must be expensed in line with accounting standards.

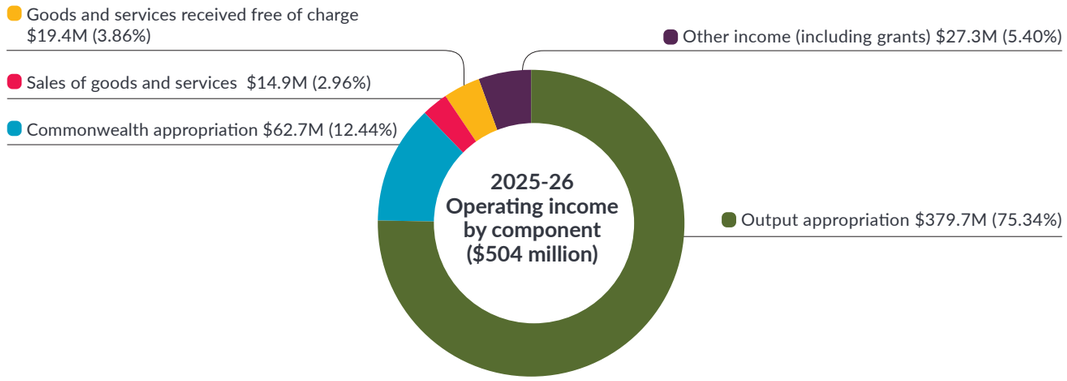
The graph below summarises changes in total income and total expenditure compared to the department's original budget, the final budget, and the actual result for the period ended 30 June 2026.



The graph demonstrates that since the original budget, final expenditure budget increased by $147.8 million from $600.5 million to $748.3 million. The significant increase is largely due to:

- Increase in infrastructure assets depreciation, as a result of a correction to the useful lives of transport assets (mainly from 70 years revised to 50 years).
- Increase in estimated non-cash capital works that could not be recorded as assets and were expensed in accordance with accounting standard requirements including council roads and Indigenous Essential Services infrastructure constructed by the department.
- Partially offset by revised timing of major projects in line with projected milestones.

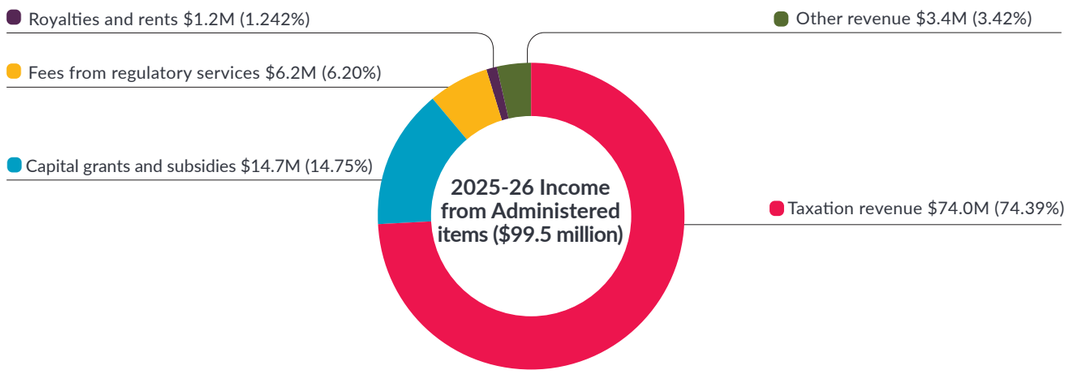
Income



Income for DLI mainly comprises:

- Output appropriation to enable the department to deliver on government's objectives.
- Commonwealth appropriation for nationally funded initiatives, largely Territory roads and remote public housing.
- Sales of goods and services, mostly from Motor Vehicle Registry fees and charges, such as personalised number plates, souvenir plates, evidence of age cards, and administration fees for the collection and issue of licences and motor vehicle registrations.
- Corporate services received free of charge from Department of Corporate and Digital Development.

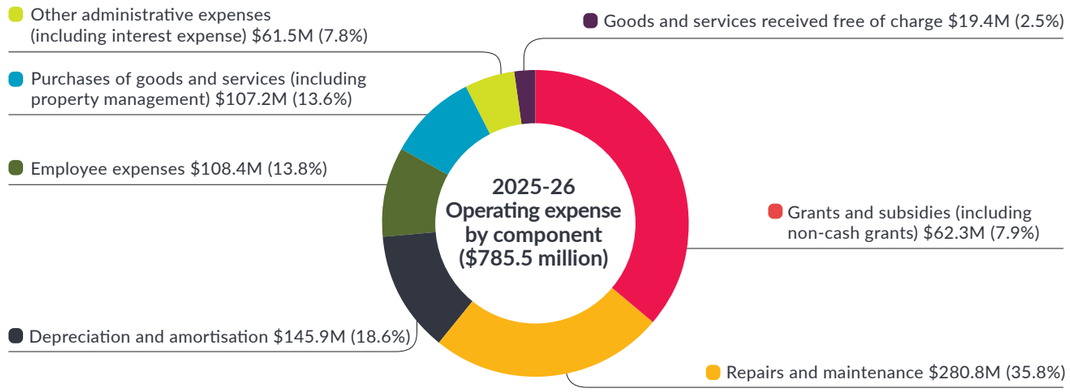
Total income was $9.97 million higher when compared to final budget, primarily due to the refund of GST related to disability housing as determined in a GST ruling; and Commonwealth funding for the Nhulunbuy cyclone shelter.



In addition to operating activities, the department also acts on behalf of the Territory Government to manage administered items. These include the collection of motor vehicle registration fees, other licence fees, rent, and capital grants for specific purposes such as road infrastructure projects.

Administered income does not form part of the department's operations and therefore is excluded from the comprehensive operating statement. For more information on administered items refer to Note 28 of the financial statements.

Expenditure



For 2025-26, DLI's expenditure largely comprises costs associated with repairs and maintenance works on Territory Government assets (35.8%) and employee expenses (13.8%). Other administrative expenses predominantly relate to capital works costs that did not meet the capitalisation criteria and were expensed.

Expenditure trend

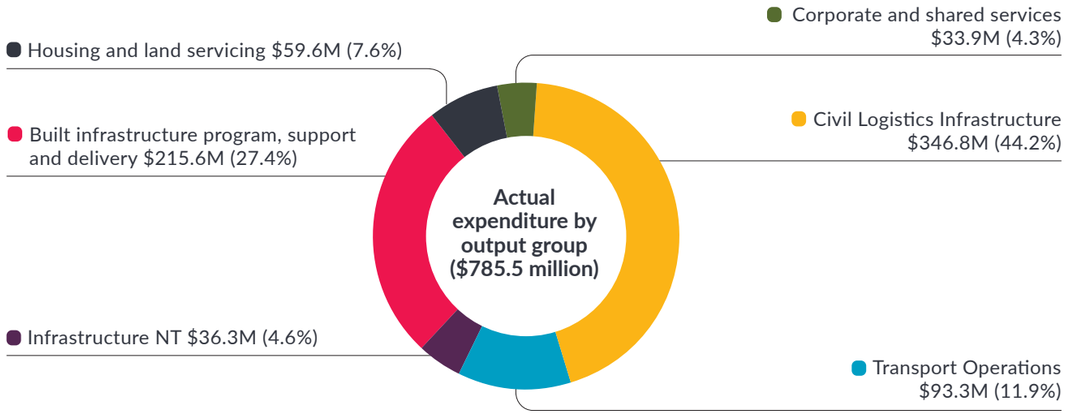
The table below compares actual spend against final budget for 2025-26.

Operating expenses	2025-26 Actual outcome	2025-26 Final Budget	Variance	Variance
	$M	$M	$M	%
Employee expenses	108.4	113.5	(5.1)	(4.5)
Purchases of goods and services (including property management)	107.2	99.4	7.8	7.8
Repairs and maintenance	280.8	216.6	64.2	29.6
Depreciation and amortisation	145.9	146.6	(0.7)	(0.5)
Goods and services received free of charge	19.4	19.3	0.1	0.5
Other administrative expenses (including interest)	61.5	58.9	2.6	4.4
Grants and subsidies (including non-cash capital grants)	62.3	94.0	(31.7)	(33.7)
Total	**785.5**	**748.3**	**37.2**	**5.0**

As shown in the table, total expenditure was $785.5 million for 2025-26. When compared to the final budget, this was an increase of $37.2 million. Key variations include:

- **Repairs and maintenance expenses:** $64.2 million higher than anticipated, primarily due to unfunded natural disaster damages across the road network.
- **Purchases of goods and services expenses:** $7.8 million higher than anticipated, primarily due to unfunded disaster expenditure relating to transportation costs associated with the evacuation and repatriation of remote communities affected by disaster events.
- **Grants and subsidies expenses:** $31.7 million lower than budget, primarily due to lower than anticipated transfer of completed capital works for nil consideration to Indigenous Essential Services and local government councils.
- **Employee expenses:** $5.1 million lower than budget, primarily due to recruitment challenges across a number of specialised technical and professional positions within the department.

When excluding non-cash expenditure and reclassification of capital works and unfunded disaster expenses, the department's adjusted expenditure was under budget by $5.9 million.



Around 72% of the department's expenditure was incurred in the Civil Logistics Infrastructure and Built Infrastructure Program, Support and Delivery outputs. Further information and a comparison between the original budget, final budget and actual outcome by output and output group is summarised in the following table:

Output group / output	2025-26 Original Budget	2025-26 Final Budget	% change	2025-26 Actual Outcome	% change to Final Budget	Note
	$M	$M	%	$M	%	
Infrastructure NT	**60.8**	**50.5**	**(16.9)**	**36.3**	**(28.1)**	**1, 5**
Infrastructure strategy and investment	13.7	12.3		7.6		
Strategic project delivery	47.1	38.2		28.7		
Built infrastructure program, support and delivery	**161.4**	**158.9**	**(1.6)**	**215.6**	**35.7**	**6**
Infrastructure investment delivery	39.3	38.7		77.6		
Investment planning and governance	3.2	3.4		3.1		
Building asset management	118.9	116.8		134.9		
Civil logistics infrastructure	**213.5**	**347.6**	**62.8**	**346.8**	**(0.2)**	**2**
Civil logistics planning and delivery	199.4	287.4		314.0		
Transport assets	14.1	60.2		32.8		
Transport operations	**93.0**	**95.4**	**2.6**	**93.3**	**(2.2)**	
Passenger transport	72.6	73.8		72.0		
Registration and licensing	10.7	11.8		12.4		
Road and water safety and compliance	9.7	9.8		8.8		
Housing and land servicing	**38.4**	**66.3**	**72.7**	**59.6**	**(10.0)**	**3, 7**
Capital program delivery	27.3	55.2		52.7		
Program planning and engagement	11.1	11.1		7.0		
Corporate and shared services	**33.4**	**29.7**	**(11.1)**	**33.9**	**14.1**	**4, 8**
Corporate and governance	10.3	10.4		14.4		
Shared services received	23.1	19.3		19.4		
Total expenses	**600.5**	**748.3**	**24.6**	**785.5**	**5.0**	

Notes

1. Infrastructure NT decreased from original budget to final budget primarily due to transfers between financial years to align with project timing for the Darwin Region Water Supply Infrastructure and Middle Arm Precinct programs.
2. Civil Logistics Infrastructure increased from original budget to final budget primarily due to an increase in infrastructure assets depreciation, as a result of a correction to the useful lives of transport assets (mainly from 70 years to 50 years).
3. Housing and land servicing increased from original budget to final budget primarily due to estimated non-cash capital works that could not be recorded as an asset and were expensed in accordance with accounting standards requirements.
4. Corporate and shared services decreased from original budget to final budget primarily due to the realignment of goods and services free of charge provided by the Department of Corporate and Digital Development, following Machinery of Government changes in 2024-25.
5. The variance in actual expenditure against final budget for Infrastructure NT is primarily due to the timing of milestone payments for Darwin Region Water Supply Infrastructure and Regional Precincts and Partnership Program.
6. The variance in actual expenditure against final budget for Built infrastructure program, support and delivery is primarily due to estimated non-cash capital works that could not be recorded as an asset and were expensed in accordance with accounting standards, combined with natural disaster expenditure.
7. The variance in actual expenditure against final budget for Housing and land servicing is primarily due to lower than anticipated year end expenditure on one-off non-cash housing capital works that do not meet asset recognition criteria; and one-off non-cash capital grants provided to local government councils, transferring ownership of assets for nil consideration.
8. The variance in actual expenditure against final budget for Corporate and shared services is primarily due to centrally managed projects across the agency, as well as additional expenditure incurred to address recruitment challenges for specialised technical and professional positions within the department.

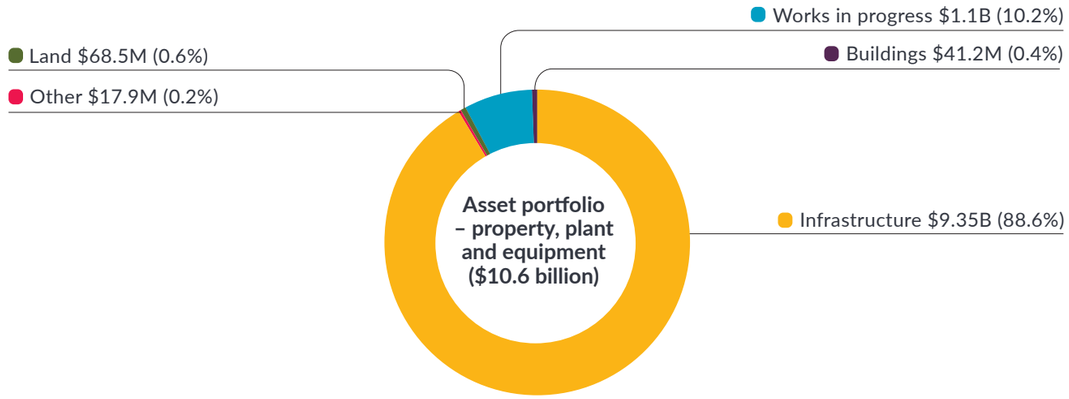
BALANCE SHEET (financial position)

The balance sheet shows the department's net worth and financial position. The department held net assets totalling $10.6 billion at year end.

Assets

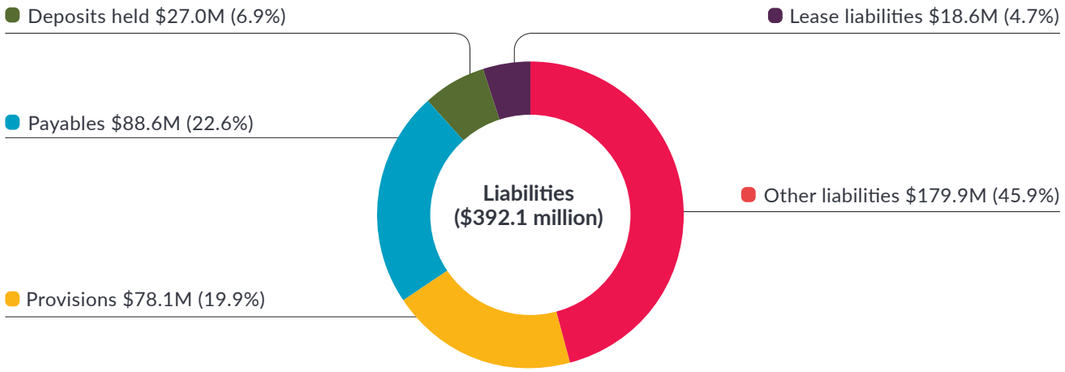
The largest component of the department's asset profile relates to infrastructure assets of $9.35 billion, largely reflecting Territory road network assets, including roads and bridges. Also included in infrastructure assets are transport assets, such as barge landings, aerodromes and marine infrastructure.

Another significant component of the asset profile is work in progress, as the department plays a lead role in planning, constructing and maintaining government infrastructure across the Northern Territory, and holds construction (work in progress) at $1.1 billion. This represents the aggregate value of works which are yet to be completed and transferred to each appropriate host department.



Liabilities

The department continued to maintain a strong financial position in 2025-26, with total liabilities at $392.1 million, representing around 3.7% of net assets.



The department's liabilities are mainly comprised of:

- Other liabilities at $179.9 million or 45.9%, predominantly reflecting Commonwealth revenue received in advance for infrastructure grant programs and construction of capital assets. Revenue will be recognised in future reporting periods as expenditure is incurred, with a corresponding reduction to the liability.
- Payables at $88.6 million or 22.6%, predominantly reflecting accrued capital works, repairs and maintenance, capital grants and employee expenses.
- Provisions at $78.1 million or 19.9%, predominantly reflecting revised timing and reclassification of Northern Marine Complex - Darwin Ship Lift project expenditure in accordance with accounting standards. The provision will be progressively reduced as associated works are completed.

CASH FLOW STATEMENT

The statement of cash flows represents cash received and applied during the year from operating, investing and financing activities. The table below summarises the cash flow movement for 2025-26.

Cash flow movement summary	2025-26 Actual Outcome	2025-26 Final Budget	Variance	Variance
	$M	$M	$M	%
Cash at beginning of year	149.5	149.5	nil	nil
Cash received	1 704.3	1 700.1	4.2	0.2
Less cash spent	1 753.4	1 765.8	(12.4)	(0.7)
Cash at end of reporting period	**100.4**	**83.8**	**16.6**	**19.8**

The department held cash and deposits of $100.4 million at year end, a $16.6 million increase against final budget of $83.8 million. The increase in cash is mainly due to the timing of milestone payments from the Commonwealth for revenue received but not yet expensed for various capital works projects.

INFRASTRUCTURE PROGRAM

The infrastructure program combines capital works, capital grants, repairs and maintenance and infrastructure-related expenses, and represents total commitments for construction and maintenance of assets across the Territory.

For 2025-26, the department spent $1.34 billion in total infrastructure payments on behalf of the Territory. Most of the expenditure relates to capital and minor works of $1.03 billion. Within this capital expenditure, $225.4 million was spent on the Territory road network, $322.2 million on public housing and $484.4 million on other built infrastructure across a number of portfolios. In addition, the department spent $269.8 million in repairs and maintenance delivered on behalf of the department and other government agencies; $11.1 million on infrastructure-related consultancies to support design and delivery of the Territory's infrastructure program; and $28.9 million in capital grants.



DEPARTMENT OF LOGISTICS AND INFRASTRUCTURE
FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Department of Logistics and Infrastructure have been prepared based on proper accounts and records in accordance with Australian Accounting Standards and with the requirements as prescribed in 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 2026 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.

Gemma Lake
Chief Executive Officer
31 August 2026

Donna Moore
A/Chief Financial Officer
31 August 2026

COMPREHENSIVE OPERATING STATEMENT

for the year ended 30 June 2026

	Note	2025-26	2024-25
		$000	$000
INCOME			
Grants and subsidies revenue			
Current	4	604	26
Capital	4		581
Appropriation			
Output	5	379 724	415 454
Commonwealth (excluding capital appropriation)	5	62 692	150 089
Sales of goods and services	6	14 919	14 844
Goods and services received free of charge	7	19 442	22 654
Other income	8	26 660	15 709
TOTAL INCOME	3	**504 041**	**619 357**
EXPENSES			
Employee benefits expense	9	108 442	106 649
Administrative expenses			
Property management		14 030	14 139
Purchases of goods and services	10a	93 118	80 868
Repairs and maintenance	10b	280 833	254 437
Depreciation and amortisation	16	145 887	146 712
Goods and services received free of charge	7	19 442	22 654
Other administrative expenses	10c	60 591	33 893
Grants and subsidies expenses			
Current	11	5 767	8 708
Capital	11	56 524	404 613
Interest expenses		871	932
TOTAL EXPENSES	3	**785 505**	**1 073 605**
NET SURPLUS / (DEFICIT)		**(281 464)**	**(454 248)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net surplus / (deficit)			
Changes in asset revaluation surplus		7 185	(716 751)
TOTAL OTHER COMPREHENSIVE INCOME		**7 185**	**(716 751)**
COMPREHENSIVE RESULT		**(274 279)**	**(1 170 999)**

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

BALANCE SHEET

as at 30 June 2026

	Note	2025-26	2024-25
		$000	$000
ASSETS			
Current assets			
Cash and deposits		100 379	149 517
Receivables	14	267 286	122 632
Other financial assets	15	8 014	7 773
Total current assets		**375 679**	**279 922**
Non-current assets			
Receivables	14	5	66
Property, plant and equipment	16	10 559 346	10 106 532
Intangibles		227	366
Other financial assets	15	76 416	76 802
Total non-current assets		**10 635 994**	**10 183 766**
TOTAL ASSETS		**11 011 673**	**10 463 688**
LIABILITIES			
Current liabilities			
Deposits held	17	27 036	22 330
Payables	18	88 552	55 905
Lease liabilities	19	4 521	5 110
Provisions	20	78 056	16 441
Other liabilities	21	131 719	224 546
Total current liabilities		**329 884**	**324 332**
Non-current liabilities			
Lease liabilities	19	14 038	16 623
Provisions	20		133 419
Other liabilities	21	48 145	14 701
Total non-current liabilities		**62 183**	**164 743**
TOTAL LIABILITIES		**392 067**	**489 075**
NET ASSETS		**10 619 606**	**9 974 613**
EQUITY			
Capital		7 041 587	6 122 315
Reserves		6 225 137	6 229 478
Accumulated funds		(2 647 118)	(2 377 180)
TOTAL EQUITY		**10 619 606**	**9 974 613**

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

2025-26	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	$000	$000	$000	$000
Accumulated funds	**(2 377 180)**	**(281 464)**		**(2 658 644)**
Transfers from asset revaluation surplus		11 526		11 526
Total accumulated funds	**(2 377 180)**	**(269 938)**		**(2 647 118)**
Reserves				
Asset revaluation surplus	6 229 478			6 229 478
Transfers to accumulated funds		(11 526)		(11 526)
Revaluation movement recognised in other comprehensive income		7 185		7 185
Total reserves	**6 229 478**	**(4 341)**		**6 225 137**
Capital - transactions with owners				
Equity injections				
Capital appropriation	6 642 673		678 078	7 320 751
Equity transfers in	4 703 307		13 083	4 716 390
Other equity injections	974 320		213 600	1 187 920
Specific purpose payments	158 791		8 200	166 991
National partnership payments	2 395 500		362 102	2 757 602
Commonwealth capital appropriation	219 761		14 864	234 625
Equity withdrawals				
Capital withdrawal	(823 092)		(7)	(823 099)
Equity transfers out	(8 148 945)		(370 648)	(8 519 593)
Total capital	**6 122 315**		**919 272**	**7 041 587**
TOTAL EQUITY AT END OF FINANCIAL YEAR	**9 974 613**	**(274 279)**	**919 272**	**10 619 606**

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

2024-25	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	$000	$000	$000	$000
Accumulated funds	**(1 922 932)**	**(454 248)**		**(2 377 180)**
Reserves				
Asset revaluation surplus	6 946 229	(716 751)		6 229 478
Total reserves	**6 946 229**	**(716 751)**		**6 229 478**
Capital - transactions with owners				
Equity injections				
Capital appropriation	5 807 501		835 172	6 642 673
Equity transfers in	3 970 313		732 994	4 703 307
Other equity injections	838 991		135 329	974 320
Specific purpose payments	134 731		24 060	158 791
National partnership payments	2 144 963		250 537	2 395 500
Commonwealth capital appropriation	200 357		19 404	219 761
Equity withdrawals				
Capital withdrawal	(811 181)		(11 911)	(823 092)
Equity transfers out	(6 425 199)		(1 723 746)	(8 148 945)
Total capital	**5 860 476**		**261 839**	**6 122 315**
TOTAL EQUITY AT END OF FINANCIAL YEAR	**10 883 773**	**(1 170 999)**	**261 839**	**9 974 613**

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

CASH FLOW STATEMENT

for the year ended 30 June 2026

	Note	2025-26	2024-25
		$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Grants and subsidies received			
Current		604	26
Appropriation received			
Output		379 724	415 454
Commonwealth (excluding capital appropriation)		71 924	169 272
Receipts from sales of goods and services		155 046	174 621
Total operating receipts		**607 298**	**759 372**
Operating payments			
Payments to employees		(107 584)	(109 821)
Payments for goods and services		(510 252)	(485 888)
Grants and subsidies paid			
Current		(5 557)	(8 708)
Capital		(84 883)	(195 300)
Interest paid		(871)	(932)
Total operating payments		**(709 147)**	**(800 649)**
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	13a	**(101 849)**	**(41 277)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Proceeds from sales of non financial assets	16		1 700
Repayment of advances		10 495	10 367
Total investing receipts		**10 495**	**12 067**
Investing payments			
Purchase of non financial assets		(1 033 889)	(1 078 980)
Advances and investing payments		(4 720)	(4 687)
Total investing payments		**(1 038 609)**	**(1 083 667)**
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		**(1 028 114)**	**(1 071 600)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Deposits received	13b	4 706	(14 333)
Equity injections			
Capital appropriation		678 078	835 172
Commonwealth capital appropriation		190 100	210 435
Other equity injections		213 600	135 329
Total financing receipts		**1 086 484**	**1 166 603**
Financing payments			
Lease liability payments	13b	(5 652)	(5 419)
Equity withdrawals		(7)	(11 911)
Total financing payments		**(5 659)**	**(17 330)**
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		**1 080 825**	**1 149 273**
Net increase / (decrease) in cash held		(49 138)	36 396
Cash at beginning of financial year		149 517	113 121
CASH AT END OF FINANCIAL YEAR		**100 379**	**149 517**

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

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. Objectives and funding

The Department of Logistics and Infrastructure works with the community, business and industry to build, connect and grow the Territory. The department plans, constructs, maintains and invests in integrated logistics and infrastructure solutions across the Territory. The department also performs transport regulatory functions on behalf of the Territory Government.

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 considered primary users of these financial statements and their needs for information and quantitative thresholds to determine which accounting policy information is material and therefore must be disclosed.

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 output group.

Output groups include:

- Infrastructure NT
- Built infrastructure program, support and delivery
- Civil logistics infrastructure
- Transport operations
- Housing and land servicing
- Corporate and shared services.

2. Statement of material accounting policy information

a) Statement of compliance

i) Compliance framework

These financial statements are general purpose financial statements and have been prepared in accordance with the requirements of the *Financial Management Act 1995*, related Treasurer's Directions and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. The *Financial Management Act 1995* requires the Department of Logistics and Infrastructure 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 and
- applicable explanatory notes to the financial statements.

ii) Standards and interpretations effective from 2025-26 financial year

Several amendments and interpretations have been issued that apply to the current reporting period, but are considered to have no or minimal impact on public sector reporting.

iii) Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for the 2025-26 financial year.

The following new Australian Accounting Standard has been issued but is not yet effective and is expected to impact future reporting periods:

AASB 18 Presentation and Disclosure of Financial Statements (AASB 18)
AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 and introduces new presentation and disclosure requirements for income statements, cash flow statements, and management-defined performance measures.

2. Statement of material accounting policy information (continued)

The standard is proposed to apply to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028 (the 2028-29 financial year for the department).

AASB 18 would primarily affect the presentation and disclosure of financial information, including the classification of income and expenses, additional subtotals in the operating statement, revised cash flow classifications for interest and dividends, and new disclosures for management-defined performance measures. The standard does not affect the recognition or measurement of amounts.

Any changes to the presentation of financial statements and disclosures will be incorporated into future Treasurer's Directions on proforma financial statements.

b) 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) and is able to utilise to further its own objectives. Certain items, while managed by the department, are administered 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 Territory 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 Goods and Services Tax (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.

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 28 Schedule of Administered Territory items.

c) 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.

d) 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.

3. Comprehensive operating statement by output group

2025-26	Note	Infrastructure NT	Built infrastructure program, support and delivery	Civil logistics infrastructure	Transport operations	Housing and land servicing	Corporate and shared services	Total
		$000	$000	$000	$000	$000	$000	$000
INCOME								
Grants and subsidies revenue								
Current	4			604				604
Capital	4							
Appropriation								
Output	5	24 272	151 045	91 278	80 470	22 565	10 094	379 724
Commonwealth	5	16 645	14 950	31 097				62 692
Sales of goods and services	6		223	64	14 317		315	14 919
Goods and services received free of charge[1]	7						19 442	19 442
Other income	8	7 239	3 549	2 720	160	12 880	112	26 660
TOTAL INCOME		**48 156**	**169 767**	**125 763**	**94 947**	**35 445**	**29 963**	**504 041**
EXPENSES								
Employee benefits expense	9	11 141	31 509	22 962	19 018	13 883	9 929	108 442
Administrative expenses								
Property management		195	1 936	5 047	6 016	163	673	14 030
Purchases of goods and services	10a	8 727	9 996	8 545	56 763	6 364	2 723	93 118
Repairs and maintenance	10b	5 260	124 859	150 714				280 833
Depreciation and amortisation	16	120	867	138 497	6 013	210	180	145 887
Goods and services received free of charge[1]	7						19 442	19 442
Other administrative expenses	10c	104	25 373	19 790	77	14 366	881	60 591
Grants and subsidies expenses								
Current	11	27	35	1 143	4 531	29	2	5 767
Capital	11	10 771	20 989	140		24 624		56 524
Interest expenses				6	841		24	871
TOTAL EXPENSES		**36 345**	**215 564**	**346 844**	**93 259**	**59 639**	**33 854**	**785 505**
NET SURPLUS / (DEFICIT)		**11 811**	**(45 797)**	**(221 081)**	**1 688**	**(24 194)**	**(3 891)**	**(281 464)**
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified to net surplus/(deficit)								
Changes in asset revaluation surplus		(7 299)		15 829			(1 345)	7 185
TOTAL OTHER COMPREHENSIVE INCOME		**(7 299)**		**15 829**			**(1 345)**	**7 185**
COMPREHENSIVE RESULT		**4 512**	**(45 797)**	**(205 252)**	**1 688**	**(24 194)**	**(5 236)**	**(274 279)**

1. Includes Department of Corporate and Digital Development service charges.

3. Comprehensive operating statement by output group (continued)

2024-25[1]	Note	Infrastructure NT	Built infrastructure program, support and delivery	Civil logistics infrastructure	Transport operations	Housing and land servicing	Corporate and shared services	Total
		$000	$000	$000	$000	$000	$000	$000
INCOME								
Grants and subsidies revenue								
Current	4			26				26
Capital	4					581		581
Appropriation								
Output	5	17 819	152 167	139 287	79 190	17 145	9 846	415 454
Commonwealth	5	116 941		33 148				150 089
Sales of goods and services	6			400	14 124		320	14 844
Goods and services received free of charge[2]	7						22 654	22 654
Other income	8	1 957	4 903	39	590	8 161	59	15 709
TOTAL INCOME		**136 717**	**157 070**	**172 900**	**93 904**	**25 887**	**32 879**	**619 357**
EXPENSES								
Employee benefits expense	9	9 460	35 941	23 054	17 752	11 777	8 665	106 649
Administrative expenses								
Property management		201	3 003	4 976	5 546	163	250	14 139
Purchases of goods and services	10a	5 676	3 603	8 595	55 109	3 727	4 158	80 868
Repairs and maintenance	10b	1 484	114 707	138 246				254 437
Depreciation and amortisation	16	143	484	139 894	5 734	287	170	146 712
Goods and services received free of charge[2]	7						22 654	22 654
Other administrative expenses	10c		1 912	18 696	(11)	13 296		33 893
Grants and subsidies expenses								
Current	11	2 098		535	6 075			8 708
Capital	11	323 355	5 145	818		75 295		404 613
Interest expenses		1		6	901		24	932
TOTAL EXPENSES		**342 418**	**164 795**	**334 820**	**91 106**	**104 545**	**35 921**	**1 073 605**
NET SURPLUS / (DEFICIT)		**(205 701)**	**(7 725)**	**(161 920)**	**2 798**	**(78 658)**	**(3 042)**	**(454 248)**
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified to net surplus/(deficit)								
Changes in asset revaluation surplus		11 175		33 969			(761 895)[3]	(716 751)
TOTAL OTHER COMPREHENSIVE INCOME		**11 175**		**33 969**			**(761 895)[3]**	**(716 751)**
COMPREHENSIVE RESULT		**(194 526)**	**(7 725)**	**(127 951)**	**2 798**	**(78 658)**	**(756 806)**	**(1 170 999)**

1. Reclassified to provide consistency with 2025-26 disclosures. 2. Includes Department of Corporate and Digital Development service charges.
3. Corporate and Shared Services change in asset revaluation surplus reflects transfer of reserves as a result of machinery of government changes.

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

The department is predominantly funded by parliamentary appropriations for the provision of outputs. Outputs are the services provided or goods produced by an agency for users external to the agency. They support the delivery of the agency's objectives and or statutory responsibilities. The above table disaggregates revenue and expenses that enable delivery of services by output group which form part of the balances of the department.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

4. Grants and subsidies revenue

	2025-26	2024-25
	$000	$000
Current grants	604	26
Capital grants		581
Total grants and subsidies revenue	**604**	**607**

Grants revenue is recognised at fair value, exclusive of GST in accordance with the requirements of AASB *15 Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*.

To determine if a grant should be accounted for under AASB 1058 or AASB 15, the department must assess if the relevant agreement is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing whether the performance obligations are 'sufficiently specific', the department applies significant judgement based on a detailed analysis of the terms and conditions contained in the grant agreement, including accompanying documentation (e.g. activity work plans) and where necessary holding discussions with relevant stakeholders.

The agency has adopted a low value contract threshold of $50,000 excluding GST and recognises revenue from contracts with a low value, upfront on receipt of income.

Where grant agreements do not meet AASB 15 criteria, they are accounted for under AASB 1058 and recognised upfront on receipt of funding. For 2025-26 and 2024-25, all grant revenue has been recognised in accordance with AASB 1058.

Current grants

Current grant revenue recognised in 2025-26 primarily relates to funding received under the Disaster Ready Fund and the Regional Aviation Access Program.

Capital grants

No capital grants revenue was received in 2025-26 (2024-25: $0.581 million).

Capital grants with enforceable contracts and sufficiently specific obligations are deferred as unearned capital grants liability, included in Note 21 Other liabilities, 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 progressively over time, using the percentage of completion method.

5. Appropriation

	2025-26	2024-25
	$000	$000
Comprehensive operating statement		
Delivery of services		
Output	379 724	415 454
Commonwealth	62 692	150 089
Total appropriation in the comprehensive operating statement	**442 416**	**565 543**

Appropriation recorded in the operating statement includes output appropriation and Commonwealth appropriation recognised for the delivery of services.

Output appropriation is the operating payment to each department for the provision of outputs as specified in the *Appropriation Act*. It does not include any allowance for major non cash costs such as depreciation. Output appropriation does not have sufficiently specific performance obligations and is recognised on receipt of funds.

Commonwealth appropriation relates to specific purpose payments (SPPs) and national partnership (NP) payments being made by the Commonwealth Treasury to the Department of Treasury and Finance on behalf of the Central Holding Authority, and then passed on to the department as Commonwealth appropriation.

Where Commonwealth appropriation received has an enforceable contract with sufficiently specific performance obligations, the transaction is accounted for under AASB 15 as revenue from contracts with customers. Revenue is recognised as and when goods or services are transferred to the customer or third party beneficiary. Otherwise revenue is recognised when the department gains control of the funds. There was nil Commonwealth appropriation received by the department under AASB 15 in 2025-26.

The following table provides information on total appropriation received by the department, as reported in the cash flow statement.

	2025-26	2024-25
	$000	$000
Cash flow statement		
Delivery of services		
Output	379 724	415 454
Commonwealth	71 924	169 272
Delivery of capital works		
Capital	678 078	835 172
Commonwealth	190 100	210 435
Total appropriation in the cash flow statement	**1 319 826**	**1 630 333**

Appropriation recorded in the cash flow statement includes appropriation received for the delivery of services, plus capital appropriation and Commonwealth capital appropriation received for delivery of capital works.

Appropriation for capital works is not recognised as revenue by the department. It is transferred to the department from the Central Holding Authority as an equity injection.

5. a) Summary of changes to budget appropriation

The following table presents changes to budgeted appropriations authorised during the 2025-26 financial year together with explanations for significant changes. It compares the amounts identified in the *Appropriation (2025-2026) Act 2025* with revised appropriations as reported in the *2026-27 Budget Paper No. 3 Agency Budget Statements* and the final end of year appropriation.

The changes within this table relate only to appropriation and do not include other agency income or expenditure. Refer to Note 29 Budgetary information for detailed information on variations to the department's actual outcome compared to budget for both revenue and expenses.

	2025-26 Original Budget	2025-26 Revised Budget	Change to budget appropriation	Note	2025-26 Final Budget	Change to budget appropriation	Note
	$000	$000	$000		$000	$000	
Output	397 637	381 724	(15 913)	1	379 724	(2 000)	2
Capital	890 915	685 848	(205 067)	3	678 078	(7 700)	4
Commonwealth	442 394	541 852	99 458	5	550 052	(8 200)	6
Total appropriation	**1 730 946**	**1 609 424**	**(121 522)**		**1 607 854**	**(1 570)**	

Output and capital appropriations reflect funding as a direct result of government-approved decisions, with actual funding received by the department in line with the budgeted amounts.

Commonwealth appropriation reflects funding anticipated to be received from the Commonwealth for both operational and capital purposes. As Commonwealth appropriations are largely recognised as or when performance obligations are satisfied, the actual amounts receipted by the department and reported in these financial statements may vary from the budgeted amounts reported in this table.

The following are explanations of changes over $1 million or where there is a significant offset resulting in net changes under $1 million:

1. The $15.9 million decrease mainly reflects reclassification of the remote housing investment package to capital.
2. The $2 million decrease relates to a transfer of output appropriation for property maintenance to Department of Lands, Planning and Environment.
3. The $205 million decrease is largely due to rephasing of the Northern Marine Complex - Darwin Ship Lift project, with delivery expected to continue into 2026-27; partly offset by reclassification of the remote housing investment package from capital grants.
4. The $7.77 million decrease mainly comprises an $8.2 million transfer to Department of Education and Training relating to infrastructure works in schools, partly offset by a $2 million transfer from the Department of Corrections for the Corrections Infrastructure Masterplan.
5. The $99.5 million increase is predominantly due to rephasing of the National Network Investment Roads and Remote Housing Northern Territory program; partly offset by cancellation of the Aboriginal and Torres Strait Islander Art Gallery of Australia project.
6. The $8.2 million increase reflects the transfer of Commonwealth appropriation from Department of Education and Training relating to infrastructure works in schools.

6. Sales of goods and services

	2025-26			2024-25		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	$000	$000	$000	$000	$000	$000
Motor vehicle registry fees and charges	13 269		**13 269**	13 000		**13 000**
Sale of goods and rendering of other services	760	890	**1 650**	795	1 049	**1 844**
Total sales of goods and services	**14 029**	**890**	**14 919**	**13 795**	**1 049**	**14 844**

Motor vehicle registry fees and charges

Revenue from motor vehicle registry fees and charges include sales of goods such as personalised number plates, souvenir plates, and evidence of age cards; and fees associated with collection and issue of licences and motor vehicle registrations, including taxes and certain rents collected on behalf of the Central Holding Authority. Refer to Note 28 Schedule of Administered Territory items for more information.

Motor vehicle registry fees and charges are recognised when licences, registrations, cards or related services are issued, as this is when the department satisfies its performance obligation. Consistent with Treasurer's Directions, the department applies practical expedients for certain low-value and short-term licensing and contractual arrangements.

Sale of goods and rendering of other services

Sale of goods and rendering of other services is recognised at fair value, exclusive of GST.

Sales of goods

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 customers. The payments are typically due at that point in time.

Rendering of services

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.

Revenue from rendering of services largely relates to:

- provision of regional harbourmaster services
- bus advertising sales
- property rental and service level agreements with Northern Territory Government departments.

7. Goods and services received free of charge

	2025-26	2024-25
	$000	$000
Corporate and information services	19 442	22 654
Total goods and services received free of charge	**19 442**	**22 654**

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.

The following corporate services staff and functions are centralised and provided by Department of Corporate and Digital Development (DCDD) on behalf of the department and form part of goods and services received free of charge by the department:

- financial services including accounts receivable, accounts payable and payroll
- employment and workforce services
- information management services
- procurement services
- property leasing services.

8. Other income

	2025-26	2024-25
	$000	$000
Goods and services tax (GST) reimbursements	12 819	8 131
Finance lease receipts	5 629	6 515
Insurance reimbursements	5 000	
Assets acquired for nil consideration	2 619	
Rental income		534
Miscellaneous revenue	593	529
Total other income	**26 660**	**15 709**

Other income is recognised at fair value exclusive of GST and comprises items that arise outside the department's ordinary revenue-generating activities.

Finance lease income is recognised over the lease term using a pattern that reflects a constant periodic rate of return on the department's net investment in the lease.

Rental income from operating leases incidental to the department's activities is recognised on a straight-line basis over the lease term.

Assets acquired for nil consideration, or at below fair value, are recognised as income at fair value when the department obtains control of the asset and it can be measured reliably.

Miscellaneous revenue mainly comprises fees collected under the *Information Act*. Revenue is recognised when the department obtains control of the consideration.

9. Employee benefits expense

	2025-26	2024-25
	$000	$000
Salaries and wages	91 531	90 386
Superannuation expenses	10 742	10 410
Fringe benefits tax	407	377
Payroll tax	5 762	5 476
Total employee benefits expense	**108 442**	**106 649**

The number of full-time equivalent (FTE) employees for 2025-26 was 738 (2024-25: 763).

Salaries and wages are recognised in the reporting period when the employee renders services to the Territory Government. It includes recreation leave, allowances and other benefits, which are recognised in the reporting period when employees are entitled to the benefit or when incurred.

The recognition and measurement policy for employee benefits is detailed in Note 18 Payables and Note 20 Provisions.

10. Administrative expenses

a) Purchases of goods and services

The net (deficit) has been arrived at after charging the following goods and services expenses:

	2025-26	2024-25[1]
	$000	$000
Agency service arrangements[2]	54 064	49 397
Information technology charges and communications	10 456	10 854
Consultants[3]	7 560	6 612
Disaster response expenses	6 651	286
Motor vehicle expenses	2 495	2 431
Legal expenses[4]	1 999	2 339
Travel and accommodation	1 950	1 849
Bank charges	1 285	1 048
Memberships	991	1 016
Training and study	947	1 070
Marketing and promotion[5]	777	568
Insurance	776	658
Equipment expenses	382	253
Recruitment[6]	294	300
Freight	180	366
Other	2 311	1 821
Total purchases of goods and services	**93 118**	**80 868**

1. Reclassified to provide consistency with 2025-26 disclosures.
2. Includes bus and ferry contracts.
3. Includes marketing, promotion and IT consultants, but excludes infrastructure-related consultancies which are incorporated in repairs and maintenance.
4. Includes legal fees, claims and settlement costs.
5. Includes advertising for marketing and promotion, but excludes marketing and promotion consultants' expenses which are incorporated in the Consultants category.
6. Includes recruitment related advertising costs.

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.

b) Repairs and maintenance

	2025-26	2024-25
	$000	$000
Repairs and maintenance expense	269 782	249 090
Infrastructure-related consultants	11 051	5 347
Total repairs and maintenance	**280 833**	**254 437**

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

10. Administrative expenses (continued)

c) Other administrative expenses

	2025-26	2024-25
	$000	$000
Expensed work in progress	48 713	33 895
Assets written off	11 845	
Other	33	(2)
Total other administrative expenses	**60 591**	**33 893**

Expensed work in progress comprises capital work in progress costs that do not meet asset recognition and capitalisation criteria. These costs are expensed immediately during the reporting period.

Asset write-off costs represent the carrying value of assets removed from the department's accounting records as they no longer met the criteria for asset recognition.

11. Grants and subsidies expenses

a) Current grants and subsidies

	2025-26	2024-25
	$000	$000
Current grants		
Local government	1 074	530
Private and not-for-profit sector	3 416	4 877
Other sectors of government	152	1 691
Total current grants	**4 642**	**7 098**
Subsidies		
Private and not-for-profit sector	1 125	1 610
Total subsidies	**1 125**	**1 610**
Total current grants and subsidies	**5 767**	**8 708**

Current grant 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 primarily relate to the provision of public transportation facilities and enhancement of regional transport capacity.

Subsidies are payments aimed at reducing all or part of the costs of an activity. This includes payments 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.

b) Capital grants

	2025-26	2024-25
	$000	$000
Local government	6 896	34 322
Private and not-for-profit sector	21 374	215 247
Other sectors of government	28 254	155 044
Total capital grants	**56 524**	**404 613**

Capital grant expenses are transfers made to a recipient for the purposes of acquiring, constructing or upgrading a non financial asset that is to be controlled by a party other than the department. It also includes the transfer of existing department assets to another entity for which no economic benefits of equal value are receivable in return.

Capital grant expenses primarily consist of:

- capital works expenditure for major infrastructure projects and land servicing activities; including transfer of asset ownership at nil consideration to Indigenous Essential Services and local government councils
- payments to other sectors of government for the delivery of works under national funding agreements.

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 control is transferred.

12. Write-offs, postponements, waivers, gifts and ex gratia payments

The following table presents all write-offs, waivers, postponements and gifts approved under the *Financial Management Act 1995*. There were nil ex-gratia payments for 2025-26 and 2024-25.

	2025-26		2024-25	
	$000	Number of Trans	$000	Number of Trans
Write-offs, postponements and waivers				
Approved by the Treasurer				
Losses or deficiencies of money written off	26	3		
Value of public property written off	580	1		
Waiver of right to receive or recover money[1]	...	1	...	1
Total approved by the Treasurer	**606**	**5**	**...**	**1**
Approved by delegates				
Losses or deficiencies of money written off	5	5	1	6
Value of public property written off	99	7		
Postponement of right to receive or recover money	7	1	1	1
Total approved by delegates	**111**	**13**	**2**	**7**
Total write-offs, postponements and waivers	**717**	**18**	**2**	**8**
Gifts approved by delegate			1	7
Total gifts	**nil**	**nil**	**1**	**7**
TOTAL AUTHORISED UNDER THE *FINANCIAL MANAGEMENT ACT 1995*	**717**	**18**	**3**	**15**

1. Waivers of public bus transportation fares for 2025-26 and 2024-25. As this relates to revenue foregone, no amount has been attributed to the waivers.

Write-offs

Write-offs remove from accounting records the value of public money or public property owing to, or loss sustained by, the department. They largely relate to assets no longer meeting the criteria for asset recognition and debts that have been deemed irrecoverable, after all reasonable recovery actions have been taken.

Write-offs result in no cash outlay and are accounted for under 'Other administrative expenses' in the comprehensive operating statement.

Postponements

Postponements represent the deferral of a right to recover public money or receipt of public property from its due date. This has no effect on revenues or expenses recognised but may affect cash inflows or assets in use.

Waivers

Waivers reflect the election to forego a legal right to recover public money or receive public property. Once agreed with and communicated to the debtor, it has the effect of extinguishing the debt and renouncing the right to any future claim on that public money or public property. Waivers result in no cash outlay, and are generally accounted for under 'Current grants and subsidies expense' in the comprehensive operating statement.

Gifts

Gifts are assets or property, transferred to suitable recipients, without receiving any consideration or compensation, and where there is no constructive or legal obligation for the transfer.

13. Cash flow reconciliation

a) Reconciliation of cash

Total 'Cash and deposits' of $100,378,566 (2024-25: $149,517,459) recorded in the balance sheet is consistent with 'Cash at end of financial year' in the cash flow statement.

Reconciliation of net (deficit) to net cash used in operating activities

	2025-26	2024-25
	$000	$000
Net (deficit)	**(281 464)**	**(454 248)**
Non cash items:		
Depreciation and amortisation	145 887	146 712
Asset write-offs/expensed work in progress	60 558	33 895
Finance income from lease remeasurement	(909)	(1 829)
Capital grants non cash	27 595	75 894
Assets received for nil consideration	(2 619)	
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(7 297)	2 737
Decrease/(increase) in prepayments	211	1 265
Decrease/(increase) in other assets	(4 720)	(4 687)
(Decrease)/increase in payables	34 537	(575)
(Decrease)/increase in provision for employee benefits	270	(2 726)
(Decrease)/increase in other provisions	(72 073)	133 084
(Decrease)/increase in other liabilities	(1 825)	29 201
Net cash from/(used in) operating activities	**(101 849)**	**(41 277)**

13. Cash flow reconciliation (continued)

b) Reconciliation of liabilities arising from financing activities

2025-26	1 July	Deposits received	Lease liability repayments	Total cash flows	Lease acquisitions and other movements	Total non cash	Total 30 June
	$000	$000	$000	$000	$000	$000	$000
Deposits held	**22 330**	4 706		**4 706**			**27 036**
Lease liabilities	**21 733**		(5 652)	**(5 652)**	2 478	**2 478**	**18 559**
Total	**44 063**	**4 706**	**(5 652)**	**(946)**	**2 478**	**2 478**	**45 595**

2024-25	1 July	Deposits received	Lease liability repayments	Total cash flows	Lease acquisitions and other movements	Total non cash	Total 30 June
	$000	$000	$000	$000	$000	$000	$000
Deposits held	**36 662**	(14 333)		**(14 333)**			**22 330**
Lease liabilities	**22 386**		(5 419)	**(5 419)**	4 766	**4 766**	**21 733**
Total	**59 048**	**(14 333)**	**(5 419)**	**(19 752)**	**4 766**	**4 766**	**44 063**

c) Non-cash financing and investing activities

Lease transactions

During the financial year, the department recorded right-of-use asset(s) for the lease of transport, property and land with an aggregate value of $17.36 million (2024-25: $20.64 million).

14. Receivables

	2025-26	2024-25
	$000	$000
Current		
Accounts receivable	1 177	2 451
Less: loss allowance	(515)	(500)
	662	**1 951**
GST receivables	22 463	15 040
Accrued revenue	243 823	105 152
Prepaid expenses	338	489
Total current	**267 286**	**122 632**
Non-current		
Prepaid expenses	5	66
Total non-current	**5**	**66**
Total receivables	**267 291**	**122 698**

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 accounts receivable, accrued revenue, GST receivables and prepaid expenses.

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

Accounts receivables are generally settled 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 revenue

Accrued revenue relates to the department's right to consideration in exchange for works completed but not invoiced at the reporting date in respect of Commonwealth funded construction works for Territory roads and public housing.

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 lifetime expected credit losses for all accounts receivables. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates. 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.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written off when based on demonstrated actions to collect, there is no reasonable expectation of recovery for reasons beyond the department's control.

Internal receivables reflect amounts owing from entities controlled by the Northern Territory Government such as other agencies, government business divisions and government owned corporations. External receivables reflect amounts owing from third parties which are external to the Northern Territory Government.

The loss allowance for receivables at reporting date represents the amount of external receivables the department estimates is likely to be uncollectible and is considered doubtful. Ageing analysis and reconciliation of loss allowance for receivables as at the reporting date are disclosed on the next page.

14. Receivables (continued)

	2025-26				2024-25			
	Gross receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
	$000	%	$000	$000	$000	%	$000	$000
External receivables								
Not overdue	662	1.6%	(10)	652	1 548	0.6%	(10)	1 538
Overdue for less than 30 days								
Overdue for 30 to 60 days	3	38.7%	(1)	2				
Overdue for more than 60 days	512	98.5%	(504)	8	520	94.3%	(490)	30
Total external receivables	**1 177**		**(515)**	**662**	**2 068**		**(500)**	**1 568**

Total amounts disclosed exclude statutory amounts and prepayments as these do not meet the definition of a financial instrument and therefore will not reconcile to the receivables note. It also excludes accrued contract revenue where no loss allowance has been provided.

Internal receivables have not been separately disclosed, as they were considered immaterial. This comprises amounts owing from NT Government-controlled entities, including agencies, government business divisions and government-owned corporations. No loss allowance was recognised as these balances are considered to have low credit risk.

Reconciliation of loss allowance for external receivables

	2025-26	2024-25
	$000	$000
Opening balance	(500)	(657)
Written off during the year	11	
Recovered during the year	5	18
(Increase)/decrease in allowance recognised in operating statement	(31)	139
Total external receivables	**(515)**	**(500)**

15. Other financial assets

	2025-26	2024-25
	$000	$000
Current		
Lease receivables	8 014	7 773
Non-current		
Lease receivables	76 416	76 802
Total other financial assets	**84 430**	**84 575**

a) Finance leases

Leases where the department transfers substantially all the risks and rewards of ownership of an asset are classified as finance leases. Income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

The net investment in leases is measured at amortised cost and equals the lease payments receivable by the department and unguaranteed residual, plus initial direct costs, discounted using the interest rate implicit in the lease.

Darwin Port lease

In 2015, the Territory Government entered into a 99-year lease agreement 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 reporting period.

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 the lessee during the 99-year term and used for port purposes.

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.

Defence Accommodation Precinct Darwin lease

In 2023, the department entered into a five-year lease agreement to lease the Manigurr-Ma (Howard Springs) accommodation village.

The agreement has a non-cancellable period of five years with two five-year extension options, and a holdover clause that allows an ongoing six-monthly tenancy. Rentals are payable monthly, adjusted annually for CPI increases.

The following table sets out a maturity analysis of finance leases receivable, showing the undiscounted lease payments to be received after reporting date.

	2025-26	2024-25
	$000	$000
Less than one year	8 014	7 773
One to two years	8 171	7 920
Two to three years	8 339	8 076
Three to four years	8 518	8 244
Four to five years	8 710	8 424
More than five years	13 218 791	13 226 746
Total	**13 260 543**	**13 267 183**

15. Other financial assets (continued)

Reconciliation of the net investment in finance lease receivable at reporting date is as follows:

	2025-26	2024-25
	$000	$000
Future rental receivable - undiscounted	69 295	73 842
Unguaranteed residual amounts - undiscounted	13 223 223	13 223 223
Less: Unearned finance income	(13 208 088)	(13 212 490)
Net investment in finance lease	**84 430**	**84 575**

The department had no impairment losses recorded as at 30 June 2026 or 30 June 2025.

b) Operating leases

An operating lease is a lease other than a finance lease. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the comprehensive operating statement due to its operating nature. 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 CPI increases, however, there are no other variable lease payments that depend on an index or rate.

Future undiscounted minimum rentals receivable from non-cancellable operating leases at reporting date are as follows:

	2025-26	2024-25
	$000	$000
Less than one year	1 219	1 190
One to two years	1 219	1 190
Two to three years	1 219	1 190
Three to four years	1 219	1 190
Four to five years	1 219	1 190
More than five years	1 219	1 190
Total	**7 314**	**7 140**

c) Interest in Port of Darwin Group

As part of the finance lease arrangements, the department (on behalf of the Territory) holds 20% equity interest in the Port of Darwin. These instruments do not confer governance or decision-making rights to the Territory that would result in economic benefits, and the transfer arrangements indicate only nominal proceeds. No valuation method supports the attribution of value to the instruments by a market participant. Accordingly, the fair value of the instruments at 30 June 2026 and 30 June 2025 has been assessed as nil.

16. Property, plant and equipment

Total property, plant and equipment

	2025-26	2024-25
	$000	$000
Land		
At fair value	**68 465**	**64 692**
Buildings		
At fair value	127 478	109 974
Less: accumulated depreciation	(86 257)	(68 590)
	41 221	**41 384**
Infrastructure		
At fair value	14 654 741	14 237 535
Less: accumulated depreciation	(5 302 220)	(4 989 284)
	9 352 521	**9 248 251**
Construction (Work in Progress)		
At capitalised cost	**1 079 242**	**730 894**
Plant and equipment		
At fair value	6 913	7 513
Less: accumulated depreciation	(6 494)	(6 858)
	419	**655**
Computer hardware		
At fair value	1 122	566
Less: accumulated depreciation	(999)	(550)
	123	**16**
Land leases		
At capitalised cost	832	823
Less: accumulated amortisation	(263)	(226)
	569	**597**
Building leases		
At capitalised cost	nil	546
Less: accumulated amortisation	nil	(498)
	nil	**48**
Transport equipment leases		
At capitalised cost	36 560	35 610
Less: accumulated amortisation	(19 774)	(15 615)
	16 786	**19 995**
Total property, plant and equipment	**10 559 346**	**10 106 532**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

16. Property, plant and equipment (continued)

a) Reconciliation of carrying amount of property, plant and equipment

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of year is set out below:

2025-26	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Land leases	Building leases	Transport equipment leases	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Carrying amount at 1 July	**64 692**	**41 384**	**9 248 251**	**730 894**	**655**	**16**	**597**	**48**	**19 995**	**10 106 532**
Additions				1 031 998					2 429	1 034 427
Depreciation/amortisation expense		(2 424)	(137 318)		(177)	(66)	(37)	(24)	(5 704)	(145 750)
Additions/(disposals) from asset transfers	2 931	2 261	225 684	(683 650)	(59)	173				(425 660)
Revaluation increments/(decrements)	842		68 397				9	(24)	66	69 290
Impairment losses			(52 493)							(52 493)
Carrying amount at 30 June	**68 465**	**41 221**	**9 352 521**	**1 079 242**	**419**	**123**	**569**	**nil**	**16 786**	**10 559 346**

2024-25	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Land leases	Building leases	Transport equipment leases	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Carrying amount at 1 July	**893 796**	**47 759**	**9 227 568**	**775 643**	**1 678**	**209**	**648**	**188**	**20 692**	**10 968 181**
Additions	1 700	98		1 076 056					4 685	1 082 539
Disposals	(1 700)									(1 700)
Depreciation/amortisation expense		(3 063)	(137 617)		(208)	(20)	(36)	(143)	(5 474)	(146 561)
Additions/(disposals) from asset transfers	(810 652)	(4 854)	(11 425 040)	(1 120 805)	(815)	(173)	(34)			(13 362 373)
Revaluation increments/(decrements)	1 656	1 444	11 583 340				19	3	92	11 586 554
Transfer (to)/from assets for sale	(20 108)									(20 108)
Carrying amount at 30 June	**64 692**	**41 384**	**9 248 251**	**730 894**	**655**	**16**	**597**	**48**	**19 995**	**10 106 532**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

16. Property, plant and equipment (continued)

b) Reconciliation of 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 to deliver its outputs and services to the public is set out below:

2025-26	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Land leases	Building leases	Transport equipment leases	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Carrying amount at 1 July	**60 017**	**35 548**	**9 245 811**	**730 894**	**655**	**16**	**597**	**48**	**19 995**	**10 093 581**
Additions				1 031 998					2 429	1 034 427
Depreciation/amortisation expense		(2 217)	(137 303)		(177)	(66)	(37)	(24)	(5 704)	(145 528)
Additions/(disposals) from asset transfers	2 931	2 261	225 684	(683 650)	(59)	173				(452 660)
Revaluation increments/(decrements)	727		68 397				9	(24)	66	69 175
Impairment losses			(52 493)							(52 493)
Carrying amount at 30 June	**63 675**	**35 592**	**9 350 096**	**1 079 242**	**419**	**123**	**569**	**nil**	**16 786**	**10 546 502**

2024-25	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer hardware	Land leases	Building leases	Transport equipment leases	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Carrying amount at 1 July	**847 117**	**41 740**	**9 225 113**	**775 643**	**1 678**	**209**	**648**	**188**	**20 692**	**10 913 028**
Additions	1 700	98		1 076 056					4 685	1 082 539
Disposals	(1 700)									(1 700)
Depreciation/amortisation expense		(2 653)	(137 602)		(208)	(20)	(36)	(143)	(5 474)	(146 136)
Additions/(disposals) from asset transfers	(768 648)	(6 824)	(11 425 040)	(1 120 805)	(815)	(173)	(34)			(13 322 339)
Revaluation increments/(decrements)	1 656	3 187	11 583 340				19	3	92	11 588 297
Transfer (to)/from assets for sale	(20 108)									(20 108)
Carrying amount at 30 June	**60 017**	**35 548**	**9 245 811**	**730 894**	**655**	**16**	**597**	**48**	**19 995**	**10 093 581**

16. Property, plant and equipment (continued)

c) Reconciliation of property, plant and equipment where the agency is a lessor under operating leases

A reconciliation of the carrying amount of property, plant and equipment where the agency is a lessor under operating leases is set out below. These assets are leased by public and non-government organisations for the purpose of providing services to the community.

2025-26	Land	Buildings	Infrastructure	Total
	$000	$000	$000	$000
Carrying amount at 1 July	**4 675**	**5 836**	**2 440**	**12 951**
Depreciation expense		(207)	(15)	(222)
Revaluation increments/(decrements)	115			115
Carrying amount at 30 June	**4 790**	**5 629**	**2 425**	**12 844**

2024-25[1]	Land	Buildings	Infrastructure	Total
	$000	$000	$000	$000
Carrying amount at 1 July	**46 679**	**6 019**	**2 455**	**55 153**
Depreciation expense		(410)	(15)	(425)
Additions/(disposals) from asset transfers	(42 004)	1 970		(40 034)
Revaluation increments/(decrements)		(1 743)		(1 743)
Carrying amount at 30 June	**4 675**	**5 836**	**2 440**	**12 951**

1. Reclassified to provide consistency with 2025-26 disclosures.

16. Property, plant and equipment (continued)

Acquisitions

Property, plant and equipment are initially recognised at cost.

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.

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

Land under roads

Land under roads are land roadways and road reserves including land under footpaths, nature strips and median strips. Where land has been acquired at cost for the purpose of land under roads, these are recognised as assets initially at cost and subseqently impaired when there is an indication of impairment. Depreciation is not recognised in respect of these assets as all land assets and their service potential are never consumed during any reporting period.

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 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.

Revaluation of assets

Subsequent to initial recognition, assets belonging to the following classes of non-financial 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.

The above classes of property, plant and equipment include certain new assets initially recognised at cost. Such new assets will continue to be measured at cost, which is deemed to equate to fair value, until the next revaluation for that asset class occurs.

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

The latest revaluations as at 30 June 2026 were independently conducted. The valuer was Frontier Valuation, with replacement cost inputs provided by Rider Levett Bucknall (RLB). Refer to Note 23 Fair value for additional disclosures.

As part of the revaluation, the department refined the application of its existing componentisation policy. Earthworks previously recognised as separate components no longer met the criteria for separate componentisation and were incorporated into the main asset, resulting in increased depreciation expense due to the application of the parent asset's useful life.

16. Property, plant and equipment (continued)

Impairment of assets

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

Materially significant non-financial assets are assessed for indicators of impairment annually or whenever there is indication of impairment. If any 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.

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2026. Impairment losses were recognised for assets affected by disaster events during the year, including national highways, Territory roads and transport infrastructure.

Infrastructure impairment

During 2025-26, the department recognised impairment losses of $52.49 million relating primarily to transport infrastructure assets affected by natural disaster events, including Tropical Low/Cyclone Narelle and associated flooding. The impairment reflects reductions in service potential arising from road closures, restricted access, temporary operating restrictions and physical damage to roads, aerodromes, boat ramps and associated transport infrastructure existing at reporting date.

The recoverable amount of affected assets was determined using a current replacement cost methodology adjusted for reductions in service potential. In assessing recoverable amount, management considered estimated restoration and repair costs, disaster recovery information and remaining restoration commitments at 30 June 2026.

The impairment loss has been recognised within the property, plant and equipment reconciliation in this note. Restoration works are expected to occur through future disaster recovery and capital works programs.

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. Assets are depreciated from the date of acquisition or from the time an asset is completed and held ready for use.

The estimated useful lives for each class of asset are in accordance with the agency's determination as follows:

	2025-26	2024-25
Buildings	20 - 50 years	20 - 50 years
Infrastructure assets		
Bridges	70 years	70 years
Culverts	50 years	50 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	15 - 50 years	15 - 50 years
Plant and equipment	2 - 20 years	2 - 10 years
Computer hardware	4 - 10 years	3 - 6 years
Leased land	n/a	n/a
Right-of-use assets	1 - 40 years	1 - 40 years
Intangibles	3 - 10 years	2 - 10 years

16. Property, plant and equipment (continued)

During 2025-26, the department finalised its Accounting Policy on Measurement and Valuation of Non-Financial Assets. As part of this process, the estimated useful lives of certain classes of plant and equipment, computer hardware and computer software were reassessed to ensure they remained appropriate and aligned with current expectations regarding the consumption of future economic benefits and service potential.

The revised useful lives policy apply prospectively from 1 July 2025 and have been accounted for as a change in accounting estimate in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. Comparative information has not been restated.

The principal changes were:

- plant and equipment: from 2-10 years to 2-20 years
- computer hardware: from 3-6 years to 4-10 years
- computer software: from 2-10 years to 3-10 years.

Right-of-use assets under leases

Recognition and measurement

The department assesses at contract inception whether a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and hence includes a lease.

The department recognises lease liabilities equal to lease payments and a corresponding right-of-use asset for the use of the underlying assets, except for short-term leases and leases of low-value assets. Refer to Note 19 Lease liabilities for additional disclosures.

The department recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use).

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.

Right-of-use assets are subsequently measured at fair value which approximates costs less accumulated amortisation and accumulated impairment losses.

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

Intergovernmental leases

The department applies the intergovernmental leases recognition exemption as per the Treasurer's Direction 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. 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.

Leases that have significantly below-market terms and conditions principally to enable the agency to further its objectives

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the agency to further its objectives are measured at cost and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. These right-of-use assets are subject to impairment testing but are not subject to revaluation.

17. Deposits held

	2025-26	2024-25
	$000	$000
Recoverable works	22 557	18 405
Clearing money	4 381	3 797
Accountable Officer's Trust Account	98	128
Total deposits held	**27 036**	**22 330**

Recoverable works relate to capital works projects undertaken by the department on behalf of non-government entities. Funds are received in advance or progressively from project owners to meet the cost of delivering these projects and are held by the department until the related expenditure is incurred. As the department acts in an agent capacity and recovers project costs in full, these funds are not available for use in the department's own operations. Deposits held are released or applied as project costs are incurred and projects are completed.

Clearing money is public money in transit that is payable to another entity. These funds typically do not contribute to the operations of the agency.

The Accountable Officer's Trust Account reflects trust monies held by the department on behalf of others for a specific purpose and not for use in the operations of the department. These include Motor Vehicle Registry 'return to sender' deposits and bicycle fob customer deposits for temporary bicycle storage arrangements at bus interchanges.

18. Payables

	2025-26	2024-25
	$000	$000
Accounts payable	30 510	6 607
Grants and subsidies payable	16 660	
Accrued salaries and wages	2 917	2 623
Accrued expenses - work in progress	30 323	32 214
Other accrued expenses	8 142	14 461
Total payables	**88 552**	**55 905**

Liabilities for accounts payable and other amounts payable are carried at amortised 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.

Accrued salaries and wages that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the amounts expected to be paid.

The increase in payables in 2025-26 primarily relates to infrastructure construction, repairs and maintenance programs, including disaster recovery works, as well as grant funding obligations approved and payable at reporting date.

19. Lease liabilities

	2025-26	2024-25
	$000	$000
Current lease liabilities	4 521	5 110
Non-current lease liabilities	14 038	16 623
Total lease liabilities	**18 559**	**21 733**

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for leases of low-value assets and leases with a duration of 12 months or less. Lease payments associated with these leases are recognised as an expense in the comprehensive operating statement over the lease term.

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.

Variable lease payments, which depend on an index or a rate, are included in the lease liabilities, otherwise, are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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.

i) Reconciliation of lease liabilities

The following table presents a reconciliation of lease liabilities:

	2025-26	2024-25
	$000	$000
Balance at 1 July	**21 733**	**22 386**
Additions/remeasurements	2 478	4 765
Interest expenses	871	932
Payments	(6 523)	(6 350)
Balance at 30 June	**18 559**	**21 733**

19. Lease liabilities (continued)

ii) Total cash outflows associated with leases

The following table presents total cash outflows associated with leases:

	2025-26	2024-25
	$000	$000
Lease liability payments[1]	6 523	6 350
Short-term lease payments	33	48
Low-value asset lease payments	16	10
Total cash outflows	**6 572**	**6 408**

1. Includes interest payments.

The agency 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 have 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. This is mainly comprised of rooftop antennas installed at two locations.

iii) Amounts recognised in the comprehensive operating statement

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

	2025-26	2024-25
	$000	$000
Amortisation expense of right-of-use assets	5 765	5 653
Interest expense on lease liabilities	871	932
Expense relating to short-term leases	33	48
Expense relating to leases of low-value assets	16	10
Intergovernmental leases	2 109	2 078
Total amount recognised in the comprehensive operating statement	**8 794**	**8 721**

iv) Future minimum lease payments under non-cancellable leases not recorded as liabilities

	2025-26	2024-25[1]
	$000	$000
Not later than one year	1 501	1 471
Later than one year and not later than five years	1 993	2 800
Later than five years	3	nil
Total	**3 497**	**4 271**

1. Reclassified to include all non-cancellable leases including intergovernmental leases, low-value leases and short-term leases.

20. Provisions

	2025-26	2024-25
	$000	$000
CURRENT		
Employee benefits		
Recreation leave	12 285	12 123
Leave loading	1 599	1 519
Other employee benefits	51	24
Total employee benefits	**13 935**	**13 666**
Other provisions		
Fringe benefits tax	121	95
Payroll tax	1 115	896
Superannuation	1 871	1 784
Capital grants	61 014	
Total provisions	**64 121**	**2 775**
TOTAL CURRENT PROVISIONS	**78 056**	**16 441**
NON-CURRENT		
Other provisions		
Capital grants		133 419
Total other provisions	**nil**	**133 419**
TOTAL NON-CURRENT PROVISIONS	**nil**	**133 419**
TOTAL PROVISIONS	**78 056**	**149 860**
Reconciliation of provision for capital grants		
Balance at 1 July	133 419	nil
Additional provisions recognised		133 419
Reductions arising from payments	(72 405)	
Balance at 30 June	**61 014**	**133 419**

20. Provisions (continued)

Employee benefits

Provision for employee benefits include recreation leave and other benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of 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.

All recreation leave is classified as a current liability.

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 long service leave liabilities of government agencies, including the Department of Logistics and Infrastructure, 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)
- 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 recognised by the Central Holding Authority and are therefore not reported in the department's financial statements.

For non-government employee-nominated superannuation schemes, the department's liability is limited to the amount of employer contributions due but unpaid at the reporting date.

Capital grants

The capital grants provision decreased by $72.4 million during 2025-26 as capital grant expenditure was incurred and recognised against the provision in line with project delivery milestones. The remaining balance represents the department's best estimate of future obligations as at reporting date. The amount and timing of future payments remain subject to project schedules, construction outcomes and achievement of project milestones. Changes in these assumptions may result in future revisions to the provision balance.

21. Other liabilities

	2025-26	2024-25[1]
	$000	$000
Current		
Unearned capital revenue liability	104 523	195 525
Unearned contract grants liability	25 883	16 651
Other liabilities	1 313	12 370
Total current other liabilities	**131 719**	**224 546**
Non-current		
Unearned capital grants liability	48 145	14 701
Total non-current other liabilities	**48 145**	**14 701**
Total other liabilities	**179 864**	**239 247**

1. Reclassified to provide consistency with 2025-26 disclosures.

Unearned contract revenue liability

Unearned contract revenue largely relates to consideration received in advance from the Commonwealth for infrastructure grant programs and projects, mainly payable to government owned corporations and other external parties, including local councils and Aboriginal corporations.

The department expects substantially all of the unearned contract revenue liability to be recognised as revenue within 12 months of the reporting date as the related performance obligations are satisfied.

Unearned capital grants liability

Unearned capital grants liability relate to contributions to enable the department to acquire or construct non financial assets to be controlled by the department, received in advance of the department satisfying the performance obligations. This balance is predominantly made up of contributions from the Commonwealth, other Northern Territory Government agencies, schools and local councils.

The following table provides a reconciliation of total unearned capital grants liability:

	2025-26	2024-25[1]
	$000	$000
Carrying amount at 1 July	**210 226**	**209 931**
add: cash received during the reporting period for capital grants	223 260	197 898
less: income recognised during the financial year	(280 818)	(197 603)
Carrying amount at 30 June	**152 668**	**210 226**

1. Reclassified to provide consistency with 2025-26 disclosures.

The department anticipates recognising capital grant revenue from unearned capital grants liability, in accordance with the time bands below:

	2025-26	2024-25[1]
	$000	$000
Not later than one year	104 523	195 525
Later than one year and not later than five years	48 145	14 701
Later than five years	nil	nil
Total	**152 668**	**210 226**

1. Reclassified to provide consistency with 2025-26 disclosures.

22. Capital commitments

Capital commitments represent contractual obligations entered into by the department for the acquisition, construction or upgrade of non-financial assets where the related expenditure has not yet been incurred at reporting date. These commitments are not recognised as liabilities because the goods or services have not yet been received.

The department's capital commitments primarily relate to major infrastructure projects, including the Northern Marine Complex - Darwin Ship Lift project, and housing and road infrastructure programs. Commitments are recognised when the department enters into binding contractual arrangements.

Commitments may extend over multiple reporting periods and may result in payment of compensation or return of funds if obligations are breached. These contracts are expected to be payable as follows:

Capital expenditure commitments[1]

	2025-26	2024-25
	$000	$000
External		
Not later than one year[2]	544 232	614 902
Later than one year and not later than five years[2]	16 242	156 529
Later than five years	nil	nil
Total capital expenditure commitments (exclusive of GST)	**560 474**	**771 431**
Plus: GST recoverable	55 951	77 092
Total capital expenditure commitments (inclusive of GST)	**616 425**	**848 523**

1. Excludes amounts recognised as unearned revenue in the department's financial records.
2. Predominantly relates to the Northern Marine Complex - Darwin Ship Lift project, remote housing programs and major road infrastructure projects.

23. 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.

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.

23. 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 approximates 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	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	$000	$000	$000	$000	$000	$000	$000	$000
Non-financial assets								
Land (note 16)			69 034	65 289			69 034	65 289
Buildings (note 16)					41 221	41 432	41 221	41 432
Infrastructure (note 16)					9 352 521	9 248 251	9 352 521	9 248 251
Plant and equipment[1] (note 16)					17 328	20 666	17 328	20 666
Intangibles					227	366	227	366
Total non-financial assets			**69 034**	**65 289**	**9 411 297**	**9 310 715**	**9 480 331**	**9 376 004**

1. Includes computer hardware and transport equipment.

There were no transfers between Level 1 and Levels 2 or 3 during 2025-26.

b) Valuation techniques and inputs

Valuation techniques and significant unobservable inputs used to measure fair value in 2025-26 are:

Asset classes	Level	Techniques	Significant unobservable inputs
Land	2	Market	
Specialised Land – with no active markets and/or significant restrictions	3	Market	Valuer assessment on restrictions
Buildings	3	Current replacement cost	1. Construction costs or cost per square metre 2. Age and condition of asset 3. Remaining useful life
Specialised buildings	3	Current replacement cost	1. Construction costs or cost per square metre 2. Age and condition of asset 3. Remaining useful life
Infrastructure	3	Current replacement cost	1. Labour and material costs to replace 2. Useful life of components
Plant and equipment	3	Current replacement cost	1. Cost per unit 2. Useful life
Intangible assets	3	Current replacement cost	1. Labour costs 2. Useful life

Land is valued using market-based evidence derived from comparable sales and is classified as Level 2 within the fair value hierarchy.

Specialised buildings and transport infrastructure assets are valued using a current replacement cost methodology. As these assets are not traded in active markets, significant judgement is applied in determining replacement costs, remaining useful lives, asset condition and remaining service potential. These assets are classified as Level 3 within the fair value hierarchy.

Significant unobservable inputs used in determining fair value include replacement cost rates, asset quantities, condition assessments, consumed economic benefit factors, remaining useful lives and estimates of functional or economic obsolescence. Generally, an increase in replacement costs or remaining service potential increases fair value, while an increase in deterioration or obsolescence decreases fair value.

23. Fair value measurement (continued)

b) Valuation techniques and inputs (continued)

Transport infrastructure assets were revalued at 30 June 2026 using a current replacement cost methodology. The revaluation of transport infrastructure assets requires engineering and technical expertise due to the complex nature of the assets. The department engaged an external valuer, Frontier Valuation, and an external quantity surveyor and cost consultant, Rider Levett Bucknall (RLB), to revalue transport infrastructure assets. Given the complexity of the asset portfolio, RLB was engaged to provide specialist quantity surveying cost inputs to support the valuation.

During 2025-26, transport infrastructure assets affected by natural disaster events were assessed for impairment. The impairment assessments incorporated restoration cost estimates and reductions in service potential existing at reporting date. Impairment losses recognised as a result of these assessments are disclosed in Note 16.

Plant and equipment, computer hardware, and intangible assets are reported within the fair value hierarchy at current replacement cost. Management has assessed that the carrying amounts of these assets approximate fair value due to their short useful lives, regular replacement cycles and ongoing impairment assessment processes.

c) Additional information for level 3 fair value measurements

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

2025-26	Buildings	Infrastructure	Plant and equipment	Intangible assets	Total
	$000	$000	$000	$000	$000
Fair value at 1 July	**41 432**	**9 248 251**	**20 666**	**366**	**9 310 715**
Additions			2 429		2 429
Transfers in/out	2 261	225 684	114		228 059
Depreciation/amortisation	(2 448)	(137 318)	(5 947)	(138)	(145 851)
Remeasurement of leases			66		66
Gains/losses recognised in net surplus/deficit[1]	(24)	15 904			15 880
Fair value at 30 June	**41 221**	**9 352 521**	**17 328**	**227**	**9 411 297**

1. The gains and losses recognised in net surplus/(deficit) principally relate to impairment assessments and valuation adjustments for transport infrastructure assets during 2025-26. Refer to Note 16 for further information.

2024-25	Buildings	Infrastructure	Plant and equipment	Intangible assets	Total
	$000	$000	$000	$000	$000
Fair value at 1 July	**47 947**	**9 227 568**	**22 579**	**772**	**9 298 866**
Additions	4 777	316 729	4 925		326 431
Transfers in/out	(9 534)	(158 430)	(1 228)	(255)	(169 447)
Depreciation/amortisation	(3 205)	(137 616)	(5 702)	(151)	(146 674)
Remeasurement of leases	3		92		95
Gains/losses recognised in net surplus/deficit	1 444				1 444
Fair value at 30 June	**41 432**	**9 248 251**	**20 666**	**366**	**9 310 715**

(ii) 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.

24. Financial instruments

The department's financial instruments arise directly from the department's operations or are required to finance the department's operations.

The department's main risks arising from financial instruments are outlined below, together with the department's objectives and material policies for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The department's financial instruments include cash and deposits; receivables; advances paid; payables; and lease liabilities. It excludes statutory receivables arising from taxes including tax receivables, GST input tax credits recoverable, and fines and penalties, which do not meet the definition of financial instruments as per AASB 132 Financial instruments: Presentation.

The department has limited exposure to financial risks. There have been no changes to the department's exposure to credit, liquidity, market and interest rate risk or objectives or policies for managing risks associated with financial instruments.

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.

	Note	Category	2025-26	2024-25
			$000	$000
Cash and deposits		Other	100 379	149 517
Receivables[1]	14	Amortised cost	662	1 951
Other - finance lease assets	15	Amortised cost	84 430	84 575
Total financial assets			**185 471**	**236 043**
Deposits held[1]	17	Amortised cost	27 080	23 112
Payables[1]	18	Amortised cost	47 170	6 607
Lease liabilities	19	Amortised cost	18 559	21 733
Total financial liabilities			**92 809**	**51 452**

1. Total amounts disclosed exclude statutory amounts and accruals (such as accrued revenue and provisions), as these do not meet the definition of financial instruments and therefore amounts will not reconcile to the balance sheet.

Financial assets at amortised cost

Financial assets categorised at amortised cost 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 receivables and leases receivables.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. The department's financial liabilities categorised at amortised cost include accounts payable, grants and subsidies payable, deposits held, and lease liabilities.

24. 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 14.

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's 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 that deplete cash levels and 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.

Maturity analysis for financial liabilities

2025-26	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	$000	$000	$000	$000	$000
Deposits held[1]	27 080	27 080			27 080
Payables[1]	47 170	47 170			47 170
Lease liabilities	18 559	5 199	13 427	2 023	20 649
Total financial liabilities	**92 809**	**79 449**	**13 427**	**2 023**	**94 899**

1. Amounts disclosed exclude statutory amounts and accruals (such as accrued revenue and provisions), as these do not meet the definition of financial instruments and therefore amounts will not reconcile to the balance sheet.

2024-25	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	$000	$000	$000	$000	$000
Deposits held[1]	23 112	23 112			23 112
Payables[1]	6 607	6 607			6 607
Lease liabilities	21 733	5 893	14 751	3 809	24 453
Total financial liabilities	**51 452**	**35 612**	**14 751**	**3 809**	**54 172**

1. Amounts disclosed exclude statutory amounts and accruals (such as accrued revenue and provisions), as these do not meet the definition of financial instruments and therefore amounts will not reconcile to the balance sheet.

24. 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 department's exposure to market risk is limited and primarily relates to interest-rate movements affecting finance lease receivables.

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 rates.

The department's exposure to interest rate risk is limited as it does not hold material variable-rate borrowings and the majority of financial instruments are either non-interest bearing or subject to fixed contractual arrangements. A reasonably possible change in interest rates at reporting date would not have a material effect on the department's financial outcomes.

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

Interest rate risk for financial assets and liabilities

2025-26	Fixed interest	Non-interest bearing	Total	Weighted average
	$000	$000	$000	%
Assets				
Cash and deposits		100 379	100 379	
Receivables[1]		662	662	
Other assets - finance leases	84 430		84 430	5.69%
Total financial assets	**84 430**	**101 041**	**185 471**	
Liabilities				
Deposits held[1]		27 080	27 080	
Payables[1]		47 170	47 170	
Lease liabilities - land	654		654	5.86%
Lease liabilities - transport equipment	17 905		17 905	3.78%
Total financial liabilities	**18 559**	**74 250**	**92 809**	

1. Amounts disclosed exclude statutory amounts and accruals (such as accrued revenue and provisions), as these do not meet the definition of financial instruments and therefore amounts will not reconcile to the balance sheet.

24. Financial instruments (continued)

d) Market risk (continued)

2024-25	Fixed interest	Non-interest bearing	Total	Weighted average
	$000	$000	$000	%
Assets				
Cash and deposits		149 517	149 517	
Receivables[1]		1 951	1 951	
Other assets - finance leases	84 575		84 575	5.63%
Total financial assets	**84 575**	**151 468**	**236 043**	
Liabilities				
Deposits held[1]		23 112	23 112	
Payables[1]		6 607	6 607	
Lease liabilities - land	673		673	4.62%
Lease liabilities - transport equipment	21 010		21 010	3.26%
Lease liabilities - buildings	50		50	0.77%
Total financial liabilities	**21 733**	**29 719**	**51 452**	

1. Amounts disclosed exclude statutory amounts and accruals (such as accrued revenue and provisions), as these do not meet the definition of financial instruments and therefore amounts will not reconcile to the balance sheet.

ii) Price risk

The department does not hold material investments or financial instruments whose value is exposed to fluctuations in market prices. Consequently, the department is not exposed to significant price risk.

iii) Currency risk

Currency risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The department has no material exposure to foreign currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

No sensitivity analysis has been presented for market risks, as the department has assessed that any possible movement in market variables would not have a material impact on the financial statements.

25. Related parties

a) Related parties

The department is a government administrative entity and is wholly owned and controlled by the 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.

b) 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 Department of Logistics and Infrastructure, the Chief Executive Officer and members of the executive leadership board.

c) Remuneration of key management personnel

The details below excludes salaries and other benefits of the minister for Department of Logistics and Infrastructure as the minister's remunerations and allowances are payable by 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:

	2025-26	2024-25
	$000	$000
Short-term benefits	3 335	3 204
Post-employment benefits	331	318
Termination benefits	255	nil
Total remuneration of key management personnel	**3 921**	**3 522**

Long service leave benefits are centrally recognised and paid by the Central Holding Authority and do not form part of agency's accounts or cash outflows. As there is no financial impact on the agency's financial statements, long service leave benefits are excluded from the quantitative disclosures of key management personnel compensation.

25. Related parties (continued)

d) 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.

2025-26	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All Territory Government departments	20 427	72 670	59	3 974

2024-25[1]	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All Territory Government departments	23 808	199 801	407	3 912

1. Reclassified to provide consistency with 2025-26 disclosures.

Majority of the department's transactions with other government entities are not individually significant. Transactions, which were significant, with other government entities in 2025-26 are listed as follows:

- $19.44 million in notional revenue and expenditure related services received free of charge from Department of Corporate and Digital Development (2024-25: $22.65 million).
- $22.36 million non cash capital grant for land servicing infrastructure owned by Power and Water Corporation for its not-for-profit subsidiary Indigenous Essential Services (2024-25: $44.04 million).
- $5.9 million capital grant payment to Power and Water Corporation for the Manton Dam Return to Service project funded by the Commonwealth Government through the National Water Grid (2024-25: $111 million).

Other related party transactions are as follows:

Given the breadth and depth of 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.

26. Contingent liabilities and contingent assets

a) Contingent liabilities

The department reviews all known claims, disputes, indemnities and contractual arrangements at each reporting date to determine whether a present obligation exists that requires recognition as a liability. Contingent liabilities are disclosed where a possible obligation exists, or where a present obligation may exist but is not recognised because an outflow of resources is not considered probable or cannot be measured reliably.

Indemnities

In the normal course of operations, the department enters into contracts and agreements that contain indemnity provisions. These indemnities generally relate to the performance of contractual obligations and project delivery arrangements.

The occurrence and extent of any future liability arising from these indemnities is dependent on uncertain future events that are not wholly within the control of the department. Based on current information, the department has assessed these arrangements as carrying a low likelihood of resulting in material financial loss. Consequently, no provision has been recognised in respect of these indemnities.

The department manages its exposure to contingent liabilities through robust risk management strategies, including legal review, contract management procedures, and insurance where appropriate.

Legal proceedings

From time to time, the department is involved in legal proceedings and claims arising in the ordinary course of business. Where an unfavourable outcome is assessed as possible but not probable, a contingent liability may arise. Where a favourable outcome is possible but not virtually certain, a contingent asset may arise. The department has not recognised any provision in respect of these matters because the outcome and timing remain uncertain. In certain circumstances, further information has not been disclosed where such disclosure could reasonably be expected to prejudice the outcome of ongoing proceedings.

b) Contingent assets

The department had no contingent assets as at 30 June 2026 or 30 June 2025.

27. 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 or disclosure to these financial statements.

28. Schedule of administered Territory items

In addition to operating activities as included in the financial statements, the department also acts on behalf of the Territory Government in the management of administered items. These include the collection of motor vehicle registration fees, other licence fees, rent and capital grants for a number of specific purposes with the majority related to road infrastructure projects. The department is unable to use administered items to further its own objectives without authorisation.

Administered items are transferred to and reported by the Central Holding Authority, as the parent entity of government. Administered income and expenses are not recognised in the department's operating statement but are reported separately in accordance with Australian accounting standards.

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(b)).

	2025-26	2024-25
	$000	$000
TERRITORY INCOME AND EXPENSES		
Income		
Taxation revenue	74 031	71 912
Grants and subsidies revenue		
Capital	14 679	18 435
Fees from regulatory services	6 168	5 865
Royalties and rents	1 238	1 229
Other income	3 401	3 398
Total income	**99 517**	**100 839**
Expenses		
Central Holding Authority income transferred	99 517	100 839
Total expenses	**99 517**	**100 839**
TERRITORY INCOME LESS EXPENSES	**nil**	**nil**
TERRITORY ASSETS AND LIABILITIES		
Assets		
Accounts receivable	317	444
Other receivables	14 398	23 644
Total assets	**14 715**	**24 088**
Liabilities		
Other payables and accruals	709	5 449
Other liabilities	14 006	18 639
Total liabilities	**14 715**	**24 088**
NET ASSETS	**nil**	**nil**

29. Budgetary information

The following tables present variations between the department's 2025-26 original budgeted financial statements, as reported in 2025-26 Budget Paper No. 3 Agency Budget Statements, and the 2025-26 actual amounts reported in the financial statements, together with explanations for significant variations.

The variations within these tables do not include changes to budgeted appropriations. Refer to Note 5a for more information.

a) Comprehensive operating statement

	2025-26 Actual outcome	2025-26 Original Budget	Variance	Note
	$000	$000	$000	
INCOME				
Grants and subsidies revenue				
Current	604	881	(277)	
Capital				
Appropriation				
Output	379 724	397 637	(17 913)	1
Commonwealth	62 692	73 535	(10 843)	2
Sales of goods and services	14 919	13 245	1 674	
Goods and services received free of charge	19 442	23 118	(3 676)	
Other income	26 660	4 649	22 011	3
TOTAL INCOME	**504 041**	**513 065**	**(9 024)**	
EXPENSES				
Employee benefits expense	108 442	109 887	(1 445)	
Administrative expenses				
Purchases of goods and services[1]	107 148	92 545	14 603	4
Repairs and maintenance	280 833	222 606	58 227	5
Depreciation and amortisation	145 887	89 373	56 514	6
Goods and services received free of charge	19 442	23 118	(3 676)	
Other administrative expenses	60 591		60 591	7
Grants and subsidies expenses				
Current	5 767	5 193	574	
Capital	56 524	57 166	(642)	
Interest expenses	871	618	253	
TOTAL EXPENSES	**785 505**	**600 506**	**184 999**	
NET SURPLUS / (DEFICIT)	**(281 464)**	**(87 441)**	**(194 023)**	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/(deficit)				
Changes in asset revaluation surplus	7 185		7 185	8
TOTAL OTHER COMPREHENSIVE INCOME	**7 185**		**7 185**	
COMPREHENSIVE RESULT	**(274 279)**	**(87 441)**	**(186 838)**	

1. Includes property management

29. Budgetary information (continued)

Notes:

The following note descriptions relate to variances greater than $5 million, or where multiple significant variances have occurred.

1. Output appropriation variance primarily relates to the transfer of appropriation to Capital appropriation and between financial years for the Remote Housing Investment Program.
2. Commonwealth appropriation variance largely relates to funding milestones for the Darwin Region Water Supply Infrastructure Program.
3. Other income variation primarily relates to refund of GST related to disability housing as determined in a GST ruling.
4. Purchase of goods and services variation primarily relates to disaster expenditure relating to transportation and temporary accommodation costs associated with the evacuation and repatriation of remote communities affected by disaster events.
5. Repairs and maintenance variation primarily relates to natural disaster damages across the road network.
6. Depreciation and amortisation variance primarily relates to a significant increase in infrastructure assets depreciation, as a result of a correction to the useful lives of transport assets (mainly from 70 years revised to 50 years).
7. Other Administrative expenses variation primarily relates to the reclassification of capital works that could not be recorded as an asset and were expensed in accordance with accounting standard requirements.
8. Changes in asset revaluation surplus primarily relates to the derecognition of assets that no longer meet asset recognition criteria.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

29. Budgetary information (continued)

b) Balance sheet

	2025-26 Actual outcome	2025-26 Original Budget	Variance	Note
	$000	$000	$000	
ASSETS				
Current assets				
Cash and deposits	100 379	166 566	(66 187)	1
Receivables	267 286	18 307	248 979	2
Other financial assets	8 014	476	7 538	3
Total current assets	**375 679**	**185 349**	**190 330**	
Non-current assets				
Receivables	5		5	
Property, plant and equipment	10 559 346	11 773 956	(1 214 610)	4
Intangibles	227		227	
Other financial assets	76 416	82 451	(6 035)	5
Total non-current assets	**10 635 994**	**11 856 407**	**(1 220 413)**	
TOTAL ASSETS	**11 011 673**	**12 041 756**	**(1 030 083)**	
LIABILITIES				
Current liabilities				
Deposits held	27 036	36 540	(9 504)	6
Payables	88 552	65 562	22 990	7
Lease liabilities	4 521		4 521	
Provisions	78 056	15 722	62 334	8
Other liabilities	131 719	97 013	34 706	9
Total current liabilities	**329 884**	**214 837**	**115 047**	
Non-current liabilities				
Lease liabilities	14 038	13 740	298	
Other liabilities	48 145		48 145	10
Total non-current liabilities	**62 183**	**13 740**	**48 443**	
TOTAL LIABILITIES	**392 067**	**228 577**	**163 490**	
NET ASSETS	**10 619 606**	**11 813 179**	**(1 193 573)**	
EQUITY				
Capital	7 041 587	7 806 806	(765 219)	11
Reserves	6 225 137	6 174 194	50 943	12
Accumulated funds	(2 647 118)	(2 167 821)	(479 297)	13
TOTAL EQUITY	**10 619 606**	**11 813 179**	**(1 193 573)**	

29. Budgetary information (continued)

Notes:

The following note descriptions relate to variances greater than $5 million, or where multiple significant variances have occurred.

1. Cash at bank variance mainly relates to timing of payments for Commonwealth funded expenditure.
2. Current receivables variance primarily relates to revenue owed by the Commonwealth for capital works programs where the performance obligations have been met.
3. Current other financial assets variance mainly reflects movements associated with the Darwin Port and Defence Accommodation Precinct Darwin.
4. Property, plant and equipment variance primarily relates to the transfer out of completed capital works projects for housing and other government agencies, combined with the transfer of funding between financial years for major works in line with milestone payments, and the transfer of completed works to capital grants expense, in accordance with accounting standards.
5. Non-current other financial assets variance mainly reflects movements associated with the Darwin Port and Defence Accommodation Precinct Darwin.
6. Deposits held variance primarily relates to funds held in a recoverable works trust account, for non-government capital works projects yet to be completed.
7. Payables variance primarily relates to creditors and accruals resulting from capital, and repairs and maintenance in line with significant major projects on the capital works program.
8. Provisions variance primarily relates to the accounting treatment of major infrastructure works in line with contractual obligations, recognising expenditure up-front.
9. Other current liabilities variance primarily relates to advanced milestone payments from the Commonwealth in relation to the Social Housing Accelerator and Housing Support - Priority Work Stream programs, for which the performance obligation for delivery have yet to be met.
10. Non-current other liabilities variance primarily relates to advanced milestone payments from the Commonwealth in relation to the Alice Springs Hospital - new ambulatory care centre for which the performance obligation for delivery have yet to be met.
11. Variation primarily reflects the transfer out of completed capital works projects for housing and other government agencies.
12. Revaluations including land, roads, bridges, culverts, streetlights and the Defence Accommodation Precinct Darwin.
13. As per notes provided in the operating statement.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

29. Budgetary information (continued)

c) Cash flow statement

	2025-26 Actual outcome	2025-26 Original Budget	Variance	Note
	$000	$000	$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Grants and subsidies received				
Current	604	881	(277)	
Appropriation				
Output	379 724	397 637	(17 913)	1
Commonwealth (excluding capital appropriation)	71 924	64 922	7 002	2
Receipts from sales of goods and services	155 046	12 418	142 628	3
Total operating receipts	**607 298**	**475 858**	**131 440**	
Operating payments				
Payments to employees	(107 584)	(109 887)	2 303	
Payments for goods and services	(510 252)	(315 151)	(195 101)	4
Grants and subsidies paid				
Current	(5 557)	(5 193)	(364)	
Capital	(84 883)	(57 166)	(27 717)	5
Interest paid	(871)	(618)	(253)	
Total operating payments	**(709 147)**	**(488 015)**	**(221 132)**	
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**(101 849)**	**(12 157)**	**(89 692)**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Repayment of advances	10 495	7 593	2 902	
Total investing receipts	**10 495**	**7 593**	**2 902**	
Investing payments				
Purchase of non-financial assets	(1 033 889)	(1 431 822)	397 933	6
Advances and investing payments	(4 720)	(2 093)	(2 627)	
Total investing payments	**(1 038 609)**	**(1 433 915)**	**395 306**	
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(1 028 114)**	**(1 426 322)**	**398 208**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	4 706		4 706	
Equity injections				
Capital appropriation	678 078	890 915	(212 837)	7
Commonwealth capital appropriation	190 100	377 472	(187 372)	8
Other equity injections	213 600	56 000	157 600	9
Total financing receipts	**1 086 484**	**1 324 387**	**(237 903)**	
Financing payments				
Lease liability payments	(5 652)	(4 232)	(1 420)	
Equity withdrawals	(7)	(27 427)	27 420	10
Total financing payments	**(5 659)**	**(31 659)**	**26 000**	
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**1 080 825**	**1 292 728**	**(211 903)**	
Net increase/(decrease) in cash held	(49 138)	(145 751)	96 613	11
Cash at beginning of financial year	149 517	312 317	(162 800)	12
CASH AT END OF FINANCIAL YEAR	**100 379**	**166 566**	**(66 187)**	

29. Budgetary information (continued)

Notes:

The following note descriptions relate to variances greater than $5 million, or where multiple significant variances have occurred.

1. Output appropriation variance primarily relates to the transfer of appropriation to Capital appropriation and financial years for the Remote Housing Investment Program.
2. The Commonwealth appropriation variance primarily relates to the recognition of Commonwealth funding for the Nhulunbuy Cyclone Shelter project, which was originally intended to be delivered as a capital works project.
3. Receipts from sales of goods and services variance is primarily due to the refund of GST related to disability housing as determined in a GST ruling.
4. Payments for goods and services variance is primarily due to disaster related expenditure.
5. Capital grants variance primarily relates to the unwinding of the Northern Marine Complex - Darwin Ship Lift project provision in proportion to expenditure incurred during the year.
6. Purchases of non-financial assets variance primarily relates to timing of Commonwealth expenditure in the housing and roads capital works program and timing of NT funding for the Northern Marine Complex - Darwin Ship Lift project.
7. Capital appropriation variance primarily relates to revised milestones payments for the Northern Marine Complex - Darwin Ship Lift project.
8. Commonwealth appropriation variance primarily relates to funding not yet received for the 10 year Remote Housing agreement 2024-2034.
9. Other equity injections variance primarily relates to additional cash provided to support payments for the Remote Housing Capital Works program.
10. Equity withdrawals variance primarily relates to the cash requirements of the Agency, not processed due to funding yet to be received for the Remote Housing program.
11. Net increase in cash held reflects the combination of all the explanations above.
12. Opening cash differed from budget due to the actual 2024-25 closing cash position carried forward into 2025-26.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2026

30. Budgetary information: Administered Territory items

The following table presents variations between the 2025-26 original budget for administered items as reported in the 2025-26 Budget Paper No. 3 Agency Budget Statements and the 2025-26 actual amounts disclosed in Note 28 of these financial statements, together with explanations for significant variations.

	2025-26 Actual outcome	2025-26 Original budget	Variance	Note
	$000	$000	$000	
TERRITORY INCOME AND EXPENSES				
Income				
Taxation revenue	74 031	73 621	410	
Grants and subsidies revenue				
Capital	14 679	57 562	(42 883)	1
Fees from regulatory services	6 168	5 937	231	
Royalties and rents	1 238	1 220	18	
Other income	3 401	3 335	66	
Total income	**99 517**	**141 675**	**(42 158)**	
Expenses				
Other administrative expenses	99 517	141 675	(42 158)	
Total expenses	**99 517**	**141 675**	**(42 158)**	
TERRITORY INCOME LESS EXPENSES	**nil**	**nil**	**nil**	
TERRITORY ASSETS AND LIABILITIES				
Assets				
Accounts receivable	317	49	268	
Other receivables	14 398	26 004	(11 606)	2
Total assets	**14 715**	**26 053**	**(11 338)**	
Liabilities				
Other payables and accruals	709	442	267	
Other liabilities	14 006	25 611	(11 605)	3
Total liabilities	**14 715**	**26 053**	**(11 338)**	
NET ASSETS	**nil**	**nil**	**nil**	

Notes:

The following note descriptions relate to variances greater than $5 million, or where there is a significant offset resulting in net changes under $5 million.

1. Capital grants variance primarily relates to the return of Commonwealth funds for the cancelled Aboriginal and Torres Strait Islander Art Gallery of Australia project, combined with revised timing of milestone payments for the Roads to Recovery program.
2. Other receivables variance primarily relates to Commonwealth Own-Purpose Expenses (COPE) received in advance and not yet spent.
3. Other liabilities variance is due to the recognition of unearned revenue in line with expenditure milestones which are collected through the Central Holding Authority.



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