

2022-2023

Department
of Infrastructure,
Planning and Logistics

ANNUAL REPORT



Acknowledgement

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

While this report uses the term Aboriginal, the contents and information 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 Services
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/ais

Providing Feedback

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

Department of Infrastructure,
Planning and Logistics
Main Office
5th Floor, Energy House
18-20 Cavenagh Street,
Darwin, Northern Territory

or

GPO Box 2520
Darwin NT 0801

Telephone: (08) 8999 5511

nt.gov.au

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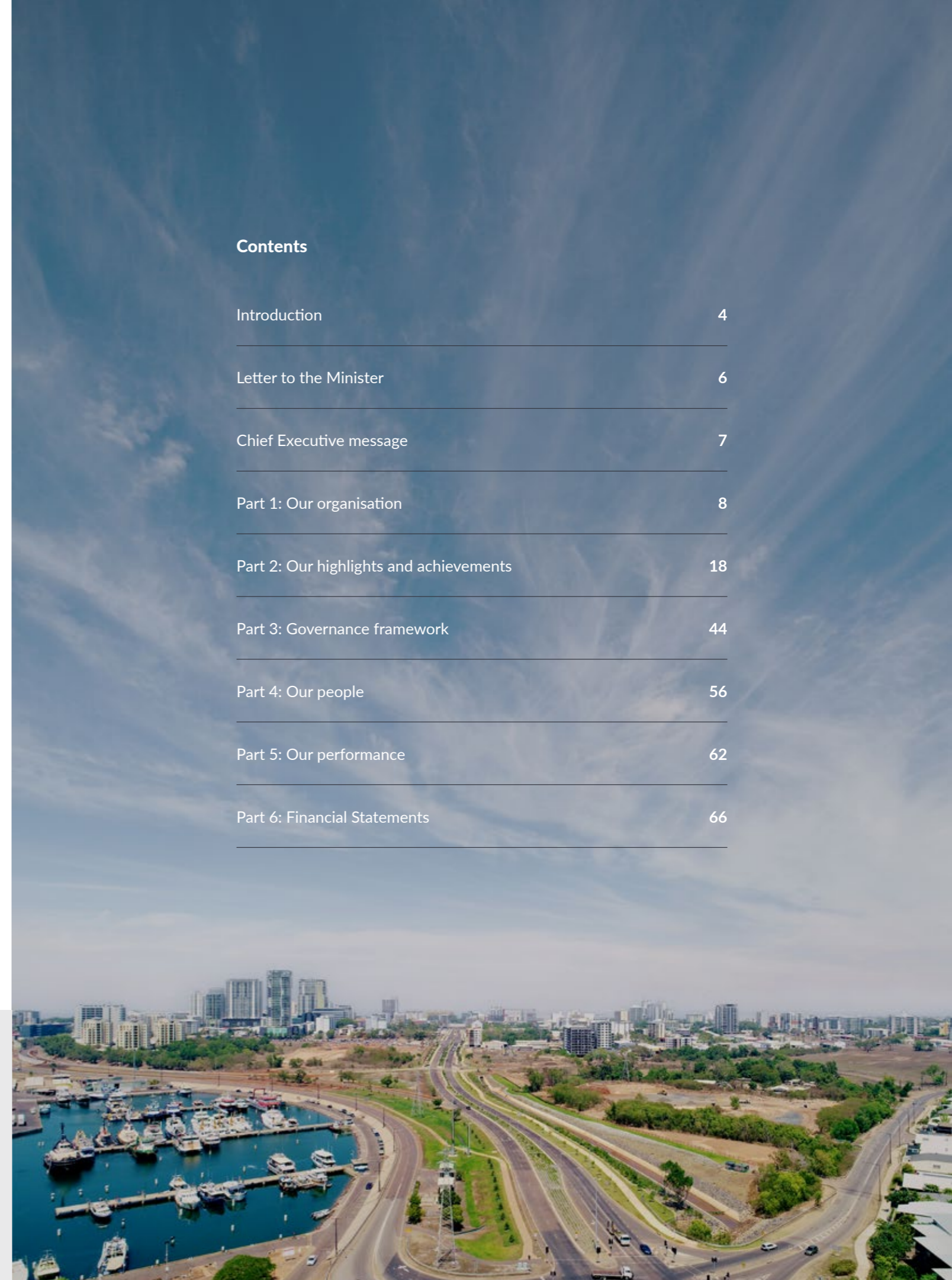
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INTRODUCTION

About the Report

This annual report highlights the work and performance of the Department of Infrastructure Planning and Logistics (DIPL) during the 2022-23 financial year. Performance is reported against strategic goals, approved budget and output measures.

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

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

The annual 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



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



LETTER TO THE MINISTER

31 August 2023
Minister Lawler
Minister for Infrastructure, Planning and Logistics
Parliament House
State Square
Darwin NT 0800

Dear Minister Lawler

Re: Agency Representation Letter 2022-23

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 *Financial Management Act 1995*
- c. no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists (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 *Financial Management Act 1995*, 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, that to the best of his 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



Louise McCormick
A/Chief Executive Officer
31 August 2023

CHIEF EXECUTIVE MESSAGE

I am honoured to present the Department of Infrastructure, Planning and Logistics annual report for 2022-23.

The Northern Territory's economic and social advancement is largely shaped by this agency. The department's core purpose is to work with Territory businesses, industry and the community to plan, regulate, construct and maintain integrated sustainable infrastructure, developments and services across the Northern Territory.

The impact our work and our people have across the Territory was more evident than ever in 2022-23.

We are driving the creation of a sustainable development ready precinct at Middle Arm in partnership with the Australian Government. The precinct will have a focus on solar and future industries including hydrogen, carbon capture, advanced manufacturing and minerals processing.

Our maritime focus includes the delivery of the Ship Lift to position Darwin as a maritime services hub to better meet the needs of the Asia-Pacific region.

We are creating safer roads with one of our key projects being the construction of an overpass at the intersection of Tiger Brennan Drive and Berrimah Road in Darwin.

The revitalisation of Civic and State Square continues to be a major focus with the aim of creating a green, interactive space that has the Northern Territory Art Gallery as its centrepiece.

Our remote Housing Project team continues to work in partnership with the Department of Territory Families, Housing and Communities to ensure our most vulnerable people have liveable, quality homes. The \$1.1 billion program Our Community. Our Future. Our Homes. (OCOFOH) also promotes local decision making, economic development and jobs.

Other highlights from 2022-23 include:

- the revitalisation of the Alice Springs CBD
- demolition and construction of new homes in Alice Springs Town Camps
- connecting the Territory through a network of roads upgrades, including the Carpentaria Highway, the Plenty Highway, Central Arnhem Highway, Buntine Highway, Tiwi Islands roads, Kakadu National Park roads, the Tanami Road and duplication of the Stuart Highway in Katherine East
- upgrades to the Frances Bay Mooring basin to benefit commercial fishermen and other maritime industries
- stage 2 of the \$77 million investment in reducing flooding and improve road safety on the Arnhem Highway at Adelaide River
- land release in Katherine East & Holtze
- refurbishment of Katherine High School to create a state-of-the-art Science, Technology, Engineering, Arts and Maths (STEAM) centre to improve learning outcomes
- \$6.5 million upgrade to the Godinymayin Yijard Rivers Arts and Culture Centre in Katherine



- continuing to investigate a Tennant Creek to Darwin infrastructure corridor to accommodate future services such as high pressure pipelines, infrastructure for oil and gas, hydrogen energy, water, electricity and digital technology
- transitioning the Centre for National Resilience at Howard Springs to a lease agreement with the Australian Department of Defence
- in partnership with the Australian Government, establish a network of logistics hubs in Tennant Creek, Alice Springs and Katherine to improve connections and strengthen supply chains
- improve safety on public transport by increasing the number of Transit Officers, new legislation to allow officers to carry OC spray, the issuing of body worn cameras, expanding powers of arrest, and tougher banning provisions.

In the face of devastating floods earlier this year the communities of Kalkarindji, Daguragu, and Pigeon Hole received extensive damage to critical infrastructure, roads and homes. A dedicated team from the department continues to work with local contractors as we help rebuild the region. The management and coordination of this response has been outstanding. I am so proud of our staff and their efforts to support this important response and recovery.

Our significant work is set to continue in 2023-24 with a record infrastructure program including the commencement of the Adelaide River Off-Stream Water Storage (AROWS) team joining our department; continuing to plan for economic and population growth; and delivering services and infrastructure right across the Territory.

I would like to take this opportunity to thank our staff for their work and commend all employees across the Territory for their dedication and professionalism throughout the year.

I am confident that we, as a whole department, will continue to work with industry to deliver on the Northern Territory Government's strategic priorities.



Louise McCormick
A/Chief Executive Officer



PART 1

OUR ORGANISATION



ABOUT US

We deliver:

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



OUR VISION

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



OUR PURPOSE

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

Collaboration

We work together with our colleagues, industry and stakeholders to deliver tasks and projects with the aim of achieving shared success.

Innovation

We look for better and more innovative ways to do business that creates value or improves service.

Commitment to service

The NTPS is professional, hardworking, effective, innovative and efficient, working collaboratively to achieve the best results for the Northern Territory.

Excellence

We take pride in our work and strive for excellence.

Ethical practice

The NTPS upholds the highest standards of practice and acts with integrity in all that it does.

Diversity

The NTPS values the diversity of its workforce as well as the Northern Territory population it serves.

Accountability

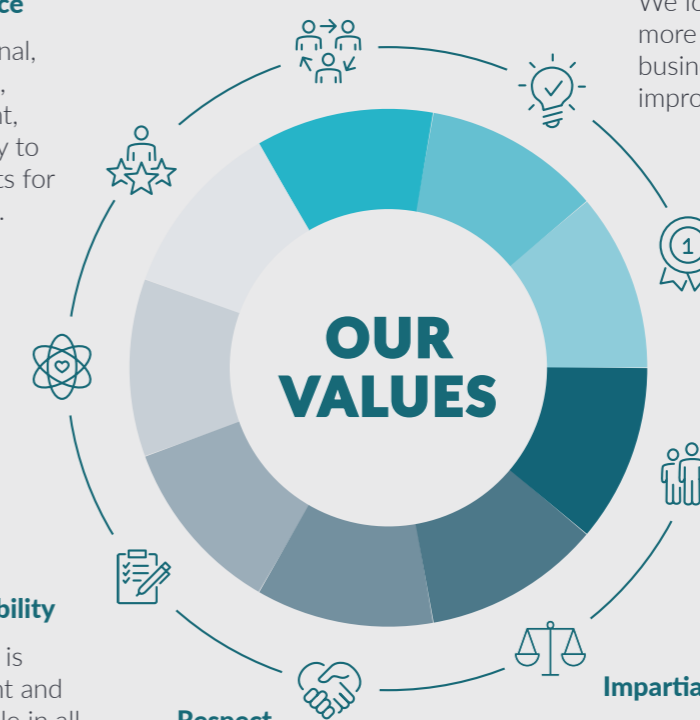
The NTPS is transparent and accountable in all its actions.

Respect

The NTPS respects all people, and in particular their rights as individuals.

Impartiality

The NTPS is apolitical and provides the government with advice that is objective, timely and based on the best available evidence.



OUR VALUES

OUR STRUCTURE

ACTING CHIEF EXECUTIVE
Louise McCormick

INFRASTRUCTURE NT COMMISSIONER
Louise McCormick

Responsible for:

- Accountable officer to plan, regulate, construct, maintain and invest in integrated sustainable infrastructure developments and services across the Territory
- Identifying and championing opportunities for infrastructure investment and reform to drive the Territory's future growth
- Providing whole-of-government leadership for project development and delivery that analyses, prioritises and supports government infrastructure investment

GOVERNANCE AND EXECUTIVE SERVICES

Executive Director Tegan Berg
Responsible for:

- Secretariat and Ministerial Liaison
- Media, Marketing, Communications and Engagement
- Executive Coordination and Governance
- Audit, Risk and Investigations
- Work Health and Safety (WHS)
- Independent Commission Against Corruption (ICAC) Nominated Recipient
- Business Improvement

LANDS AND PLANNING

Deputy Chief Executive Leah Clifford
Responsible for:

- Management of land and land related information and data
- Administration of a single integrated Territory Planning Scheme to guide development
- Building and development policy
- Strategic planning to set the direction for land use and related infrastructure
- Delivery of corporate and financial services
- Regional Strategic Coordinators

NORTHERN REGION

Executive Director Jessica Powter
Responsible for:

- Oversight of the East Arnhem Big Rivers Regions
- Reporting to relevant Division heads in respect of their specific work programs
- Deliver and manage services including:
 - lands and planning functions
 - infrastructure and housing projects including capital works and minor new works
 - Northern Territory Government (NTG) asset repairs and maintenance
 - transport and civil services functions

SOUTHERN REGION

Executive Director Sarah Fairhead
Responsible for:

- Oversight of the Central Australia and Barkly Regions
- Reporting to relevant Division heads in respect of their specific work programs
- Deliver and manage services including:
 - lands and planning functions
 - infrastructure and housing projects including capital works and minor new works
 - NTG asset repairs and maintenance transport and civil services

TRANSPORT AND CIVIL SERVICES

General Manager Claire Brown
Responsible for:

- Strategies and programs to manage and deliver the Territory's transport and civil infrastructure
- Transport and logistics planning and policy support
- Whole of department legislation
- Public and school bus transport services and security
- Heavy and commercial vehicle compliance
- MVR driver licensing and vehicle legislation services
- Road safety services
- Port regulation

INFRASTRUCTURE, INVESTMENT AND CONTRACTS

General Manager Adam Walding
Responsible for:

- Planning and delivery of the Territory's infrastructure program
- Whole of agency works programming
- Whole of agency procurement, contract, compliance and contract advice
- Minor works and repairs and maintenance of NTG assets

HOUSING PROGRAM OFFICE

General Manager Dwayne McInnes
Responsible for:

- Delivery of housing related infrastructure in remote communities
- Delivery of the Territory's remote housing and urban housing program
- Repairs and maintenance of NTG urban and remote housing assets
- Local Decision Making
- Land Tenure and Remote Lands Planning

STATUTORY BODIES

- Statutory bodies that receive secretariat support from the department:**
- NT Planning Commission
 - Development Consent Authority
 - Building Advisory Committee
 - Building Appeals Board
 - Community Living Areas Tribunal
 - Place Names Committee for the NT
 - Swimming Pool Fencing Review Committee
 - Valuation Board of Review Panel

- Statutory bodies that receive funding or support from the department:**
- Land Development Corporation
 - AustralAsia Railway Corporation
 - Northern Territory Land Corporation

OUR FUNCTIONS

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

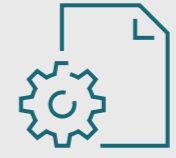
- » strategic planning to set the direction for land use, transport networks and infrastructure to meet the community's needs and support future growth of the Northern Territory
- » delivering the Northern Territory's infrastructure program and providing services as the Northern Territory's central construction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



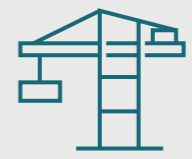
- Governance and Executive Services**
- Secretariat and Ministerial Liaison
 - Communications, Media and Engagement
 - Work Health and Safety
 - Audit, Risk and Investigations
 - Executive Coordination and Governance
 - Business Improvement
 - ICAC Nominated Recipient



- Housing Program Office**
- Remote Housing and Infrastructure
 - Urban Housing Infrastructure
 - Housing Repairs and Maintenance
 - Remote Land Tenure and Planning



- Infrastructure, Investments and Contracts**
- Procurement Operations and Delivery
 - Infrastructure Planning and Operational Support
 - Infrastructure Delivery
 - Strategic Asset Management
 - Maintenance



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



- Lands and Planning**
- Lands and Planning
 - Crown Land Estate
 - Land Development
 - Building Advisory Services
 - Land Information and Spatial Analytics
 - Financial and Office Services



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

OUR OPERATING CONTEXT

DIPL delivers projects across the Northern Territory and has employees based in eight office locations across five regions.

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

an infrastructure program worth over
\$4 billion

DARWIN

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

NHULUNBUY

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

KATHERINE

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

914

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

over
\$1.2 billion

spent on infrastructure and related payments

management of the government's land portfolio worth over

\$870 million

TENNANT CREEK

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

management of buildings, roads, bridges and other assets with a written down value of over

\$9.7 billion

ALICE SPRINGS

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

a total operational budget of **\$648.9 million**, most of which is funded through output appropriation from the Northern Territory Government's contribution of **\$427 million**

collected revenue on behalf of government, including **\$93.5 million** from rent, royalties and regulatory services including motor vehicle registration and stamp duty fees

SHARED SERVICES

There are a number of shared services across the department that largely fall under the Governance and Executive Services (GES) and Financial and Office Services branches.

GES provides high-level administrative, communication and governance support and incorporates six main functions:

• Audit, Risk and Investigations

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

• Business Improvement (BI)

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

• Communications, Media and Engagement

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

• Executive Coordination and Governance

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

• Secretariat and Ministerial Liaison

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

• Work Health and Safety (WHS)

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

• Finance and Office Services

Provides financial services, budget management and compliance reporting to facilitate responsible financial management.

- The Finance team ensures the department meets financial compliance, budget obligations and supports maximisation of financial resources within the financial management frameworks including:

- » managing and co-ordinating budgets
- » ledger management
- » financial reporting
- » financial policy and procedures
- » department taxation returns.

- The Office Services team provides property management and travel assistance to employees including:

- » building and property maintenance
- » building security
- » general office services
- » facility management
- » support for travel
- » TRIPS system administrators.

CUSTOMER SERVICE CHARTER

DIPL is committed to delivering a professional, accessible, responsive, reliable and consistent service through our Customer Service Charter.

The aim of the charter is to:

- » clearly articulate the standard of service our customers can expect
- » assist the department to focus on service delivery to measure and assess performance
- » initiate performance improvement.

The charter outlines:

- » what customers can expect from our services
- » our commitment to deliver professional, accessible, responsive, reliable and consistent service.



01



YOUR VOICE MATTERS

We will listen to you to understand your needs. We will engage with you to get to know you and your business better.

02



MAKING IT EASY

We will make it easy for you to access Department Services.

03



RESPECTING YOUR TIME

We will respect your time and take ownership to address your enquiry and keep you informed.

04



KEEPING YOU INFORMED

We will let you know what to expect and provide a transparent and responsive service.

05



QUALITY SERVICE FOR YOU

We are committed to delivering a quality service in a respectful and coordinated manner.

06



YOUR SAFETY FIRST

We will make your safety our priority.

OUR LEGISLATION

Legislation

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

Acts

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. Building Act 1993 (except provisions relating to the regulation and licensing of occupations)
6. Commercial Passenger (Road) Transport Act 1991
7. Control of Roads Act 1953
8. Crown Lands Act 1992 (except section 79)
9. Crown Lands Freehold (Conversion from Crown Leasehold) Act 1980
10. Lands Acquisition Act 1978
11. Lands Acquisition (Pastoral Leases) Act 1982
12. Licensed Surveyors Act 1983 (except provisions relating to the regulation and licensing of occupations)
13. Marine Act 1981
14. Marine Safety (Domestic Commercial Vessel) (National Uniform Legislation) Act 2013
15. Miscellaneous Acts Amendment (Aboriginal Community Living Areas) Act 1989
16. Motor Vehicles Act 1949 (except Part V)
17. Northern Territory Land Corporation Act 1989
18. Pastoral Land Act 1992 (provisions about Aboriginal community living areas)
19. Place Names Act 1967
20. Planning Act 1999
21. Plumbers and Drainers Licensing Act 1983 (except provisions relating to the regulation and licensing of occupations)
22. Port of Darwin Act 2015
23. Ports Management Act 2015
24. Public Transport (Passenger Safety) Act 2008

25. Rail Safety (National Uniform Legislation) Act 2012

26. Special Purposes Leases Act 1953

27. Swimming Pool Safety Act 2004

28. Traffic Act 1987

29. Valuation of Land Act 1963

Administrative responsibilities

Statutory bodies

- Development Consent Authority
- Planning Commission
- The AustralAsia Railway Corporation

General administrative responsibilities

- Assets and program management
- Building advisory services
- Designated ports (including regional harbourmasters)
- Freight and logistics industry
- Infrastructure planning, management and delivery
- Land administration
- Land information
- Land use planning and development assessment
- Lands and planning
- Maritime industry
- Ports development
- Procurement (infrastructure services)
- Public transport
- Rail industry
- Recreational boating safety
- Regional air services development
- Release of industrial and residential land
- Road network management
- Road safety
- Road transport
- Strategic growth and infrastructure planning
- Transport assets
- Transport policy and planning

LEGISLATIVE REFORM PROGRAM

Legislation

» **Building Amendment Act 2022**

Commenced 10 August 2022

The purpose of this Act is to provide the Building Practitioners Board greater scope to conduct an inquiry into the work or conduct of a building practitioner whose registration has ceased, and increases the financial penalties for professional misconduct by building practitioners.

» **Public Transport (Passenger Safety) Amendment Act 2023**

Commenced 1 June 2023

This Act contributes towards a safe, efficient public bus system that meets community needs. The purpose of this Act is to strengthen the enforcement provisions in the *Public Transport (Passenger Safety) Act 2008*. This will allow Transit Officers to use oleoresin capsicum (OC) spray when exercising their powers and functions to maintain the safety of people and property on the public bus network. The Act provides that Transit Officers use of force must be reasonably necessary, as a last resort, and when the outcome could not be achieved in another practicable way. The Act ensures the protection given to Transit Officers against civil and criminal liability under section 12 of the *Public Transport (Passenger Safety) Act 2008* extends to protect them for their use of OC spray, provided that their use of OC spray falls within the limits of what is allowed under the Act.

Subordinate legislation

» **Motor Vehicles (Standards) Regulations 2003 and the Traffic Regulations 1999**

Commenced 1 February 2023

Amendments to regulations to require that electric vehicles identify their alternative fuel systems via a label affixed to the number plates on the vehicle.

» **Motor Vehicle (Fees and Charges) Regulations 2008**

Commenced 1 October 2022

Heavy vehicle charges annual adjustment of fees for 2022-2023 financial year.

» **Building Regulations 1993**

Commenced 1 May 2023

Amendments to align with the National Construction Code (NCC) updates.

» **Planning Regulations 2000**

Commenced 12 May 2023

Extension of date under regulation 3A(2) for exempt subdivisions, to include subdivisions comprising leases granted over Aboriginal land after the commencement date and before 30 June 2023 for a further five years until 30 June 2028.





PART 2

OUR HIGHLIGHTS AND ACHIEVEMENTS

DIVISIONS:



Housing Program Office



Infrastructure, Investments and Contracts



Infrastructure NT



Lands and Planning



Transport and Civil Services



Darwin Ship Lift

The Northern Territory Government is delivering the ship lift to establish Darwin as a thriving maritime services industry hub.

It will be the biggest ship lift in northern Australia and will be capable of lifting vessels up to 5,500 tonnes, enabling vessels in the defence, energy, pearling, fishing and coastal cruising industries to be serviced in Darwin.

The project will deliver:

- a ship lift 26 metres wide, 103 metres long and, with a vessel lifting capability of 5,500 tonnes
- wet berths to allow vessels to undertake in-water maintenance
- hard stand areas for ship repair and maintenance works
- self-propelled modular transporter (SPMT) units that transport the ships around the facility once they are out of the water
- an administration building, SPMT shed and Blast and Paint Facility
- East Arm utilities upgrades to support the ship lift and broader marine industry park development.

The department has been progressing the early works and design and is in the final stage of procurement for the project to achieve the construction milestones.

Navigation simulations and 3 dimensional hydraulic modelling have been completed for the ship lift design to ensure it is fit for purpose. Key stakeholders were involved in the navigation simulations, including Department of Defence, Port of Darwin and Paspaley as the facility operator.

Other activity on the ship lift project includes:

- completing unexploded ordinance (UXO) and heritage clearance activities on site
- progressing from concept to detailed design and documentation for the ship lift facility
- progressing final environmental approvals through the Northern Territory Environment Protection Authority (NT EPA) and the Australian Government's environmental regulator
- commencing the Defence Qualification processes for the facility.

The ship lift is funded by \$215 million from the Northern Territory Government and a concessional loan from the Northern Australia Infrastructure Facility of up to \$300 million.

It is anticipated that the ship lift will be operational by early 2025 with the remaining works for the overall facility completed in 2025-26.



Land release

Borroloola

A residential land release project to service 35 existing residential lots on Mulholland Street, in the community of Borroloola, in the Gulf of Carpentaria is underway. Servicing works will include power, water and sewer.

Geotechnical works are being progressed to determine final design of the subdivision.

The department is continuing to work with the Land Council and Traditional Owners on this project.

Alice Springs

The Kilgariff Stage 2 land release provides new land options for existing and new residents, plus opportunities for the construction industry in Alice Springs. Kilgariff Stage 2A, which included the delivery of 52 residential lots, was completed in August 2022. The project has just reached a new milestone with the opening of Ankerre Park. The park includes play equipment for all ages and football goal posts. Park landscaping is distinctly Central Australian in nature with native shrubs and trees.

Kalkarindji

A structure plan to develop Kalkarindji, south of Darwin, to its full future potential has been drafted and proposes industrial, commercial, community purpose and residential land.

The Territory Government committed \$4 million in the 2022-23 Capital Works Program to deliver enabling infrastructure to support residential, commercial and industrial land in Kalkarindji. The proposed development is made up of 17 residential lots, two industrial lots, one community purpose lot and one tourist commercial lot.

The department is continuing to work with the Land Council and Traditional Owners on this project.





Homes delivered in Galiwin'ku

Progress is being made on homes within the new 24 lot subdivision in Galiwin'ku, delivered under the \$1.1 billion Our Community. Our Future. Our Homes. program.

In 2021, Aboriginal Business Enterprise Bukmak Constructions was awarded a \$51.5 million contract under the HomeBuild program to build 87 new houses in Galiwin'ku over five years. Bukmak Constructions will also carry out expansions to 60 homes under the Room to Breathe program.

The construction program will help alleviate overcrowding, improve living conditions, provide jobs and economic development and engage the community through local decision making.



Royal Darwin Hospital Mental Health Inpatient Unit

A \$67.69 million contract was awarded in January 2023 under a managing contractor model to construct a three level Mental Health Inpatient Unit capacity at Royal Darwin Hospital to provide a more therapeutic environment for mental health patients. The project also includes the RDH Central Sterile Supply Department.

The facility will provide for 18 inpatient beds, support services and a six bed Stabilisation Assessment and Referral Area to provide short term care. The facility will be connected with the Emergency Department via an elevated, enclosed walkway. Construction commenced in April 2023 with completion anticipated in late 2024.



Tiwi Island roads

In February 2023, a tender was awarded to Tiwi Partners for \$25.8 million to upgrade the remaining 9 km of Paru Road on Melville Island, including constructing a new bridge across Paru Creek. This contract will complete Paru Road from the Threeways intersection to the barge landing car park with construction works commencing in May 2023.

Approximately 4 km of road upgrade, including bridge construction, will be completed in 2023 and the remaining 5 km will be undertaken in 2024.

These works are being delivered under the National Partnership Agreement with a total program of \$75 million allocated to Tiwi Islands Roads Upgrades, jointly funded by the Australian and Northern Territory governments.

Work has been identified for three roads on Melville Island – Paru Road, Pirlangimpi Road and Pickertaramoor Road. A Corridor Investment Strategy is being finalised to determine the prioritisation of the roads and guide expenditure of the \$75 million road upgrade program.



Kakadu roads

The Australian Government has committed \$70 million to upgrade key tourist roads within Kakadu National Park to grow tourism and help transition the town of Jabiru to a tourism-based economy.

A key objective for the investment is to ensure at least six months access to key attractions within the Park, with a focus on increasing visitation and length of stay.

Parks Australia and the Northern Territory Government are working together to progress upgrade works for prioritised roads including Kubara Road, Maguk Road, Gimbat Road and Gunlom Road.

Parks Australia will present concept designs of preferred options to Traditional Owners from June 2023, with detailed design to proceed only upon formal agreement.

Construction works are expected to commence in the 2023-24 financial year.



FAST FACTS



worth of housing works and services were awarded to Aboriginal Business Enterprises



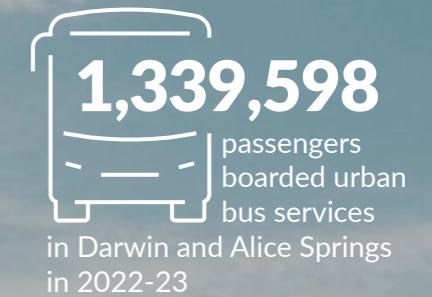
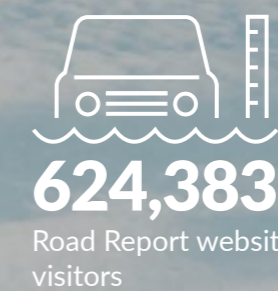
new bedrooms delivered in remote homes



remote housing upgrades completed



FAST FACTS





Infrastructure Corridor

Project planning and consultation continued in 2022- 23 for the Tennant Creek to Darwin infrastructure corridor.

Critical work included conducting prefeasibility and planning studies and undertaking a business model analysis. The department is working with stakeholders and the community having consultation with relevant land owners and key organisations to introduce the project and seek early feedback.

The proposed corridor could provide for future services such as multiple high pressure pipelines and infrastructure to carry a range of products including gas, oil, hydrogen, water, digital communications and electricity.

A prefeasibility study identified a preliminary corridor alignment which will be further refined and developed during consultation with stakeholders and further detailed investigations, including a sacred site survey.

Consolidating infrastructure services into one infrastructure corridor will minimise potential impacts on the land and landowners that could occur through development of multiple separate infrastructure corridors.

The prefeasibility study included analysing engineering, social, environmental and infrastructure factors including ground conditions, rivers, habitat, vegetation, land use, cultural heritage, protected sacred sites, cost and current infrastructure such as buildings and roads.



\$3 million grant for a new pool at Wadeye

The Department of Infrastructure, Planning and Logistics and the Department of the Chief Minister and Cabinet have partnered with the West Daly Regional Council to overhaul the Wadeye Swimming Pool, through the injection of a \$3 million grant.

The pool was identified as a key strategic priority in improving social outcomes and the health and wellbeing of the Wadeye community.

Construction commenced in 2023.



Public transport safety

In May 2023, amendments to the *Public Transport (Passenger Safety) Act 2008* were tabled and passed to expand the power of Transit Officers on the public bus network. The amendments authorise Transit Officers to use force on the public bus network and carry and use oleoresin capsicum (OC) spray to defend themselves or another person.

Transit Officers patrol buses, bus stops and bus interchanges to ensure the safety and security of passengers and bus drivers, and provide a customer service to passengers.

These changes are part of a suite of initiatives to help Transit Officers create a safer and more pleasant environment for the travelling public and bus drivers.

From September 2022, Transit Officers could:

- issue banning notices to people who engage in unlawful or antisocial activity on the network, including on buses, at bus stops and bus interchanges
- arrest someone if the Transit Officer is assaulted while acting in the course of their duty outside the vicinity of a bus or bus interchange
- arrest someone for a range of offences committed outside the vicinity of a bus or bus interchange
- deal with a person who assaults someone or damages property (e.g. rock throwing) within the bus network or a bus interchange, when the offender is outside a bus interchange.



New emergency complex opened

The new Palmerston Regional Fire, Rescue and Emergency Services Complex officially opened in November 2022. The \$25 million complex on Howard Springs Road now provides a modern facility for career firefighters and emergency service volunteers to service the growing Palmerston and rural communities. With post-construction fit-outs and installations now complete, the complex is fully operational. The facility features more room for larger appliances, response vehicles and boats, an emergency response cache, increased capacity for larger crew numbers on extreme fire danger days, operation and meeting rooms, a training area, a breathing apparatus maintenance and service room, workshop and communications tower. More than 200 local jobs were supported during the construction of this facility by local company C&R Constructions.



Review of Building Regulatory Framework

The department progressed priority reforms to the building regulatory framework in 2022-23.

Key reform areas that progressed this financial year include:

- increasing the civil penalties for disciplinary action taken by the Building Practitioners Board to be in line with other jurisdictions and increased the timeframe for referral of practitioners to the Board for misconduct
- confirmation that the National Construction Code (NCC) Volume One 2019 (known as Section J) will apply in the NT for new non-residential buildings from 1 October 2023, a decision informed by a comprehensive cost benefit analysis
- launching to industry a preferred model of registration for commercial builders following consultation in 2022.

Work also progressed in building compliance under the guidance of the Building Compliance Taskforce. The department established the Building Compliance Taskforce to review all government-owned buildings in building control areas and provide advice to Government.



Middle Arm Sustainable Development Precinct

The Middle Arm Sustainable Development Precinct is a blueprint for the future of Australian Industrial hubs: strategic, sustainable and high-tech.

Located off the north-west coast of the NT, the Precinct will play a pivotal role in helping the Territory grow its economy to \$40 billion by 2030 while meeting commitments to net zero emissions by 2050.

Through consultation with stakeholders, strategic planning and environmental assessment, and rigorous economic modelling, the project expects to create around 20,000 local jobs and secure a sustainable future for the region.

The Strategic Environmental Assessment of the Precinct is a first for the Northern Territory and preserving Darwin Harbour's environmental, social and cultural values is at the core of Precinct planning.

The Precinct will centralise and elevate the Territory's potential, to create a globally competitive, sustainable precinct focusing on renewables, hydrogen, carbon capture, natural gas, advanced manufacturing and minerals processing.

The sustainable nature of the infrastructure design has attracted mainly investors and proponents interested in global energy transition. On 9 June 2023, the Northern Territory Government announced it had issued 'not to deal' commitments to five proponents over specific parcels of land at the Precinct.

These commitments mean that their preferred sites in Middle Arm will be set aside for up to 12 months to provide each proponent confidence and certainty to continue developing their proposals. The 'not to deal' proponents are:

- TEH2, 100 per cent owned by Total Eren - renewable energy
- Fortescue Future Industries (FFI) - renewable energy
- Tivan - critical minerals
- Tamboran Resources Limited - natural gas
- Avenir - critical minerals.

The Precinct footprint covers approximately 1500 hectares of industrial land and is already home to Santos' Darwin LNG plant and INPEX's Bladin Point LNG processing facility.

The project continued to progress in the financial year 2022-23 with a \$1.5 billion in planned equity from the Australian Government.

The department will continue to listen and work with all Territorians to help increase local job opportunities, expand the Territory's economy, and maintain the cultural and environmental values at Middle Arm.

\$1 billion infrastructure milestone

The department tabled a record infrastructure spend in financial year 2022-23, with over \$1 billion of payments processed. Over 337 construction contracts with a combined value of \$697.7 million were awarded, with 99 per cent of contracts going to local Northern Territory businesses. Over 3500 local Territory jobs were also supported during this period.



New homes in Alice Springs Town Camps

A total of \$52.32 million is being invested in the Alice Springs Town Camps to demolish 44 existing homes and construct 83 new homes, resulting in 306 bedrooms. Of the 83 homes, 38 have been completed with the 45 remaining homes expected to be completed later in 2023. \$22.95 million has already been injected into the economy through contractor payments for works to date. The project currently has 39.2 per cent Aboriginal employment.



Alpurrurulam receives modular homes

Sixteen, five-bedroom, modular homes have been completed in the Alpurrurulam community, south-east of Tennant Creek. An additional eight new homes are planned under the Northern Territory Government's remote housing investment Our Community. Our Future. Our Homes. program. The program employs father and son, Rohan and Jameson Webb, and Darius Webb who live in Alpurrurulam and are working together to prepare the site to support the delivery of new homes for their community.



Holtze

The department is fast tracking land and residential release in Holtze, 1.8 km north of the Palmerston CBD. Two stages of consultation have been undertaken, with a draft Greater Holtze Area Plan being updated in response to feedback from stage two consultations. Once finalised, the NT Planning Commission will forward the plan to the Minister for Infrastructure, Planning and Logistics to consider including in the NT Planning Scheme 2020 as a Planning Scheme Amendment. Government has committed \$44 million in Budget 2023-24 for headworks construction to support the development of Holtze. In November 2022, Government announced the Holtze Land Release through a public competitive process to develop an entry level urban residential subdivision adjacent to the Palmerston Regional Hospital.



Marine Safety

In 2022-23, the Marine Safety team:



Carried out
599
compliance checks



Participated in
10

community events in Darwin, Daly River, King Ash Bay, Victoria River, Arnhem Land, Bynoe Harbour, Dundee, Gove Peninsula, Groote Eylandt and Port Keats



the Safe Boating Saves Lives and Plan. Prepare. Perform. campaigns on social media and across radio stations.

The NT Fishing and Boating Mate app was re-launched, providing:

- tidal information
- weather
- recreational fishing rules
- boating safety rules
- boat ramp locations
- marine emergency procedures and much more



maintained navigation aids in Northern Territory waters



marked
70
navigation hazards on the Daly River



participated in National Safe Boating Week and national marine safety forums

Fast facts



The department managed an Infrastructure Program of over

\$4 billion



A Year End expenditure of
\$1.2 billion
inclusive of capital grants, and delivered an additional
\$27 million in externally funded projects

Provide governance support to 17 client agencies to assist in maintaining and managing their infrastructure assets, including:

- Health clinics
- Govt. buildings
- Schools
- Hospitals
- Parks
- Courts
- Police stations



Maningrida remote homes

In 2022-23, the 1000th home was built in the west Arnhem community of Maningrida as part of the \$2.1 billion remote housing investment package Our Community. Our Future. Our Homes - a joint investment with the Australian Government. Maningrida has so far seen 57 homes completed under the HomeBuild program, with an additional 16 underway. As part of the Room to Breathe program 75 homes are programmed to receive extensions, 35 of which are complete, with about 13 underway.





Regional Logistics Hubs

The Australian Government has committed \$440 million in planned equity to create a network of Regional Logistics Hubs across the Northern Territory to support development of industries and communities in our regions. This network will encompass hubs, rail spurs, rail sidings and supporting road infrastructure to support the increased capacity required.

The Stage 1 Business Case that identifies the need for appropriately located terminals, rail sidings and warehousing along the Darwin-Tarcoola rail line, has been accepted by Infrastructure Australia, with the Stage 2 and 3 Business Case commencing.

The Regional Logistics hubs are increasingly important to capitalise on the Northern Territory's rich resource base in gas and minerals deposits, rare earths and solar irradiance.

The regional logistics hubs will increase community resilience by building supply chain capacity, increasing skills and employment outcomes and reducing freight transport risks and environmental impacts.



Northern Territory Logistics Advisory Council

The Territory Government has established the Northern Territory Logistics Advisory Council with 12 members representing a range of industries to identify industry logistics needs and inform priorities.

Membership of the council represents industries and businesses including seafood, agricultural, mining, energy, business, road transport, AustralAsia Railway and Darwin port.

The council's priorities include mapping supply chains and investigating a potential freight transition scheme.



Katherine Logistics and Agribusiness Hub

Development is progressing on a fully operational, multi-disciplined Katherine Logistics and Agribusiness Hub (KLAH) to meet the current and future growth needs of the region and northern Australia.

The Northern Territory Government has committed \$30 million to build external headworks and Stage 1 subdivision works for the KLAH.

Funding of \$5 million from the Australian Government National Water Grid Authority, together with \$5 million of existing NT Government funding, will deliver the water infrastructure needed to support the development of Stage 1 by late 2023.

Construction of the trunk water main from Bicentennial Road to the site is expected to be complete in late 2023. The external intersection designs have been completed and internal subdivision detailed design is due to be completed in late 2023.



Stuart Highway duplication in Katherine East

A 1.3 km section of the Stuart Highway at Katherine East has been duplicated after the construction package for the duplication and external headworks to support the Katherine East Neighbourhood Centre project was released in 2022.

The duplication begins 200 metres before Cyprus Street and extends 300 metres after Uralla Road, connecting to the existing duplication from the Katherine CBD southbound.

The duplication enhances safety for road users, increases flood immunity and supports the creation of development parcels as part of the Katherine East Neighbourhood Centre project.

As part of the duplication a new link road intersection between Cyprus Street and Uralla Road has been constructed, Uralla Road intersection realigned and safety upgrades applied to the Cyprus Street intersection. The project was delivered in partnership with the Australian Government as part of the Road Safety Program.



Supporting Growth in Katherine East

Delivery of the Katherine East Neighborhood Centre (KENC) is continuing with the release of a secondary mixed-use sub-division. This work will implement the recommendations of the Katherine Flood Mitigation Advisory Committee regarding flood resilience and meet the demand for additional retail and commercial space in Katherine.

A tender awarded in early 2023 will see serviced super lot parcels released for ongoing residential, commercial and community purposes. The work includes earthworks, roadworks, stormwater, sewer and electrical works to enable future commercial and community purpose subdivision and building works.

Construction packages that include the external headworks infrastructure and Stage 1 subdivision works to support the KENC was awarded to local contractor BMD Urban.

The Northern Territory Government announced the KENC land release in June 2023 via a public competitive process.



Beetaloo Major Roads Upgrades Program

Significant upgrades to the road network in the Beetaloo Sub-basin area began in 2022 and will continue over a number of years. The project will support the development of a range of industries in the area and improve road safety and network reliability.

A \$61 million design and construct package was awarded to Exact Contracting in June 2022 to start upgrading a 140 km stretch of the Carpentaria Highway.

Three additional priority packages of works are in the planning and concept design phase, including upgrading and sealing another 35 km of Carpentaria Highway and the October Creek Bridge, upgrading and sealing Western Creek Road and upgrades to the flood prone section of the Stuart Highway near Daly Waters.

A total of \$367 million has been committed by the Australian and Northern Territory governments across two funding programs:

- \$217 million funded under the Roads of Strategic Importance (ROSI)
- \$150 million for the Carpentaria Highway (0 km – 140 km) under the Investment Road and Rail Program.

Bringing Land to Market

An independent review undertaken by Team Territory Co-Chair Dick Guit identified areas to improve existing land development processes including releasing land, producing lots, authority approvals, bonding and other initiatives to bring forward land titles.

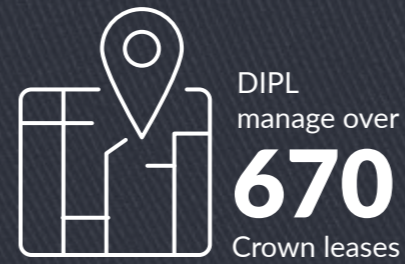
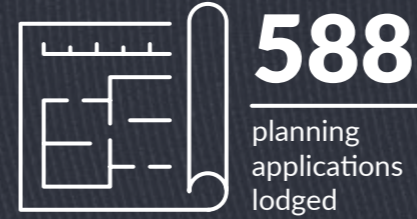
A wide range of stakeholders contributed to the review including developers, builders, contractors, real estate professionals, conveyancers, valuers, financiers, planning consultants, engineering consultants, environmental consultants and authorities.

The Bringing Land to Market Report was released with government providing in-principle support for all 23 recommendations to simplify and streamline development processes.

A cross-agency effort is continuing to deliver on the report's recommendations, with oversight on the progress of recommendations by the Land Development Committee, which was established in mid-2022.

Of the 23 recommendations, five recommendations have been completed, three are partially complete, five have progressed significantly (with anticipated completion in 2023) and the 10 remaining recommendations are currently underway.

FAST FACTS

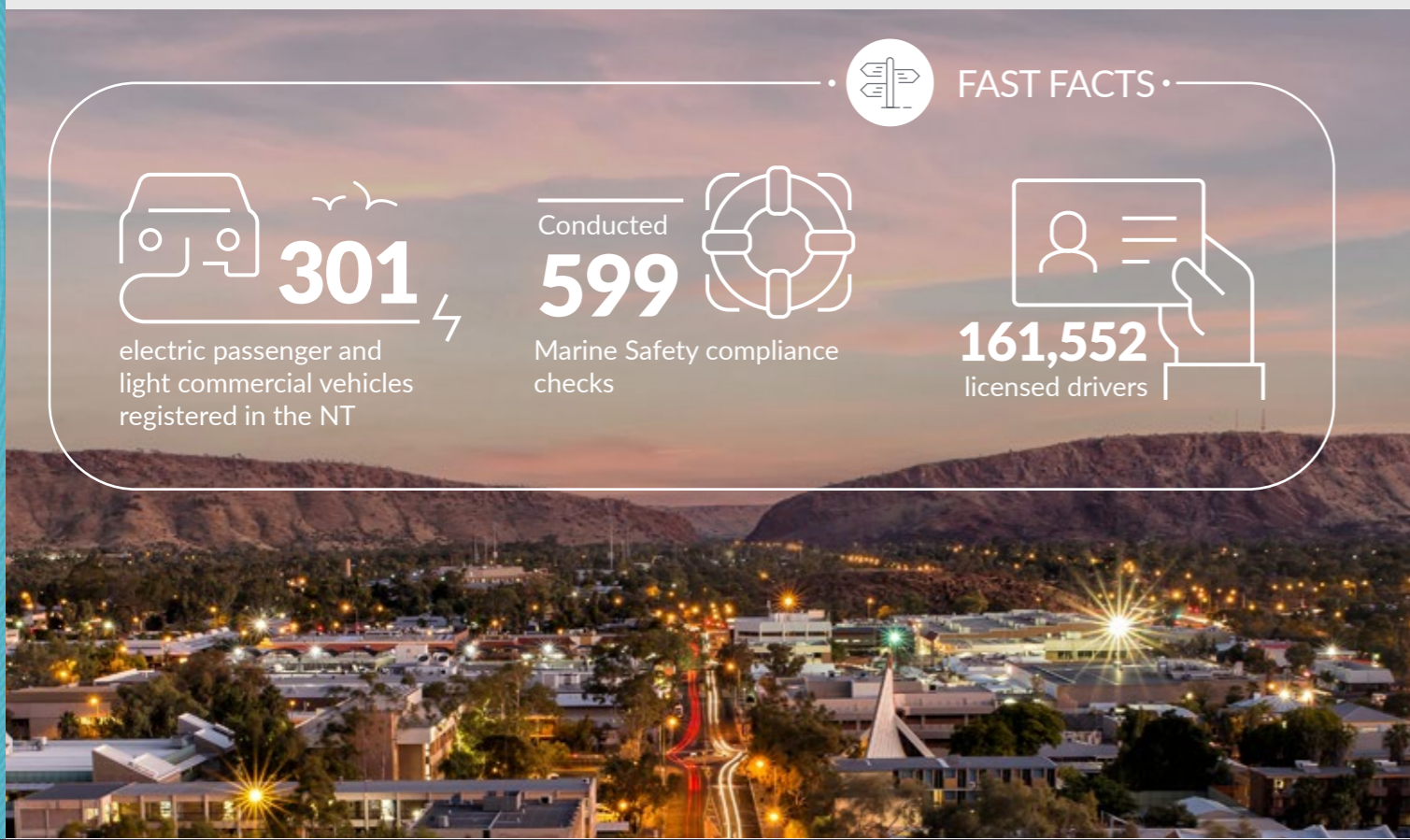
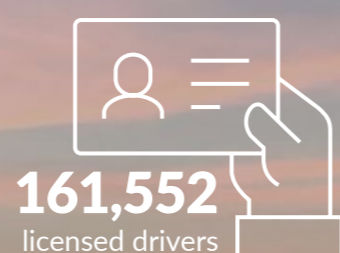
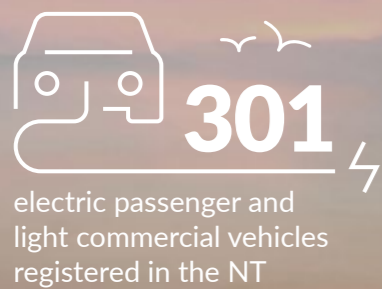


Tiger Brennan Drive and Berrimah Road overpass

The Tiger Brennan Drive and Berrimah Road overpass is becoming a reality with the construction well underway. The overpass will improve road safety outcomes, reduce traffic delays during peak hours and increase the flow of traffic for better freight connectivity. This intersection is subject to large traffic volumes with close to 20,000 vehicles travelling on Tiger Brennan Drive each day. Tragically, this busy intersection has been the location of many accidents with some resulting in fatalities. Coupled with an increase in population, road users are experiencing longer queues of traffic and increasing delays. In response to this, the new overpass will carry Berrimah Road traffic over Tiger Brennan Drive, separating the major flow of traffic on Tiger Brennan Drive from the traffic movements on Berrimah Road to enable continuous flow and improved safety.

The first phase of works is the most extensive and has included bulk earthworks, constructing new lanes for the realignment of Tiger Brennan Drive, entry and exit ramps, and a significant milestone reached with the start of the bridge build and installation. Phase two is expected to commence at the end of 2023. Two local indigenous artists have been engaged to provide artwork that will be incorporated into the overpass structure.

FAST FACTS





New home for Tourism Central Australia

The department acquired Lot 274 Town of Alice Springs to build the new home for Tourism Central Australia.

Tourism Central Australia (TCA) will be given a new purpose-built home adjacent to the Stuart Highway and Schwarz Crescent intersection on the old Shell Depot site.

The new home will include a Visitor Information Centre creating a purpose-built central point for tourists in close proximity to the National Aboriginal Art Gallery. It will also include parking for large vehicles on the edge of the CBD.

The site is a strategic location which provides high visibility and direct access to the Gallery via a short walk. It will position TCA as the entry point for drive tourists activating the CBD with significant foot-traffic.

This project marks the next major milestone for the Anzac Hill precinct. Design and construction tenders are targeted for release in 2023.



Frances Bay Mooring Basin lock upgrade

The Northern Territory Government is upgrading the lock at the Frances Bay Mooring Basin to extend the life of the lock.

The \$20 million upgrade will deliver new lock doors, modernise the mechanical and electrical systems and extend the life of the asset to ensure the long term sustainability, efficiency and safety of the facility and the industries that use it.

The project will provide a more functional lock to service the Top End maritime industry, including seafood, pearling and charter vessels.

A tender was awarded in June 2022 and a local contractor started work off-site to fabricate the new lock doors in late 2022, while work began on site at the basin in February 2023.



Jabiru Futures development

In collaboration with the Department of the Chief Minister and Cabinet, the department is delivering a number of strategic infrastructure projects as part of the \$135.5 million commitment to repurpose Jabiru township.

The Jabiru Futures Redevelopment will include upgrades to local infrastructure, new power station, government services hub, new health centre, renal unit, morgue, designated education precinct and a new cultural resource centre.

A \$20.6 million contract to build the Jabiru Health Centre was awarded in October 2022 with construction planned for completion late 2023.

Contracts have been let to design, remediate and upgrade the existing wastewater treatment plant and ponds, and undertake an investigation into the sewer network, potable water and storm water system.



Civic and State Square Precinct

The Northern Territory Government awarded an \$88 million contract to Sitzler Pty Ltd in November 2022 to deliver the Civic and State Square Precinct redevelopment in Darwin.

The gallery will provide world-class exhibition spaces to showcase the Territory's outstanding art collections, including Aboriginal and Torres Strait Islander artworks. Four large galleries with high ceilings, a spacious foyer, and a space for hands-on workshops will provide exciting and interactive experiences that welcome everyone to connect with art, creativity, new ideas, and each other.

Works are continuing on several projects within the Civic and State Square Revitalisation. Construction is progressing for the Northern Territory Art Gallery after after bulk excavation was completed at the site in June 2023.

A total of 14,912 cubic materials were excavated, including 1800 tonnes of porcellanite rock. The distinctive local rock was previously used to build some of Darwin's oldest buildings, as well as in recent projects such as Garramilla Boulevard, will be used to create the retaining walls for the Art Gallery driveway and in elements of Liberty Square.

An archaeologist was employed to work on site to monitor any artefacts uncovered during excavation.

On-site sustainability

As well as planting additional trees, timber from several trees that needed to be removed from the Northern Territory Art Gallery construction site are being recycled to create landscape features for the precinct. Logs salvaged from the introduced African mahogany species that were removed during early construction works have been salvaged and will be milled into slabs and cured off site for future use to retain the tropical character of the precinct.

A product referred to as 'green' concrete, which uses a recycled material created from a manufacturing by-product, is being used to reduce the carbon emissions during the manufacturing and construction stage of the project.

Greening in Smith Street

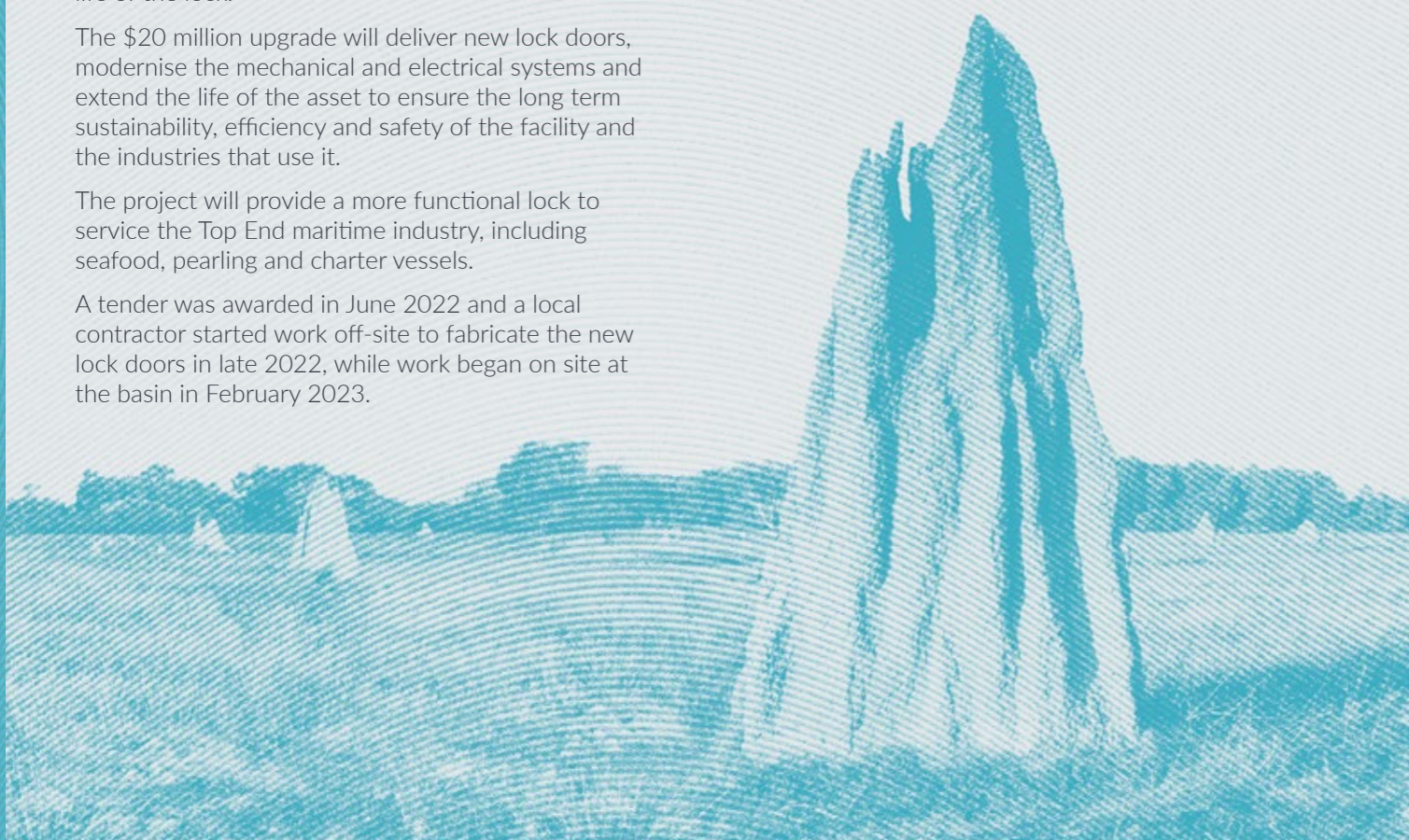
The Northern Territory Government is investing \$3 million to green and cool Smith Street between Knuckey Street and Whitfield Street in Darwin's central business district.

The project is part of the Darwin City Deal to improve liveability in the city by mitigating heat and encouraging people to stay longer in the city centre.

The project includes revitalising streetscapes by planting shade trees, improving green spaces and creating better pedestrian access. It is expected to start in 2024.

Works already completed

- Chan lawns – creating an open, green space following the demolition of the Chan building that will be used for the first time to host events at the Darwin Festival 2023
- State Square underground car park – creating 450 bays for people to park near a native garden and pathways linking to the precinct
- redevelopment of the former 90 bay Parliamentary car park – creating public parklands and lawns to use year round for festival and community events
- Cavanagh Street cooling projects including significant landscaping with shade trees
- Myilly Point Playground
- Austin Lane and Knuckey Street laneways.





Subdivisions continuing across the Northern Territory

Yirrkala

In early 2023, the Northern Territory Government completed three five-bedroom homes in a new 30-lot housing subdivision in Yirrkala, north-east Arnhem Land. The subdivision is part of the Northern Territory Government's commitment of \$432.8 million into land servicing and headworks infrastructure for the Our Community. Our Future. Our Homes. program.

Gapuwiyak

An \$8 million contract for a 27 lot residential subdivision (stage 4) was awarded in June 2023 in Gapuwiyak. Stage 4 is the largest sub-division lot so far for the community and will bring the total number of lots in Gapuwiyak to 53, which achieves the programs overarching target. The successful tenderer was Territory business A1 Plant and Civil, who have engaged a local sub-contractor in Gapuwiyak to complete the works.

Galiwin'ku, Maningrida, Wadeye (Manthape Subdivision) and Angurugu

New subdivision works are all underway in these communities in preparation for new remote homes. These remote works are part of the \$2.1 billion Remote Housing Investment Package, jointly funded by the Australian Government and the Northern Territory Government.



New homes in Beswick

Eleven new homes were built in the community of Beswick, south-east of Katherine under the Our Community. Our Future. Our Homes. program. Their completion resulted in the program reaching the milestone of 500 homes being built across the Territory under this program. Katherine-based business, NJ Homes was awarded a 36 month period contract to build the new homes in Beswick, with the first tranche of works worth \$5.2 million. NJ Homes has been achieving 47 per cent Aboriginal employment and has supported two Aboriginal carpentry apprenticeships throughout the construction works.



Tanami Road

Construction on Tanami Road continued this financial year, with work expected to continue into the foreseeable future. The Tanami Road upgrade is recognised as a nationally significant project on the Infrastructure Australia Priority List, and is seen as important road infrastructure works to develop northern Australia.

The works will improve access to remote communities and improve road safety and flood immunity. The upgrades will improve access for heavy vehicle traffic such as freight and mining operators.

A total of 150 km will be upgraded under funding from both levels of government. Local company Exact Contracting was awarded the \$71 million Stage 1 package to begin upgrading and sealing 60 km, as well as \$2.1 million for planning the next section of upgrades.

A Stage 2 early works package to upgrade and seal a further 28 km was awarded to Exact Contracting in May 2023.



Road Safety Program

The department completed several road safety projects in 2022-23 including on the Stuart, Victoria and Barkly highways. Upgrades were delivered on key routes in the Darwin region such as Trower Road and McMillans Road.

These projects were delivered under the \$121 million Road Safety Program, which is aimed at implementing lifesaving road upgrades and improvements in regional and urban areas. Some of the improvements include:

- duplication works to separate conflicting traffic streams
- shared paths and pedestrian crossings to separate motorists, pedestrians and cyclists
- intersection upgrades to improve safety at the intersections by installing traffic lights and protected turning lanes
- rest areas and truck parking bays to manage driver fatigue
- street lighting works to improve night time safety
- shoulder widening, culvert extensions, installation of tactile edge lines and roadside barriers to prevent and/or protect run off road crashes
- installing Intelligent Technology Systems such as variable message signs (VMS) to improve road safety and driver information.

The program is jointly funded by the Australian Government and Northern Territory Government and has created significant construction activity across the Territory.





National Aboriginal Art Gallery

In March 2023 the department acquired land for the site of the future National Aboriginal Art Gallery. Negotiations with the Alice Springs Town Council over Anzac Oval were finalised and the current site will be transformed into an open, family-friendly community green space with the Gallery as the centre piece. The Gallery's landscaping will also feature Kwatye (water) Play. The development of the Gallery is part of a broader plan for the Anzac Hill precinct, which includes a new Visitor Information Centre, and purpose-built home for Tourism Centre Australia on the old Shell Depot site, as well as the realignment of Schwarz Crescent. Shaded pathways, lighting and landscaping will connect the various elements of the precinct together and to the CBD.



Arnhem Highway

The Arnhem Highway is a key route connecting Darwin to the World Heritage Listed Kakadu National Park. It is also the main access point for the commercial hub of Humpty Doo and its schools, businesses and shops. In late 2022, a concept design to duplicate the highway to cater for future growth was released to the public after two rounds of community consultation. When constructed, the newly duplicated road will provide safe access to future developments, improve freight productivity and support tourism and rural residential developments.



New Forensic Mortuary and Bereavement Centre

A tender award for the design of a new forensic mortuary, pathology and bereavement facility at Royal Darwin Hospital was issued in June 2023. The tender, awarded to local Territory business GHD will see a new, modern fit-for-purpose facility, providing state-of-the-art contemporary amenities to deliver autopsy and pathology services. The future facility will include a culturally appropriate bereavement area to provide a space for loved ones going through the grieving process to be able to do so in a purpose built facility with dignity and privacy.



Towards Zero Road Safety Action Plan

Work is underway for the Towards Zero Road Safety Action Plan 2024 – 2028. Two Round Table sessions were held in May 2023, in Darwin and Alice Springs. Round Table participants included Aboriginal organisations, land councils, local government, representatives the NT Youth Round Table, NT Police and other key road safety stakeholders.

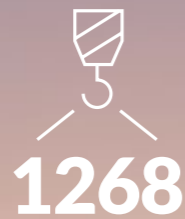
Outcomes from the Round Table sessions will be incorporated into a Discussion Paper for consultation with stakeholders and the broader community, with feedback contributing to finalising the new Action Plan in the second half of 2023. The new Action Plan will align with the National Road Safety Strategy and Action Plan and build on the success of the previous Towards Zero Road Safety Action Plan 2024 – 2028.



FAST FACTS



Work Health and Safety Audits undertaken across the Northern Territory



tender submissions from construction industry tenderers



debriefs to provide tenderers opportunity to improve future tender scores



FAST FACTS



agency assets managed, or 6563 STRUCTURES



Capital and minor works



DIPL - Ecologically Sustainably Development (ESD) have implemented new sustainable buildings policy to include ratings, strategy and minimum design standards



Remote housing employment outcomes in Pirlangimpi

Fourteen new homes have been completed in Pirlangimpi on Melville Island. These new homes follow six new homes previously constructed and another 11 new homes are planned for the community.

Dakotah Leach, Dylan Leach and Jack Nelson are Pirlangimpi residents working as apprentices with Northern Territory business DT Hobbs. DT Hobbs was awarded the construction contract for the new homes under the Northern Territory Government's remote housing investment package, Our Community. Our Future. Our Homes.

DT Hobbs also employs a number of other Aboriginal workers at Pirlangimpi, including Bernard Puruntatameri, Albert Coonan, Andrew Orsto, Killian Kerinauia and Gary Hislop.

The Pirlangimpi community is proud to see their homes being constructed with the help of the apprentices and other Aboriginal workers.



Local apprentice graduating in Maningrida

Bawinanga Aboriginal Corporation (BAC) is undertaking works to 23 existing homes in the west Arnhem community of Maningrida under the Room to Breathe program. To date, 10 of the 23 dwellings have been completed with 15 additional bedrooms added.

BAC is an Aboriginal Business Enterprise, and its Housing, Homelands and Construction division employs nine non-Aboriginal and eight Aboriginal staff.

Local Maningrida resident Shaun Morris was engaged as an apprentice with BAC in 2018. In November 2022, Shaun completed his carpentry apprenticeship and received a Certificate III in Carpentry. He becomes the first apprentice from BAC to graduate in 31 years.



Plenty Highway

Works commenced to upgrade and seal 18 km of the Plenty Highway. This section of highway sits below the natural surface level of road, resulting in seasonal closures and restrictions. The \$21 million upgrade will improve accessibility, road safety and flood immunity in the region.



New Science Services building at Berrimah Farm

A \$15.5 million contract was awarded in April 2023 to construct a new Science Services building at the Berrimah Farm Science Precinct to redevelop the site. The redevelopment will ensure the Department of Industry, Tourism and Trade is supported to continue to facilitate and drive sustainable, profitable development of primary industries underpinned by robust biosecurity and animal welfare practices.

The facility is the final stage of the redevelopment and will include construction of a single storey building made up of administration offices, laboratories and support amenities.



Point Stuart Access Road upgrades complete

Point Stuart Access Road upgrades were completed in November.

The \$6 million project has upgraded approximately 12.4 km of the track to a graded road with culverts in low lying areas to improve access.

The upgrades have improved access to some of the Territory's best runoff fishing locations for Barramundi, including Love Creek, Carmor Creek and reefs in the area, which in turn alleviates demand on the boat ramp at Shady Camp.

The project is part of the Territory Government's \$50 million RecFishing Futures Program to improve fishing infrastructure.



FAST FACTS

1123 

people joined the DriveSafe Urban program. The DriveSafe Remote team visited **94** remote communities

2454 

DriveSafe learner licences issued
- **910** urban
- **1544** remote

P 742 

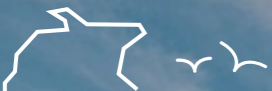
DriveSafe provisional licences issued
- **326** urban
- **416** remote

760 

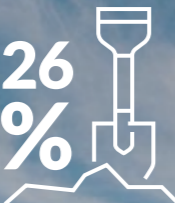
heavy vehicles checked as part of on road enforcement activities



FAST FACTS


During 2022-23, the Housing Program Office conducted **49**

engagement visits across **28** communities

26% 
of contracts were awarded to Aboriginal Business Enterprises


Room to Breathe: **53**

homes completed (82 bedrooms, 70 living spaces).

FAST FACTS

490 construction contracts awarded by the department, valued at **\$791.3 million**

2616 direct and **1381** indirect Territory jobs supported by Infrastructure, Investment and Contracts projects



98.57% or 483 contracts awarded to Territory Enterprises, valued at **\$767.6 million**

Godinymayin Yijard Rivers Arts and Culture Centre

As part of the Northern Territory Government's \$30 million Arts Trail Gallery Extension Program, a contract of \$6.7 million was awarded to a local contractor in October 2022 to upgrade the Godinymayin Yijard Rivers Art and Cultural Centre. The work is being delivered by DIPL on behalf of the Centre.

The upgrade will enhance the existing building and site, and features an expanded amphitheatre for outdoor performances, improved retail space, additional outdoor spaces, facilities for performing artists and guests as well as upgrades to improve functionality of space and efficiency of its operations.

Work began in October 2022 and is anticipated for completion in late 2023.

Buntine Highway

A total of 61 km of the Buntine Highway has been upgraded under the department's current program as of 31 March 2023, with a further 53 km stretch currently in the design phase.

While 388 km of the 558 km road is sealed, the majority of the sealed section is only four metres wide and unsuitable for heavy vehicle traffic.

Upgrades to the road will improve connectivity and increase flood immunity, supporting cattle production expansion across the Victoria River Downs and Kimberley districts. Upgrades will also improve access to remote Aboriginal communities.

A total of \$173 million has been committed by the Australian and Northern Territory governments to deliver the upgrades.

Central Arnhem Road

More than 24 km of Central Arnhem Road has been upgraded under a project that aims to unlock social and economic development in the East Arnhem region.

This critical 645 km road links the Stuart Highway to Nhulunbuy and the East Arnhem region. It connects more than 12,000 residents and supports multiple industries such as agriculture, tourism and mining.

Upgrading and sealing the Central Arnhem Road will improve flood immunity and safety and reduce vehicle restrictions and road user costs. The works will further unlock the potential of the region and open up a range of new long-term economic and social opportunities. This will be achieved through reduced transit times, improved reliability of supply chains, safer road condition, and overall improved accessibility in the region.

Six priority packages are in the design and consultation phases and will progress to construction over the next four years.

An initial \$230 million was allocated to the project over 10 years, with an additional \$125 million recently announced to continue delivering upgrades in the long term. The project is jointly funded by the Australian and Northern Territory governments.

Youth Justice centres

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

Local company Halikos Pty Ltd was awarded a construction contract for the development of the new Youth Justice Centre in Darwin.

The purpose-built facility is being constructed on a greenfield site at 498 Taylor Road, Holtze and is strategically located in close proximity to police, emergency services and health services.

Completion is expected early 2024.

Local Alice Springs company Asbuild NT has been awarded a construction contract to redevelop the Alice Springs Youth Detention Centre. A second stage of works has also been included.

The redevelopment project includes:

- new program delivery spaces for service providers to deliver crucial programs
- new medical and health area
- advanced security including perimeter monitoring through CCTV
- new recreation field to engage young people in sports
- redeveloped and new accommodation areas
- new reception area and education facility
- landscaping and carpark.





Katherine High School STEAM

Alongside the Department of Education, the department has progressed the design of a new Science, Technology, Engineering, Arts and Mathematics (STEAM) centre for Katherine High School. The design was completed in early 2023.

The new facility will provide an innovative learning environment that provides:

- three science laboratories
- three art studios and an art gallery
- a music room and four practice areas
- seven general learning classrooms
- teacher support spaces.

Construction of the \$9.7 million project is scheduled to commence in 2023-24, with completion expected in 2024-25.



DriveSafe Remote partnership accelerating into remote communities

In October 2022 DriveSafe Remote entered into a partnership with Births, Deaths and Marriages and the Australian Electoral Commission. The partnership has resulted in all agencies reaching Territorians who live in some of the more remote parts of the Northern Territory. DriveSafe Remote has seen a six per cent increase in the number of licences issued in remote communities. DriveSafe Remote visited 94 communities across the Territory in 2022-23.



Borroloola Sports Courts and Cyclone Shelter

The Borroloola Sports Courts and Cyclone Shelter is a two-stage project being delivered by the department on behalf of the Roper Gulf Regional Council.

Stage 1 was completed in January 2022 and involved constructing a solid shade structure over the existing basketball court.

In March 2023, the \$8.6 million contract for Stage 2 was awarded to DCT Australia for a new basketball court and an importance level 4 (IL4) cyclone shelter building with ablutions and associated facilities.

Construction of the cyclone shelter provides the community with an evacuation and recovery centre for up to 600 people.



Gunyangara (Gove Port) Tourism Precinct

Work has started on the Gunyangara (Gove Port) Tourism Precinct project in the East Arnhem Region.

Local Indigenous business Deltareef Pty Ltd is delivering the first package of works that will see new land infrastructure constructed at Inverell Bay, near Nhulunbuy.

The \$1.4 million package of works will create 15 job opportunities and includes building new toilet facilities, shade and seating to provide additional amenities and comfort for visitors and users.

The works are part of an \$8 million injection from the Australian and Northern Territory governments.



Mandorah Marine Facilities

The Northern Territory Government is delivering new marine facilities for residents and visitors to Mandorah, Belyuen and the Cox Peninsula.

The project includes a more weather resistant berthing facility that can safely accommodate ferry vessels that operate between Darwin, Mandorah and the Tiwi Islands, as well as future expansion.

An existing building near the new marine facilities is being renovated and repurposed to provide shade and toilet facilities for ferry users as an early works package is being completed by a local contractor.

Six Indigenous residents from Belyuen were subcontracted to work on the project through the Belyuen Community Government Council.



Alice Springs flood mitigation

Work is underway to increase flood resilience in Alice Springs to protect residential areas in localised flooding events up to a 1 in 100 year event. The department has implemented the recommendations outlined in the Alice Springs Regional Flood Mitigation Advisory Committee report that investigated structural mitigation measures.

Flood modelling for the region was undertaken to assess potential mitigation options. Design work is underway for the project. The department consulted on the outcome of the modelling and works to be undertaken. The work will also provide flood immunity for public roads and national highways.



FAST FACTS



Over 300

Crown land parcels have been treated to control declared weeds





Santa Teresa Road

A \$7.9 million tender has been awarded to upgrade and seal 7 km of the Santa Teresa Road. This follows progressive road upgrades and seal covering approximately 18 km. The upgrades bring greater economic and social opportunities for regional and remote communities, focusing on all-weather access and ensuring communities have reliable year round connections, while improving safety and travel time. The works are part of the strategic road upgrades package valued at over \$415 million, jointly funded by the Australian and Northern Territory governments.



Heavy vehicle type modification scheme

In May 2023, the department introduced a heavy vehicle type approval modification scheme. The scheme allows heavy vehicle owners and operators to engage directly with recognised heavy vehicle modifiers and manufacturers to undertake preapproved modifications without a formal application to the department. The modification scheme has successfully reduced red tape for the transport industry.



Road Safety snapshot

Road safety continued to be a focus for DIPL during the year with a range of campaigns, partnerships and activities across the community as part of the Northern Territory Government's commitment towards a zero road toll.

The Towards Zero Action Plan 2018-22 is in the process of being refreshed to continue to address the key priority areas for the Northern Territory.

The goal of Towards Zero is:

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

Initiatives include:

- National Road Safety Week 14-21 May 2023
- Back to School - slow down around school zones campaign
- review of the Towards Zero Road Safety Grants Program

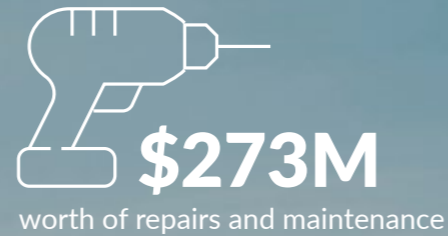
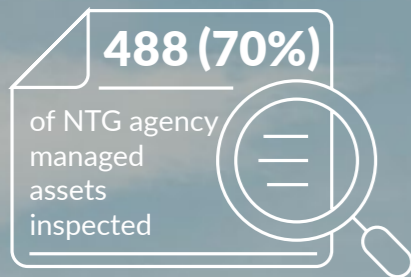
- Newland Park Road Safety Centre Family Fun Day
- TIO NTFL Road Safety Round
- StreetSmart High
- 'Who's your Sober Bob?' campaign
- sponsorship of the Community Achievement Awards - Towards Zero Road Safety Award
- Distribution of approximately 180 child restraints to communities and local councils across the Territory.

Key Towards Zero partnerships:

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



FAST FACTS



FAST FACTS



Education sessions have been delivered in:

- 481 community and school settings
- » 106 were in remote locations



- 28 workshops were delivered to community groups and workplaces



Road Safety initiatives were supported by Hector the Road Safety Cat





PART 3

GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE

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



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

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



EXECUTIVE BOARDS AND COMMITTEES

Executive Management Board

The Executive Management Board (EMB) supports the Chief Executive to define and deliver strategic priorities, set policy direction and monitor and assess the department's governance and performance.

EMB hold an informal meeting every week, as well as a formal meeting once a month, which includes the Chief Financial Officer; excluding the month(s) when Executive Leadership Team (ELT) is held.

EMB is responsible for:

- overseeing implementation of the department's strategic agenda, key priorities and services
- discussing current and emerging key issues including resolving any identified interface issues and department responses to these
- overseeing corporate governance arrangements
- oversee activities of governance committees where required

- under the Work Health and Safety (WHS) Framework, act as the WHS Steering Committee and monitor activity and issues arising from WHS Worksite Committees
- sharing corporate and departmental messaging down to staff
- considering other matters as appropriate including providing advice or making recommendations to other committees.

This financial year the EMB:

- oversaw a review of the agency's governance structure, including its terms of reference, to better refine the department's corporate governance reporting, improve knowledge sharing and provide efficiencies across the agency
- changed its meeting schedule to hold a formal meeting once a month to oversee governance reporting, financial and workforce performance and other key issues and emerging risks at a strategic level, including the emergency flood events in regional communities and NT's major infrastructure developments
- ensured ELT and divisions are kept up to date with EMB decisions and monthly meeting discussions via a monthly Communique
- approved various new agency policies, terms of references, guidelines and project proposals.

Executive Leadership Team

The Executive Leadership Team meets quarterly and provides the oversight and management of compliance, regulatory and operational matters of the department, including overall agency key performance reporting.

The key functions of the ELT are to:

- set the strategic direction and oversee implementation of strategic plans, policies and programs
- monitor quarterly agency performance plans and deliverables, including:
 - » financial and budget performance
 - » work health and safety
 - » workforce development
 - » assets, facilities and resources
- monitor project compliance against planned timeframes and outcomes, budgets, policies and targets where appropriate
- oversee governance arrangements and monitor the activities of committees
- cascade department messaging to staff.

This financial year the ELT:

- oversaw a review of the ELT terms of reference
- encouraged new divisional representation at quarterly meetings by inviting non-ELT Directors or emerging leaders to attend and lead a presentation or provide updates on priority projects, or be an observer
- monitored the department's overall performance and deliverables including budget and financial performance, information technology, WHS and audit and risk management activities
- cross-agency collaboration on current and emerging priorities, project and tasks
- reviewed and endorsed new and revised departmental policies, working groups, strategies and frameworks
- workshopped to deliver several key agency reviews including the department's key performance indicators (KPIs), the DIPL Organisational Review and the Enterprise Risk Management Framework.



Audit and Risk Management Committee

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

The ARMC:

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

In 2022-23, the ARMC met on four occasions and reviewed:

- the DIPL Organisational Review report and its key findings
- endorsed the updated Fraud and Corruption Control Framework and associated suite of documents
- revised the Committee's terms of reference and developed a work plan to achieve the Committee's objectives/responsibilities
- reviewed internal audit activities including endorsing the Internal Audit Charter and the Internal Audit Plan for 2022-23
- reviewed external audit activities.

Business Innovation and Improvement Committee

The Business Innovation and Improvement Committee (BIIC) is responsible for strategic oversight to develop, deliver, manage and implement continuous improvement initiatives, processes and system solutions to support the department in achieving its customer service charter and strategic goals, as well as meeting the emerging needs of government and the community.

During the financial year BIIC:

- reviewed the BIIC's terms of reference as part of regular governance and to align with the recent refresh of the department's governance structure
- commenced a review of the DIPL ICT Governance Framework to streamline submission and delegate approval processes
- advised the ELT and EMB regarding matters and proposals for innovation, information technology and investments
- oversaw and supported the performance and delivery of innovation and continuous improvement initiatives across the department.

Work Health and Safety Committee

As part of Work Health and Safety (WHS), committees are established for each DIPL worksite throughout the NT.

Department committees:

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

Emergency Management Committee

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

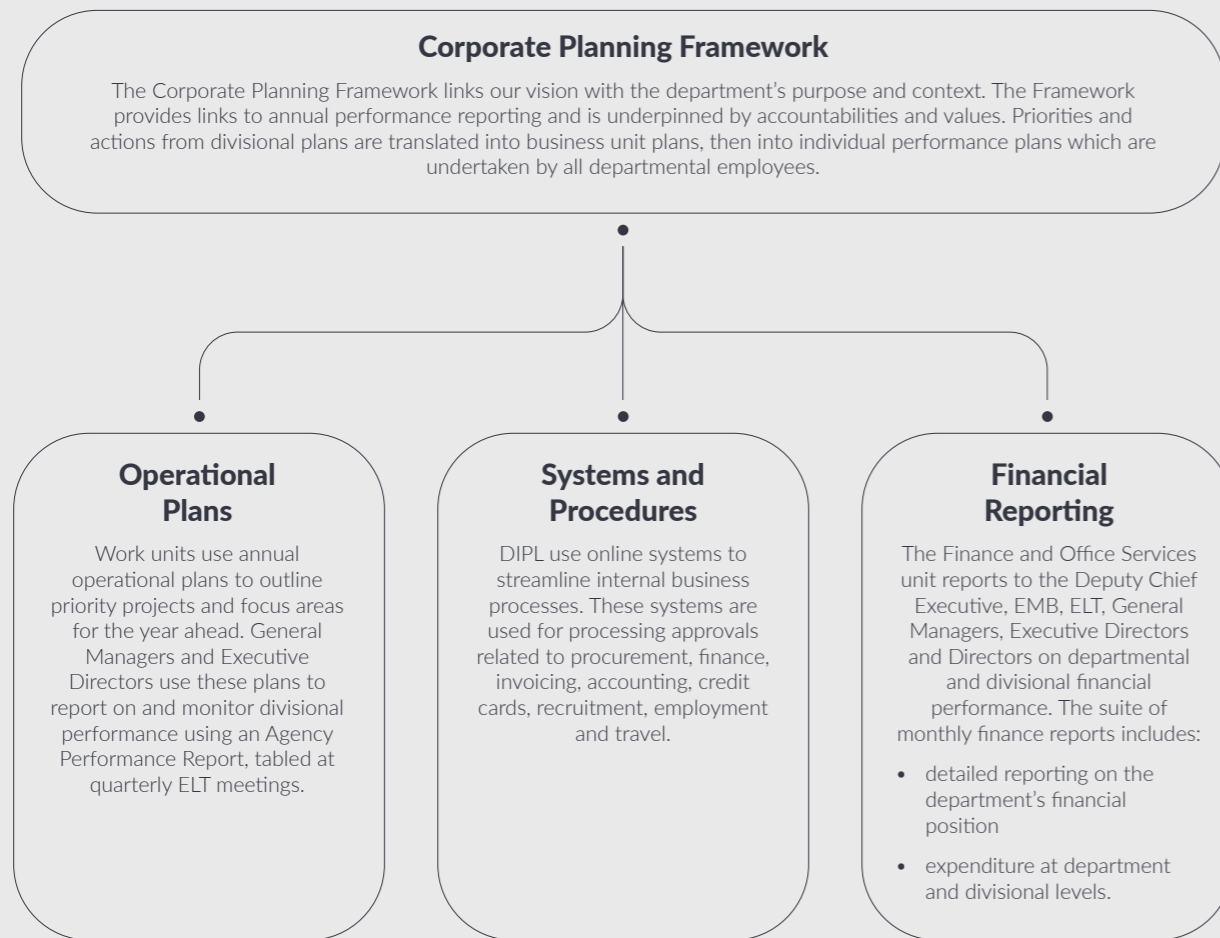
The Emergency Management Committee (EMC):

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

During 2022-23 the EMC:

- coordinated and provided departmental leadership for emergency management operations to assist with the COVID-19 response and other emergency declarations
- assisted with resources to respond to the northern region flood event which impacted Kalkarindji Dagaragu and Pigeon Hole communities
- worked closely with other agencies and local councils to develop improved emergency waste management plans
- worked closely with other divisional areas such as WHS and the Communications, Media and Engagement unit for messaging for industry and department employees
- completed an internal review on DIPL's COVID-19 response 2020-2022
- reviewed the EMC Terms of Reference as part of regular governance and incorporated feedback from an internal review which identified a need for increasing the regional membership on the committee.

CORPORATE FRAMEWORK



CONTROLS AND COMPLIANCE

Monitoring performance and risks through audits and reviews

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

Internal and external audits and reviews provide:

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

The department completed four internal audits during 2022-23 and the Northern Territory Auditor General's Office conducted three audits and reviews.

Internal audits

Internal audit is a key pillar of governance in the department, providing a tool to assess the effectiveness of managing risk.

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

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

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

External audits

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

There were three external audits and reviews finalised in 2022-23 by the Northern Territory Auditor-General's Office.

Risk management

Risk management is an integral part of the management process and incorporates the principles of corporate governance, accountability, communication and strategic alignment.

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

The Framework was reviewed in 2023 following significant structural and machinery of government changes across the department since 2019.

The new Framework aims to align to our strategic plan and provide 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 was reviewed and revised in 2023 and 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.

Compliance and reporting

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

Code of Conduct

Through internal training programs, such as the corporate induction program, regular internal communications, and a new department wide orientation 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 2022-23 including the mandatory requirement for staff to complete training.

Delegations

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

The Chief Executive has established the following delegations:

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

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

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

A comprehensive HR delegation review was conducted in 2023 to incorporate the updates to the current Enterprise Agreement, new delegations for conditions of service included for the first time (e.g. Christmas closedown leave and the new parental leave entitlements), and lowering the authority to approve Job Evaluation System outcomes to Level 1 (EMB members) for positions evaluated at the SAO1 (and equivalent) or below.

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

Department record sets include:

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

Access to information

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

A total of 73 applications to access information through the Act in relation to this department were processed in 2022-23. Of the 73 applications, 41 were for government information, 20 for personal information and 12 for mixed personal and government information.

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

These can be found on the agency website.

Corporate governance reporting

Conflict of interest: Whether actual, potential or perceived, conflicts of interest erode confidence in the integrity of the organisation. All staff are required to declare conflicts of interests as soon as they become aware of them and management arrangements are identified and implemented. Declared conflicts of interests are reported to the department's Executive Management Board on a quarterly basis. In addition, all Executive Contract Officers are required to declare conflicts of interests on annual basis.

Gifts and benefits: The department must be open, accountable and actions defensible when dealing with the acceptance of gifts and benefits. All staff are required to declare all offers of gifts and benefits including declined offers. Declared gifts and benefits are reported to the department's Executive Management Board on a quarterly basis.

Whistle-blowers: Staff are regularly reminded that they can report wrongdoing through various channels to the department or directly to the Independent Commissioner Against Corruption. The Executive Director Governance and Executive Services is the department's 'Nominated Recipient' under the *Independent Commissioner Against Corruption Act 2017*.

The department has a Fraud and Corruption Control Framework which details protection available for individuals reporting wrongdoing.

Compliance with whole-of-government directions

The department complied with all prescribed principles outlined in Part 1A (sections 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 2022-23. Performance against each Employment Instruction is detailed below.

Employment Instruction	2022-23 Performance
<p>Instruction 1 Filing Vacancies</p> <p>Chief Executive must develop a procedure for the filling of vacancies.</p>	<p>The department publishes procedures on how to fill a vacancy on its intranet for staff information, which are compliant with the NTPS Recruitment and Selection Policy on the OCPE website as well as procedures on NTG Central.</p>
<p>Instruction 2 Probation</p> <p>Chief Executive must develop a probation procedure.</p>	<p>The department has a Probation Policy and process compliant with the <i>Public Sector Employment and Management Act 1993</i> and relevant awards. New ongoing employees are advised of the probation as part of their Offer of Employment. This process is explained further during induction and available on the intranet. The employee's manager monitors probationary reports and timeframes and works with the employee to ensure a successful completion.</p>

Employment Instruction

2022-23 Performance

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 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 developed a modern and simplified online performance management tool that focuses on maximizing employee and team performance. The online system provides a reporting dashboard for managers and executive.

Instruction 5 Medical Examinations

Chief Executive may engage a health practitioner to undertake an examination of an employee in the case of inability, unsatisfactory performance or breach of discipline matters.

The department engages qualified health professionals to support our staff members when there are concerns pertaining to their health.

Instruction 6 Employee Performance and Inability

Chief Executive 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. Human Resource Services employees support managers dealing with matters of underperformance and help employees work together collaboratively to improve performance.

Instruction 7 Discipline

Chief Executive may develop discipline procedures.

The department has a robust Discipline Management Framework that applies considered and informed assessment of all discipline matters before determining outcomes.

Employment Instruction**2022-23 Performance****Instruction 8
Internal Department Complaints and Section 59 Grievance Reviews**

Chief Executive must develop an internal employee grievance-handling policy and procedure.

The department is committed to having a fair and just working environment and has a Dispute Resolution Policy and Procedures which provides the framework for a prompt and effective resolution of internal disputes for all employees; in compliance with the *Public Sector Employment and Management Act 1993* and relevant Employment Instructions.

**Instruction 9
Employment Records**

Chief Executive 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 Deputy Chief Executive Officer or approved delegate.

**Instruction 10
Equality of Employment Opportunity Programs**

Chief Executive 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 2022-25, which 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, which 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, which gives priority consideration and preference in selection for all vacancies
- the establishment of an Aboriginal Employee Network, to strengthen opportunities for personal and professional development
- the Disability Action Plan, which forms part of the NTPS' broader strategic intention to deliver active and meaningful whole of sector diversity strategies, and actively promote workplace inclusion practices.

Employment Instruction**2022-23 Performance****Instruction 11
Occupational Health and Safety Standards Programs**

Chief Executive must ensure the application of appropriate occupational health and safety standards and programs, and report annually on these programs.

The department has a Work Health and Safety (WHS) Committee to ensure WHS compliance. The details of the WHS activities are outlined in this report.

**Instruction 12
Code of Conduct**

Chief Executive may issue a department-specific code of conduct.

All department employees are required to complete the OneNTG orientation program which incorporates Code of Conduct training.

The Transit Safety Unit has its own Code of Conduct, which complements the Code of Conduct for the Northern Territory Public Sector.

Employment Instruction**2022-23 Performance****Instruction 13
Appropriate Workplace Behaviour**

Chief Executive must develop and implement a department policy and procedure to foster appropriate workplace behaviour and a culture of respect, and to deal effectively with inappropriate workplace behaviour and bullying.

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 orientation program which incorporates 'Appropriate Workplace Behaviour' training.

**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**

All positions in the department have special measures plans applied. The department also continues to participate in specific Aboriginal Early Careers Programs to meet identified targets.

OUR PEOPLE

DIPL is proud to employ a diverse range of technical and administrative professionals across the agency. Our people are experienced and multi-skilled to deliver projects across the Territory.

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

GEOGRAPHICAL SPREAD

745
Greater Darwin

21
East Arnhem

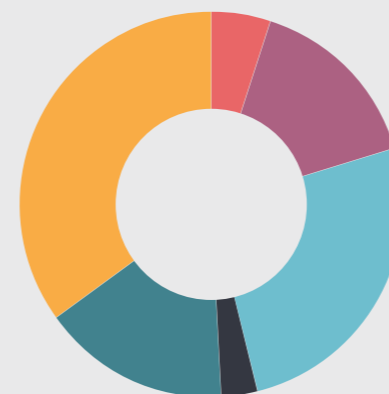
51
Big Rivers

16
Barkly

81
Central Australia



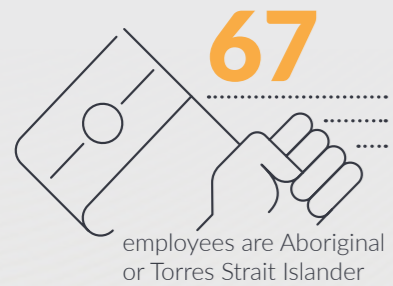
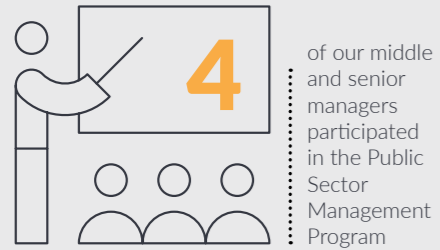
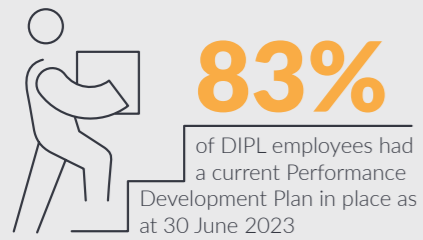
Divisional distribution



48	Corporate and Governance
138	Housing Program Office
236	Infrastructure, Investments and Contracts
29	Infrastructure NT
145	Lands and Planning
318	Transport and Civil Services
914	Total

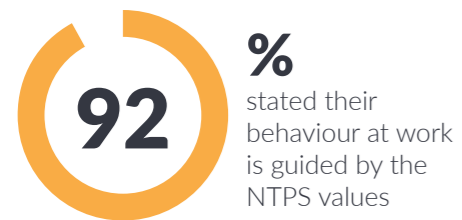
Commencements and separations

175	commenced with the agency
174	separated from the agency
73	transferred into the agency
48	transferred out of the agency



PEOPLE MATTER SURVEY RESULTS

About me



About my organisation



About my team



Our results from 2023 People Matter Survey run by the office of the Commissioner for Public Employment provide the department insight into how our people feel about the workplace, their role, management and the broader organisation. From the results, Divisional Action Plans are created to assist the department to continue to improve.





OUR PERFORMANCE

PART 5



KEY PERFORMANCE INDICATORS

In the 2023 Budget development, agencies were requested to review and, where appropriate, revise their key performance indicators (KPIs) published in Budget Paper 3 (BP3). In February 2023, the department held a strategic KPI workshop with a facilitator provided by the Department of Treasury and Finance, to discuss and propose updates to the strategic KPIs. It was determined that the KPIs did not all meet the criteria under the new Treasurer's Direction of performance and accountability and some deemed to be more appropriate reported on in the Annual Report. As part of this exercise, the department reviewed each output group's objectives, and ensured the KPIs published in BP3, aligned with the objective of each output group.

Housing Program Office

Key Deliverables	2021-22 Actuals	2022-23 Budget	2022-23 Estimate	2022-23 Actuals	2023-24 Budget
Completed remote bedrooms and living spaces ¹	537	1 400	1 200	1 076	1 400
Remote housing lots developed	223	200	200	199	200
Proportion of Aboriginal people employed to deliver housing works and services	44%	≥46%	45%	39.8%	≥46%
New constructed homes					
Remote	142	260	260	268	260
Urban ²			78	78	19

1. The variation in 2022-23 is due to community access, labour and supply shortages, community unrest and weather events.
2. New measure. The decrease in the 2023-24 target is due to the completion of the John Stokes Square redevelopment during 2022-23.

Infrastructure, Investment and Contracts

Key Performance Indicator	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2022-23 Actual	2023-24 Budget
Average days to award tender	41	30	*	54	*
Construction contracts awarded to local enterprises	99%	97%	97%	99%	≤97%
Northern Territory Government owned building assets inspected	28%	≥33%	36%	33%	≤33%
Contractor Work Health and Safety audits completed ¹	99%	90%	*	93%	*
Indigenous Development Plan audits completed ¹	88%	90%	*	89%	*

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

* No longer reported in Budget Paper 3. Actual to be reported in 2023-24 Annual Report.*

Infrastructure Northern Territory

Key Performance Indicator	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2022-23 Actual	2023-24 Budget
Government's strategic infrastructure planning document, NT Infrastructure Plan and Pipeline, developed and released in quarter 3 annually. ¹	N/A	100%	100%	100%	100%

1. Revised measure commencing 1 July 2023

Lands and Planning

Key Performance Indicator	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2022-23 Actual	2023-24 Budget
Average processing time for development applications (number of days)	55	≤55	55	54	≤55
Major land use and urban planning projects undertaken to cater for future growth	13	13	13	13	*
Building practitioners audited (refers to practitioners registered under the Building Act 1993) ¹	51	65	50	49	65
Investigated complaints finalised	95	100	60	62	*
Swimming pool safety barrier inspections undertaken within three weeks	100%	100%	100%	100%	*
Availability of access to the NT Land Information Systems (NTLIS) environment meets defined standard	100%	≥100%	100%	100%	100%
Average approval times for survey plans (days)	3	≤6	6	3	≤6
Aerial photography and mapping projects acquired in accordance with established refresh cycle	85%	≥95%	≥95%	50%	*
Northern Territory Planning Commission Integrated strategic plans progressed	9	N/A	9	9	*

Notes:

* No longer reported in Budget Paper 3. Actual to be reported in 2023-24 Annual Report.

Transport and Civil Services

	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2022-23 Actual	2023-24 Budget
Community and school-based road safety education sessions delivered	280	350	350	481	*
School and community based road and marine safety education programs delivered ¹	-	-	-	-	530
Heavy vehicles checked as part of on-road auditing activity	13 096	21 000	2500	760 ²	13 000
Average MVR customer wait time (minutes)	16.39	≤10	21.02	17.22	*
Percentage of MVR customers served within 15 minutes ³	-	-	-	-	80%
Customer satisfaction with MVR	97%	≥95%	97.86%	97.86%	*
Percentage of MVR renewals processed through alternative servicing channels	79%	≥75%	82%	83%	*
Average sealed road rated as smooth (IRI2 is <4.2m/km)	95%	≥95%	95%	95%	*
Percentage of reported defects on roads repaired	77%	≥80%	80%	72%	≤80%
Average processing time for corridor access applications (days) ⁴	-	-	-	-	≤10

Notes:

1. New measure to include Marine Safety, commencing 1 July 2023.
2. Staff resourcing challenges throughout 2022-23 has resulted in reduced capacity to perform on-road compliance activities.
3. New measure, commencing 1 July 2023.
4. New measure, commencing 1 July 2023.

* No longer reported in Budget Paper 3. Actual to be reported in 2023-24 Annual Report.



PART 6

FINANCIAL STATEMENTS

Overview of Financial Result

The Department of Infrastructure, Planning and Logistics classifies services under 23 outputs summarised into six output groups. The Corporate and Governance Output Group, including finance, executive and governance services provides corporate support services to all of the output groups and some centralised funded expenditure such as the department's employment program for graduates and trainees.

The department had a final adjusted budget of \$648.9 million for the 2022-23 year; an increase of \$95.1 million from the original 2022-23 budget. The increase mainly resulted from additional operating budget transferred from capital appropriation to support accelerated repairs and maintenance for remote housing, whole of government repairs and maintenance and disaster related expenses as a result of the Northern Region Flood event in February 2023. The department reported expenses for the financial year of \$697.3 million. The final result for the year was \$48.4 million over the operational budget which includes salaries, operational costs, repairs and maintenance and grant expenses. This is mainly due to non-cash capital grants to Power and Water Corporation and local government councils, for the transfer of ownership of assets for nil consideration, for example land servicing works. It is important to note the funding for these transactions was within capital works.

When excluding the non-cash expenditure for 2022-23, the department's final result was over budget by \$12.2 million. This result was due to the department incurring a number of costs for unfunded items (such as disaster related expenses), which were only partially absorbed within the existing budget and the transfer of capital appropriation. Excluding non-cash revenue, the department's final result was \$19.7 million above the budgeted forecast. This result assisted in absorbing the additional operational spend, with the final budget

outcome resulting in an improvement to net cash from operating activities against the budgeted total.

The department has successfully sought approval to carry forward budget which was not spent in 2022-23 due to timing given there was an underlying improvement to the bottom line budgeted deficit across revenue and expenses.

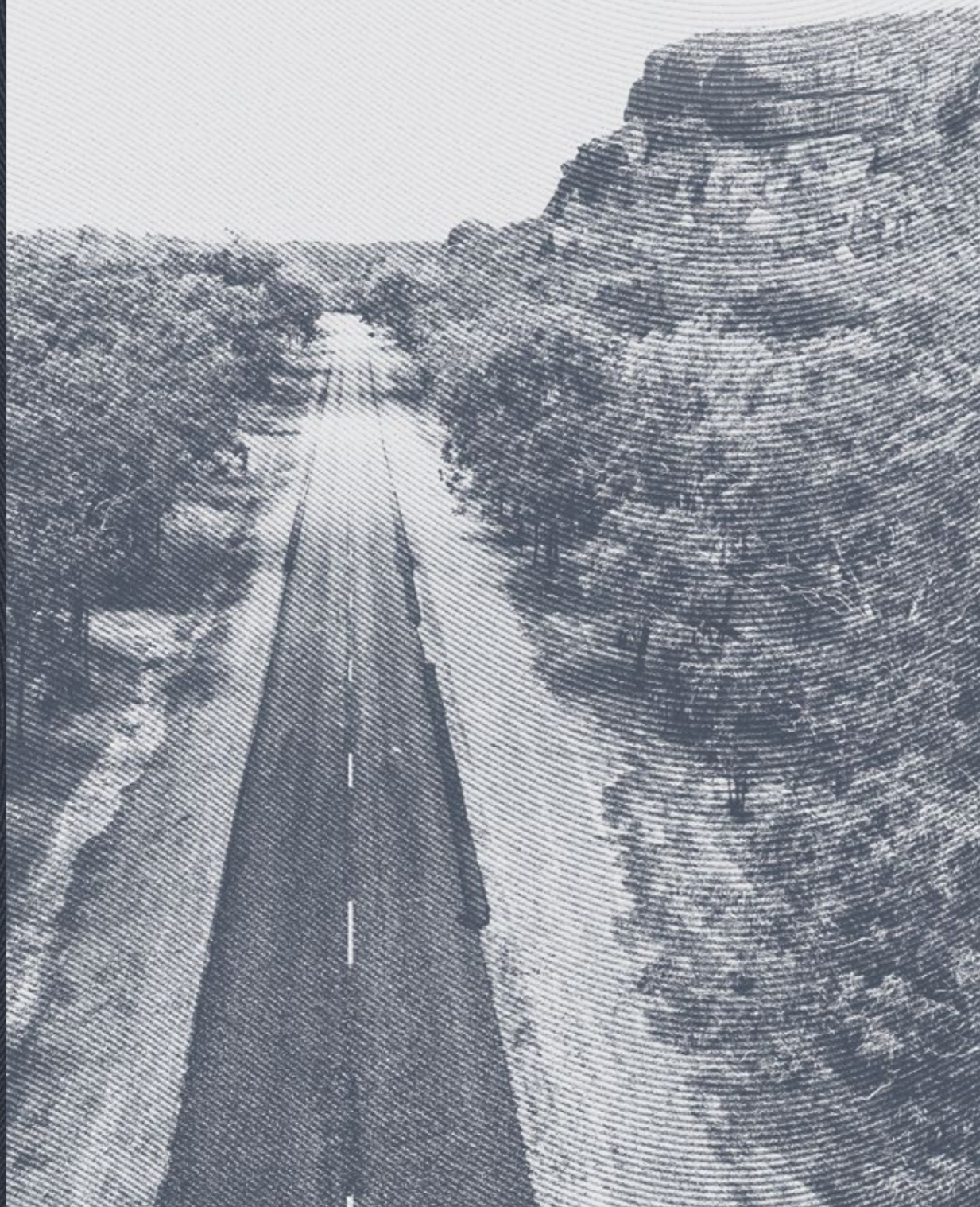
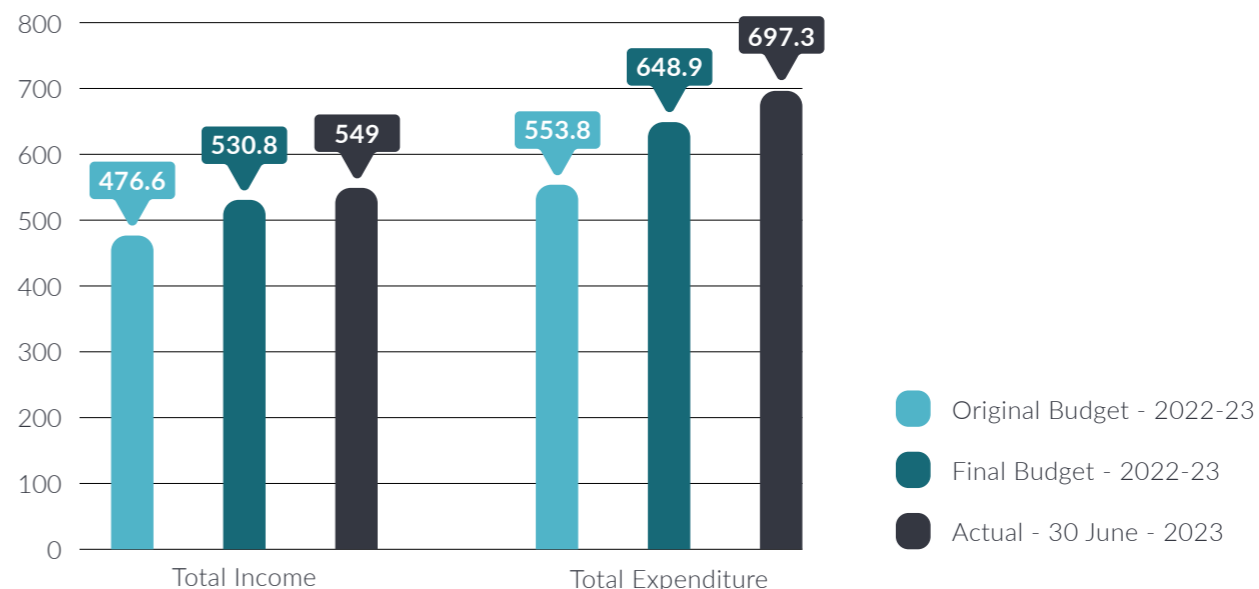
Operating Statement (Financial Performance)

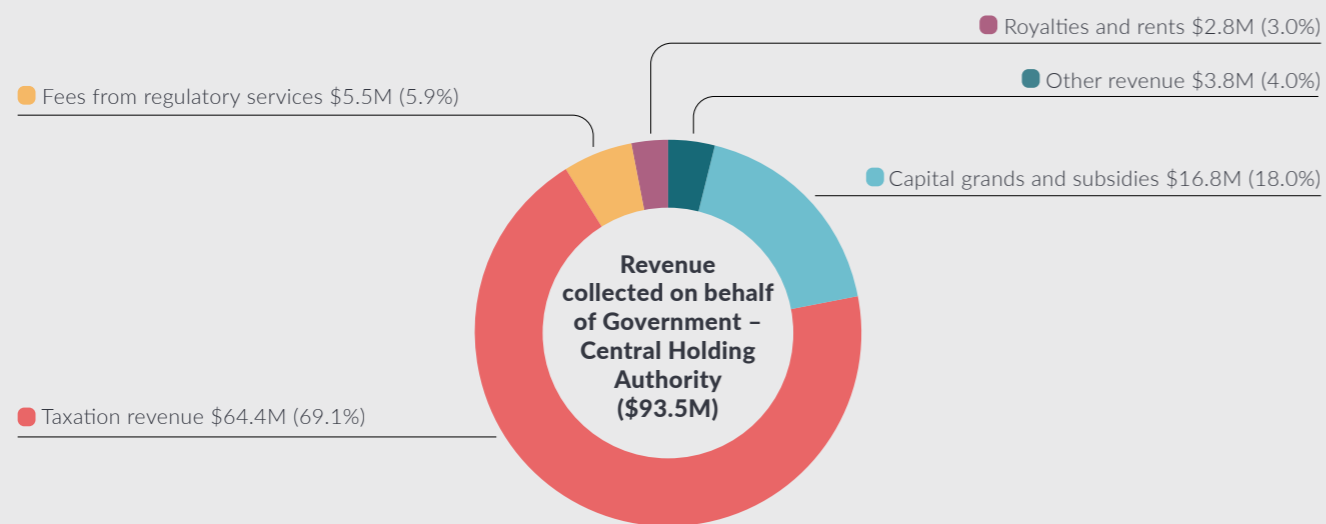
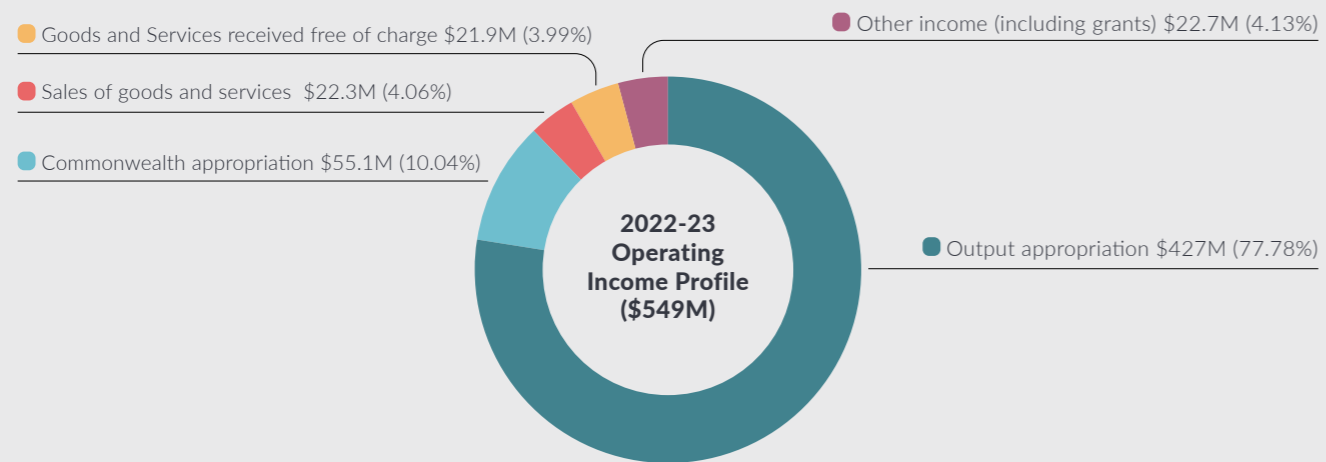
The department reports an operating deficit of \$148.3 million against a budgeted deficit of \$118.1 million. Deficit results are planned as depreciation expenses (\$83.5 million actual result), non-cash asset revaluation of buildings and infrastructure non-cash land servicing capital-related expenditure that cannot be recorded as assets (\$22.8 million actual result) and non-cash capital grants (\$35.4 million actual result). The deficit also includes a number of costs for unfunded items which the department was able to partially absorb within the budget capacity. Revenue was higher for the year, mainly due to a tax ruling whereby the GST expenses incurred in the provision of disability accommodation housing are eligible to be refunded to the department from prior years. When excluding non-cash expenditure for accounting purposes, the department's final result demonstrated an underlying improvement in the final budget outcome against the budgeted total.

Summary of Financial Performance

The graph below summarises changes in total income and total expenditure over the 2022-23 financial year, from the original budget to the final budget which was revised in June 2023. This is compared against the actual result as at June 2023.

Variations in total actual expenditure against budget were mainly due non-cash expenditure for the revaluation decrement of buildings and infrastructure, land servicing capital-related expenditure that cannot be recorded as assets and one-off non-cash capital grants to Power & Water Corporation and local government councils, for the transfer of ownership of assets for nil consideration.

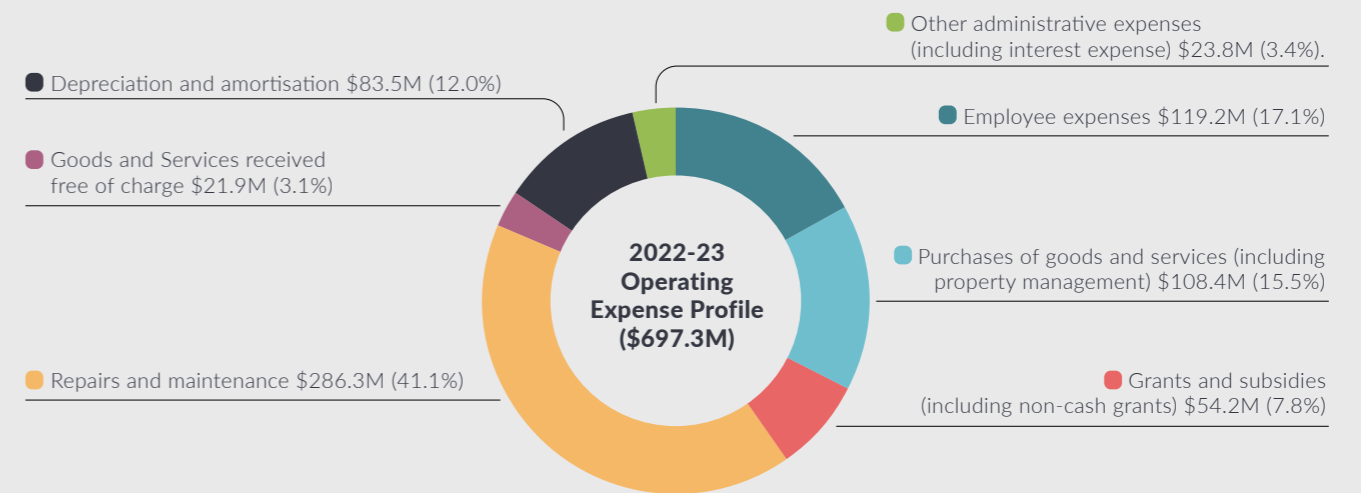




Expenditure Trend

The table below shows actual spend against the final budget in 2022-23.

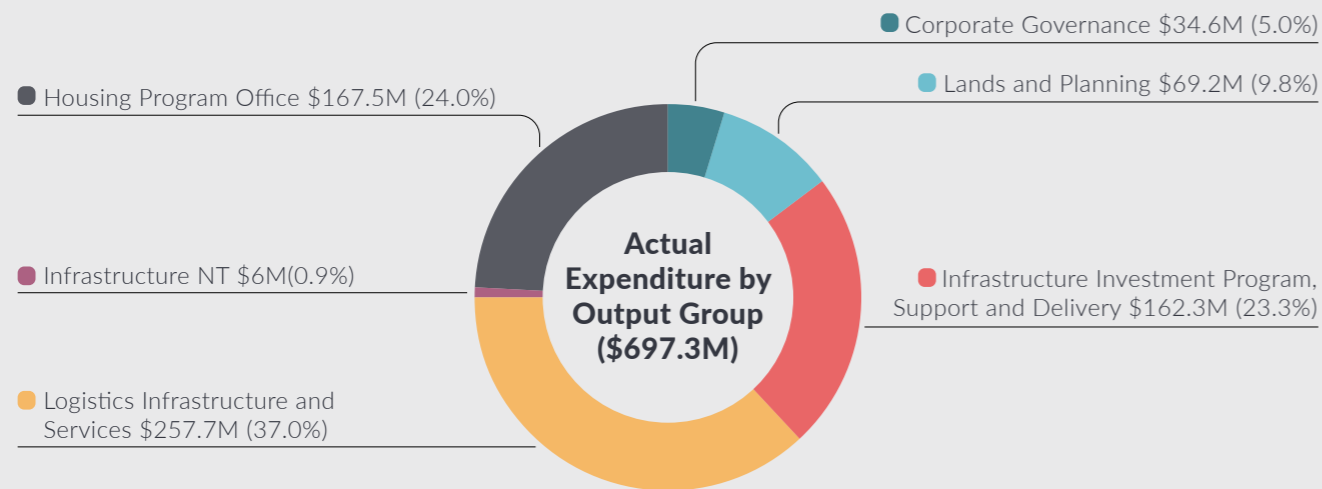
Operating expenses	2021-22	2022-23			
	Actual \$M	Actual \$M	Final Budget \$M	Variance \$M	Variance %
Employee expenses	121.9	119.2	120.5	(1.3)	-1.1%
Purchases of goods and services (including property management)	103.8	108.4	99.8	8.6	8.6%
Repairs and maintenance	222.3	286.3	273.9	12.4	4.5%
Other administrative expenses (including interest)	34.5	23.8	19.5	4.3	22.1%
Grants and Subsidies (including non-cash capital grants)	56.9	54.2	33.9	20.3	59.9%
Depreciation and amortisation	77.1	83.5	82.7	0.8	1.0%
Goods and services received free of charge	20.5	21.9	18.6	3.3	17.7%
Total	637	697.3	648.9	48.4	7.5%



Overall, the department spent \$48.4 million more than budgeted. The department incurred a number of non-cash costs for land servicing capital-related expenditure and non-cash capital grant expenditure for the transfer of ownership of assets for nil consideration to Power and Water Corporation and local government councils. When excluding the non-cash expenditure for 2022-23, the department's final result was over budget by \$12.2 million. However, the increased revenue received in 2022-23, assisted in absorbing the expenditure deficit. The 2022-23 final budget outcome demonstrates an underlying improved net position from operating activities against the budgeted total.

Key expense variations to the final budget are highlighted below.

- Employee expenses were \$1.3 million lower than budget mainly due to recruitment challenges across a number of specific technical and professional positions across the department.
- Purchases of goods and services were \$8.6 million higher than budget mainly due to disaster costs associated with the Northern Region Flood event in February 2023.
- Repairs and maintenance expenses were \$12.4 million higher than budget mainly due to costs associated with the accelerated repairs and maintenance program for remote housing.
- Other administrative expenses were \$4.3 million higher than budget mainly due to the non-cash expenses for remote housing land servicing works which cannot be recorded as assets.
- Grants and subsidies expenses were \$20.3 million higher than budget mainly due to non-cash capital grants provided to Power and Water Corporation as well as local government councils, and transferring ownership of assets for nil consideration. When excluding non-cash capital grant expenditure, grants and subsidies were under budget.
- Goods and services received free of charge were \$3.3 million higher than budget. This is a non-cash notional charge by the Department of Corporate and Digital Development reflecting costs associated for the use of their services. Revenue for this service also reflects this increase and is \$3.3 million higher than the budget with a nil impact on the bottom line of the operating statement net surplus/deficit.



The budget movement and annual expenses for all outputs in the department are summarised in the following table. When excluding the non-cash expenditure for 2022-23, the department's final result was over by \$12.2 million against the approved final budget for 2022-23. However, the increased revenue received in 2022-23, assisted in absorbing the expenditure deficit. Further information can be found in the financial overview section of this report.

OUTPUT	2022-23 Budget \$'000	2022-23 Final Budget \$'000	% change	2022-23 Actuals \$'000	% change to Final
Infrastructure NT	8,683	6,941	-20.06%¹	5,999	-13.57%⁶
Infrastructure NT Policy and Development	6,261	4,819		3,919	
Strategic Project Office	2,422	2,122		2,080	
Infrastructure Investment Program, Support and Delivery	130,090	153,452	17.96%²	162,295	5.76%⁷
Infrastructure Investment Delivery	34,837	44,737		43,025	
Program Support	8,679	8,679		8,548	
Asset Management	86,574	100,036		110,722	
Lands and Planning	49,360	58,621	18.76%³	69,256	18.14%⁸
Land Development	6,949	8,291		11,372	
Crown Land Estate	23,485	31,185		38,336	
Development Assessment Services	3,295	3,337		3,565	
Lands Planning	2,953	2,964		2,445	
Building Advisory Services	3,078	3,227		5,560	
Land Information	9,235	9,252		7,661	
Northern Territory Planning Commission	365	365		317	
Logistics Infrastructure and Services	259,342	262,335	1.15%⁴	257,671	-1.78%⁹
Passenger Transport	64,574	64,575		60,654	
Registration and Licensing	10,246	10,108		10,381	
Road and Water Safety and Compliance	9,814	9,454		8,100	
Transport Planning and Delivery	154,987	160,021		162,215	
Transport Assets	16,943	15,566		13,678	
Strategy, Policy and Legislation	2,778	2,611		2,643	
Housing Program Office	76,085	137,109	80.21%⁵	167,458	22.13%¹⁰
Capital Program Delivery	4,667	26,124		49,873	
Program Planning and Engagement	8,325	10,474		10,838	
Housing Maintenance Services	63,093	100,511		106,747	
Corporate and Governance	30,233	30,393	0.53%	34,642	13.98%¹¹
Corporate and Governance	11,638	11,798		12,789	
Shared Services Received	18,595	18,595		21,853	
TOTAL OUTPUT BUDGET	553,793	648,851	17.16%	697,321	7.47%

1. Infrastructure NT decreased from the original budget to the final budget mainly due to the transfer of budget between financial years to align with project timing.
2. Infrastructure Investment Program, Support and Delivery increased from the original budget to the final budget mainly due to an increase in disaster maintenance repairs and maintenance program, one-off Commonwealth funding for the Howard Springs Village and one-off capital related expenditure that cannot be recorded as assets.
3. Lands and Planning increased from the original budget to the final budget mainly due to one-off land servicing capital-related expenditure that cannot be recorded as assets.
4. Logistics Infrastructure and Services increased from the original budget to the final budget mainly due to one-off capital-related expenditure that cannot be recorded as assets.
5. Housing Program Office increased from the original budget to the final budget mainly due to accelerated housing repairs and maintenance and non-cash capital-related expenditure for land servicing works that cannot be recorded as assets.
6. The variance in actual expenditure for Infrastructure NT against final budget was mainly due to a lower than expected spend for external consultancies.
7. The variance in actual expenditure for Infrastructure Investment Program, Support and Delivery against final budget was mainly due to disaster maintenance for the Northern Region flood event in February 2023.
8. The variance in actual expenditure for Lands and Planning against final budget was mainly due to the accounting treatment for non-cash land servicing capital-related expenditure that cannot be recorded as assets and land donated and gifted to community groups.
9. The variance in actual expenditure for Logistics Infrastructure and Services against final budget was mainly due to efficiencies in transport managed contracts and the timing of grants which will be subject to a carryover request as part of the 2023-24 budget process.
10. Housing Program Office variance in actual expenditure against final budget is mainly due to an accelerated repairs and maintenance program for remote housing and higher than projected non-cash expenditure for land servicing capital-related expenditure that cannot be recorded as assets.



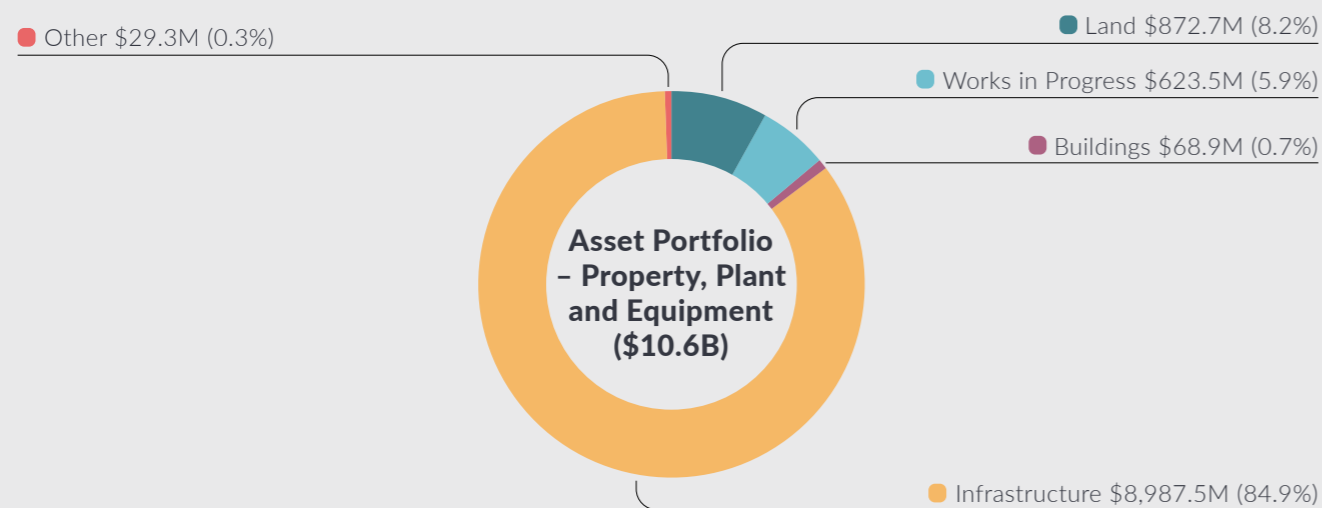
Balance Sheet

The Balance Sheet shows the department's net worth and financial position. The department held assets totalling \$10.94 billion at 30 June 2023.

The largest component of the department's asset profile relates to infrastructure assets of \$8.99 billion which are predominantly Territory road network assets inclusive of roads and bridges. Also included in infrastructure assets are transport assets, such as barge landings, aerodromes and marine infrastructure. The department capitalised a number of completed capital work projects, and revalued roads, bridges and transport assets, which resulted in an increase in value of infrastructure assets of \$1.22 billion.

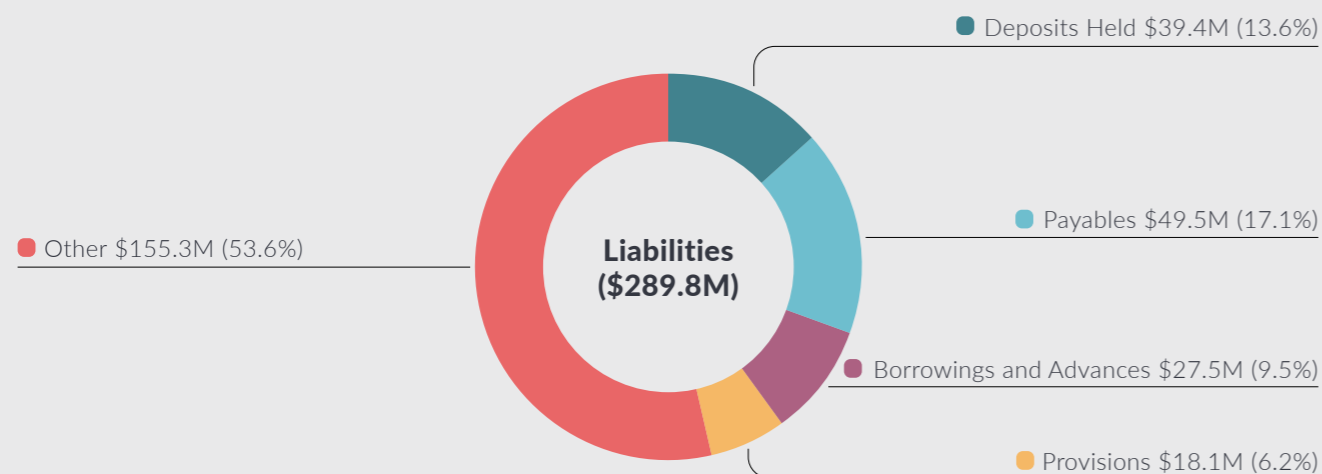
Another significant component of the asset profile is land, primarily Crown land at \$872.7 million. The land portfolio includes vacant Crown land which is managed by the department to meet current and future land requirements of the Territory Government.

The department plays a lead role in planning, constructing and maintaining Government infrastructure across the Northern Territory and holds construction (work in progress) at \$623.5 million. This value represents the current collective value of works which are yet to be completed and transferred to each appropriate host department.



Liabilities

The department held liabilities of \$289.8 million as at 30 June 2023. In 2022-23 the department continued to maintain a strong financial position, with liabilities representing approximately 2.7 per cent of total assets. This increase in liabilities of approximately 6 per cent compared to the previous year is mainly due to a \$21.3 million increase in borrowings and advances related to the accounting recognition of the new bus contract and \$8.7 million in deposits held for externally owned capital works, facilitated by the department. This was off-set by a decrease of \$16.8 million in other liabilities relating to the use of previously recorded Commonwealth unearned capital grants as per accounting standards.



Statement of Cash Flow

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

The department held cash and deposits of \$101.7 million at year end, a \$14.2 million decrease against the final approved budget of \$115.9 million. The decrease in cash is mainly due to the timing of milestone payments for Commonwealth funded capital works projects relating to the National Network roads program. This was off-set by additional revenue received as part of a tax ruling whereby the GST expenses incurred in the provision of disability accommodation housing are eligible to be refunded to the department from prior years. Some of the funds held also relate to recoverable works funds which will be utilised in line with the progression of those works for external entities. Other significant balances relate to carry-over items including grant commitments from prior years, infrastructure related expenses not spent in time, and unspent Commonwealth capital works funding.

The cash position during the year is predominantly impacted by the timing of payments, carryovers of unspent funds and timing of Commonwealth funding.

Cash Flow Movement Summary

Cash Flow	2021-22	2022-23			
	Actual \$M	Actual \$M	Final Budget \$M	Variance \$M	Variance %
Cash at beginning of year	302.1	243	243	-	-
Cash received	1 135.1	1 464.3	1 369.8	94.5	6.9%
Less cash spent	1 194.2	1 605.6	1 496.9	108.7	7.3%
Cash at end of reporting period	243	101.7	115.9	-14.2	-12.3%

Infrastructure Payments

The department spent \$1.23 billion in total infrastructure payments on behalf of the Territory. The majority of the expenditure relates to capital and minor new works expenditure of \$936.9 million. Within this capital expenditure, \$338.3 million was spent on the road network, \$332.6 million was spent on housing and \$266 million was spent on other built infrastructure across a number of portfolios. In addition, the department spent \$273.8 million in repairs and maintenance delivered on behalf of the department and other Government agencies, \$12.5 million infrastructure related consultancies to support the design and delivery of the Territory's infrastructure program and \$9.9 million in capital grants.

CERTIFICATION OF THE FINANCIAL STATEMENTS

Department of infrastructure, planning and logistics

Financial Report

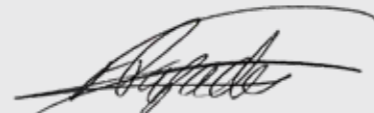
We certify that the attached financial statements for the Department of Infrastructure, Planning and Logistics have been prepared based on proper accounts and records in accordance with Australian Accounting Standards and with the requirements as prescribed in the *Financial Management Act 1995* and 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 2023 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.



Louise McCormick
A/Chief Executive Officer
31 August 2023



Fotis Papadakis
Chief Financial Officer
31 August 2023

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2023

	NOTE	2023 \$'000	Restated 2022 \$'000
INCOME			
Grants and subsidies revenue	4		
Current		1 286	12 168
Capital		31	824
Appropriation	5		
Output		427 027	376 195
Commonwealth		55 120	33 148
Sales of goods and services	6	22 291	17 334
Interest revenue		30	14
Goods and services received free of charge ¹	7	21 853	20 482
Gain on disposal of assets	8	647	152
Other income	9	20 752	5 299
TOTAL INCOME	3	549 037	465 616
EXPENSES			
Employee expenses		119 183	121 941
Administrative expenses			
Property Management		25 855	20 980
Purchases of goods and services	10	82 523	82 806
Repairs and maintenance	10	286 349	222 287
Depreciation and amortisation	19, 20, 21, 22	83 477	77 139
Other administrative expenses		22 776	34 416
Goods and services received free of charge		21 853	20 482
Grants and subsidies expenses			
Current	11a	8 507	9 190
Capital	11b	45 231	47 598
Community service obligations	11c	492	70
Interest expenses	12	1 075	85
TOTAL EXPENSES	3	697 321	636 994
NET DEFICIT		(148 284)	(171 378)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net deficit			
Transfers from reserve		5 464	8 773
Asset revaluation surplus		945 941	23 037
TOTAL OTHER COMPREHENSIVE INCOME		951 405	31 810
COMPREHENSIVE RESULT		803 121	(139 568)

¹ Includes DCDD service charges.

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

BALANCE SHEET

As at 30 June 2023

	NOTE	2023 \$'000	Restated 2022 \$'000
ASSETS			
Current Assets			
Cash and deposits	14	101 718	242 990
Receivables	16	191 973	114 901
Advances and investments	17	133	84
Asset held for sale	23	22 784	12 159
Total Current Assets		316 608	370 134
Non-Current Assets			
Receivables	16	10 116	10 075
Advances and investments	17	802	853
Property, plant and equipment	19, 20, 31	10 581 929	9 244 487
Intangibles	21, 31	772	989
Heritage and cultural assets	22, 31	67	72
Other financial assets	18	26 098	24 390
Total Non-Current Assets		10 619 784	9 280 866
TOTAL ASSETS		10 936 392	9 651 000
LIABILITIES			
Current Liabilities			
Deposits held	24	39 417	30 715
Payables	25	49 493	46 571
Borrowings and advances	26	5 180	1 954
Provisions	27	18 154	18 516
Other liabilities	28	106 246	117 507
Total Current Liabilities		218 490	215 263
Non-Current Liabilities			
Borrowings and advances	26	22 284	4 242
Other liabilities	28	49 035	54 557
Total Non-Current Liabilities		71 319	58 799
TOTAL LIABILITIES		289 809	274 062
NET ASSETS		10 646 583	9 376 938
EQUITY			
Capital		5 453 262	4 986 738
Reserves	30	6 846 246	5 900 305
Accumulated funds		(1 652 925)	(1 510 105)
TOTAL EQUITY		10 646 583	9 376 938

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 2023

	NOTE	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
2023					
Accumulated Funds					
Transfers from reserves		(1 510 105)	(148 284)	-	(1 658 389)
Total Accumulated Funds		(1 510 105)	(142 820)	-	(1 652 925)
Reserves					
Asset revaluation surplus	30	5 900 305	-	-	5 900 305
Total Reserves		5 900 305	945 941	-	6 846 246
Capital - Transactions with Owners					
Equity injections					
Capital appropriation		4 687 361	-	417 581	5 104 942
Equity transfers In		3 960 269	-	8 084	3 968 353
Other equity injections		835 612	-	2 427	838 039
Specific purpose payments		109 141	-	13 700	122 841
National partnership payments		1 343 183	-	459 049	1 802 232
Commonwealth - capital		157 996	-	16 869	174 865
Total Equity Injections		11 093 562	-	917 710	12 011 272
Equity withdrawals					
Capital withdrawal		(609 460)	-	(1 513)	(610 973)
Equity transfer out		(5 497 364)	-	(449 673)	(5 947 037)
Total Equity Withdrawals		(6 106 824)	-	(451 186)	(6 558 010)
Total Capital		4 986 738	-	466 524	5 453 262
TOTAL EQUITY AT END OF FINANCIAL YEAR		9 376 938	803 121	466 524	10 646 583
Restated 2022					
Accumulated Funds					
Transfers from reserve		(1 347 500)	(171 378)	-	(1 518 878)
Total Accumulated Funds		(1 347 500)	(162 605)	-	(1 510 105)
Reserves					
Asset revaluation surplus	30	5 877 268	-	-	5 877 268
Total Reserves		5 877 268	23 037	-	5 900 305
Capital - Transactions with Owners					
Equity injections					
Capital appropriation		4 297 010	-	390 351	4 687 361
Equity transfers In		3 957 068	-	3 201	3 960 269
Other equity injections		828 457	-	7 155	835 612
Specific purpose payments		97 364	-	11 777	109 141
National partnership payments		1 058 803	-	284 380	1 343 183
Commonwealth - Capital		135 678	-	22 318	157 996
Total Equity Injections		10 374 380	-	719 182	11 093 562
Equity withdrawals					
Capital withdrawal		(594 353)	-	(15 107)	(609 460)
Equity transfer out		(5 164 976)	-	(332 388)	(5 497 364)
Total Equity Withdrawals		(5 759 329)	-	(347 495)	(6 106 824)
Total Capital		4 615 051	-	371 687	4 986 738
TOTAL EQUITY AT END OF FINANCIAL YEAR		9 144 819	(139 568)	371 687	9 376 938

This 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 2023

	NOTE	2023 \$'000	Restated 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and subsidies received			
Current		1 286	12 168
Capital		-	-
Appropriation			
Output		427 027	376 195
Commonwealth		64 156	31 494
Receipts from sales of goods and services		149 892	103 270
Interest received		30	14
Total Operating Receipts		642 391	523 141
Operating Payments			
Payments to employees		(119 085)	(119 152)
Payments for goods and services		(497 941)	(398 302)
Grants and subsidies paid			
Current		(7 346)	(9 190)
Capital		(15 937)	(8 835)
Community service obligations		(492)	(70)
Interest paid		(1 075)	(85)
Total Operating Payments		(641 876)	(535 634)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	15	515	(12 493)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	8	3 591	5 334
Repayment of advances		52	131
Total Investing Receipts		3 643	5 465
Investing Payments			
Purchase of assets		(956 959)	(636 737)
Advances and investing payments		(49)	(32)
Total Investing Payments		(957 008)	(636 769)
NET CASH USED IN INVESTING ACTIVITIES		(935 365)	(631 304)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits received		8 703	(14 687)
Equity injections			
Capital appropriation		417 581	390 351
Commonwealth appropriation		389 589	223 689
Other equity injections		2 427	7 155
Total Financing Receipts		818 300	606 508
Financing Payments			
Finance lease payments		(5 209)	(6 682)
Equity withdrawals		(1 513)	(15 107)
Total Financing Payments		(6 722)	(21 789)
NET CASH FROM FINANCING ACTIVITIES	15	811 578	584 719
Net decrease in cash held		(141 272)	(59 079)
Cash at beginning of financial year		242 990	302 069
CASH AT END OF FINANCIAL YEAR	14	101 718	242 990

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 2023

1. OBJECTIVES AND FUNDING

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

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

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

Output groups/outputs:

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

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

b) Basis of accounting

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of accounting (continued)

Standards and interpretations effective from 2022-23

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

Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for the 2022-23 financial year.

On the date of authorisation of the financial statements, the following standard was issued but not yet effective. This accounting standard has not been adopted early for 2022-23.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities

This standard amends the application of *AASB 13 Fair Value Measurement* to non-financial assets of not-for-profit public sector entities not held primarily to generate cash inflows. It applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

This revised standard provides clarification and further guidance on the current requirements for measuring non-financial assets including:

- when an asset's use is considered 'financially feasible'
- application of the cost approach in measurement of an asset's fair value
- costs to be included in the calculation of replacement cost
- indicators of economic obsolescence.

This standard is not expected to have a material impact on the financial statements when first adopted for the year ending 30 June 2025.

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

c) Reporting entity

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

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

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

d) Agency and Territory items

The financial statements of the department include income, expenses, assets, liabilities and equity over which the department has control (agency items) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Central Holding Authority

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

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

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

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 36 – Schedule of administered Territory items.

e) Comparatives

Where necessary, comparative information for the 2021-22 financial year has been reclassified to provide consistency with current year disclosures.

During 2022-23, the department identified land parcels within the Government Land Register that required an adjustment to their value. This error resulted in an understatement in net assets and net worth in both the general government and total public sectors of \$166.575 million.

The error corrected and restated in the 2021-22 comparatives has resulted in an increase to property, plant and equipment and asset revaluation reserves by \$166.575 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to increase property, plant and equipment balances by \$140.454 million and movement during the 2021-22 year by \$26.121 million with corresponding increases to asset revaluation reserves.

During 2022-23, the department identified a land parcel known as Limmen National Park that is under the control of another NT Government agency had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$1.475 million.

The error corrected and restated in the 2021-22 comparatives has resulted in a decrease to property, plant and equipment and asset revaluation reserves by \$1.475 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease property, plant and equipment balances by \$0.66 million.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2022-23, the department identified that some previously completed Work-In-Progress (WIP) for urban enhancement projects had been transferred from WIP to property, plant and equipment in error. This error resulted in a decrease to infrastructure assets and a corresponding increase to expenditure of \$3.655 million.

The error corrected and restated in the 2021-22 comparatives has resulted in a decrease to property, plant and equipment by \$3.774M. As this restatement also impacts prior financial years, the 2021-22 opening balance have also been restated to decrease property, plant and equipment by \$3.893 million.

During 2022-23, the department identified two heritage and cultural assets not under the control of the department that had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$1.373 million.

The error corrected and restated in the 2021-22 comparatives has resulted in a decrease to heritage and cultural assets by \$1.393 million and asset revaluation reserves by \$0.838 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease heritage and cultural assets by \$1.413 million with a corresponding decrease to asset revaluation reserves of \$0.838 million.

f) Presentation and rounding of amounts

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

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2022-23 as a result of management decisions.

h) Accounting judgments and estimates

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Goods and services tax

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

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

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

j) Contributions by and distributions to government

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

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

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	NOTE	Infrastructure NT		Infrastructure Investment Program, Support and Delivery		Lands and Planning		Logistics Infrastructure and Services		Housing Program Office		Corporate and Shared Services		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	Restated 2022 \$'000
INCOME															
Grants and subsidies revenue	4	-	-	501	12 087	250	-	433	-	102	81	-	-	1 286	12 168
Current		-	-	501	12 087	250	-	433	-	102	81	-	-	1 286	12 168
Capital		-	-	-	-	-	-	-	-	31	824	-	-	31	824
Appropriation	5	6 941	3 218	137 436	113 097	39 743	46 763	150 303	152 706	81 030	48 979	11 574	11 432	427 027	376 195
Output		6 941	3 218	137 436	113 097	39 743	46 763	150 303	152 706	81 030	48 979	11 574	11 432	427 027	376 195
Commonwealth		-	-	5 000	-	-	-	24 462	20 319	25 658	12 829	-	-	55 120	33 148
Sales of goods and services	6	-	-	1	1	3 073	3 198	13 543	13 815	5 354	-	320	320	22 291	17 334
Interest revenue		-	-	-	-	30	14	-	-	-	-	-	-	30	14
Goods and services received free of charge ¹	7	-	-	-	-	-	-	-	-	-	-	21 853	20 482	21 853	20 482
Gain on disposal of assets	8	-	-	-	-	647	152	-	-	-	-	-	-	647	152
Other income	9	-	-	489	808	6 541	4 206	176	106	339	139	13 207	40	20 752	5 299
TOTAL INCOME		6 941	3 218	143 427	125 993	50 284	54 333	188 917	186 946	112 514	62 852	46 954	32 274	549 037	465 616
EXPENSES															
Employee expenses		4 006	3 519	32 689	33 749	19 511	19 960	39 025	42 075	15 524	15 058	8 428	7 580	119 183	121 941
Administrative expenses															
Property management		74	36	8 350	5 406	4 552	4 287	7 765	5 989	4 545	4 625	569	637	25 855	20 980
Purchases of goods and services	10	1 755	615	5 332	12 157	14 013	8 740	53 992	55 805	3 700	2 353	3 731	3 136	82 523	82 806
Repairs and maintenance	10	-	-	104 515	87 582	10 634	15 647	75 639	72 392	95 561	46 666	-	-	286 349	222 287
Depreciation and amortisation	19, 20, 21, 22	131	85	5 096	1 522	5 729	8 525	72 372	66 893	41	-	108	114	83 477	77 139
Other administrative expenses		-	-	1 017	10 774	5 740	15 226	799	1 331	15 289	7 271	(69)	(186)	22 776	34 416
Goods and services received free of charge		-	-	-	-	-	-	-	-	-	-	21 853	20 482	21 853	20 482
Grants and subsidies expenses															
Current	11a	30	30	-	-	2 817	1 647	5 558	7 432	102	81	-	-	8 507	9 190
Capital	11b	-	-	5 296	5 000	5 767	1 881	1 472	2 094	32 696	38 623	-	-	45 231	47 598
Community service obligations	11c	-	-	-	-	492	70	-	-	-	-	-	-	492	70
Interest expenses	12	3	3	-	-	1	1	1 049	60	-	-	22	21	1 075	85
TOTAL EXPENSES		5 999	4 288	162 295	156 190	69 256	75 984	257 671	254 071	167 458	114 677	34 642	31 784	697 321	636 994
NET SURPLUS / (DEFICIT)		942	(1 070)	(18 868)	(30 197)	(18 972)	(21 651)	(68 754)	(67 125)	(54 944)	(51 825)	12 312	490	(148 284)	(171 378)
OTHER COMPREHENSIVE INCOME															
Items that will not be reclassified to net surplus/(deficit)															
Transfers from reserve		-	-	-	-	5 464	8 773	-	-	-	-	-	-	5 464	8 773
Asset revaluation surplus		-	-	(44 363)	-	9 961	22 340	980 343	697	-	-	-	-	945 941	23 037
TOTAL OTHER COMPREHENSIVE INCOME		-	(44 363)	-	15 425	31 113	980 343	697	-	-	-	-	-	951 405	31 810
COMPREHENSIVE RESULT		942	(1 070)	(63 231)	(30 197)	(3 547)	9 462	911 589	(66 428)	(54 944)	(51 825)	12 312	490	803 121	(139 568)

¹ Includes DCDD service charges.

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

The Department of Infrastructure, Planning and Logistics 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 agency.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

INCOME

Income encompasses both revenue and gains.

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

4. GRANTS AND SUBSIDIES REVENUE

	2023			2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Current grants	954	332	1 286	11 607	561	12 168
Capital grants	31	-	31	824	-	824
TOTAL GRANTS AND SUBSIDIES REVENUE	985	332	1 317	12 431	561	12 992

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

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

Current grants revenue encompasses Commonwealth funds received for:

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

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

A financing component for consideration is only recognised if it is significant to the contract and the period between the transfer of goods and services and receipt of consideration is more than one year. For the 2022-23 and 2021-22 reporting periods, there were no adjustments for the effects of a significant financing component.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

4. GRANTS AND SUBSIDIES REVENUE (continued)

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

	2023 \$'000	2022 \$'000
Type of good and service:		
Construction services	31	824
Other	954	11 607
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE	985	12 431
Type of customer:		
Commonwealth Government entities	985	344
State and Territory Governments	-	12 087
Non-government entities	-	-
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER	985	12 431
Timing of transfer of goods and services:		
Over time	735	12 431
Point in time	250	-
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER	985	12 431

5. APPROPRIATION

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

	2023			2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output Commonwealth	-	427 027	427 027	-	376 195	376 195
	-	55 120	55 120	-	33 148	33 148
TOTAL APPROPRIATION IN THE OPERATING STATEMENT	-	482 147	482 147	-	409 343	409 343

Appropriation recorded in the cashflow statement includes capital appropriation and Commonwealth capital appropriation received for the delivery of assets to be retained by the department.

	2023			2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output Commonwealth	-	427 027	427 027	-	376 195	376 195
	-	64 156	64 156	-	31 494	31 494
TOTAL APPROPRIATION IN THE OPERATING STATEMENT	-	491 183	491 183	-	407 689	407 689

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5. APPROPRIATION (continued)

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

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

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

a) Summary of changes to appropriation

The following table presents changes to budgeted appropriations authorised during the current financial year together with explanations for significant changes. It compares the amounts originally identified in the Appropriation (2022-2023) Act 2022 with revised appropriations as reported in 2023-24 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 agency revenue (for example, goods and services revenue and grants received directly by the agency) or expenditure. Refer to Note 37 Budgetary information for detailed information on variations to the agency's actual outcome compared to budget for revenue and expenses.

	Original 2022-2023 budget appropriation	Revised 2022-23 budget appropriation	Change to budget appropriation	Note	Final 2022-23 budget appropriation	Change to budget appropriation	Note
	\$'000	\$'000	\$'000		\$'000	\$'000	
Output	376 409	391 227	14 818	1	427 027	35 800	2
Capital	503 169	486 451	(16 718)	3	417 581	(68 870)	4
Commonwealth	564 298	479 685	(84 613)	5	492 755	13 070	6
TOTAL APPROPRIATION	1 443 876	1 357 363	(86 513)		1 337 363	(20 000)	

Output and capital appropriations reflect funding as a direct result of government-approved decisions, with actual funding received by the Department of Infrastructure, Planning and Logistics 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 of Infrastructure, Planning and Logistics 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 variance from original budget and revised budget to output appropriation is primarily due to an adjustment in the whole of government Repairs and Maintenance Program.
2. The variance in output appropriation is due to a transfer from capital appropriation for repairs and maintenance, and expenditure related to disaster expenditure.
3. Capital appropriation reduction reflects the revised capital works cash requirements to align with anticipated project milestones.
4. Capital appropriation reduction reflects the transfer of \$35.8 million to output appropriation to fund accelerated repairs and maintenance and unforeseen disaster maintenance expenditure, \$13 million to the Department of Education (DoE) for school facilities, combined with minor transfers to other agencies.
5. Commonwealth appropriation adjustment due to project milestone delivery estimates, primary for the remote housing program. This funding has now been recorded in forward estimates.
6. Commonwealth appropriation increase reflects the transfer of Commonwealth funding from DoE of \$13 million for infrastructure works in schools.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. SALES OF GOODS AND SERVICES

	2023			2022		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales of goods and services	3 993	18 298	22 291	4 097	13 237	17 334
TOTAL SALES OF GOODS AND SERVICES	3 993	18 298	22 291	4 097	13 237	17 334

Fees from regulatory services

Revenue from regulatory fees is recognised when the department satisfies its performance obligations. These also include fees for the issue of licences, taxes and certain rents collected on behalf of the Central Holding Authority. Refer to Note 36 Schedule of Administered Territory items. The department's sole performance obligations for the issue of a non-intellectual property licence is the issue of the licence, as such revenue is recognised upfront on issue of the licence. For intellectual property licences, revenue is recognised at a point in time or over time as or when the performance obligation is satisfied. The department recognises licences with a term less than 12 months or a low value of \$10 000 or less, upfront on receipt of cash.

Sales of goods and services revenue

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

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

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.

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

- Frances Bay mooring basin operations
- Motor Vehicle Registry operations
- Land Building Advisory Services
- Land Development Assessment Services
- service level agreements
- bus ticket sales
- property rents.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. SALES OF GOODS AND SERVICES (continued)

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

	2023	2022
	\$'000	\$'000
Type of good and service:		
Service delivery	1 069	852
Other	2 924	3 245
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE	3 993	4 097
Type of customer:		
State and Territory Government	313	309
Non-government entities	3 680	3 788
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER	3 993	4 097
Timing of transfer of goods and services:		
Over time	687	309
Point in time	3 306	3 788
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER	3 993	4 097

7. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2023	2022
	\$'000	\$'000
Corporate and information services	21 853	20 482
TOTAL GOODS AND SERVICES RECEIVED FREE OF CHARGE	21 853	20 482

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 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. GAIN ON DISPOSAL OF ASSETS

	2023	2022
	\$'000	\$'000
Net proceeds from the disposal of non-current assets	3 591	5 334
Less: Carrying value of non-current assets disposed	(2 944)	(5 182)
TOTAL GAIN ON DISPOSAL OF ASSETS	647	152

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

9. OTHER INCOME

	2023			2022		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Miscellaneous revenue	1 281	15 575	16 856	789	3 490	4 280
Donated assets	-	3 897	3 897	-	1 019	1 019
TOTAL OTHER INCOME	1 281	19 472	20 752	789	4 510	5 299

Miscellaneous revenue

Miscellaneous revenue primarily relates to historical Goods and Services Tax reimbursement from the Australian Taxation Office (ATO) for the supply of disability housing in the 2022-23 financial year, finance lease receipts, contracts with customers and other reimbursements. Where funding is received from agreements that are enforceable and contain sufficiently specific performance obligations for the agency to transfer goods or services to the grantor or third-party beneficiary, the transaction is accounted for under AASB 15 as revenue from contracts with customers. Where this criteria is not met, revenue is generally accounted for under AASB 1058 and income is generally recognised upfront on receipt of funding.

Donated assets

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

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

	2023	2022
	\$'000	\$'000
Type of good and service:		
Regulatory services	39	35
Service delivery	938	449
Other	304	306
Total revenue from contract with customers	1 281	789
Type of customer:		
Commonwealth Government entities	-	-
State and Territory Governments	92	3
Non-government entities	1 189	786
Total revenue from contract with customers	1 281	789
Timing of transfer of goods and services:		
Over time	-	-
Point in time	1 281	789
Total revenue from contract with customers	1 281	789

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

10. PURCHASES OF GOODS AND SERVICES

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

	2023	2022
	\$'000	\$'000
Goods and Services Expenses:		
Agency service arrangements ¹	42 434	45 774
Information technology charges and communications	13 731	11 995
Legal expenses ²	7 143	1 976
Consultants ³	3 130	1 241
Motor vehicle expenses	2 689	2 566
Disaster response related transportation costs	1 555	-
Official duty fares	1 083	739
Bank charges	1 057	872
Marketing and promotion ⁴	975	730
Memberships	950	903
Training and study	941	726
Survey, drafting and drilling	825	1 064
Equipment expenses	775	4 081
Insurance	646	925
Freight	625	530
Accommodation	495	369
Regulatory, advisory boards, committees	451	411
Travelling allowance	394	311
Recruitment ⁵	300	242
Document production	79	147
Advertising ⁶	21	17
COVID-19 related transportation costs	4	4 935
Other	2 220	2 252
TOTAL PURCHASES OF GOODS AND SERVICES	82 523	82 806

¹ Includes bus and ferry contracts.

² Includes legal fees, claims and settlement costs.

³ Includes marketing, promotion and IT consultants.

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

⁵ Includes recruitment related advertising costs.

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

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

REPAIRS AND MAINTENANCE EXPENSE

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. GRANT AND SUBSIDIES EXPENSES

a) Current grant and subsidies expenses

	2023	2022
	\$'000	\$'000
Current Grants		
Private and not-for-profit sector	2 901	4 738
Grants to other sectors of government	1 531	1 529
Other	64	20
Total Current Grants	4 496	6 287
Subsidies		
Private and not-for-profit sector	3 761	2 653
Other	250	250
Total Subsidies	4 011	2 903
TOTAL CURRENT GRANT AND SUBSIDIES EXPENSES	8 507	9 190

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

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

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

b) Capital grant expenses

	2023	2022
	\$'000	\$'000
Local government	13 693	20 723
Private and not-for-profit sector	4 344	1 861
Grants to other sectors of government	27 193	25 015
TOTAL CAPITAL GRANT EXPENSES	45 231	47 598

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

Capital grant expenses largely comprise of non cash capital works expenditure relating to expenditure for land servicing works; asset ownership transferred to Power Water Corporation, Indigenous Essential Services and local government councils for nil consideration.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. GRANT AND SUBSIDIES EXPENSES (CONTINUED)

c) Community service obligations

	2023	2022
	\$'000	\$'000
Grants to other sectors of government	492	70
TOTAL COMMUNITY SERVICE OBLIGATIONS	492	70

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

12. INTEREST EXPENSE

	2023	2022
	\$'000	\$'000
Interest from lease liabilities	1 075	85
TOTAL INTEREST EXPENSE	1 075	85

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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

	Agency				Territory items			
	2023		2022		2023		2022	
	No. of Trans.	\$'000	No. of Trans.	\$'000	No. of Trans.	\$'000	No. of Trans.	\$'000
Authorised under the Financial Management Act 1995								
Write-offs, postponements and waivers approved by the Treasurer								
Write-offs, postponements and waivers due to COVID-19 ⁽¹⁾	-	-	-	-	-	-	764	15
Irrecoverable amounts payable to the Territory or an agency written off	39	41	232	2	-	-	-	-
Waiver of right to receive or recover money or property	1 158	2	-	-	4	2	-	-
Total write-offs, postponements and waivers approved by the Treasurer	1 197	43	232	2	4	2	764	15
Write-offs, postponements and waivers approved by delegates								
Irrecoverable amounts payable to the Territory or an agency written off	-	1	6	1	-	-	-	1
Losses or deficiencies of money written off	1	6	-	4	-	-	-	-
Value of public property written off	776	15	3 310	16	-	-	-	-
Total write-offs, postponements and waivers approved by delegates	777	22	3 316	21	-	-	-	1
Gifts approved by delegate								
	2	8	3	13	-	-	-	-
Total gifts	2	8	3	13	-	-	-	-
Ex gratia payments								
	120	1	100	1	-	-	-	-
Total authorised under the Financial Management Act 1995	2 095	74	3 651	37	4	2	764	16
Authorised under other legislation								
Write-offs, postponements and waivers ⁽²⁾	-	-	-	-	-	-	67	3
Gifts ⁽³⁾	3 255	4	4 623	7	-	-	-	-
Total authorised under other legislation	3 255	4	4 623	7	-	-	67	3

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

⁽²⁾ Write-offs, postponements and waivers under provisions of the *Aboriginal Land Rights (Northern Territory) Act 1976* and *Crown Lands Act 1992*

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

13. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS (continued)

Write-offs

Write-offs reflect the removal from accounting records the value of public money or public property owing to, or loss sustained by the Territory or agency. It refers to circumstances where the Territory or an agency has made all attempts to pursue the debt, however, is deemed irrecoverable due to reasons beyond the Territory or an agency's control. Write-offs result in no cash outlay and are accounted for under 'Other administrative expenses' in the comprehensive operating statement.

Waiver

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 will have 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 accounted for under 'Current grants and subsidies expense' in the comprehensive operating statement.

Postponement

A postponement is a 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.

Gifts

A gift is an asset or property, deemed surplus to government's requirements, transferred to a suitable recipient, without receiving any consideration or compensation, and where there is no constructive or legal obligation for the transfer. Gifted property is accounted under 'Other administrative expenses' in the comprehensive operating statement.

Ex gratia

Ex gratia payments or act-of-grace payments are gratuitous payments where no legal obligation exists. All ex gratia payments are approved by the Treasurer. Ex gratia payments result in cash outlay and are accounted for under 'Purchases of goods and services' in the comprehensive operating statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. CASH AND DEPOSITS

	2023 \$'000	2022 \$'000
Cash on hand	20	25
Cash at bank	101 698	242 965
TOTAL CASH AND DEPOSITS	101 718	242 990

For the purposes of the balance sheet and the cash flow statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable officer's trust account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 24.

15. CASH FLOW RECONCILIATION

a) Reconciliation of cash

The total of department 'Cash and deposits' of \$101,718,071 recorded in the balance sheet is consistent with that recorded as 'Cash' in the cash flow statement.

Reconciliation Of Net Surplus / Deficit To Net Cash From Operating Activities

	2023 \$'000	Restated 2022 \$'000
Net surplus / deficit	(148 284)	(171 378)
Non-Cash Items:		
Depreciation and amortisation	83 477	77 139
Asset write-offs/write-downs	20 678	29 743
Asset donations/gifts	3 255	4 623
Gain on disposal of assets	(647)	(152)
Repairs and maintenance non-cash	35 359	38 762
Assets acquired for nil consideration	(3 897)	(1 019)
Changes in Assets and Liabilities:		
Decrease/(increase) in receivables	3 399	6 442
Decrease/(increase) in prepayments	(140)	(1 429)
Decrease/(increase) in other assets	(1 708)	(1 596)
(Decrease)/increase in payables	6 515	6 325
(Decrease)/increase in provision for employee benefits	(494)	1 908
(Decrease)/increase in other provisions	132	373
(Decrease)/increase in other liabilities	2 870	(2 234)
NET CASH FROM OPERATING ACTIVITIES	515	(12 493)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

15. CASH FLOW RECONCILIATION (continued)

b) Reconciliation of liabilities arising from financing activities

2023	Cash Flows				Non-Cash			30 June \$'000		
	Deposits Received \$'000	Finance Leases \$'000	Appropriation \$'000	Equity Injection/ (Withdrawals) \$'000	Total Cash Flows \$'000	Lease Acquisitions and other movements/ (remeasurements/transfers) \$'000	Other Liability Related Changes \$'000		Other Equity Related Changes \$'000	Total Non-Cash \$'000
Deposits held	8 703	-	-	-	8 703	-	-	-	-	39 417
Borrowings & advances	-	(5 209)	-	-	(5 209)	26 477	-	-	26 477	27 464
Provisions	-	-	-	-	-	-	(362)	-	(362)	18 154
Other	-	-	807 170	914	808 084	-	-	(341 561)	(341 561)	466 523
TOTAL	8 703	(5 209)	807 170	914	811 578	26 477	(362)	(341 561)	(315 446)	551 559

2022	Cash Flows				Non-Cash			30 June \$'000		
	Deposits Received \$'000	Finance Leases \$'000	Appropriation \$'000	Equity Injection/ (Withdrawals) \$'000	Total Cash Flows \$'000	Lease Acquisitions and other movements/ (remeasurements/transfers) \$'000	Other Liability Related Changes \$'000		Other Equity Related Changes \$'000	Total Non-Cash \$'000
Deposits held	(14 687)	-	-	-	(14 687)	-	-	-	-	30 715
Borrowings & advances	-	(6 682)	-	-	(6 682)	5 949	-	-	5 949	6 196
Provisions	-	-	-	(7 952)	-	-	2 280	-	2 280	18 516
Other	-	-	614 040	(7 952)	606 088	-	-	(234 401)	(234 401)	371 687
TOTAL	(14 687)	(6 682)	614 040	(7 952)	584 719	5 949	2 280	(234 401)	(226 172)	427 114

c) Non-cash financing and investing activities

Lease transactions

During the financial year, the department recorded right-of-use assets located on Aboriginal land with an aggregate value of \$69,089 (2022: \$1,848).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. RECEIVABLES

	2023 \$'000	2022 \$'000
Current		
Accounts receivable	4 846	3 251
Less: Loss allowance	(1 196)	(2 579)
	-	-
Accrued contract revenue	130	1 113
Less: Loss allowance	-	-
	3 780	1 785
GST receivables	13 559	18 625
Other receivables	172 222	92 175
Prepaid expenses ^(a)	2 412	2 316
Total Current	191 973	114 901
Non-current		
Accounts receivable	990	990
Less: Loss allowance	-	-
	990	990
Prepaid expenses ^(a)	9 126	9 085
Total Non-current	10 116	10 075
TOTAL RECEIVABLES	202 088	124 976
(a) Prepaid expense comprises:		
Current		
Prepaid capital works	1 591	1 592
Other	806	668
Salary advances	15	55
Total Current	2 412	2 316
Non-current		
Prepaid land and capital works	8 920	8 920
Other	206	165
Total Non-current	9 126	9 085
TOTAL PREPAID EXPENSES	11 537	11 401

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. RECEIVABLES (continued)

Reconciliation of loss allowance for receivables

	2023 \$'000	2022 \$'000
Internal receivables		
Opening balance	(2)	(60)
Written off during the year	-	-
Recovered during the year	7	88
Increase in allowance recognised in profit or loss	(6)	(30)
TOTAL INTERNAL RECEIVABLES	(1)	(2)
External receivables		
Opening balance	(2 577)	(2 706)
Written off during the year	40	1 048
Recovered during the year	2 297	639
Increase in allowance recognised in profit or loss	(955)	(1 558)
TOTAL EXTERNAL RECEIVABLES	(1 195)	(2 577)

17. ADVANCES AND INVESTMENTS

	2023 \$'000	2022 \$'000
Current		
Advances paid	133	84
Less: Loss allowance	-	-
	133	84
Non Current		
Advances paid	802	853
Less: Loss allowance	-	-
	802	853
TOTAL ADVANCES AND INVESTMENTS	935	937

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. ADVANCES AND INVESTMENTS (continued)

Advances paid

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

Advances paid are recognised initially at fair value plus or minus relevant transaction costs and are recognised in the balance sheet when the department becomes party to the contractual provisions of the financial instruments. Where the advances are provided with interest free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount lent. This fair value is calculated in accordance with Note 31. The difference between the amount lent and the fair value is recognised as an expense in the comprehensive income statement.

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

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

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

Credit risk exposure of advances paid

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. OTHER FINANCIAL ASSETS

	2023 \$'000	2022 \$'000
Non Current		
Lease Receivable	26 098	24 390
TOTAL OTHER FINANCIAL ASSETS	26 098	24 390

a) Agency as a lessor

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

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

Finance leases

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

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

Port of Darwin Lease

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. OTHER FINANCIAL ASSETS (continued)

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

	2023 \$'000	2022 \$'000
Not later than one year	1 828	1 708
Later than one year and not later than five years	8 684	8 116
Later than five years	13 186 613	13 189 008
TOTAL	13 197 125	13 198 833

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

	2023 \$'000	2022 \$'000
Future undiscounted rental receivable	13 223 223	13 223 223
Unguaranteed residual amounts - undiscounted	-	-
Less: Unearned finance income	(13 197 125)	(13 198 833)
NET INVESTMENT IN FINANCE LEASE	26 098	24 390

As the lease premium has been prepaid, the balance of the finance lease receivable represents the unguaranteed residual for the Port of Darwin land related assets accruing to the benefit of the Territory. As of 30 June 2023, no impairment losses have been recorded on the finance lease receivables.

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

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

Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. OTHER FINANCIAL ASSETS (continued)

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

	2023 \$'000	2022 \$'000
Not later than one year	898	936
Later than one year and not later than five years	935	1 247
Later than five years	-	-
TOTAL	1 833	2 183

b) Contract cost asset

Costs to obtain a contract are expensed where goods and services will be transferred within one year or less and only capitalised if deemed material. Territory Government employee costs that satisfy the criteria for recognition as a cost to fulfil a contract are not capitalised and expensed immediately. Other costs to fulfil a contract are accounted for as a contract cost asset if deemed material. For the 2022-23 and 2021-22 reporting periods, no costs were capitalised as a contract cost asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT

a) Total property, plant and equipment

	2023 \$'000	Restated 2022 \$'000
Land		
At fair value	872 674	871 496
Buildings		
At fair value	173 409	167 711
Less: accumulated depreciation	(104 478)	(84 526)
	68 931	83 185
Infrastructure		
At fair value	13 696 838	11 468 450
Less: accumulated depreciation	(4 709 322)	(3 704 536)
	8 987 516	7 763 915
Construction (Work in Progress)		
At capitalised cost	623 518	516 913
Plant and equipment		
At fair value	10 457	10 308
Less: accumulated depreciation	(8 324)	(7 748)
	2 133	2 560
Computer hardware		
At fair value	1 027	1 075
Less: accumulated depreciation	(763)	(724)
	264	351
Land leases		
At capitalised cost	830	578
Less: accumulated depreciation	(154)	(119)
	676	459
Building leases		
At capitalised cost	531	507
Less: accumulated depreciation	(215)	(84)
	316	423
Transport equipment leases		
At capitalised cost	34 906	25 735
Less: accumulated depreciation	(9 004)	(20 550)
	25 902	5 185
TOTAL PROPERTY, PLANT AND EQUIPMENT	10 581 930	9 244 487

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of carrying amount of property, plant and equipment

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets are disclosed in Note 20. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end year is set out below.

2023	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 as at 1 July	871 496	83 185	7 763 915	516 913	2 560	351	459	423	5 185	9 244 487
Additions	1 151	14 961	-	937 239	201	-	182	-	26 197	979 931
Disposals	(2 943)	-	-	-	-	-	-	-	-	(2 943)
Depreciation expense – asset owned	-	(5 119)	(71 461)	-	(744)	(87)	-	-	-	(77 411)
Amortisation expense – right-of-use asset	-	-	-	-	-	-	(34)	(131)	(5 485)	(5 650)
Additions/disposals from asset transfers	(994)	749	335 680	(830 634)	118	-	-	-	-	(495 081)
Revaluation increments/decrements	14 089	(23 571)	959 382	-	-	-	69	24	5	949 998
Impairment losses	-	(774)	-	-	(2)	-	-	-	-	(776)
Transfer to/from assets for sale	(10 125)	(500)	-	-	-	-	-	-	-	(10 625)
CARRYING AMOUNT AS AT 30 JUNE	872 674	68 931	8 987 516	623 518	2 133	264	676	316	25 902	10 581 930
2022	Land	Buildings	Infrastructure	Construction (work in progress)	Plant and equipment	Computer Hardware	Land Leases	Building Leases	Transport Equipment Leases	Restated Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	699 345	89 176	7 527 323	571 818	2 965	423	473	-	6 359	8 897 882
Prior year error – UCV revalued land ¹	140 454	-	-	-	-	-	-	-	-	140 454
Prior year error – Limmen National Park land ²	(660)	-	-	-	-	-	-	-	-	(660)
Prior year error – urban enhancements ³	-	-	(3 893)	-	-	-	-	-	-	(3 893)
Adjusted Carrying Amount as at 1 July	839 139	89 176	7 523 430	571 818	2 965	423	473	-	6 359	9 033 783
Additions	1 256	1 962	-	645 790	153	31	-	507	3 482	653 181
Disposals	(5 182)	-	-	-	(858)	(103)	-	-	-	(5 182)
Depreciation expense – asset owned	-	(4 700)	(64 326)	-	-	-	-	-	-	(69 987)
Amortisation expense – right-of-use asset	-	-	-	-	-	-	(16)	(84)	(6 615)	(6 715)
Additions/disposals from asset transfers	277	(1 291)	304 579	(700 695)	308	-	-	-	-	(396 822)
Revaluation increments/decrements	29 888	(1 962)	1 750	-	-	-	2	-	1 959	31 637
Impairment losses	-	-	(1 518)	-	(8)	-	-	-	-	(1 526)
Transfer to/from assets for sale	6 118	-	-	-	-	-	-	-	-	6 118
CARRYING AMOUNT AS AT 30 JUNE	871 496	83 185	7 763 915	516 913	2 560	351	459	423	5 185	9 244 487

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

¹ During 2022-23 DIPL revalued a number of land parcels within the Government Land Register based on prior year Unimproved Capital Values (UCV) for a number of locations across the Territory provided by the Northern Territory Valuer-General. Some land parcels revalued had not previously been valued and this error resulted in a total increase in net assets and net worth in both the general government and total public sectors of \$166.575 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to increase property, plant and equipment balances by \$140.454 million with a corresponding increase to asset revaluation reserves. The proportion of the revaluation that related to the 2021-22 year has been shown in the 2021-22 movement being an increase of \$26.121 million.

² During 2022-23 DIPL identified a land parcel known as Limmen National Park that was under the control of the Department of Parks and Wildlife Service that had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$1.475 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease property, plant and equipment balances by \$0.66 million with a corresponding reduction to asset revaluation reserves.

³ During 2022-23 DIPL identified some infrastructure assets relating to Territory urban enhancements that were not owned by the department which had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$3.774 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease property, plant and equipment balances by \$3.893 million with a corresponding reduction to accumulated funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. 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.

2023	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Computer Hardware \$'000	Land Leases \$'000	Building Leases \$'000	Transport Equipment Leases \$'000	Total \$'000
Carrying amount as at 1 July	835 179	75 967	7 763 915	516 913	2 560	351	459	423	5 185	9 200 952
Additions	1 151	14 961	-	937 239	201	-	182	-	26 197	979 931
Disposals	(2 943)	-	-	-	-	-	-	-	-	(2 943)
Depreciation expense – asset owned	-	(4 466)	(71 461)	-	(744)	(87)	-	-	-	(76 758)
Amortisation expense – right-of-use asset	-	-	-	-	-	-	(34)	(131)	(5 485)	(5 650)
Additions/disposals from asset transfers	3 833	749	335 680	(830 634)	118	-	-	-	-	(490 254)
Revaluation increments/decrements including remeasurement	1 392	(23 571)	959 382	-	-	-	69	24	5	937 301
Impairment losses	-	(774)	-	-	(2)	-	-	-	-	(776)
Transfer to/from assets for sale	(10 125)	(500)	-	-	-	-	-	-	-	(10 625)
CARRYING AMOUNT AS AT 30 JUNE	828 487	62 366	8 987 516	623 518	2 133	264	676	316	25 902	10 531 178
2022	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Computer Hardware \$'000	Land Leases \$'000	Building Leases \$'000	Transport Equipment Leases \$'000	Restated Total \$'000
Carrying Amount at 1 July	662 448	77 967	7 527 323	571 818	2 965	423	473	-	6 359	8 849 776
Prior year error - UCV revalued land ¹	140 454	-	-	645 790	153	31	-	507	3 482	140 454
Prior year error - Limmen National Park land ²	(660)	-	-	-	-	-	-	-	-	(660)
Prior year error - urban enhancements ³	-	-	(3 893)	-	-	-	-	-	-	(3 893)
Adjusted Carrying Amount as at 1 July	802 242	77 967	7 523 430	571 818	2 965	423	473	-	6 359	8 985 677
Additions	1 256	1 962	-	645 790	153	31	-	507	3 482	653 181
Disposals	(5 182)	-	-	-	(859)	(103)	-	-	-	(5 182)
Depreciation expense – asset owned	-	(3 617)	(64 326)	-	-	-	(16)	(84)	(6 615)	(68 905)
Amortisation expense – right-of-use asset	-	-	-	-	-	-	-	-	-	(6 715)
Additions/disposals from asset transfers	857	1 617	304 579	(700 695)	309	-	-	-	-	(393 333)
Revaluation increments/decrements including remeasurement	29 888	(1 962)	1 750	-	-	-	2	-	1 959	31 637
Impairment losses	-	-	(1 518)	-	(8)	-	-	-	-	(1 526)
Transfer to/from assets for sale	6 118	-	-	-	-	-	-	-	-	6 118
CARRYING AMOUNT AS AT 30 JUNE	835 179	75 967	7 763 915	516 913	2 560	351	459	423	5 185	9 200 952

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

¹ During 2022-23 DIPL revalued a number of land parcels within the Government Land Register based on prior year Unimproved Capital Values (UCV) for a number of locations across the Territory provided by the Northern Territory Valuer-General. Some land parcels revalued had not previously been valued and this error resulted in a total increase in net assets and net worth in both the general government and total public sectors of \$166.575 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to increase property, plant and equipment balances by \$140.454 million with a corresponding increase to asset revaluation reserves. The proportion of the revaluation that related to the 2021-22 year has been shown in the 2021-22 movement being an increase of \$26.121 million.

² During 2022-23 DIPL identified a land parcel known as Limmen National Park that was under the control of the Department of Parks and Wildlife Service that had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$1.475 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease property, plant and equipment balances by \$0.66 million with a corresponding reduction to asset revaluation reserves.

³ During 2022-23 DIPL identified some infrastructure assets relating to Territory urban enhancements that were not owned by the department which had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$3.774 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease property, plant and equipment balances by \$3.893 million with a corresponding reduction to accumulated funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

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

A reconciliation of the carrying amount of property, plant and equipment where the department 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.

2023	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Computer Hardware \$'000	Transport Equipment \$'000	Land Leases \$'000	Building Leases \$'000	Transport Equipment Leases \$'000	Total \$'000
Carrying Amount as at 1 July	36 317	7 218	-	-	-	-	-	-	-	-	43 535
Depreciation expense – asset owned	-	(653)	-	-	-	-	-	-	-	-	(653)
Additions/disposals from asset transfers	(4 827)	-	-	-	-	-	-	-	-	-	(4 827)
Revaluation increments/decrements including remeasurement	12 697	-	-	-	-	-	-	-	-	-	12 697
CARRYING AMOUNT AS AT 30 JUNE	44 187	6 565	-	-	-	-	-	-	-	-	50 752

2022	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Computer Hardware \$'000	Transport Equipment \$'000	Land Leases \$'000	Building Leases \$'000	Transport Equipment Leases \$'000	Total \$'000
Carrying Amount as at 1 July	36 897	11 209	-	-	-	-	-	-	-	-	48 106
Depreciation expense – asset owned	-	(1 083)	-	-	-	-	-	-	-	-	(1 083)
Additions/disposals from asset transfers	(580)	(2 908)	-	-	-	-	-	-	-	-	(3 488)
Revaluation increments/decrements including remeasurement	-	-	-	-	-	-	-	-	-	-	-
CARRYING AMOUNT AS AT 30 JUNE	36 317	7 218	-	-	-	-	-	-	-	-	43 535

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

Acquisitions

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

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

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

Complex assets

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

Subsequent additional costs

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

Land under roads

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

Construction (work in progress)

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

Revaluations and Impairment

Revaluation of assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

Road and bridge infrastructure assets were revalued at 30 June 2023 based on current replacement cost. The resulting increase to the department's road and bridges' asset value is \$980 million.

The revaluation of infrastructure assets requires engineering and technical expertise due to the complex nature of the assets. The department engages an external quantity surveyor and cost consultant, Construction Estimating Pty Ltd, trading as QS Services, as well as using in-house engineering expertise to revalue transport, road and bridge infrastructure assets. Recent infrastructure valuations have a high level of accuracy due to improvements in the process and records held, such as a greater accuracy of asset componentisation following a comprehensive survey of infrastructure assets and improvements in unit costs following external advice using regional unit cost rates.

QS Services provided unit rates representative of NT current industry standard market rates for infrastructure revaluations in 2022-23.

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

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

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

Refer to Note 31: Fair value for additional disclosures.

Impairment of assets

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

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

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

In certain situations, an impairment loss may subsequently be reversed. Impairment loss may only be reversed only if there has been change in the assumptions used to determine the asset's recoverable amount. Where an impairment loss is subsequently reversed, the reversal is limited so that the carrying amount of the asset does not exceed the revised estimate of its recoverable amount, nor exceed the net carrying amount that would have been determined had not impairment loss been recognised for the asset in the prior years. A reversal of an impairment loss is recognised in the comprehensive operating statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 30 provides additional information in relation to the asset revaluation surplus.

Department property, plant and equipment assets were assessed for impairment as at 30 June 2023. No impairment adjustments were required as a result of this review.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation and amortisation expense

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

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

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

	2023	2022
Buildings	20 - 50 years	20 - 50 years
Infrastructure assets		
Bridges	70 years	70 years
Sealed pavement	40 years	40 years
Unsealed pavement	8 years	8 years
Road formation	Infinite - not depreciated	Infinite - not depreciated
Street lights and traffic control systems	15 - 20 years	15 - 20 years
Transport assets	5 - 50 years	5 - 50 years
Plant and equipment	2 - 15 years	2 - 15 years
Computer hardware	3 - 6 years	3 - 6 years
Leased land	n/a	n/a
Right-of-use assets	1 - 40 years	1 - 40 years
Heritage and Cultural Assets	100 years	100 years
Intangibles	2 - 10 years	2 - 10 years

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

The estimated useful lives disclosed above includes the useful lives of right-of-use assets under AASB 16. For further detail, refer to Note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

20. AGENCY AS A LESSEE

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

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

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

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

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

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 19.

2023	Land \$'000	Buildings \$'000	Transport Equipment \$'000	Total \$'000
Balance as at 1 July	459	423	5 185	6 067
Additions	182	-	26 197	26 379
Amortisation expense	(34)	(131)	(5 485)	(5 650)
Revaluation increments/decrements including remeasurement	69	24	5	98
CARRYING AMOUNT AS AT 30 JUNE	676	316	25 902	26 894

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

20. AGENCY AS A LESSEE (continued)

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

	2023 \$'000	2022 \$'000
Amortisation expense of right-of-use assets	(5 651)	(6 715)
Interest expense on lease liabilities	(1 075)	(85)
Expense relating to short-term leases	(523)	(2 654)
Expense relating to leases of low-value assets	-	(1)
Inter-governmental leases	(2 129)	(2 065)
Income from subleasing right-of-use assets	16	16
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	(9 362)	(11 504)

Recognition and measurement

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

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

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

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

	2023	2022
Land	30 to 40 years	30 to 40 years
Buildings	1 to 4 years	1 to 4 years
Transport equipment	1 to 5 years	1 to 5 years

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

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

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

Inter-governmental leases

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

21. INTANGIBLES

a) Total Intangibles

	2023	2022
	\$'000	\$'000
Intangibles with a finite useful life		
Computer software		
Gross carrying amount	4 767	4 887
Less: accumulated amortisation	(3 995)	(3 898)
Carrying amount at 30 June	772	989
TOTAL INTANGIBLES	772	989

The department's intangibles comprise of computer software assets.

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

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

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

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

	2023	2022
Computer software	2 to 10 years	2 to 10 years

Intangible assets with finite useful life are assessed for indicators of impairment on an annual basis. If any indicator of impairment exists, the agency determines the asset's recoverable amount. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Department intangible assets were assessed for impairment as at 30 June 2023. No impairment adjustments were required as a result of this review.

b) Reconciliation of carrying amount of intangibles

2023	Computer software	Total
	\$'000	\$'000
Intangibles with a finite useful life		
Carrying amount at 1 July	989	989
Additions	79	79
Additions/disposals from asset transfers	115	115
Amortisation	(411)	(411)
Carrying amount as at 30 June	772	772

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

b) Reconciliation of carrying amount of intangibles (continued)

2022	Computer software	Total
	\$'000	\$'000
Intangibles with a finite useful life		
Carrying amount at 1 July	1 172	1 172
Additions	248	248
Amortisation	(431)	(431)
Carrying amount as at 30 June	989	989

22. HERITAGE AND CULTURAL ASSETS

	2023	Restated 2022
	\$'000	\$'000
Carrying amount		
Gross carrying amount	72	77
Less: Accumulated amortisation	(5)	(5)
Carrying amount at 30 June	67	72
Reconciliation of carrying amount		
Carrying amount at 1 July	72	1 489
Prior year error - assets not de-recognised ¹	-	(1 412)
Adjusted Carrying amount at 1 July	72	77
Depreciation	(5)	(5)
CARRYING AMOUNT AS AT 30 JUNE	67	72

¹During 2022-23 DIPL identified two cultural and heritage assets that were not owned by the department which had not been de-recognised. This error resulted in an overstatement in net assets and net worth in both the general government and total public sectors of \$1.373 million. As this restatement also impacts prior financial years, the 2021-22 opening balances have also been restated to decrease heritage and cultural asset balances by \$1.412 million with an associated decrease to asset revaluation reserves of \$0.838 million.

The department's heritage and cultural assets comprise of the old Darwin Town Hall stonework and the old Returned Services League (RSL) memorial garden at Marrara.

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

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

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

	2023	2022
Heritage and cultural	100 years	100 years

Heritage and cultural assets are assessed for any indicators of impairment on an annual basis. If any indicator of impairment exists, the agency determines the asset's recoverable amount. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Department heritage and cultural assets were assessed for impairment as at 30 June 2023. No impairment adjustments were required as a result of this review.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

23. ASSETS HELD FOR SALE

	2023 \$'000	2022 \$'000
Current		
Land	22 284	12 159
Buildings	500	-
TOTAL ASSETS HELD FOR SALE	22 784	12 159

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

24. DEPOSITS HELD

	2023 \$'000	2022 \$'000
Recoverable works	36 144	27 798
Accountable officer's trust account ^(a)	81	504
Land sales deposits	202	30
Other deposits held	2 990	2 383
TOTAL DEPOSITS HELD	39 417	30 715

Deposits held mainly comprise recoverable works, the Accountable officer's trust account, land sale deposits and other being motor vehicle registry monies.

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

Accountable officer's trust account holds trust monies established under legislation held by the department on behalf of others for a specific purpose and not for use in the operations of government. These include Motor Vehicle Registry return to sender cheques and bicycle fob deposits taken from customers for temporary bicycle storage arrangements at bus interchanges.

a) Accountable officer's trust account

Accountable officer's trust account balances comprise:

	2023 \$'000	2022 \$'000
Retention / Security deposits	81	72
Bank guarantees	-	432
TOTAL ACCOUNTABLE OFFICER'S TRUST ACCOUNT	81	504

25. PAYABLES

	2023 \$'000	2022 \$'000
Accounts payable	11 995	9 337
Accrued salaries and wages	2 554	2 135
Other accrued expenses	14 121	10 683
Accrued expenses - works in progress	20 823	24 416
TOTAL PAYABLES	49 493	46 571

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

26. BORROWINGS AND ADVANCES

	2023 \$'000	2022 \$'000
Current		
Lease liabilities	5 180	1 954
Non-Current		
Lease liabilities	22 284	4 242
TOTAL BORROWINGS AND ADVANCES	27 464	6 196

Lease liabilities

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

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

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

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 agency'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.

The following table presents liabilities under leases.

	2023 \$'000	2022 \$'000
Balance at 1 July	6 196	6 928
Additions/Remeasurements	26 477	5 949
Interest expenses	1 075	85
Payments	(6 284)	(6 766)
Balance at 30 June	27 464	6 196

The department had total cash outflows for leases of \$6.283 million in 2023 (\$6.766 million in 2022).

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

	2023 Internal \$'000	2023 External \$'000	2022 Internal \$'000	2022 External \$'000
Not later than one year	1 109	2	1 210	-
Later than one year and not later than five years	2 010	-	1 662	-
Later than five years	2	-	3	-
TOTAL	3 121	2	2 875	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

27. PROVISIONS

	2023 \$'000	2022 \$'000
Current		
<i>Employee Benefits</i>		
Recreation leave	13 606	14 098
Leave loading	1 663	1 640
Other employee benefits	37	62
<i>Other Current Provisions</i>		
Fringe benefits tax	132	118
Payroll tax	982	986
Superannuation	1 734	1 612
TOTAL PROVISIONS	18 154	18 516

The department employed 914 full time equivalent (FTE) employees as at 30 June 2023 (898 FTE employees as at 30 June 2022).

Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of recreation leave and other employee benefit liabilities that fall due within 12 months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value of estimated future cash flows, calculated using the appropriate government bond rate and taking into consideration expected future salary and wage levels, experience of employee departures and periods of service.

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 the long service leave liabilities of government agencies, including the Department of Infrastructure, Planning and Logistics and as such no long service leave liability is recognised in the department's financial statements.

Superannuation

Employees' superannuation entitlements are provided through the:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

28. OTHER LIABILITIES

	2023 \$'000	2022 \$'000
Current		
Unearned contract revenue	-	20
Unearned capital grants	106 006	117 233
Other liabilities	240	254
	106 246	117 507
Non Current		
Unearned capital grants	49 035	54 557
TOTAL OTHER LIABILITIES	155 281	172 064

Unearned contract liability relates to consideration received in advance from customers in respect of services to be rendered. Unearned contract revenue liability balances as at 30 June 2023 is nil (balance at 1 July 2022 was \$0.02 million).

Of the amount included in the unearned contract revenue liability balance as at 1 July 2022, \$0.02 million has been recognised as revenue in 2022-23 financial year.

Revenue recognised in 2022-23 from performance obligations satisfied is \$0.02 million. This is mainly due to a reassessment of the estimate of progress towards satisfaction for works completed.

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

	2023 \$'000	2022 \$'000
Not later than one year	-	20
Later than one year and not later than five years	-	-
Later than five years	-	-
TOTAL	-	20

Unearned capital grants liabilities

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

The table below is a reconciliation of unearned capital grants liability.

	2023 \$'000	2022 \$'000
Carrying amount at 1 July	171 790	218 612
Add: receipt of cash during the financial year	265 935	223 689
Less: income recognised during the financial year	282 684	270 511
CARRYING AMOUNT AT 30 JUNE	155 041	171 790

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

28. OTHER LIABILITIES (continued)

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

For constructed assets, performance obligations are typically satisfied over time as the asset is constructed and revenue is recognised accordingly. An input method is used to measure the progress towards the satisfaction of performance obligations and hence the amount of revenue recognised. The progress towards satisfaction of the performance obligations is measured using the percentage of completion method, which is the cost incurred to date as a proportion of the total project costs.

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

	2023 \$'000	2022 \$'000
Not later than one year	106 006	117 233
Later than one year and not later than five years	49 035	54 557
Later than five years	-	-
TOTAL	155 041	171 790

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

29. COMMITMENTS

Commitments represent future obligations or cash outflows that can be reliably measured and arise out of a contractual arrangement and typically binds the department to performance conditions. Commitments are not recognised as liabilities on the balance sheet.

Commitments may extend over multiple reporting periods and may result in payment of compensation or return of funds if obligations are breached.

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

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

	2023 External \$'000	2022 External \$'000
(a) Capital Expenditure Commitments¹		
Capital expenditure commitments are primarily related to the construction of buildings, infrastructure and road networks. These contracts are expected to be payable as follows:		
Not later than one year	420 341	261 798
Later than one year and not later than five years	64 119	19 245
Later than five years	-	-
Total capital expenditure commitments (GST exclusive)	484 460	281 043
Plus: GST recoverable	36 316	21 740
Total capital expenditure commitments (GST inclusive)	520 776	302 783
¹ Excludes amounts recognised as unearned revenue in the agency's financial records.		
(b) Other Non-Cancellable Contract Commitments¹		
Other non-cancellable contract commitments predominantly comprise of repairs and maintenance contracts. These contracts are expected to be payable as follows:		
Not later than one year	32 144	33 200
Later than one year and not later than five years	8 038	8 384
Later than five years	-	-
Total other non-cancellable contract commitments (GST exclusive)	40 182	41 584
Plus: GST recoverable	2 949	3 370
Total other non-cancellable contract commitments (GST inclusive)	43 131	44 954

¹ Excludes capital and lease commitments, but includes maintenance contracts. Also excludes amounts recognised as unearned revenue in the agency's financial records.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

30. RESERVES

Asset Revaluation Surplus

(i) Nature and purpose of the asset revaluation surplus

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

	Land		Buildings		Infrastructure		Cultural		Other		Total	
	2023 \$'000	Restated 2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	Restated 2022 \$'000	2023 \$'000	Restated 2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	Restated 2022 \$'000
(ii) Movements in the asset revaluation surplus												
Balance as at 1 July	736 984	714 644	28 664	28 664	5 118 382	5 117 685	26	26	16 249	16 249	5 900 305	5 877 268
Increment/(decrement)	15 593	31 114	(23 571)	-	959 382	697	-	-	-	-	951 405	31 810
Transfers to accumulated funds	(5 464)	(8 773)	-	-	-	-	-	-	-	-	(5 464)	(8 773)
Balance as at 30 June	747 113	736 984	5 093	28 664	6 077 764	5 118 382	26	26	16 249	16 249	6 846 246	5 900 305

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

31. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

Level 3 – inputs are unobservable.

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

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

a) Fair value hierarchy

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

31. FAIR VALUE MEASUREMENT (continued)

	Level 1		Level 2		Level 3		Total Fair Value	
	2023	2022	2023	2022	2023	2022	2023	Restated 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asset Classes								
Land (Note 19)	-	-	873 350	871 955	-	-	873 350	871 955
Buildings (Note 19)	-	-	-	-	69 247	83 608	69 247	83 608
Infrastructure (Note 19)	-	-	-	-	8 987 516	7 763 915	8 987 516	7 763 915
Plant and equipment ¹ (Note 19)	-	-	-	-	28 299	8 096	28 299	8 096
Intangibles (Note 21)	-	-	-	-	772	989	772	989
Heritage and cultural asset (Note 22)	-	-	-	-	67	72	67	72
Assets held for sale (Note 23)	-	-	22 784	12 159	-	-	22 784	12 159
TOTAL ASSETS	-	-	896 134	884 115	9 085 901	7 856 680	9 982 035	8 740 794

¹ Includes computer hardware and transport equipment.

There were no transfers between Level 1 and Levels 2 or 3 during 2022-23.

b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2022-23 are:

	Level 2 Technique	Level 3 Technique
Asset Classes		
Land	Market	
Buildings		Cost
Infrastructure		Cost
Plant and Equipment		Cost
Intangibles		Cost
Heritage and Cultural Assets		Cost
Asset Held for Sale	Market	

There were no changes in valuation techniques from 2021-22 to 2022-23.

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

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

Road and bridge infrastructure assets were revalued at 30 June 2023 based on current replacement cost.

Construction Estimating Pty Ltd trading as QS Services, quantity surveyors and cost consultants provided rates representative of NT current industry standard market rates for their valuation carried out for the department in 2023.

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

Intangible assets consists of computer software stated at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

31. FAIR VALUE MEASUREMENT (continued)

c) Additional information for level 3 fair value measurements

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

2023	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Intangible Assets \$'000	Heritage and Cultural \$'000	Total \$'000
Fair value as at 1 July	83 608	7 763 915	8 096	989	72	7 856 680
Additions	14 961	-	26 399	79	-	41 439
Depreciation/Amortisation	(5 250)	(71 461)	(6 316)	(411)	(5)	(83 443)
Additions/disposal from asset transfer	249	335 680	118	115	-	336 162
Remeasurement of leases	24	-	5	-	-	29
Gains/losses recognised in net surplus/deficit	(774)	-	(3)	-	-	(776)
Gains/losses recognised in other comprehensive income	(23 571)	959 382	-	-	-	935 811
FAIR VALUE AS AT 30 JUNE	69 247	8 987 516	28 299	772	67	9 085 901

2022	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Intangible Assets \$'000	Heritage and Cultural \$'000	Restated Total \$'000
Fair value as at 1 July	89 176	7 527 323	9 747	1 172	1 489	7 628 907
Prior year error - assets not de-recognised	-	(3 893)	-	-	(1 412)	(5 305)
Adjusted balance as at 1 July	89 176	7 523 430	9 747	1 172	77	7 623 602
Additions	2 469	-	3 666	248	-	6 383
Depreciation/Amortisation	(4 785)	(64 328)	(7 577)	(431)	(5)	(77 126)
Additions/disposal from asset transfer	(1 291)	304 581	309	-	-	303 599
Remeasurement of leases	-	-	1 959	-	-	1 959
Gains/losses recognised in net surplus/deficit	-	(1 518)	(8)	-	-	(1 526)
Gains/losses recognised in other comprehensive income	(1 962)	1 750	-	-	-	(212)
FAIR VALUE AS AT 30 JUNE	83 608	7 763 915	8 096	989	72	7 856 680

(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.

32. FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

32. FINANCIAL INSTRUMENTS (continued)

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

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

a) Categories of financial instruments

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

2023	Fair value through profit or loss			Fair value through other comprehensive income \$'000	Total \$'000
	Mandatorily at fair value \$'000	Designated at fair value \$'000	Amortised cost \$'000		
Cash and deposits	-	-	101 718	-	101 718
Receivables ¹	-	-	3 650	-	3 650
Advances paid	-	-	935	-	802
Other - finance lease assets	-	-	26 098	-	26 098
TOTAL FINANCIAL ASSETS	-	-	132 268	-	132 268
Deposit Held ¹	-	-	3 192	-	3 192
Payables ¹	-	-	11 995	-	11 995
Lease liabilities	-	-	27 464	-	27 464
TOTAL FINANCIAL LIABILITIES	-	-	42 651	-	42 651

¹ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

2022	Fair value through profit or loss			Fair value through other comprehensive income \$'000	Total \$'000
	Mandatorily at fair value \$'000	Designated at fair value \$'000	Amortised cost \$'000		
Cash and deposits	-	-	242 990	-	242 990
Receivables ¹	-	-	672	-	672
Advances paid	-	-	937	-	853
Other - finance lease assets	-	-	24 390	-	24 390
TOTAL FINANCIAL ASSETS	-	-	268 905	-	268 905
Deposit Held ¹	-	-	2 413	-	2 413
Payables ¹	-	-	9 337	-	9 337
Lease liabilities	-	-	6 196	-	6 196
TOTAL FINANCIAL LIABILITIES	-	-	17 946	-	17 946

¹ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

32. FINANCIAL INSTRUMENTS (continued)

a) Categories of financial instruments (continued)

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

Financial assets are classified under the following categories:

- amortised cost
- Fair Value Through Other Comprehensive Income (FVOCI)
- Fair Value Through Profit or Loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- Fair Value Through Profit or Loss (FVTPL).

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

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

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

Financial assets at amortised cost

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

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

Financial assets at fair value through other comprehensive income

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

32. FINANCIAL INSTRUMENTS (continued)

a) Categories of financial instruments (continued)

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

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

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

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

Derivatives

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

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

Netting of swap transactions

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

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 16 and advances paid in Note 17.

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 arise that deplete cash to levels that compromise the department's ability to meet its financial obligations.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

32. FINANCIAL INSTRUMENTS (continued)

c) Liquidity Risk (continued)

Maturity analysis for financial liabilities

2023	Carrying amount \$'000	Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Total \$'000
Liabilities					
Deposit Held ¹	3 192	3 192	-	-	3 192
Payables ¹	11 995	11 995	-	-	11 995
Leased liabilities	27 464	6 107	16 783	8 594	31 484
TOTAL FINANCIAL LIABILITIES	42 651	21 294	16 783	8 594	46 671

¹ Amounts disclosed exclude statutory amounts and accruals (such as AOTA, accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not be recognised in the balance sheet.

2022	Carrying amount \$'000	Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Total \$'000
Liabilities					
Deposit Held ¹	2 413	2 413	-	-	2 413
Payables ¹	9 337	9 337	-	-	9 337
Leased liabilities	6 196	2 019	3 916	774	6 709
TOTAL FINANCIAL LIABILITIES	17 946	13 769	3 916	774	18 459

¹ Amounts disclosed exclude statutory amounts and accruals (such as AOTA, accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not be recognised in the balance sheet.

d) Market Risk

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

(i) Interest Rate Risk

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

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

Interest rate risk for financial assets and liabilities

2023	Interest bearing		Non-interest bearing \$'000	Total \$'000	Weighted average %
	Variable \$'000	Fixed \$'000			
Assets					
Cash and deposits	-	-	101 718	101 718	
Receivables ¹	-	-	3 650	3 650	
Advances	935	-	-	935	3.16%
Other assets - finance lease	-	26 098	-	26 098	7.00%
TOTAL FINANCIAL ASSETS	935	26 098	105 368	132 401	
Liabilities					
Deposits held ¹	-	-	3 192	3 192	
Payables ¹	-	-	11 995	11 995	
Lease liabilities - land	-	733	-	733	4.47%
Lease liabilities - transport equipment	-	26 413	-	26 413	3.64%
Lease liabilities - buildings	-	318	-	318	0.77%
TOTAL FINANCIAL LIABILITIES	-	27 464	15 187	42 651	

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

32. FINANCIAL INSTRUMENTS (continued)

d) Market Risk (continued)

2022	Interest bearing		Non-interest bearing \$'000	Total \$'000	Weighted average %
	Variable \$'000	Fixed \$'000			
Assets					
Cash and deposits	-	-	242 990	242 990	
Receivables ¹	-	-	672	672	
Advances	937	-	-	937	3.18%
Other assets - finance lease	-	24 390	-	24 390	7.00%
TOTAL FINANCIAL ASSETS	937	24 390	243 662	268 989	
Liabilities					
Deposits held ¹	-	-	2 413	2 413	
Payables ¹	-	-	9 337	9 337	
Lease liabilities - land	-	507	-	507	4.56%
Lease liabilities - transport equipment	-	5 265	-	5 265	1.25%
Lease liabilities - buildings	-	424	-	424	0.77%
TOTAL FINANCIAL LIABILITIES	-	6 196	11 750	17 946	

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

Sensitivity analysis

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

	Profit or loss and equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
30 June 2023		
Financial assets - receivable loans	8	(8)
NET SENSITIVITY	8	(8)
30 June 2022		
Financial assets - receivable loans	9	(9)
NET SENSITIVITY	9	(9)

(ii) Price Risk

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

(iii) Currency Risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

33. RELATED PARTIES

i) Related Parties

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

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

ii) Key Management Personnel (KMP)

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

iii) Remuneration of Key Management Personnel

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

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

	2023	Restated 2022
	\$'000	\$'000
Short-term employee benefits	1 908	1 840
Post-employment benefits	195	177
TOTAL REMUNERATION OF KEY MANAGEMENT PERSONNEL	2 103	2 017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

33. RELATED PARTIES (continued)

iv) Related party transactions

Transactions with Northern Territory Government controlled entities

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

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

2023

Related Party	Revenue from related parties \$'000	Payments to related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
All NTG Government departments	29 187	79 185	1 812	4 604
Associates	-	-	-	-
Subsidiaries	-	-	-	-
TOTAL	29 187	79 185	1 812	4 604

2022

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

Most of the department's transactions with other government entities are not individually significant.

Transactions which were significant with other government entities are listed as follows:

- \$21.853 million in notional revenue and expenditure related services received free of charge from the Department of Corporate and Digital Development
- \$0.501 million in grant revenue recovered through the Department of Health for COVID-19 health related expenditure that is on passed from the Australian Government (2021-22 \$12.087 million)
- \$1.379 million grant payment to support the operations of the Darwin Wharf Precinct through the Darwin Waterfront Corporation
- \$27.193 million non cash capital grant for land servicing infrastructure owned by Power and Water Corporation for its not-for-profit subsidiary Indigenous Essential Services.

Other related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent liabilities

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

The department had no reportable contingent liabilities as at 30 June 2023 or 30 June 2022.

b) Contingent assets

The department had no contingent assets as at 30 June 2023 or 30 June 2022.

35. EVENTS SUBSEQUENT TO BALANCE DATE

The department entered into an agreement with the Commonwealth of Australia Department of Defence on 29 June 2023 for the lease of Howard Springs Accommodation Village. The lease commences on 01 July 2023 with an initial term of five years with two five year options.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

36. SCHEDULE OF ADMINISTERED TERRITORY ITEMS

In addition to operating revenues controlled and utilised by an agency to fund its activities that are included in the financial statements, the agency 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. An agency 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 agency'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(d)).

	2023 \$'000	2022 \$'000
TERRITORY INCOME AND EXPENSES		
Income		
Taxation Revenue	64 602	63 341
Grants and subsidies revenue		
Capital	16 814	21 290
Fees from regulatory services	5 529	5 427
Royalties and rents	2 784	2 699
Other income	3 758	3 708
TOTAL INCOME	93 487	96 465
Expenses		
Central Holding Authority income transferred	93 367	95 956
Write-off, losses and waivers	4	811
Doubtful debts	116	(302)
TOTAL EXPENSES	93 487	96 465
TERRITORY INCOME LESS EXPENSES	-	-
TERRITORY ASSETS AND LIABILITIES		
Assets		
Accounts Receivables	10	(57)
Central Holding Authority Receivables	17 588	14 524
TOTAL ASSETS	17 598	14 467
Liabilities		
Central Holding Authority income payable	1 360	2 058
Unearned Central Holding Authority income	16 238	12 409
TOTAL LIABILITIES	17 598	14 467
NET ASSETS	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. BUDGETARY INFORMATION

The following tables present the variation between the 2022-23 original budgeted financial statements, as reported in 2022-23 Budget Paper No. 3 Agency Budget Statements, and the 2022-23 actual amounts reported in the financial statements, together with explanations for significant variations.

Refer to Note 5a for detailed information on changes to budgeted appropriations from the 2022-23 original budget to 2022-23 final budget.

Comprehensive Operating Statement	2023 Actual \$'000	2023 Original Budget \$'000	Variance \$'000	Note
INCOME				
Grants and subsidies revenue				
Current	1 286	-	1 286	1
Capital	31	581	(550)	2
Appropriation				
Output	427 027	376 409	50 618	3
Commonwealth	55 120	55 530	(410)	
Sales of goods and services	22 291	23 228	(937)	4
Interest revenue	30	-	30	
Goods and services received free of charge	21 853	18 595	3 258	5
Gain on disposal of assets	647	-	647	6
Other income	20 752	2 221	18 531	7
TOTAL INCOME	549 037	476 564	72 473	
EXPENSES				
Employee expenses	119 183	124 336	(5 153)	8
Administrative expenses				
Purchases of goods and services	108 378	91 361	17 017	9
Repairs and maintenance	286 349	224 390	61 959	10
Depreciation and amortisation	83 477	81 728	1 749	11
Other administrative expenses	22 776	-	22 776	12
Goods and services received free of charge	21 853	18 595	3 258	13
Grants and subsidies expenses				
Current	8 507	7 952	555	14
Capital	45 231	4 054	41 177	15
Community service obligations	492	492	-	
Interest expenses	1 075	885	190	
TOTAL EXPENSES	697 321	553 793	143 528	
NET DEFICIT	(148 284)	(77 229)	(71 055)	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/ deficit				
Changes in asset revaluation surplus	5 464	-	5 464	16
Transfers from reserves	945 941	-	945 941	17
TOTAL OTHER COMPREHENSIVE INCOME	951 405	-	951 405	
COMPREHENSIVE RESULT	803 121	(77 229)	880 350	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. BUDGETARY INFORMATION (continued)

Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500 000 or where multiple significant variances have occurred. The original budget used for comparison is in line with accounting standards and is as per the budget published in May 2022. The original budget does not include any government decisions, additional appropriation and Machinery of Government changes made since. Comparison against the revised budget can be found in the Financial Statement Overview of the Annual Report. The department came in on budget against its revised budget in 2022-23.

- Current grants revenue variation primarily relates to additional funding received for the Centre for National Resilience which is claimed through the Department of Health.
- Capital grants revenue variation relates to operational expenditure including capital works expenditure recognised in accordance with AASB 1058 and was in-line with revised budget.
- Output appropriation variance primarily relates to the transfer of capital appropriation to fund disaster maintenance expenditure which includes repairs and maintenance, operational expenditure and expenditure relating to a legal settlement.
- Goods and services revenue was lower than budget across multiple areas of the department, noting bus ticket sales were lower due to a moratorium on bus ticket sales due to the replacement of ticket machines.
- Goods and services received free of charge are resources received from the Department of Corporate and Digital Development without charge. This does not impact the operating result as notional revenue is fully offset by notional expenditure.
- Gain on disposal of assets relates to gains on the sale of land which are not budgeted for.
- Other Income is over budget mainly due to the return of disability housing GST determined in a recent GST ruling.
- Employee expenditure variance to original budget primarily relates to a transfer between financial years for Land Transport Infrastructure Projects to deliver the National Network and Territory Roads Program.
- Purchases of goods and services is over budget mainly due to unforeseen expenditure relating to disaster maintenance for the evacuation of people who were affected by the Northern Region Flood event in February 2023.
- Repairs and maintenance was over budget mainly due to an acceleration of works for the Remote Housing Repairs and Maintenance program.
- Depreciation variance relates to a number of assets and capital projects that were completed and capitalised in 2022-23.
- Other administrative expenditure is over budget mainly due to non-cash expenses for remote housing land servicing works which cannot be recorded as assets. Refer to point 5 above.
- Current grants are over budget mainly due to payments made for the centre run air service, which provides an air service through Katherine, Tennant Creek and Alice Springs.
- Capital grants are over budget mainly due to higher than anticipated Housing non-cash capital grants provided to Power and Water Corporation as well as local government councils, transferring ownership of assets for no consideration.
- Asset revaluation surplus variance is due to the realisation of associated land transaction reserve amounts.
- Transfers from reserve variance is due to the net impact of asset revaluations for land, buildings and roads and bridges infrastructure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. BUDGETARY INFORMATION (continued)

Balance Sheet	2023		Variance \$'000	Note
	Actual \$'000	Original Budget \$'000		
ASSETS				
Current Assets				
Cash and deposits	101 718	144 092	(42 374)	1
Receivables	191 973	23 354	168 619	2
Advances	133	-	133	
Assets held for sale	22 784	-	22 784	3
Total Current Assets	316 608	167 446	149 162	
Non-Current Assets				
Receivables	10 116	11 971	(1 855)	4
Advances and investments	802	1 036	(234)	
Property, plant and equipment	10 582 768	10 326 180	256 588	5
Other assets	26 098	27 270	(1 172)	
Total Non-Current Assets	10 619 784	10 366 457	253 327	
TOTAL ASSETS	10 936 392	10 533 903	402 489	
LIABILITIES				
Current Liabilities				
Deposits held	39 417	45 402	(5 985)	6
Payables	49 493	28 554	20 939	7
Borrowings and advances	5 180	51 584	(46 404)	8
Provisions	18 154	16 234	1 920	9
Other liabilities	106 246	57 711	48 535	10
Total Current Liabilities	218 490	199 485	19 005	
Non-Current Liabilities				
Borrowings and advances	22 284	-	22 284	11
Other liabilities	49 035	-	49 035	12
Total Non-Current Liabilities	71 319	-	71 319	
TOTAL LIABILITIES	289 809	199 485	90 324	
NET ASSETS	10 646 583	10 334 418	312 165	
EQUITY				
Capital	5 453 262	5 980 181	(526 919)	13
Reserves	6 846 246	5 842 089	1 004 157	14
Accumulated funds	(1 652 925)	(1 487 852)	(165 073)	15
TOTAL EQUITY	10 646 583	10 334 418	312 165	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. BUDGETARY INFORMATION (continued)

Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500 000 or where multiple significant variances have occurred. The original budget used for comparison is in line with accounting standards and is as per the budget published in May 2022. The original budget does not include any government decisions, additional appropriation and Machinery of Government changes made since. Comparison against the revised budget can be found in the Financial Statement Overview of the Annual Report. The department came in on budget against its revised budget in 2022-23.

- Cash at bank variance mainly relates to the acceleration of the Remote Housing Repairs and Maintenance Program, disaster maintenance and milestone income payments of Commonwealth funded expenditure.
- Receivables is over budget due to timing of payments for the NT Remote Housing Program from the Commonwealth which is causing higher accrued revenue for capital works achieved.
- Assets held for sale variance relates to land identified as being available for sale which was not budgeted for.
- Lower than anticipated capital prepaid expenses compared to original budget.
- Property, plant and equipment variance primarily relates to the impact of asset revaluations, including roads, bridges, culverts and streetlights.
- Deposits held variance mainly relates to funds held in a recoverable works trust account, for non-government capital works projects yet to be completed.
- Payables variance primarily relates to creditors and accruals resulting from capital, and repairs and maintenance accruals in-line with the significant increase to the Capital Works Program. There are also increased accruals due to an additional month of adjustments relating to bus and ferry services compared to usual year end accruals.
- Primarily the implementation of the new bus contract and initial recognition of the transport equipment lease with the original budget estimate all allocated to current and not split across non current, noting the original estimate was higher than the actual result.
- Provisions variance primarily relates to the Machinery of Government transfer in of the Housing Program Office resulting in an increase in employees. The original budget is still reflective of 2021-22 opening balances which had not yet included this change.
- Other current liabilities variance primarily relates to advanced milestone payments from the Commonwealth related to the Alice Springs Hospital, the Royal Darwin Hospital, NT remote policing and Government Employment Housing agreements for which expenditure is yet to occur.
- Borrowings variance primarily relates to a new bus services contract entered into and recognition of the lease under accounting standards whilst the original budget estimate was in current borrowings and advances.
- Other non-current liabilities variance primarily relates to advance milestone payments from the Commonwealth related to the Land Transport Infrastructure National Partnership agreement for which expenditure is yet to occur.
- Capital is impacted by equity injections/withdrawals which has a variance mainly due to lower than expected revenue received for Commonwealth capital appropriation in line with milestone payments and higher completed works transfers to other government agencies.
- Reserves variance mainly relates to the impact of asset revaluations for land, buildings and road and bridges infrastructure.
- Accumulated funds is impacted by the current year deficit which has a variance mainly due to the impact of building and land revaluations for Howard Springs Accommodation infrastructure. Transfers to/from reserves also impacts accumulated funds with a variance mainly related to the granting of land to various organisations, including councils, sporting organisations and schools.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. BUDGETARY INFORMATION (continued)

Cash Flow Statement	2023	2023	Variance	Note
	Actual	Original Budget		
	\$'000	\$'000	\$'000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Receipts				
Grants and subsidies received				
Current	1 286	-	1 286	1
Capital	-	-	-	
Appropriation				
Output	427 027	376 409	50 618	2
Commonwealth	64 156	55 530	8 626	3
Receipts from sales of goods and services	149 892	23 741	126 151	4
Interest received	30	-	30	
Total Operating Receipts	642 391	455 680	186 711	
Operating Payments				
Payments to employees	(119 085)	(124 336)	5 251	5
Payments for goods and services	(497 941)	(321 815)	(176 126)	6
Grants and subsidies paid				
Current	(7 346)	(7 952)	606	7
Capital	(15 937)	(4 054)	(11 883)	8
Community Service Obligations	(492)	(492)	-	
Interest paid	(1 075)	(885)	(190)	
Total Operating Payments	(641 876)	(459 534)	(182 342)	
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	515	(3 854)	4 369	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing Receipts				
Proceeds from asset sales	3 591	4 470	(879)	9
Repayments of Advances	52	-	52	
Total Investing Receipts	3 643	4 470	(827)	
Investing Payments				
Purchase of assets	(956 959)	(962 543)	5 584	10
Advances and investing payments	(49)	-	(49)	
Total Investing Payments	(957 008)	(962 543)	5 535	
NET CASH USED IN INVESTING ACTIVITIES	(953 365)	(958 073)	4 708	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing Receipts				
Deposits received	8 703	-	8 703	11
Equity injections				
Capital appropriation	417 581	503 169	(85 588)	12
Commonwealth appropriation	389 589	508 768	(119 179)	13
Other equity injections	2 427	2 427	-	
Total Financing Receipts	818 300	1 014 364	(196 064)	
Financing Payments				
Finance lease payments	(5 209)	(6 201)	992	14
Equity withdrawals	(1 513)	(1 442)	(71)	
Total Financing Payments	(6 722)	(7 643)	921	
NET CASH FROM FINANCING ACTIVITIES	811 578	1 006 721	(195 143)	
Net increase/(decrease) in cash held	(141 272)	44 794	(186 066)	
Cash at beginning of financial year	242 990	99 298	143 692	15
CASH AT END OF FINANCIAL YEAR	101 718	144 092	(42 374)	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. BUDGETARY INFORMATION (continued)

Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500 000 or where multiple significant variances have occurred. The original budget used for comparison is in line with accounting standards and is as per the budget published in May 2022. The original budget does not include any government decisions, additional appropriation and Machinery of Government changes made since. Comparison against the revised budget can be found in the Financial Statement Overview of the Annual Report. The department came in on budget against its revised budget in 2022-23.

- Current grants revenue variation primarily relates to additional funding received for the Centre for National Resilience which is claimed through the Department of Health.
- Output appropriation variance primarily relates to the additional appropriation for repairs and maintenance and a year end transfer of capital appropriation to output appropriation to fund accelerated repairs and maintenance and disaster expenditure.
- Commonwealth appropriation is over budget mainly due to cash received in advance for the Darwin Region Water Supply Infrastructure Program.
- Receipts from sales of goods and services variance is mainly due to GST receipts which are not budgeted. Excluding GST receipts, bus ticket receipts were lower than budgeted by approximately \$0.6 million due to a moratorium on ticket sales whilst machines were being replaced.
- Payments to employees variance to original budget primarily relates to a transfer between financial years for Land Transport Infrastructure Projects to deliver the National Network and Territory Roads Program.
- Payments for goods and services variance is primarily due to GST payments which are not budgeted for. In addition, compared to original budget and excluding GST, the department had additional unforeseen expenditure relating to disaster expenditure related to the Northern Region Flood event in February 2023, as well as accelerated repairs and maintenance for the housing program with additional appropriation provided.
- Current grants variance is mainly due to payments made for the centre run air service, which provides an air service through Katherine, Tennant Creek and Alice Springs.
- Capital grants variance relates to increases which were not budgeted for, including \$3.5 million for the Borroloola Cyclone shelter and \$2.5 million for the Jabiru economic development grant. In addition, \$6 million was returned to the Commonwealth for transitional accommodation grant funding.
- Proceeds from assets variance primarily relates to the timing of settlement for land anticipated to be sold during the financial year.
- Purchases of assets variance is mainly due to an underspend based on timing of delivery in Commonwealth and external capital works expenditure, offset by an increase in expenditure for Northern Territory Capital Works Program.
- Deposits received relates to recoverable works projects managed by the department and the Accountable officers trust account (AOTA), and reflects the use of those funds towards projects and offset by deposits held for land sales.
- Capital appropriation was adjusted through the budget process and at the end of the financial year. Adjustments included \$16.7 million in general timing of delivery and an end of year transfer of \$35.8 million to output appropriation to fund accelerated repairs and maintenance and disaster expenditure. In addition \$13 million was transferred to the Department of Education (DoE) for school facilities, combined with minor transfers to other agencies.
- Commonwealth appropriation variance primarily relates to revised milestones for Commonwealth funded projects, in particular the remote Housing NT National Partnership Agreement.
- Finance lease payments variance primarily relates to adjustments for bus contracts in line with AASB 16.
- Cash at bank budget reflects the opening balance of the 2021-22 financial year with budget movements factored in for the original opening balance for 2022-23. This is a calculated field at each year end in the budget papers. The increase is primarily due to lower commonwealth appropriation (refer point 13 above).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

38. BUDGETARY INFORMATION: ADMINISTERED TERRITORY ITEMS

The following table presents the variation between the 2022-23 original budget for administered items as reported in 2022-23 Budget Paper No. 3 Agency Budget Statements and the 2022-23 actual amounts disclosed in Note 36 of these financial statements together with explanations for significant variations.

ADMINISTERED TERRITORY ITEMS	2023 Actual \$'000	2023 Original budget \$'000	Variance \$'000	Note
TERRITORY INCOME AND EXPENSES				
Income				
Taxation revenue	64 602	65 560	(958)	1
Grants and subsidies revenue				
Capital	16 814	28 470	(11 656)	2
Fees from regulatory services	5 529	7 106	(1 577)	3
Royalties and rents	2 784	3 785	(1 001)	4
Other income	3 758	3 262	496	
TOTAL INCOME	93 487	108 183	(14 696)	
Expenses				
Other administrative expenses	93 487	108 183	(14 696)	5
TOTAL EXPENSES	93 487	108 183	(14 696)	
TERRITORY INCOME LESS EXPENSES	-	-	-	
TERRITORY ASSETS AND LIABILITIES				
Assets				
Other receivables	17 598	8 944	8 654	6
TOTAL ASSETS	17 598	8 944	8 654	
Liabilities				
Unearned Central Holding Authority income	17 598	8 944	8 654	7
TOTAL LIABILITIES	17 598	8 944	8 654	
NET ASSETS	-	-	-	

Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500 000 or where multiple significant variances have occurred.

1. Taxation revenue variance primarily relates to lower than anticipated revenue for light vehicle registrations.
2. Capital variance primarily relates to timing of milestone payments from the Commonwealth for the Roads to Recovery and Katherine Flood Mitigation programs.
3. Fees from regulatory services variance primarily relates to lower than expected revenue received for motor vehicle registry fees.
4. Royalties and rents variance primarily relates to lower than expected revenue received for land rent on Crown leases.
5. Other administrative expenses variance is due to all the revenue explanations above.
6. Other receivables variance is due to the recognition of receivable from the Central Holding Authority to match the liability of unearned revenue.
7. Unearned variance is due to the recognition of unearned revenue in-line with expenditure milestones which are collected through the Central Holding Authority.



Department of
**INFRASTRUCTURE,
PLANNING AND LOGISTICS**

5th Floor, Energy House
18-20 Cavenagh Street
Darwin, Northern Territory

GPO Box 2520
DARWIN, NT 0801

Telephone: 08 8999 5511
Facsimile: 08 8924 7044

nt.gov.au
dipl.nt.gov.au