NORTHERN TERRITORY GOVERNMENT

Department of
TREASURY AND FINANCE

ANNUAL REPORT
2022-23

Department of Treasury and Finance acknowledges the traditional custodians of the lands on which we work and gather. We pay respects to Elders past and present.

Published by the Department of Treasury and Finance

Enquiries can be directed to:

Department of Treasury and Finance
Charles Darwin Centre, 19 The Mall Darwin NT 0800
GPO Box 1974, Darwin NT 0801
Telephone: +61 8 8999 7425
Email: enquiries.dtf@nt.gov.au

The Honourable Eva Lawler MLA
Treasurer
GPO Box 3146
Darwin NT 0801

Dear Treasurer

In accordance with the provisions of the *Public Sector Employment and Management Act 1993* (PSEMA), I am pleased to submit the 2022-23 Annual Report on the activities and achievements of the Department of Treasury and Finance (DTF).

Pursuant to the PSEMA, *Financial Management Act 1995* (FMA) and Treasurer's Directions, I advise that to the best of my knowledge and belief:

a) proper records of all transactions affecting DTF are kept and the employees under my control observe the provisions of the FMA, the Financial Management Regulations and Treasurer's Directions

b) procedures within DTF afford proper internal control, and these procedures are recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the FMA

c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records

d) the internal audit capacity available to DTF is adequate and the results of internal audits have been reported to me

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) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied.

In addition, in relation to items a), e) and f), the acting Chief Executive of the Department of Corporate and Digital Development (DCDD) advises that, to the best of his knowledge and belief, proper records are kept of transactions undertaken by DCDD on behalf of DTF, and the employees of DCDD observe the provisions of the FMA, the Financial Management Regulations, Treasurer's Directions and Part 9 of the *Information Act 2002*. The acting Chief Executive also advises that DCDD maintains a corporate governance model, service management frameworks and internal controls appropriate to the span of operations.

It is a requirement of the PSEMA that you table this report in the Legislative Assembly within six sitting days of receipt.

Yours sincerely

Craig Graham
Under Treasurer

30 September 2023

Contents

Purpose of the report

The Department of Treasury and Finance (DTF) 2022-23 Annual Report has been prepared in accordance with the annual reporting requirements specified in section 28 of the *Public Sector Employment and Management Act 1993* (PSEMA), and sections 11 and 13 of the *Financial Management Act 1995* (FMA). Its primary purpose is to report to the Treasurer on DTF's performance in 2022-23 against approved budget outputs and performance measures. Other stakeholders include government, the community, government agencies and DTF staff.

Pursuant to section 28 of PSEMA, DTF must present a report to the Treasurer on its operations within three months of the end of the financial year, and it must contain:

- functions and objectives of the agency
- legislation administered
- organisation overview, including the number of employees in each designation and any variation in these numbers since the last report
- operations, initiatives and achievements relating to planning, efficiency, effectiveness, performance and service delivery to the community
- measures taken to ensure public sector principles were upheld
- management training and staff development programs
- occupational health and safety programs
- financial statements prepared in accordance with sections 11 and 13 of the FMA.

Related annual reporting

The Northern Territory Treasury Corporation (NTTC) and Utilities Commission of the Northern Territory (Utilities Commission) produce their own annual reports in accordance with their governing legislation. Each associated entity forms part of DTF for administrative purposes and summary information of their functions is provided in 'The agency' section of this report. Staffing data provided in this report includes staff working in NTTC and the Utilities Commission, unless otherwise noted. Financial statements include the Utilities Commission as it is in DTF's output structure but not NTTC, which reports its financial outcomes in its own annual report.

The Commissioner of Superannuation reports annually on the operation and management of the government superannuation and pension schemes, which should be read in conjunction with this report and the DTF website, treasury.nt.gov.au.

1 The agency

DTF's primary role is to promote the fiscal sustainability and economic development of the Territory, and contribute to improved wellbeing of Territorians.

Under Treasurer's review

I am pleased to present the Department of Treasury and Finance's Annual Report for the year ended 30 June 2023.

Economic overview

In 2022-23 the Territory economy showed resilience in the face of global economic challenges. The Territory's state final demand grew by 2% in 2022-23, building on growth of 7.7% in 2021-22. Although private sector investment growth slowed as regulatory decisions paused the Santos Barossa project, public investment increased by 12.8%. This reflects increased investment in roads and housing across the Territory. The labour market remained strong throughout the year – employment grew by 4% in year-on-year terms and the unemployment rate finished the year at 3.3%. Meanwhile, inflation pressures began to moderate in the first half of 2023, with inflation in Darwin sitting at 5.3% in the June quarter 2023 after peaking at 7.1% in the December quarter 2022.

Looking forward the economy is expected to grow modestly, led by continued strength in public investment in the near term. Higher interest rates are continuing to weigh on household consumption and business confidence, with employment growth expected to slow in 2023-24. Exports are expected to rebound in 2023-24, after maintenance work at Ichthys liquefied natural gas (LNG) constrained LNG exports in 2022-23. Exports are then expected to increase further once production from the Barossa field comes online. Inflation is expected to fall further in the near term and more quickly in Darwin than nationally due to lower increases in utility prices and slower growth in rents.

Fiscal overview

A number of significant budget repair milestones in the Territory's key fiscal measures occurred in 2022-23. The 2022-23 Treasurer's Annual Financial Report (TAFR) presents the first surplus in the general government sector net operating balance achieved since 2015-16, and the 2023-24 Budget is projecting the first non financial public sector fiscal balance surplus within the three-year forward estimates period since the 2016-17 Budget. Both actual and projected surpluses were predominantly driven by improvements in the Territory's GST revenue as a result of growth in the national GST pool and an increase in the Territory's GST relativity.

While the Territory's fiscal measures are significantly improved from those published over recent years, the achievement of sustained surpluses is dependent on growth in both the Territory and national economies, as well as continued expenditure restraint.

Agency overview

In 2022-23, DTF provided policy advice on major projects, fiscal management, Commonwealth funding, own-source revenue, the economy, statistical reporting, economic initiatives and superannuation. We assisted the government with resource allocation decisions and financial management strategies.

DTF developed and implemented the 2023-24 Budget, including a more rigorous approach to agency key performance indicator targets, and delivered the 2021-22 TAFR in close collaboration with agencies.

During 2022-23, DTF continued to promote the unique fiscal and service delivery challenges faced in the Territory through submissions to National Cabinet, the Council on Federal Financial Relations, Board of Treasurers and ongoing negotiations with the Commonwealth on funding agreements.

The Territory Revenue Office (TRO) drafted legislation that resulted in the new *Petroleum Royalty Act 2023* for a contemporary onshore petroleum royalty regime to improve investment certainty.

Additionally, legislation was enacted to reform the Supreme Court Judges Pension scheme and long leave arrangements, reducing the Territory's long-term liabilities and modernising these provisions.

Both these sets of legislative changes were undertaken following extensive consultation with stakeholders.

DTF continued to work with other agencies to ensure government meets its superannuation obligations, and managed the defined benefit pension schemes.

As the year drew to a close, DTF finalised its next three-year corporate plan, setting clear direction for the period 2023 to 2026. We are also finalising a Digital Strategic Plan and a Strategic Workforce Plan to support the three-year corporate plan and ensure DTF continues to be well positioned and equipped as a key central agency to meet government's objectives and requirements.

I would like to thank DTF's hard working staff who continue to innovate and contribute to the important work DTF does to support government's priorities.

Craig Graham
Under Treasurer

Our strategy

The agency's 2020–2023 Corporate Plan, which commenced in 2020-21, was updated for 2022-23.

Key actions for 2022-23 were implemented throughout the year, with six-monthly performance monitoring undertaken by the Senior Management Group (SMG) and reported to staff.

2020–2023 strategic goals:

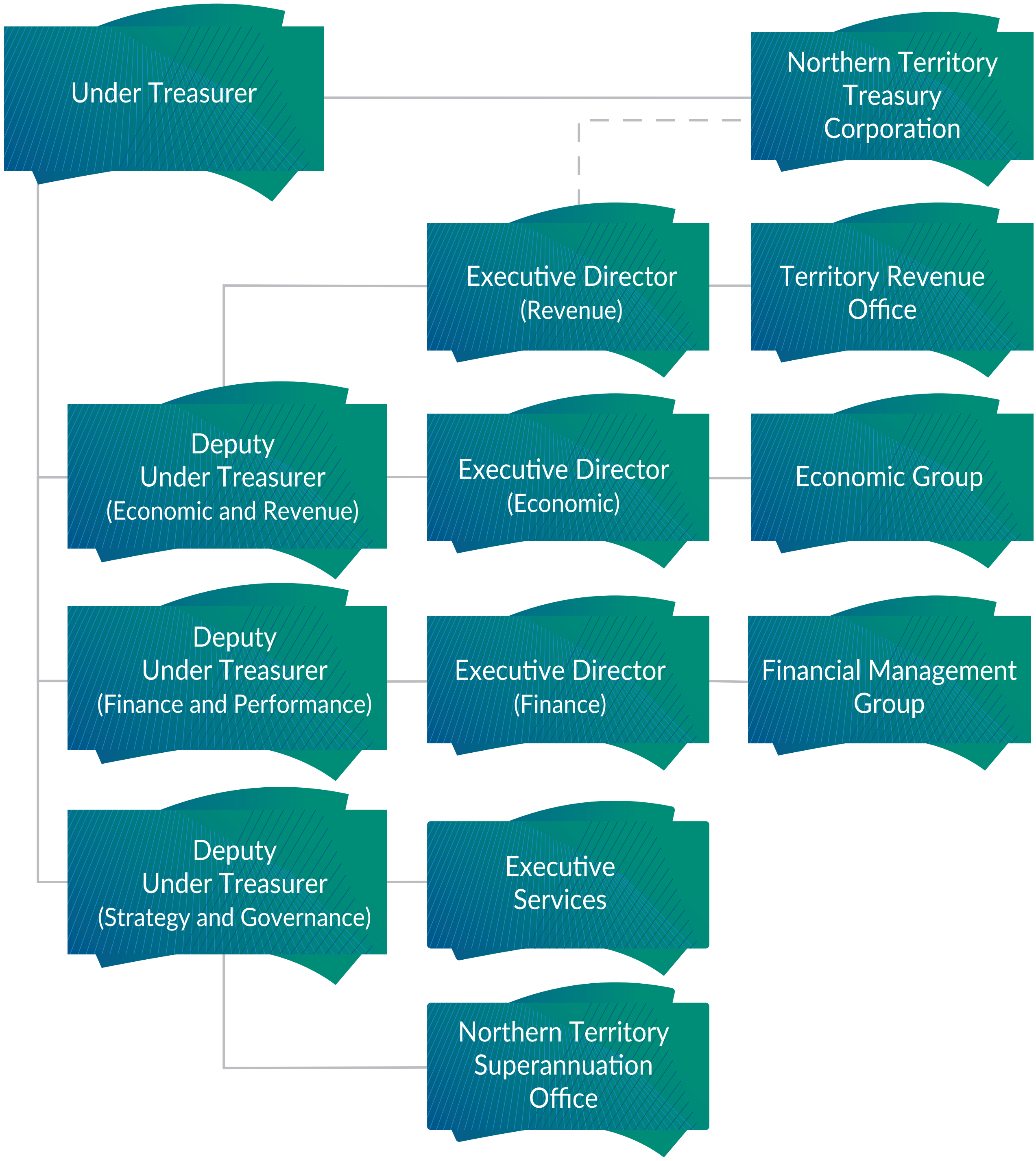
1. Support the Territory's fiscal sustainability and economic development
2. Drive public sector performance and accountability
3. Foster a culture of integrity, excellence and innovation

The 2023–2026 Corporate Plan commenced on 1 July 2023 and the key actions and measures for 2023-24 were based on DTF's strategic focus and building on the 2022-23 achievements outlined later in this report.

The Corporate Plan, key actions and reports on those actions are published on the DTF website, treasury.nt.gov.au.

Organisation

as at 30 June 2023



Functions of the agency

The functions of DTF are provided through five business areas – Financial Management Group, Economic Group, TRO, Northern Territory Superannuation Office and Executive Services.

Financial Management Group

- Manages and coordinates the Territory budget process, administers and meets reporting obligations as prescribed in the FMA and the *Fiscal Integrity and Transparency Act 2001* (FITA), and oversees developing, monitoring and reporting on the Territory's fiscal strategy.
- Maintains the Territory's financial management and accountability framework, including providing advice on compliance with the framework and Australian accounting standards, and providing financial leadership to agencies in the Northern Territory Public Sector (NTPS).
- Analyses and provides advice on whole of government resource issues, including major government projects and initiatives with funding implications, to support achievement of key fiscal targets.
- Works with agencies on intergovernmental funding processes and agreements to secure the best possible outcomes for the Territory.
- Monitors whole of government and agencies' financial performance.
- Develops and monitors the Territory's infrastructure program from a whole of government perspective.
- Manages the Central Holding Authority (CHA).
- Coordinates organisational reviews to improve efficiency and accountability across government.
- Coordinates and monitors whole of government program evaluation activity to enhance the evidence base for policy decisions, and assists agencies to build their capability in this area.
- Coordinates and supports the Budget Review Subcommittee of Cabinet.
- Manages whole of government financial data returns to the Australian Bureau of Statistics (ABS) in accordance with the Government Finance Statistics Framework.

Economic Group

- Provides comprehensive economic, commercial and risk management advice on major projects, initiatives and policies to government and other government agencies.
- Undertakes economic analysis, develops frameworks and provides economic policy advice to government and other government agencies.
- Publishes information on economic and demographic trends that affect the Territory economy to inform governments and investors in their decision-making, and provides leadership to agencies in statistical analysis and its use in public policy design.
- Advises on the performance and governance of the Territory's government owned corporations.
- Undertakes GST revenue modelling and forecasting to inform budget development and decision-making.
- Manages submissions and data returns to the Commonwealth Grants Commission (CGC) to advocate for the Territory's fair share of untied GST revenue.
- Manages Territory input to major national economic inquiries and reviews to represent the Territory's best interests and unique needs and perspectives in national forums.
- Manages the government pricing framework to ensure consistent and cost-reflective user charging arrangements are in place.
- Developed the commercial asset management framework to guide consideration of the appropriate governance structure to ensure government's investment is managed efficiently and is effective in delivering government objectives.

Territory Revenue Office

- Collects Territory revenue in accordance with the Territory's tax and royalty legislation.
- Administers, provides advice on and develops policy initiatives for grant, tax and royalty legislation.
- Provides information and guidance to assist tax and royalty payers with compliance.
- Reduces risk to the Territory's revenue collections by promoting compliance through monitoring, data matching and audit activity.
- Promotes first home ownership through the provision of grants.
- Undertakes revenue modelling and forecasting to inform budget development and decision-making.
- Independently reviews and determines tax and royalty payer objections, and manages any appeal process.

Executive Services

- Provides secretariat and executive support, including central coordination and liaison between the Treasurer's Office, ministers, Cabinet Office, Legislative Assembly and other government agencies, on Cabinet and ministerial business.
- Implements DTF's corporate governance framework.
- Provides corporate communications and publishing services for the agency.
- Works closely with DTF's shared services providers, such as the Department of the Chief Minister and Cabinet (CMC), and Department of Corporate and Digital Development (DCDD), to achieve agency objectives.

Northern Territory Superannuation Office

- Provides superannuation services and expert advice to the Commissioner for Public Employment and various agencies to enable government to meet its superannuation obligations.
- Responsible for NTPS superannuation policy and administration, as well as the legislation for a range of defined benefit superannuation and pension schemes.
- Provides services to members of various superannuation and pension schemes and supports scheme trustees.
- Administers and makes superannuation and pension benefit payments.

Associated entities

Under the Administrative Arrangements Order, DTF is responsible for providing resources and assistance to support two independent entities to carry out their responsibilities: NTTC and Utilities Commission. Both prepare their own annual reports to the Treasurer, which are tabled in parliament in accordance with their establishing legislation.

Northern Territory Treasury Corporation

NTTC borrows, lends and invests funds on behalf of the Territory as its central financing authority. Its functions include:

- investing surplus short-term cash balances of government accounts
- providing loans to government, agencies, government owned corporations and, in certain circumstances, local governing authorities.

It is a government business division.

For further information about NTTC, please visit treasury.nt.gov.au/dtf/nttc.

Utilities Commission

The Utilities Commission is the independent economic regulator for the Territory, regulating the electricity supply, water supply, sewerage services and ports industries. With respect to these regulated industries, the Utilities Commission:

- regulates pricing and access
- performs licensing functions
- develops, monitors and enforces compliance with, and promotes improvement in, standards and conditions of service and supply
- develops and monitors the operation of codes and rules relating to the conduct or operations of a regulated industry or licensed entities
- investigates complaints relating to the conduct or operations of licensed entities
- assists consumers and other stakeholders with information
- advises the minister on any matter referred by the minister.

It is included in DTF's output structure for administrative purposes only.

For more information about the Utilities Commission, please visit utilicom.nt.gov.au.

2 Our performance

This chapter reports our department's achievements in 2022-23 and key initiatives for 2023-24 aligned with our strategic goals, as well as output performance against planned outcomes for 2022-23.

DTF's financial responsibilities include preparing both our own financial statements as well as those of CHA, reflecting the department's whole of government responsibilities.

Achievements in 2022-23

Goal 1: Support the Territory's economic growth, job creation and fiscal management

Achievements:

- Continued to coordinate implementing recommendations from *A plan to fix the budget*, and implemented all recommendations that were DTF's responsibility.
- Delivered the 2021-22 TAFR, Treasurer's quarterly financial reports, 2022-23 Mid-Year Report and the 2023-24 Budget, and coordinated approved program of organisational reviews for 2022-23.
- Monitored agency and chief executive financial performance in accordance with the strengthened budget accountability framework.
- Finalised and released the Northern Territory Government Pricing Framework.
- Conducted a merit-based selection process for board appointments for each of the government owned corporations.
- Shaped policy to inform Territory Government investment decisions and support key fiscal targets, and continued to monitor, report and advise on government's fiscal strategy.
- Provided financial, commercial and economic advice to government and agencies on resource allocation, major infrastructure projects, initiatives, policies and risk management.
- Contributed to Territory water policy reform with respect to economic regulation of water and sewerage services.
- Advanced a project to review and improve the management and investment of statutory funds.
- Made submissions to the CGC GST Revenue Sharing Relativities 2023 Update on behalf of the Territory.
- Supported the Treasurer and senior officials with their intergovernmental responsibilities as part of the Council on Federal Financial Relations, the Board of Treasurers and a range of other interjurisdictional forums.
- Advocated the Territory's interests in its fiscal relations with the Commonwealth, including working closely with agencies on funding agreements with the Commonwealth.
- Continued collaboration with DCDD on development of a new revenue management system that will meet contemporary business needs and reduce red tape for taxpayers.
- Introduced legislation for a new, contemporary petroleum royalty regime to improve investment certainty, commencing 1 July 2023.
- Abolished stamp duty on conveyances of non-land interests (except for chattels conveyed with an interest in land), lowering costs and reducing red tape for businesses.
- Implemented the annual borrowing strategy to satisfy the Territory's borrowing requirement. Invested government surplus cash balances on behalf of CHA, with the aim of optimising returns within approved guidelines and cash flow requirements. (This is reported more fully in the NTTC Annual Report.)
- Continued to administer the extended Commonwealth-funded HomeBuilder grant in accordance with the national partnership agreement, approving a further 30 grant applications.
- Approved, in conjunction with financial institutions, 140 first home owner grants.
- Administered government's defined benefits schemes, including paying $127 million in lump sum superannuation and invalidity benefits to 728 beneficiaries, and assisted in ensuring government meets its superannuation guarantee obligations.
- Amended legislation to reform the Supreme Court Judges Pension scheme and long leave provisions, reducing the Territory's long-term liabilities and modernising the arrangements.

Goal 2: Proactively engage with stakeholders to add value to policy and service delivery outcomes

Achievements:

- Engaged with and provided expert advice and assistance to agencies on major investment projects and government contracts.
- Continued to improve the current suite of economic data and analysis outputs with input from key economic stakeholders.
- Liaised with the ABS to understand changes to statistical publications, and acted as a link between the ABS and other agencies.
- Assisted agencies with understanding outputs from the 2021 Census.
- Made submission to the Senate Inquiry into the Cost of Living, presenting the Territory's unique context.
- Continued engaging with the Commonwealth and agencies to optimise funding arrangements and submissions for the Territory.
- Engaged and assisted government, agencies and stakeholders with developing policies, proposals, regulatory reform options and budget strategies, providing expert economic, commercial and financial advice.
- Through stakeholder consultations, developed a contemporary onshore petroleum royalty regime (including passage of legislation) to improve investment certainty.
- Continued to collaborate with DCDD and agencies in the development and testing of Sage, a single budget management system that will be used by all agencies.
- Led an asset management and valuation remediation project, in collaboration with key agencies, to improve data and practices across government relating to asset management and valuation, remediating deficiencies through better controls, policies and processes in agencies.
- Established a project, in collaboration with DCDD, to oversee the implementation of a new whole of government banking platform, including review of financial management practices, governance arrangements and development of a new reporting tool for agencies to effectively manage their cash requirements in real time.
- Following consultation with agencies, issued a new Treasurer's Direction and guidance documents on organisational performance and accountability and revised a number of associated performance and accountability documents to ensure consistency with principles and requirements of the new Treasurer's Direction.
- Engaged with agencies and key stakeholders in the review of Treasurer's Directions and guidance documents regarding losses, write-offs, waivers and postponements; non financial assets; and cash management to modernise and streamline financial management policy and guidance for agencies.
- Coordinated the rolling schedule of program evaluations and organisational reviews, provided feedback to agencies on evaluation plans and provided advice to government on the evidence base of policy proposals.
- Delivered across government presentations and workshops on program evaluation, new Treasurer's Directions and accounting policy to build agency capability, strengthen compliance and improve financial reporting outcomes.
- Provided advice to DCDD, the Office of the Commissioner for Public Employment (OCPE) and agencies to ensure government meets its superannuation obligations.
- Collaborated with Licensing NT to negotiate appropriate tax settings with new gambling operators.
- Worked with agencies to enhance data-sharing opportunities to improve tax and royalty compliance, as well as analysis and revenue forecasting accuracy.

- Engaged with prospective mineral and petroleum producers to educate and assist them to prepare for their future royalty obligations.
- Continued to review and update publications and website content to provide greater transparency, support tax and royalty payer education about their responsibilities, and improve voluntary compliance.
- Provided timely advice to tax and royalty clients and their representatives to assist in understanding their rights and obligations.
- Hosted the State and Territory Revenue Offices' Business Practices Committee annual workshop, which facilitates the sharing of information and identifying better practices and opportunities for consistency in managing and collecting revenue.
- Hosted the State and Territory Revenue Commissioners' Conference in November 2022, with representatives from every state and territory revenue office, the Australian Taxation Office (ATO) and the Inland Revenue Authority of Singapore.
- Continued to enhance existing and developed new relationships with financial market participants.
- Evaluated the implementation of the Northern Territory Program Evaluation Framework, and completed evaluations of two other DTF programs.

Goal 3: Foster a culture of integrity, high performance and capability

Achievements:

- In consultation with middle and senior managers across the agency, developed DTF's next three-year corporate plan in preparation for the 2020–2023 plan concluding in June 2023.
- Developed a working from home policy and facilitated flexible work arrangements.
- Continued succession planning and improved cross-training offerings and staff rotation opportunities at all levels across DTF to address key person risk.
- Continued work on developing innovative recruitment activities and promotion of DTF as an employer of choice to attract talented staff.
- Completed implementation of the 2021 DTF People Matter Response Plan and tracked progress through biannual reports to staff.
- Ensured all staff have a ROADmap in place (including career planning), encouraged staff to identify development needs and opportunities with their managers, and provided study assistance and training for staff to build their skills and capabilities.
- Implemented the Ethics and Integrity Every Day program to ensure staff understand their ethical responsibilities, generate a culture of integrity and accountability, and embed the right practices and attitudes in everyday processes and activities.
- Updated the business continuity plan with quarterly reviews, to ensure DTF was prepared in the event of a business interruption.
- Worked with DCDD to deliver human resources (HR), digital and information technology priorities to ensure DTF can meet its strategic workforce, technology and innovation objectives.
- Reviewed and improved the operation and effectiveness of SMG subcommittees to maintain strong corporate governance, internal audit, risk management, control and reporting processes.
- Monitored and regularly reported to staff on progress of the Corporate Plan and corporate governance strategies.
- Developed and implemented a control self-assessment program for the NT Superannuation Office.

2023-24 key initiatives

Goal 1: Support the Territory's fiscal sustainability and economic development

- Continue to work with relevant agencies on their budget reform programs and identify structural reforms to support them to operate within approved budget.
- Lead reforms to government's investment management framework for statutory funds.
- Implement the Commercial Asset Management Framework, including guidance for agencies.
- Continue to implement the Government Pricing Framework, including guidance for agencies.
- Lead development of the Northern Territory's submissions to the 2025 CGC Methodology Review.
- Release direction paper for water economic reform.
- Continue to build data modelling and analysis expertise and systems, to inform decision-making by government and agencies, and to strengthen submissions to funding and investment bodies.
- Redesign the Treasurer's quarterly financial report to include analysis to add value for decision-makers and improve readability.
- Prepare for a major review of the Territory's financial management legislation in 2024-25.
- Undertake public consultation and advise government on the design of a new mineral royalty scheme, as recommended by the Mineral Development Taskforce.
- Prepare for implementation of the RevConnect revenue system to meet contemporary business needs and reduce red tape for taxpayers.
- Review and revise the TRO service statement to align with the agency's Customer Charter and meet contemporary standards for clients.
- Develop and implement a control self-assessment program for TRO.
- Continue to collaborate with other agencies to build knowledge, and ensure the Territory meets its superannuation obligations.
- Review the performance of the Motor Accident Compensation Fund and the fund's investment model.

Goal 2: Drive public sector performance and accountability

- Continue working with agencies to refine their Budget Paper No. 3 key performance indicators to satisfy the SMART (specific, measurable, achievable, relevant and time-bound) principles.
- In conjunction with DCDD, commence roll-out of the Sage agency budget management system.
- In conjunction with DCDD, roll out a new banking platform across government, revise the associated whole of government cash management policies and procedures, and assist agencies to adapt to the new approach.
- Finalise and issue new and revised Treasurer's Directions on losses, write-offs, waivers and postponements; non financial assets; and cash management, and complete post-implementation reviews of revenue, infrastructure and equity investments Treasurer's Directions.
- Commence development of a capability enhancement program for public sector chief financial officers and senior finance staff in agencies.
- Secure and manage the next five-year workers compensation contract on behalf of government and agencies.

- Develop or source a program of commercial acumen training, to build capability in DTF and agencies in procurement, negotiating and managing contracts, and managing risk for government.
- Develop a placement program in the Program Evaluation Unit to build evaluation capability across the Northern Territory Public Sector.
- Review the Organisational Review Framework to ensure it can add value.
- Develop a survey of DTF's key stakeholders to measure performance against DTF's Customer Charter and Collaboration Principles.

Goal 3: Foster a culture of integrity, excellence and innovation

- Release the 2023–2026 Corporate Plan.
- Release the 2023–2026 DTF Strategic Workforce Plan, and develop and implement a 2023-24 action plan.
- Develop and implement DTF's response plan to the 2023 People Matter employee survey, in consultation with staff.
- Develop a capability profile to assist staff to work towards their professional and career goals.
- Ensure DTF meets its work health and safety (WHS) obligations to provide a safe and healthy workplace for staff, including new psychosocial safety requirements.
- Implement DTF's 2023-24 Disability Action Plan and 2023-24 Aboriginal Employment and Career Development Action Plan.

For more detail, including DTF's ongoing core business activities, responsibilities and performance measures, see DTF's 2023–2026 Corporate Plan.

Output performance

This section reports the agency's performance against planned outcomes for 2022-23, as presented in Budget Paper No. 3.

Output group	2022-23 Budget	2022-23 Actual	KPI met/ not met	Note
Financial management				
Compliance with financial reporting and disclosure obligations, as specified in the FITA	100%	67%	Not met	1
Unmodified audit opinion on the financial statements of each sector of government in the TAFR	Yes	Yes	Met	
Maintain or improve the Territory's credit rating of Aa3 (stable)	Yes	Yes	Met	
Ministerial advice provided within allotted timeframes	80%	75%	Not met	2
Economic				
Variation between key economic forecasts and actual outcomes	≤ 1ppt	0.4ppt	Met	3, 4
Variation between GSP growth rate forecast and the actual outcome	≤ 2ppt	0.3ppt	Met	4
Ministerial advice provided within allotted timeframes	80%	71%	Not met	2
Territory revenue				
Variation between revenue forecast and actual outcome	≤ 5%	5.3%	Not met	5
Ministerial advice provided within allotted timeframes	≥ 80%	81%	Met	2
Territory taxation effort for the last year assessed by the CGC is at least 90% of the state average of 100%	≥ 90%	86.2%	Not met	6
Superannuation				
Member statements issued within approved timeframes	100%	100%	Met	
Economic regulation				
Determinations and approvals issued within statutory timeframes	100%	100%	Met	7
Codes, guidelines and licences reviewed for currency and relevance, as planned for the financial year	100%	100%	Met	7

CGC: Commonwealth Grants Commission; FITA: *Fiscal Integrity and Transparency Act 2001*; GSP: gross state product; ppt: percentage point

1 The FITA specifies three key annual reporting requirements. The public release and tabling of the 2021-22 TAFR was delayed by 15 working days to enable correction of errors identified in the valuation of remote public housing dwellings.

2 Refers to advice sought on correspondence to the Treasurer. The variation in 2022-23 reflects the complexity of matters requiring advice where further information was required from external parties to finalise advice.

3 Key economic forecasts include: population, employment, unemployment, consumer price index (CPI) and wage price index.

4 Reference period is 2021-22 actual.

5 The variance is due to higher than expected receipts from stamp duty and payroll tax, slightly offset by a reduction in mining royalties.

6 The below-average taxation effort is a result of the Territory not imposing land tax, and levying lower than average motor vehicle taxes.

7 Performed independently by the Utilities Commission.

Financial performance

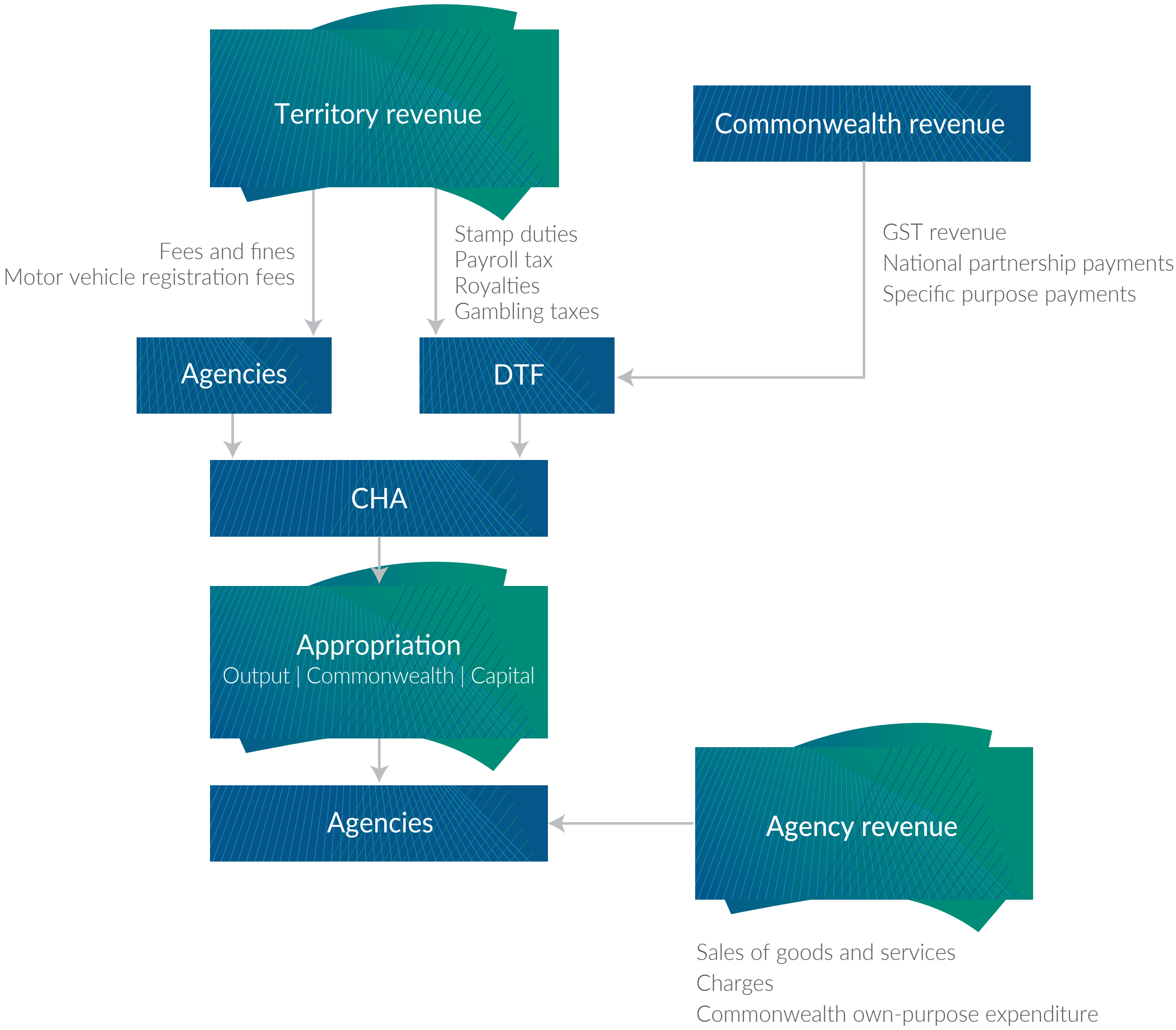
DTF manages two sets of financial statements: one for its own agency activities and one on behalf of the Territory (whole of government) including CHA. The two sets of accounts are closely interrelated, reflecting DTF's whole of government responsibilities.

The CHA is a representation of the Territory Government and reflects government's overall financial position as it holds ownership interest in all government-controlled entities. It receives all the Territory's main types of income and distributes this to agencies to fund delivery of their core services.

Although DTF (CHA) is the major receiver of funds, given the breadth of Territory income, agencies are also delegated to manage and administer the collection of some income on behalf of government. These funds are then transferred to CHA for distribution to agencies as appropriation.

A diagram of the interaction between DTF, CHA and other government agencies is provided at Figure 1, with information on the financial performance of DTF and CHA provided later in this report.

Figure 1: Relationship between DTF, CHA and agencies



Department of Treasury and Finance

Overview

The primary role of DTF is to provide specialist fiscal, economic, commercial and revenue policy advice and services to government. Its transactions with the public are limited to the collection of Territory revenue and provision of home owner assistance. Its other key financial deliverable is the payment of community service obligation (CSO) payments on behalf of government.

This section summarises DTF's 2022-23 financial results and provides an assessment of actual performance compared with the final budget for 2022-23 and the 2021-22 result.

Key 2022-23 financial results include:

- total revenue of $177.1 million, largely in line with budget, however $7.7 million higher than in 2021-22 (2021-22: $169.4 million)
- total expenses of $155.5 million, $22.2 million lower than budget (2021-22: $157.8 million)
- net surplus of $21.6 million directly resulting from the revenue and expenses variations outlined above (2021-22: $11.6 million surplus).

Comprehensive operating statement

The comprehensive operating statement presents the flow of income and expenditure through the year.

Table 1: Comprehensive operating statement overview

	2021-22 Actual	2022-23 Final budget	2022-23 Actual	Variation from final budget	Variation from 2021-22 actual
	$000	$000	$000	$000	$000
Revenue					
Output appropriation	159 343	170 172	170 172		10 829
Commonwealth appropriation	3 570	760	515	- 245	- 3 055
Goods and services received free of charge	6 202	6 355	6 207	- 148	5
Other income	295		218	218	- 78
	169 410	**177 287**	**177 112**	**- 175**	**7 702**
Expenses					
Employee expenses	16 156	16 618	15 254	- 1 364	- 902
Administrative expenses	15 874	17 563	8 052	- 9 511	- 7 822
Grants and subsidies	125 790	143 563	132 150	- 11 413	6 359
Interest expenses		9	91	82	90
Total expenses	**157 820**	**177 753**	**155 546**	**- 22 207**	**- 2 274**
Net surplus/(deficit)	**11 590**	**- 466**	**21 565**	**22 031**	**9 976**

Operating revenue

DTF's revenue consists mainly of output appropriation that relates to non-discretionary expenses such as CSOs paid on behalf of government and home owner assistance programs. In 2022-23, DTF received $170.1 million in output appropriation, representing 96% of total operating income ($177.1 million), in line with the budget.

Output appropriation was $10.8 million higher than $159.3 million received in 2021-22, mainly due to additional funding to contain utility price increases below inflation, on-passed to retail electricity providers, combined with revised timing of funding for the Power and Water Corporation underground power project, and offset by funding for the new Sage information and communications technology (ICT) system project. DTF recognised Commonwealth appropriation in 2022-23 of $0.5 million for the HomeBuilder grants program, $0.2 million lower than the final budget of $0.8 million and $3 million lower than the $3.5 million received in 2021-22.

The other major item is notional revenue for goods and services received free of charge from DCDD and other shared services providers, which was largely in line with the final budget (2021-22: $6.2 million).

Operating expenses

DTF's expenditure on CSO payments and grants comprised 85% of expenditure as detailed in Figure 2. These are payments made on behalf of government and are non-discretionary in nature.

Most of DTF's expenditure is incurred through the economic output group as the facilitator of CSOs, and assistance administered through the Territory Revenue output group as illustrated in Figure 3. The Economic output group also includes payment for the Territory's share of GST administration costs on behalf of government. The balance of DTF's budget relates to its own operations, mainly for employee and administrative expenses.

Key variations in operating expenses for 2022-23 compared to the final budget include:

- lower grants and subsidies of $11.4 million, mainly due to lower CSO payments to utility providers, and revised timing of funding for the Power and Water Corporation underground power project, offset by reclassification of expenses relating to the wind-up of the Jabiru Town Development Authority (JTDA) from administrative expenses to current grants
- lower administrative expenses of $9.5 million mainly due to reclassification of JTDA wind-up expenses as mentioned above
- lower employee expenses of $1.4 million mainly due to vacant positions across the agency.

When compared with 2021-22, total expenses of $155.5 million were $2.3 million lower in 2022-23 mainly relating to lower employee expenses ($0.9 million) and net effect of the JTDA wind-up.

Figure 2: 2022-23 Expenditure by type

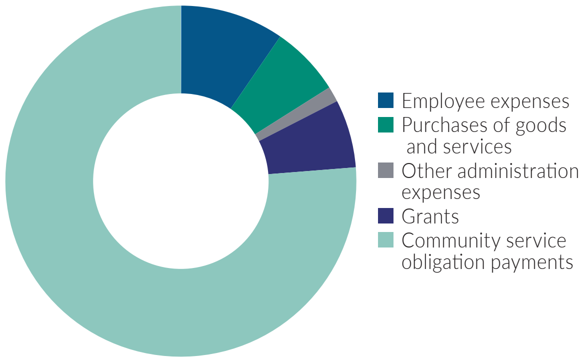
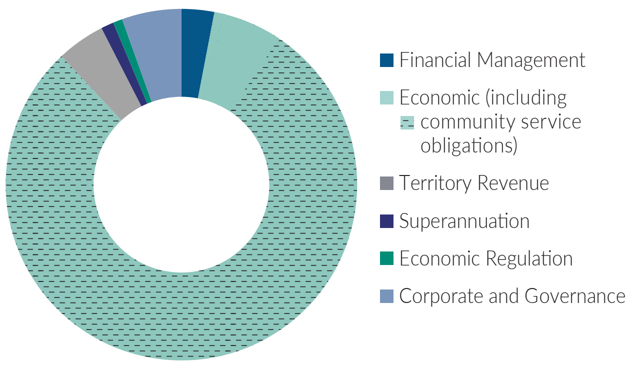


Figure 3: 2022-23 Expenditure by output group



Balance sheet

The balance sheet represents the stock of assets and liabilities of the agency. Table 2 compares the net asset position for 2022-23 with 2021-22.

Cash and deposits decreased from 2021-22 by $37.5 million to $25.1 million in 2022-23, reflecting cash withdrawal of $50 million in excess cash balances, transferred to CHA, combined with higher operating receipts compared to operating payments.

The decrease in receivables of $1 million in 2022-23 from 2021-22 is mainly due to accrued revenue for the HomeBuilder grants initiative.

Table 2: Balance sheet overview

	2021-22 Actual	2022-23 Actual	Variation
	$000	$000	$000
Assets			
Cash and deposits	62 633	25 139	- 37 494
Receivables	1 196	228	- 968
Advances and investments	25 000	25 000	
Property, plant and equipment	47	35	- 13
	88 876	**50 402**	**- 38 474**
Less			
Liabilities			
Payables and provisions	19 921	9 881	- 10 040
Net assets/equity	68 954	40 521	- 28 434

Central Holding Authority

Overview

As the parent financial entity of government, CHA does not transact directly with the public as do other government agencies. In contrast, it receives Commonwealth income including GST revenue, national partnership and specific purpose payments and Territory own-source revenue collected by other agencies on behalf of CHA. It then distributes this funding to agencies in the form of appropriations (see Figure 1 on page 18).

Key deliverables include:

- administration of appropriation payments to agencies in accordance with the *Appropriation Act*
- maintaining government's investment portfolio
- managing government's borrowings
- recognising unfunded employee liabilities including superannuation, long service leave and workers compensation.

This section summarises the 2022-23 results and provides an assessment of actual performance compared to the final budget for 2022-23 and 2021-22 results. The final budget comprises the 2022-23 revised budget as published in the 2023-24 Budget in May 2023, plus all approved budget adjustments affecting 2022-23 since that publication.

Key fiscal results include:

- a net operating surplus of $677 million in 2022-23, $44 million lower than the $721 million surplus projected in the 2022-23 final budget but $434 million higher than 2021-22
- net assets of $4.9 billion, a $572 million increase when compared to 2021-22.

Comprehensive operating statement

Table 3: Comprehensive operating statement overview

	2021-22 Actual	2022-23 Final budget	2022-23 Actual	Variation from final budget	Variation from 2021-22 actual
	$M	$M	$M	$M	$M
Revenue	6 178	6 861	6 695	- 166	517
Expenses	5 935	6 140	6 018	- 122	83
Net surplus/(deficit)	**243**	**721**	**677**	**- 44**	**434**
Other comprehensive income	691	- 274	- 105	169	- 796
Comprehensive result	**934**	**447**	**572**	**125**	**- 362**

The operating performance of CHA is driven by factors beyond its control, including fluctuations in GST and Territory taxation revenues, market conditions affecting investments and borrowings, and actuarial changes to the valuation of unfunded employee liabilities.

Operating revenue

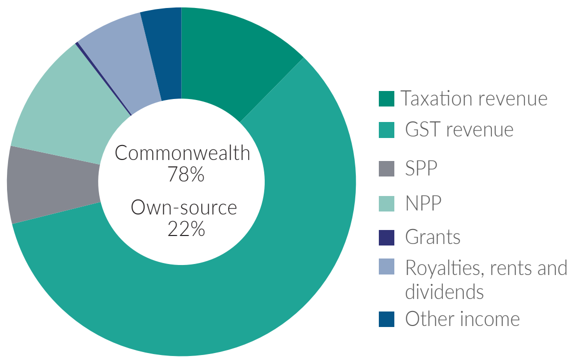
The Territory continues to be heavily reliant on Commonwealth revenue, with GST revenue being the largest single transfer from the Commonwealth. GST revenue represents 59% of total CHA revenue, followed by general purpose and tied Commonwealth revenue of 19%. The remaining 22% is Territory own-source revenue.

For 2022-23, CHA recorded total operating revenue of $6.7 billion; $166 million lower than projected in the 2022-23 final budget. Key variations include:

- lower national partnership revenue of $139 million, largely due to the revised timing of Commonwealth funding for the Social Housing Accelerator program and various other programs, to be recognised in 2023-24 in line with expected milestone payments

- lower GST revenue of $43 million due to a downward revision in national GST collections in the Commonwealth's May 2023 Budget (released the same day as the Territory's 2023 Budget). GST revenue is paid to states and territories in line with Commonwealth budget forecasts, with differences in actual GST collections reconciled through a balancing adjustment in the following financial year
- lower mining royalties of $32 million due to reduced production and softening of some commodity prices
- greater than anticipated revaluation gains on the Conditions of Service Reserve (COSR) investments of $28 million
- increased taxation revenue, which includes income tax equivalent income, of $14 million.

Figure 4: CHA – revenue by source for 2022-23



When compared to the 2021-22 actual result, total operating revenue increased $517 million. Key variations include:

- an increase in GST revenue of $389 million as a result of growth in the national GST pool and an increase in the Territory's GST relativity
- revaluation gains on the COSR investments of $192 million due to improved financial market conditions
- an increase in interest revenue of $30 million due to greater returns on investments and short-term deposits
- partially offset by lower mining royalties of $97 million due to reduced production and softening of some commodity prices.

Operating expenses

CHA's largest expense relates to appropriations paid to agencies to deliver government services in accordance with the *Appropriation Act*. Other expenses reflect direct costs associated with workers compensation, borrowings and unfunded employee liabilities.

For 2022-23, CHA recorded total operating expenses of $6 billion; $122 million lower than projected in the 2022-23 final budget. Key variations include:

- lower than anticipated national partnership and specific purpose payments from the Commonwealth passed on to agencies of $84 million, in line with the revised delivery of project milestones for various projects
- lower superannuation expenses of $72 million as a result of annual actuarial adjustments and lower accruing costs as more members exited schemes in 2022-23
- partially offset by increased accruing costs for long service leave and workers compensation liabilities of $29 million as a result of annual actuarial adjustments and the impacts of new enterprise agreements.

When compared to the 2021-22 actual result, total operating expenses increased by $83 million, largely as a result of increased employee entitlements reflecting the flow-on effects of new enterprise agreements in 2022-23.

Other comprehensive income

Items included in other comprehensive income represent non-cash movements to the volume or value of assets or liabilities that do not result from a transaction.

For 2022-23, CHA recorded a deficit of $105 million in total other comprehensive income compared to a $274 million deficit projected in the 2022-23 final budget, reflecting movements in bond rates used to value employee liabilities in accordance with accounting standards.

When compared to 2021-22, the $796 million variation reflects the significant volatility in bond rates between years affecting the valuation of employee liabilities.

Balance sheet

Table 4: Balance sheet overview

	2021-22 Actual	2022-23 Actual	Variation
	$M	$M	$M
Assets			
Cash and deposits	720	828	108
Receivables	447	417	- 30
Advances and investments	2 115	1 327	- 788
Prepayments	176	245	69
Equity investments	14 204	15 145	940
	17 662	**17 962**	**299**
Less:			
Liabilities			
Deposits held	1 338	1 155	- 183
Payables	104	186	82
Borrowings and advances	8 064	7 787	- 277
Employee benefits	366	386	20
Superannuation liability	3 104	3 087	- 17
Other liabilities	354	456	102
	13 330	**13 057**	**- 273**
Net assets/equity	**4 333**	**4 905**	**572**

Table 4 compares the net asset position for 2022-23 with 2021-22. Net assets increased by $572 million from $4.3 billion in 2021-22 to $4.9 billion in 2022-23. This increase was driven by a $299 million increase in assets, combined with a $273 million decrease in total liabilities.

The underlying increase in total assets since 2021-22 reflects increased investment in government entities, combined with higher cash balances. This was partially offset by lower investments in short-term deposits and fixed interest investments that were used to fund government activities, and lower annual borrowing requirements in 2022-23.

The decrease in total liabilities of $273 million since 2021-22 predominantly reflects lower borrowings of $277 million largely due to the repayment of maturing debt in 2022-23, combined with lower deposits held on behalf of government entities of $183 million. This was partially offset by increased other liabilities of $102 million relating to an increase in workers compensation liabilities of $33 million as a result of annual actuarial adjustments, and $69 million in Commonwealth funding received in advance to be spent in future years as milestones are met.

3 Our people

As a central agency providing expert advice to the Territory Government to inform decision-making for the benefit of Territorians, we strive to ensure we have the right people in the right jobs. Our aim is to develop current and future leaders capable of shaping policy and services for the Territory, while supporting our people to achieve their professional goals in a workplace where wellbeing, resilience, inclusion and diversity are at the centre of our culture.

Our workforce

We strengthen our capacity to meet and exceed DTF's organisational goals now and in the future by fostering a workplace culture of integrity, continuous learning, high performance and capability.

At 30 June 2023, DTF paid 117 staff (including NTTC and the Utilities Commission), or 112.3 full-time equivalents (FTE) compared with 126 staff, or 116.5 FTE on 30 June 2022.

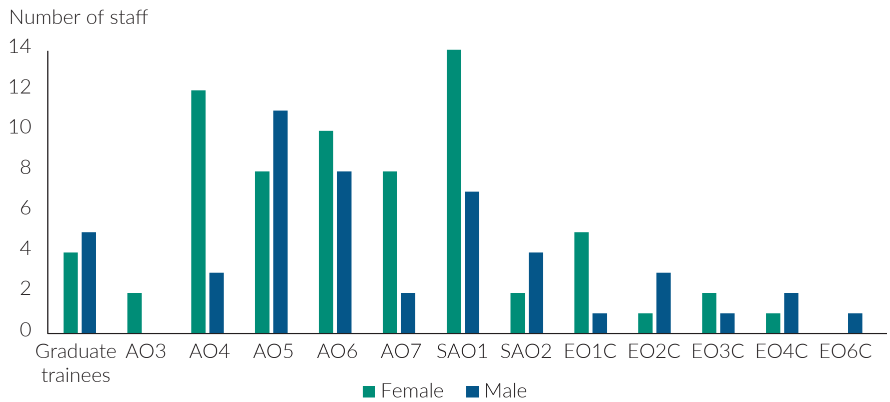
We have a strong focus on attracting, developing and retaining a highly skilled workforce. Our staff are predominantly between the ages of 25 and 44 in their mid-career stage, with more females than males.

All data presented in graphical form in this section relates to headcount as at 30 June 2023.

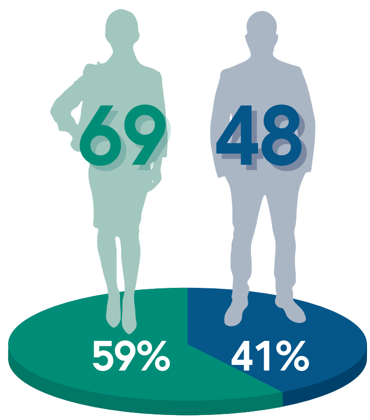
Full-time equivalent staff by designation

	2020-21	2021-22	2022-23
ECO6	1.0	1.0	1.0
ECO4	2.0	2.0	3.0
ECO3	3.0	3.0	3.0
ECO2	5.5	4.0	4.0
ECO1	6.0	5.0	6.0
SAO2	4.8	7.0	6.0
SAO1	17.8	18.6	20.6
AO7	15.3	15.0	9.5
AO6	18.3	13.1	16.7
AO5	15.0	22.9	18.6
AO4	24.6	14.1	13.1
AO3	1.9	1.9	1.9
Graduate trainees	9.0	9.0	9.0
Total	124.1	116.5	112.3

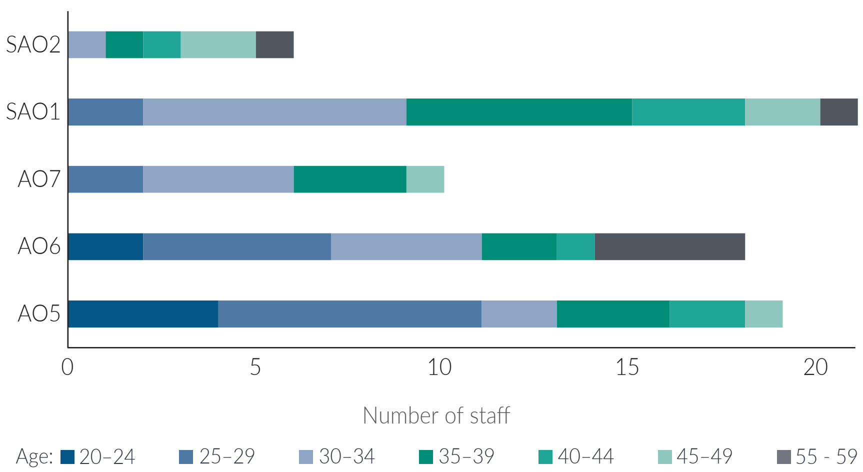
Staff by gender and designation as at 30 June 2023



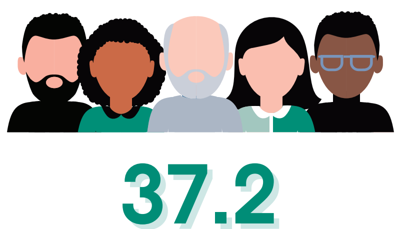
Female to male ratio



Staff in mid-career levels by age as at 30 June 2023



Average age (years)



Diversity and inclusion

DTF has a diverse workforce, with one in four staff from a culturally and linguistically diverse background. We embrace the breadth of backgrounds, education and work experiences among our staff, and we value each individual's contribution to the workplace and its high performing culture.

Of the 117 staff paid at 30 June 2023, 59% were women and 41% were men. This compares with the NTPS ratio of 64% women to 36% men.

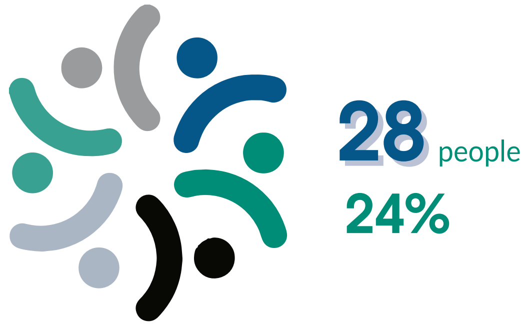
At our more senior levels, 46% of executive staff (SAO2 and above) were female (11 of 24). This compares with the NTPS average of 56% of executives being female.

Our workforce is culturally diverse with 24% of staff from culturally and linguistically diverse backgrounds. This proportion is higher than the NTPS as a whole (18%). One staff member identifies as having a disability.

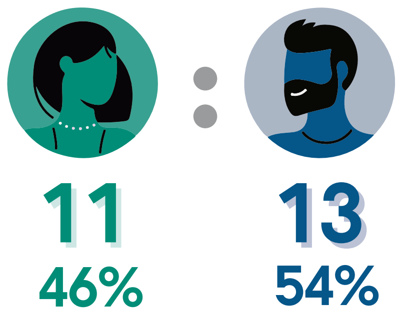
The average age of our staff is 37 years, younger than the NTPS average age of 43 years.

More than half DTF's workforce is under 40 years of age, while 15% are over 50 years of age. This relatively young demographic reflects our focus on providing early career pathways through our cadet, vacation and graduate programs, with ongoing mentoring and development enabling staff to succeed in their professional goals and career advancement.

Culturally and linguistically diverse



Female to male executive ratio



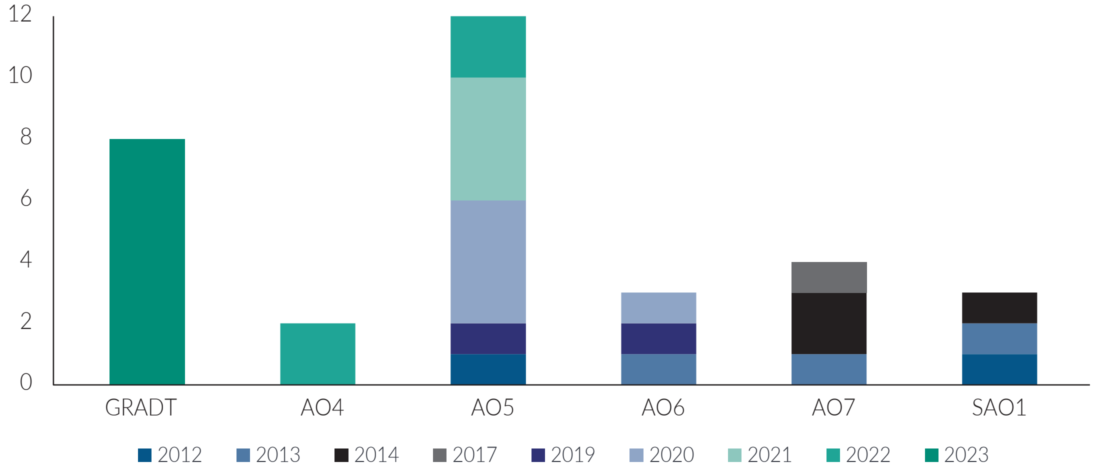
Career pathways

This year, we have continued to develop and strengthen our entry-level career pathways, which include traineeships, cadetships, Aboriginal employment, vacation employment and our long-running graduate program. These feed-in channels are highly valued by candidates as providing a strong foundation for their career, with clear pathways for advancement through DTF and the broader NTPS. Many DTF graduate trainees have progressed to senior levels in DTF and other Territory Government departments, which demonstrates the success of the program in both attracting and retaining high calibre people, and developing current and future leaders.

Career pathways

	2020-21	2021-22	2022-23
Cadets	3	1	
Graduate trainees	9	9	9
Total	12	10	9

Current DTF employees who commenced as graduates, by current level and intake year



Professional development

Through our ROADmap performance development agreements, we encourage our staff to consider and discuss their own career planning with their managers, and to identify and achieve their professional goals. During 2022-23, four staff were supported to undertake mobility opportunities within the department.

DTF offers an inter-treasury exchange program with South Australia DTF (SA Treasury). Work placement involves relocation of an employee to SA or the Territory for three to six months, where the opportunity to develop new skills and learn different processes is encouraged. In 2022-23, an SA Treasury employee commenced a six-month work placement in DTF.

Training and development expenses

	2018-19	2019-20	2020-21	2021-22	2022-23
Headcount at 30 June	156	138	131	126	117
Total training and development expenses ($)[1]	249 274	190 648	85 303[2]	171 680	122 054

1 Figures do not include the value of training sessions provided to staff by in-house experts and specialists, or subscription-free online learning. The lower expenditure in 2022-23 reflects increased availability and take-up of online learning through subscription services and the NTG's myLearning catalogue.

2 Availability of training opportunities was significantly reduced during 2020-21 as a result of COVID-19 restrictions.

Study assistance and training

As part of our Corporate Plan objective to build capability across our agency, we continued to support work-related tertiary study, providing financial assistance and study time for 15 staff who undertook approved courses such as Master of Information Technology, Master of Public Administration, Certificate in Governance and Risk Management, Graduate Certificate of Public Policy, and Certified Practising Accountant qualifications.

Our internal LinkedIn Learning Launchpad series continued, providing staff with the opportunity to participate in group and individual training using the LinkedIn Learning platform. Over the course of 2022-23, 12 LinkedIn Learning Launchpad sessions were conducted, with an average attendance of six people at each session. A further 64 LinkedIn Learning courses were completed independently.

Further, in 2022-23 TRO staff had training with Lifeline on 'Managing challenging interactions', senior managers with Accrete on 'Work health and safety responsibility in the workplace', and anti-discrimination, bullying and harassment training was provided by the Northern Territory Anti-Discrimination Commission for all staff.

As NTPS employees, staff are also required to undertake essential training online in:

- appropriate workplace behaviours
- Code of Conduct
- foundational cross-cultural training
- introduction to the Independent Commissioner Against Corruption and mandatory reporting.

Leadership programs

DTF invests in leadership development at various levels to enhance strategic leadership skills and prepare for succession opportunities. This year:

- one DTF executive completed the Australia and New Zealand School of Government Executive Masters Program, a two-year course aimed at developing and strengthening the quality of public sector leadership
- one staff member completed the Public Sector Management Program through the Queensland University of Technology (graduate diploma course)
- others were supported to complete short courses through the Australian Institute of Management – Mini MBA and the NTPS – Leadership for New Managers courses.

People Matter

During 2022-23, we completed implementation of our agency response plan to the 2021 People Matter survey and prepared for the 2023 survey. Key actions included:

- implemented a working from home policy as part of DTF's flexible work arrangements
- all DTF staff transitioned from desktop computers to laptops or tablets, as a business continuity measure
- implemented quarterly suggestion boxes, providing staff with an anonymous channel to provide feedback to senior management, and involving them in decision-making across the agency
- undertook DTF staff pulse survey for staff to provide feedback to management regarding performance and career planning
- provided induction packs to all new starters with a consistent induction to the agency
- reiterated DTF's zero tolerance of bullying, harassment and any form of inappropriate workplace behaviour, and built awareness of how to recognise bullying and how it should be addressed and reported
- continued to identify mobility and other career development opportunities with staff
- continued quarterly all-staff meetings with presentations on major projects across the agency.

Employment instructions

Under PSEMA, OCPE issues employment instructions that provide direction to agencies on HR matters. DTF met all obligations as required under each of the 15 employment instructions in 2022-23.

Public sector principles

Part 1A, sections 5A to 5F of PSEMA lists the general principles underlying this legislation. These principles need to be upheld by agencies, chief executive officers (CEOs) and NTPS employees.

In 2022-23, DTF complied with all the prescribed principles.

Administration Management Principle

(PSEMA section 5B)

DTF provided effective, efficient and appropriate services to the community and government, ensuring appropriate use of public resources while working cooperatively and responsively carrying out our functions objectively, impartially and with integrity.

Human Resource Management Principle

(PSEMA section 5C)

Workplace diversity and equity is upheld and provides everyone equal opportunity to make the most of their talents and abilities in the workplace. Our workplace environment ensures our employees are treated fairly, reasonably and in a non-discriminatory way.

Merit Principle

(PSEMA section 5D)

DTF appointments are based on the principles of merit. Employees are capable and competent in performing their duties, having the knowledge, skills, experience and qualifications required to be successful in their role, and have potential for future development.

Equality of Employment Opportunity Principle

(PSEMA section 5E)

DTF encourages staff to continually develop and access career development opportunities, which includes exchange, transfer and mobility. Implementation of a special measures policy assists DTF to avoid unlawful discrimination while promoting diversity in its workforce.

Performance and Conduct Principle

(PSEMA section 5F)

DTF champions NTPS values, treating the workforce fairly, equitably, and with proper courtesy and consideration. DTF officers avoid actual or apparent conflicts of interest and ensure personal conduct does not adversely affect their performance or that of other public sector officers while performing their duties objectively, impartially, professionally and to the best of their ability with integrity.

4 Governance

DTF has a strong corporate governance culture, based on its corporate governance principles, and its risk and audit management. SMG has primary responsibility for the governance of DTF.

Committees

There are four subcommittees that provide advice to the Under Treasurer through SMG, which are supported by the relevant shared service providers. CMC provides business, financial, strategic communications and corporate governance support to DTF under a shared services arrangement.

DCDD provides other corporate services, which include HR, ICT, procurement and information management.

Senior Management Group

SMG supports the Under Treasurer and provides high level monitoring, strategic direction and decision-making, with a focus on a cross-divisional, whole-of-agency perspective in relation to our department's operations and processes.

SMG membership at 30 June 2023:

- Craig Graham – Under Treasurer (Chair)
- Catherine Weber – Deputy Under Treasurer, Finance and Corporate
- Mick Butler – Deputy Under Treasurer, Economics and Revenue
- Samantha Byrne – Executive Director, Economics
- Sarah Rummery – Executive Director, Revenue
- Tarrant Moore – acting Executive Director, Finance.

During 2022-23, all SMG subcommittees were assessed, and terms of reference reviewed, to improve the operation and effectiveness of each committee.

Audit and Risk Management Committee

DTF has a combined Audit and Risk Management Committee (ARMC) with CMC (including OCPE).

The committee provides independent and objective advice and support to each agency chief executive on the effectiveness of each agency's risk, control, compliance and corporate governance frameworks.

ARMC comprises five members – two independent of the agencies (one of whom is the Chair) and one member from each of CMC, DTF and OCPE.

ARMC membership at 30 June 2023:

- Lorraine Hardy – Chair (independent)
- Tim McManus – Deputy CEO, Corporate and Strategic Services, CMC
- Michael Butler – Deputy Under Treasurer, Economics and Revenue, DTF
- Ursula White – Director, Aboriginal Employment and Career Development, OCPE
- Yvonne Sundmark – Director Quality Assurance Services, Department of Education (independent).

Key achievements include:

- monitoring the implementation of the Shared Services Internal Audit Plan 2022-23
- monitoring the internal audit function, including review and endorsement of the shared services annual internal audit plan, and the DTF-specific internal audit plans, and review of the audit follow-up logs at each meeting
- review and endorsement of the Shared Services Risk Management Framework
- endorsement of the Shared Services 2023-24 Internal Audit Plan.

The committee met four times during 2022-23.

Internal audits and reviews

The agency seeks objective assurance of its activities through the internal audit function, which is designed to provide advice to the Under Treasurer and SMG on whether DTF's structures, systems and internal controls are appropriate and effective, and identify opportunities for improvements. This is achieved through the Shared Services Internal Audit plan and augmented by the DTF-specific plan for internal audits, which is appended to and forms part of the joint agency plan.

The following internal audits and reviews were completed and reported in 2022-23.

Audit or review	Objective	Outcome
2021 People Matter survey performance management systems review	To review the agency's response plan developed as a result of the 2021 People Matter survey outcomes and recommend opportunities for improvement that can be practically implemented to support the continued delivery of identified strategies for each agency.	Four recommendations were made to enhance project governance in developing, implementing and monitoring the agency's response plan and were adopted for the 2023 survey response.
Value for Territory annual assurance program for 2022	To assess the agency's compliance with the obligations set out under the Value for Territory assurance program, which arise from the *Procurement Act 1995*, Procurement Regulations, Procurement Governance Policy and Rules and the Buy Local Plan.	100% compliance across all procurement rules. DTF has demonstrated a satisfactory level of compliance with procurement policies and procedures.
Agency Accountability Audit 2021-22	Identify all best practice (fit for purpose) and actual elements of agency accountability frameworks and review actual against best practice and determine any gaps or opportunities for improvement.	No adverse findings were made. Opportunities for improvement were identified and have been adopted.
Cabinet information security measures annual compliance review	To review breaches of information involving Cabinet material, performance compliance and security measures.	The review found no breaches in policies and procedures nor were any weaknesses in controls identified.

External audit

DTF is subject to the NT Auditor-General's audit program under the powers and responsibilities established by the *Audit Act 1995*. The Auditor-General's audits and reviws in 2022-23 are listed below.

Audit or review	Objective	Outcome
End-of-year Review for the year ending 30 June 2022	To review the adequacy of selected aspects of end of financial year reporting and controls over reporting, accounting and material financial transactions and balances.	There were no significant matters arising from this review.
Treasurer's Annual Financial Statements audit	To undertake sufficient audit procedures relating to the accounts and records of the Treasurer's Annual Financial Statements to enable the Auditor-General to form an opinion on the financial statements for the year ended 30 June 2022.	Three matters were identified. DTF committed to addressing all issues and led an asset remediation project across government to improve accuracy, methodology and processes for recording and valuing government assets.
2022-23 Treasurer's Annual Financial Statements interim audit	To determine whether internal controls in place provide reasonable assurance that all revenue due the Territory is being received on a timely basis; and to ensure the adequacy of controls over reporting of accounting and financial transactions and to prevent or detect errors or irregularities.	Four recommendations were made. DTF is addressing all issues raised.
Wages Policy and Lump Sum Payments (as part of a performance audit across three agencies: DTF, Office of the Commissioner for Public Employment (part of Department of the Chief Minister and Cabinet), and the Department of Corporate and Digital Development)	To assess whether, and to what extent, the implementation of the new wages policy and lump sum payments will achieve the intended employee expenditure related outcomes as recommended in *A plan for budget repair*.	Recommendations were noted, and improvements to processes and management reporting were adopted where appropriate.
Northern Territory Police Supplementary Benefit Scheme	To complete sufficient audit procedures to enable an opinion to be expressed upon the financial statements of the Northern Territory Police Supplementary Benefit Scheme for the year ended 30 June 2022.	An unmodified independent audit opinion was issued.
Agency compliance audit for the year ending 30 June 2023	Test compliance against the FMA, Treasurer's Directions, *Procurement Act 1994* and whole of government policies, for example, information management.	One matter was identified and addressed.
Flex Time (Taken) Analytics	To examine flex time (taken) by selected employees at the agency during the period 1 July 2021 to 30 June 2022.	Two matters were identified and addressed.

Strategic Human Resources Committee

The Strategic Human Resources Committee (SHRC) monitors and oversees strategic HR planning and management for DTF and compliance with PSEMA and associated employment frameworks, and consistent with the DTF Corporate Plan.

The role of the committee is to:

- endorse and monitor performance against DTF strategic workforce plans, leadership strategies and succession planning
- oversee recruitment to DTF to ensure alignment with strategic workforce plans, with the aim of building high functioning teams, adaptability and a strong performance culture
- oversee employee mobility and development programs as key measures to support staff capability and retention
- provide strategic oversight and advice to assist with the management of case-managed employees, grievances, unattached employees and liabilities
- manage the agency's workforce-related risks and compliance requirements
- take opportunities to grow people management capability with DTF leaders
- influence improvement of HR services provided by DCDD under the shared services arrangement and consistent with the OneNTG approach.

The committee met fortnightly throughout 2022-23.

Key outcomes of SHRC during 2022-23 included:

- drafting a strategic workforce plan for staff consultation, to implement a key initiative in the corporate plan
- developing a working from home policy as part of DTF's flexible working arrangements
- overseeing the 2022 and 2023 graduate programs, GetSet cadet and vacation employment student placements
- completing implementation of DTF's People Matter response plan and preparing for the next survey (2023) results
- considering requests for outside employment, working from home, flexible work arrangements and study assistance
- monitoring excess leave, ensuring plans are in place with staff to use that leave
- monitoring DTF's performance on all staffing matters
- monitoring the proportion of DTF staff with a ROADmap or performance agreement in place, and supporting training and mobility opportunities identified in those ROADmaps.

Digital Governance Committee

The Digital Governance Committee (DGC) provides strategic direction for DTF's use of ICT. It oversees the ICT work plan and cyber security, and ensures ICT frameworks, strategies and policies are fit for purpose and promote efficient work practices.

The committee's key responsibilities include:

- reviewing and endorsing business cases and project plans for DTF digital initiatives and investment decisions, including DTF submissions for major digital investments or initiatives for approval by the Territory Government ICT Governance Board
- overseeing the delivery of digital initiatives and reviewing project performance
- overseeing the development and monitoring of digital strategic decisions and policies
- monitoring the agency's digital environment to ensure risks and issues are identified and appropriately managed
- providing oversight to ensure information is managed in accordance with DTF's risk appetite, including risks associated with security, access, privacy, business continuity and investment.

DGC is also the interdepartmental liaison point for whole of government ICT initiatives, particularly where those initiatives relate to the work of DTF.

Key outcomes of DGC during 2022-23 included:

- development of a DTF Digital Strategic Plan 2023–2026
- continued monitoring of the development of RevConnect
- continued monitoring of the development of Sage, a whole of government agency budget management system
- a briefing from Deputy CEO DCDD on roles and responsibilities in response to a cyber attack
- commencing engagement of a cyber security specialist to undertake an assessment of NTTC's digital environment.

The committee met four times during 2022-23.

Work Health and Safety Committee

DTF and CMC (including OCPE) have a combined WHS Committee, which is established under shared services arrangements. CMC and DTF are committed to a workplace that fosters behaviour aimed at preventing injury, illness or death to our employees, contractors and visiting workers. The committee provides advice to the Under Treasurer, through SMG, on WHS issues to facilitate the health and safety of employees and clients in the workplace.

The committee is chaired by the Senior Executive Director, Corporate Services, Strategic Communications, Engagement and Protocol, CMC, and includes a range of representative members from the two agencies and CMC's regional offices. The committee has governance oversight of WHS obligations under the *Work Health and Safety (National Uniform Legislation) Act 2011*, including:

- advising the Under Treasurer on establishing, maintaining and monitoring programs, measures and procedures in the workplace relating to the health and safety of employees
- developing and maintaining a WHS management system incorporating policies and programs in accordance with relevant legislation
- promoting a culture of responsibility and accountability for personal health and safety in the workplace
- ensuring WHS issues are considered in the planning and implementation of any major workplace changes or new work processes
- information sharing and coordination relating to the strategic, cross-government WHS reform context
- training first aid and fire warden office holders
- undertaking regular programmed inspections of workplaces.

The committee met three times during 2022-23. Key achievements include:

- improving members' understanding of their roles and responsibilities under the *Work Health and Safety (National Uniform Legislation) Act 2011*
- updating and implementing workplace inspection checklists to ensure they are fit for purpose and conducted at a frequency that reflects DTF's workplace risk profile
- regular, appropriate and documented risk and incident notification, reporting and management across the agencies, with escalation of identified WHS notifications to the relevant management body where required.

WHS Employer Responsibility in the Workplace training was held for DTF senior managers, updating them on their responsibilities and duties in the workplace.

As part of its annual wellbeing program, DTF:

- offered free flu vaccinations to staff in April 2023
- held personal development sessions through the LinkedIn Learning Launchpad series
- shared regular WHS posts on the agency's intranet encouraging a proactive approach to wellness and workplace safety.

Three workplace assessments assisted staff in 2022-23 with their work station setup.

To further support wellbeing, staff are encouraged to access the employee assistance program for guidance and to develop practical resilience where required, provided free of charge.

Employee assistance program uptake

	2020-21	2021-22	2022-23
Financial year expenditure	$13 356	$7 119	$19 333
Number of sessions	64	34	91

WHS incidents in 2022-23 included a staff member slipping and two medical incidents.

WHS incidents reported

	2020-21	2021-22	2022-23
Medical incident	1	2	2
Slip, trip or fall		2	1
Other		1	
Total	**1**	**5**	**3**

Records and information

The *Northern Territory Information Act 2002* combines freedom of information (FOI), privacy and records management legislation, and it affects how we collect, use and store government and personal information.

In compliance with section 11 of the *Information Act 2002*, DTF regularly updates its website, which describes DTF's structure and functions and how these affect the public. The website also provides a comprehensive listing of publicly available information and advises how to access other information not publicly available.

Information requests

Part 3 of the *Information Act 2002* sets out the process for accessing government information, and accessing and correcting personal information held by DTF.

In 2022-23, DCDD managed FOI and privacy on behalf of DTF and other Territory Government agencies under a centralised model. Details about how to apply for access to information, with links to relevant legislation and related agencies, can be found on DTF's website. Further assistance can be provided by contacting:

Freedom of Information Services

GPO Box 2391 DARWIN NT 0800

Telephone: 08 8999 1793

Email: FOI@nt.gov.au

Web: treasury.nt.gov.au/InformationAct

During 2022-23, DTF received four freedom of information applications. These requests were processed on time in accordance with the requirements of the *Information Act 2002*. There was one open application at 30 June 2023. There were no complaints or appeals to decisions made during 2022-23.

Privacy complaints and enquiries

DTF received no privacy complaints, or enquiries from the Ombudsman during 2022-23.

Records and information management

Records and archives management standards are established through Part 9 of the *Information Act 2002*, and section 131(2) requires agencies to report annually on their compliance with this part.

In line with the Northern Territory Government Records Management Standards for Public Sector Organisations, DTF continued to use compliant record management practices.

Competitive neutrality

DTF is required to disclose all allegations of non-compliance with the Territory Government's Policy Statement on Competitive Neutrality and report findings of investigations.

No complaints were received and investigated in 2022-23.

Legislation administered

Administrators Pensions Act 1981

Advance Bank Integration Act 1998

Appropriation (2022-2023) Act 2022

Bank of South Australia (Merger with Advance Bank) Act 1996

Companies (Unclaimed Assets and Moneys) Act 1963

Competition Policy Reform (Northern Territory) Act 1996

Electricity Reform Act 2000 (provisions about price regulation and provisions about the setting of licence fees)

Financial Agreement Between the Commonwealth, States and Territories (Approval) Act 1994

Financial Management Act 1995

Financial Relations Agreement (Consequential Provisions) Act 2000

First Home Owner Grant Act 2000

Fiscal Integrity and Transparency Act 2001

Gaming Control Act 1993 (provisions about taxes and levies)

Gaming Machine Act 1995 (Part 8)

Government Owned Corporations Act 2001

Legislative Assembly Members' Pensions Act 1979

Legislative Assembly Members' Superannuation Contributions Act 2004

McArthur River Project Agreement Ratification Act 1992 (provisions about royalties)

Merlin Project Agreement Ratification Act 1998 (provisions about royalties)

Mineral Royalty Act 1982

Mining (Gove Peninsula Nabalco Agreement) Act 1968 (provisions about royalties)

Motor Accidents (Compensation) Act 1979

Motor Accidents (Compensation) Commission Act 2014

Motor Vehicles Act 1949 (Part V)

Payroll Tax Act 2009

Petroleum Act 1984 (provisions about royalties)

Racing and Betting Act 1983 (Part IV, Division 5 and Part IVA, Division 5)

Revenue Units Act 2009

Soccer Football Pools Act 1978 (provisions about duties)

Stamp Duty Act 1978

Superannuation Act 1986

Superannuation Guarantee (Safety Net) Act 1993

Taxation Administration Act 2007

Territory Insurance Office (Sale) Act 2014

Totalisator Licensing and Regulation Act 2000 (provisions about wagering tax)

Unclaimed Superannuation Benefits Act 1998

Water Supply and Sewerage Services Act 2000 (except sections 32(1) and (5), 46, 49(3), 50(2), 52(2), 55(1), 57(2), 61(1) and 63(5), (6) and (7))

5 Financial statements

Department of Treasury and Finance

Certification of the financial statements

We certify that the attached financial statements for the DTF 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.

Craig Graham
Under Treasurer

30 September 2023

Matthew Young
Chief Financial Officer

30 September 2023

Comprehensive operating statement

For the year ended 30 June 2023

	Note	2022-23	2021-22
		$000	$000
INCOME			
Appropriation	5		
Output		170 172	159 343
Commonwealth		515	3 570
Sales of goods and services	6		128
Interest revenue		174	161
Goods and services received free of charge	7	6 207	6 202
Other income	8	44	6
TOTAL INCOME	3	**177 112**	**169 410**
EXPENSES			
Employee expenses		15 254	16 156
Administrative expenses			
Purchases of goods and services	9	4 114	3 774
Depreciation and amortisation	17	13	15
Other administrative expenses[1]	10	3 925	12 085
Grants and subsidies expenses			
Current	11a, 12	10 050	8 366
Community service obligations	11b	122 099	117 424
Interest expenses		91	
TOTAL EXPENSES	3	**155 546**	**157 820**
NET SURPLUS/(DEFICIT)		**21 566**	**11 590**
OTHER COMPREHENSIVE INCOME			
TOTAL OTHER COMPREHENSIVE INCOME			
COMPREHENSIVE RESULT		**21 566**	**11 590**

1 Includes DCDD service charges, Department of Infrastructure, Planning and Logistics (DIPL) repairs and maintenance service charges and CMC shared services provided.

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	2022-23	2021-22
		$000	$000
ASSETS			
Current assets			
Cash and deposits	13	25 139	62 633
Receivables	15	228	1 196
Total current assets		25 367	63 829
Non-current assets			
Advances and investments	16	25 000	25 000
Property, plant and equipment	17, 24	35	47
Total non-current assets		25 035	25 047
TOTAL ASSETS		50 402	88 876
LIABILITIES			
Current liabilities			
Payables	19	7 176	17 100
Provisions	21	2 690	2 821
Other liabilities	22	15	
Total current liabilities		9 881	19 921
TOTAL LIABILITIES		9 881	19 921
NET ASSETS		40 521	68 955
EQUITY			
Capital		- 71 470	- 21 470
Accumulated funds		111 991	90 424
TOTAL EQUITY		40 521	68 955

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

	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	$000	$000	$000	$000
2022-23				
Accumulated funds	90 424	21 566		111 991
Total accumulated funds	**90 424**	**21 566**		**111 991**
Capital – transactions with owners				
Equity injections				
Capital appropriation	3 677			3 677
Equity transfers in	210 632			210 632
Other equity injections	1 126			1 126
Equity withdrawals				
Capital withdrawal	- 220 399		- 50 000	- 270 399
Equity transfers out	- 16 506			- 16 506
Total capital – transactions with owners	**- 21 470**		**- 50 000**	**- 71 470**
Total equity at end of financial year	**68 955**	**21 566**	**- 50 000**	**40 521**
2021-22				
Accumulated funds	78 836	11 590		90 424
Total accumulated funds	**78 836**	**11 590**		**90 424**
Capital – transactions with owners				
Equity injections				
Capital appropriation	3 677			3 677
Equity transfers in	210 632			210 632
Other equity injections	1 126			1 126
Equity withdrawals				
Capital withdrawal	- 220 399			- 220 399
Equity transfers out	- 16 495		- 11	- 16 506
Total capital – transactions with owners	**- 21 459**		**- 11**	**- 21 470**
Total equity at end of financial year	**57 376**	**11 590**	**- 11**	**68 955**

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

Cash flow statement

For the year ended 30 June 2023

	Note	2022-23	2021-22
		$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Appropriation			
Output		170 172	159 343
Commonwealth		1 545	4 500
Other operating receipts		217	364
Interest received			
Total operating receipts		**171 934**	**164 207**
Operating payments			
Payments to employees		15 328	16 145
Payments for goods and services		10 890	9 709
Grants and subsidies paid			
Current		2 677	8 366
Community service obligations		131 873	122 362
Interest paid		91	
Total operating payments		**160 859**	**156 582**
Net cash from/(used in) operating activities	14	**11 075**	**7 625**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing payments			
Repayment of advances received		1 431	
Total investing payments		**1 431**	
Net cash from/(used in) investing activities		**1 431**	
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Equity withdrawals		50 000	
Total financing receipts		**50 000**	
Net cash from/(used in) financing activities	14	**50 000**	
Net increase/(decrease) in cash held		- 37 494	7 625
Cash at beginning of financial year		62 633	55 008
CASH AT END OF FINANCIAL YEAR	13	25 139	62 633

Index of notes to the financial statements

Notes to the financial statements

For the year ended 30 June 2023

1. Objectives and funding

DTF's primary role is to provide specialist fiscal, economic, commercial and revenue policy advice and services to government to assist in delivering services and infrastructure to benefit Territorians.

DTF is predominantly funded by and dependent on the receipt of parliamentary appropriations. The financial statements encompass all funds through which DTF controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by DTF are summarised into six output groups, noting that one relates to the operations of the independent economic regulator, the Utilities Commission, for which DTF has no responsibility (or authority) for delivery, but which is part of DTF's output structure for administrative purposes only. Note 3 provides summary financial information in the form of a comprehensive operating statement by output group.

2. Statement of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the FMA and related Treasurer's Directions. The FMA requires DTF to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements should include:

(i) a certification of the financial statements

(ii) a comprehensive operating statement

(iii) a balance sheet

(iv) a statement of changes in equity

(v) a cash flow statement and

(vi) applicable explanatory notes to the financial statements.

b) Basis of accounting

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

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

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

Standards and interpretations effective from 2022-23 financial year

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

Standards and interpretations issued but not yet effective

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

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.

2. Statement of significant accounting policies (continued)

c) Reporting entity

The financial statements cover the department as an individual reporting entity. DTF is a Northern Territory department established under the *Interpretation Act 1978* and Administrative Arrangements Order.

The principal place of business of the department is 19 The Mall, Darwin, NT, 0800.

d) Agency and Territory items

The financial statements of DTF include income, expenses, assets, liabilities and equity over which DTF has control (agency items) and is able to utilise to further its own objectives. Certain items, while managed by the agency, are administered and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the CHA as discussed below.

Central Holding Authority

CHA is the 'parent body' that represents the government's ownership interest in government-controlled entities.

CHA also records all Territory items and therefore 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.

CHA 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.

CHA recognises and records all Territory items and, as such, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 29 – 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.

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 financial year as a result of management decisions.

2. Statement of significant accounting policies (continued)

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 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.

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 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 agency may receive contributions from government where the government is acting as owner of the agency. Conversely, the agency may make distributions to government. In accordance with the FMA 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 agency 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	Financial Management		Economic		Territory Revenue		Superannuation	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		$000	$000	$000	$000	$000	$000	$000	$000
INCOME									
Appropriation	5								
Output		4 954	4 529	151 821	137 960	7 175	10 897	2 071	1 882
Commonwealth						515	3 570		
Sales of goods and services	6								
Interest revenue				174	161				
Goods and services received free of charge[1]	7								
Other income	8			4		21			
TOTAL INCOME		4 954	4 529	151 999	138 121	7 711	14 467	2 071	1 882
EXPENSES									
Employee expenses		4 226	4 153	3 822	4 481	3 313	3 578	1 113	1 075
Administrative expenses									
Purchases of goods and services	9	460	507	889	1 256	1 190	501	707	673
Repairs and maintenance									
Depreciation and amortisation	17								
Other administrative expenses[1, 2]	10			- 2 282	5 883				
Grant and subsidy expenses									
Current[3]	11a, 12			7 733		2 317	8 366		
Community service obligations	11b			122 099	117 424				
Interest expense						91			
TOTAL EXPENSES		4 686	4 660	132 261	129 044	6 911	12 445	1 820	1 748
NET (DEFICIT)/SURPLUS		268	- 131	19 738	9 077	800	2 022	251	134
TOTAL OTHER COMPREHENSIVE INCOME									
COMPREHENSIVE RESULT		268	- 131	19 738	9 077	800	2 022	251	134

1 Corporate and governance output includes services free of charge from DCDD, DIPL and CMC.
2 The economic output in 2022-23 includes the reclassification of expenses relating to the wind-up of the JTDA from administrative expenses to current grants, and lower Commonwealth administration charges.
3 Related to Note 2, the economic output includes the reclassification of JTDA wind-up expenses to current grants.

3. Comprehensive operating statement by output group (continued)

		Economic Regulation		Corporate and Governance		Total	
	Note	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		$000	$000	$000	$000	$000	$000
INCOME							
Appropriation	5						
Output		1 528	1 307	2 623	2 768	170 172	159 343
Commonwealth						515	3 570
Sales of goods and services	6				128		128
Interest revenue						174	161
Goods and services received free of charge[1]	7			6 207	6 202	6 207	6 202
Other income	8			19	6	44	6
TOTAL INCOME		1 528	1 307	8 849	9 104	177 112	169 410
EXPENSES							
Employee expenses		839	690	1 941	2 179	15 254	16 156
Administrative expenses							
Purchases of goods and services	9	504	525	364	312	4 114	3 774
Repairs and maintenance							
Depreciation and amortisation	17			13	15	13	15
Other administrative expenses[1, 2]	10			6 207	6 202	3 925	12 085
Grant and subsidy expenses							
Current[3]	11a, 12					10 050	8 366
Community service obligations	11b					122 099	117 424
Interest expense						91	
TOTAL EXPENSES		1 343	1 215	8 525	8 708	155 546	157 820
NET (DEFICIT)/SURPLUS		185	92	324	396	21 566	11 590
TOTAL OTHER COMPREHENSIVE INCOME							
COMPREHENSIVE RESULT		185	92	324	396	21 566	11 590

1 Corporate and governance output includes services free of charge from DCDD, DIPL and CMC.
2 The economic output in 2022-23 includes the reclassification of expenses relating to the wind-up of the JTDA from administrative expenses to current grants, and lower Commonwealth administration charges.
3 Related to Note 2, the economic output includes the reclassification of JTDA wind-up expenses to current grants.

4. Grants and subsidies revenue

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

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, it is 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 agency. 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 DTF satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the time the asset is acquired and control transfers to DTF.

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

DTF does not have grant and subsidy revenue.

5. Appropriation

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

	2022-23			2021-22		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	$000	$000	$000	$000	$000	$000
Output		170 172	170 172		159 343	159 343
Commonwealth	515		515	3 570		3 570
Total appropriation in the operating statement	**515**	**170 172**	**170 687**	**3 570**	**159 343**	**162 913**

Output appropriation is the operating payment to each agency 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 specific performance obligations and are recognised on receipt of funds.

5. Appropriation (continued)

Commonwealth appropriation follows from the Intergovernmental 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 DTF on behalf of CHA 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 agency gains control of the funds.

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.

	2022-23	2021-22
	$000	$000
Type of good and service		
Service delivery	515	3 570
Total revenue from contracts with customers	**515**	**3 570**
Type of customer		
Commonwealth	515	3 570
Total revenue from contracts with customers	**515**	**3 570**
Timing of transfer of goods and services		
Point in time	515	3 570
Total revenue from contracts with customers	**515**	**3 570**

a) Summary of changes to budget appropriations

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.

Notes to the financial statements

For the year ended 30 June 2023

5. Appropriation (continued)

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 30 Budgetary information for detailed information on variations to DTF's actual outcome compared to budget for revenue and expenses.

	Original 2022-23 budget appropriation (a)	Revised 2022-23 budget appropriation (b)	Change to budget appropriation (b-a)	Note	Final 2022-23 budget appropriation (d)	Change to budget appropriation (d-b)	Note
	$000	$000	$000		$000	$000	
Output	149 813	170 172	20 359	1	170 172		
Commonwealth	660	660			760	100	
Total appropriation	**150 473**	**170 832**	**20 359**		**170 932**	**100**	

1 The $20.4 million increase in output appropriation mainly reflects additional funding to contain utility price increases below inflation, on-passed to retail electricity providers, combined with revised timing for the Power and Water Corporation underground power project, and offset by funding for the new Sage ICT system project.

Output and capital appropriations reflect funding as a direct result of government-approved decisions, with actual funding received by DTF 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 DTF and reported in these financial statements may vary from the budgeted amounts reported in this table.

6. Sales of goods and services

	2022-23			2021-22		
	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					128	128
Total sales of goods and services					**128**	**128**

Other goods and services revenue

Rendering of services

Revenue from rendering of services is recognised when the agency satisfies the performance obligation by transferring the promised services. DTF previously provided services to the NTTC for finance and executive support, and charged a monthly overhead fee. That arrangement came to an end on 31 December 2021. This was not considered as revenue from contracts with customers.

7. Goods and services received free of charge

	2022-23	2021-22
	$000	$000
Corporate and information services[1]	5 215	5 235
Shared corporate services[2]	934	934
Repairs and maintenance[3]	58	33
Total goods and services received free of charge	6 207	6 202

1 DCDD service charges.
2 CMC shared services.
3 DIPL repairs and maintenance service charges.

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 is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Repairs and maintenance expenses incurred on the agency's assets and costs associated with administration of these expenses are centralised and in DIPL on behalf of the agency, and form part of goods and services received free of charge by the agency.

In addition, the following corporate services staff and functions are centralised and provided by DCDD on behalf of the agency and form part of goods and services received free of charge by the agency:

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

DTF also receives some other shared services from CMC under a shared services arrangement.

8. Other income

	2022-23			2021-22		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	$000	$000	$000	$000	$000	$000
Miscellaneous revenue		44	44		6	6
Total other income		44	44		6	6

Notes to the financial statements

For the year ended 30 June 2023

9. Purchases of goods and services

	2022-23	2021-22
	$000	$000
Legal expenses[1]	913	221
Consultants[2]	806	1 265
Agent service arrangement	749	512
Other	637	588
Information technology charges and communications	503	557
Training and study	132	176
Communications	105	105
Recruitment[3]	70	179
Document production	54	64
Motor vehicle expenses	47	33
Advertising[4]	46	46
Official duty fares	21	1
Marketing and promotion[5]	20	18
Fees and regulatory charges	10	8
Travelling allowance	1	1
Total purchases of goods and services	4 114	3 774

1 Includes legal fees, claim and settlement costs.
2 Includes marketing, promotion and IT consultants.
3 Includes recruitment-related advertising costs.
4 Does not include recruitment advertising or marketing and promotion advertising.
5 Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

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.

10. Other administrative expenses

	2022-23	2021-22
	$000	$000
Commonwealth administration charges	6 349	5 722
Reversal of doubtful debts expense	- 8 805	
Advances written down	174	161
Goods and services free of charge[1]	6 207	6 202
Total other administrative expenses	3 925	12 085

1 Includes DCDD service charges, CMC shared services and DIPL repairs and maintenance service charges.

11. Grant and subsidies expenses

a) Current grant and subsidy expense

	2022-23	2021-22
	$000	$000
Current grant		
Private and not-for-profit sector	2 676	8 366
Total current grant	**2 676**	**8 366**
Current subsidy		
Private and not-for-profit sector	7 374	
Total current subsidy	**7 374**	
Total current grant and subsidy expense	**10 050**	**8 366**

Current grant expenses are intended to finance the current activities of the recipient for which no economic benefits of equal value are receivable in return. Current grants mainly comprise first home owner grants, HomeBuilder grants and BuildBonus payments. Current subsidy relates to the waiver of the JTDA advance during the financial year.

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) Community service obligations

	2022-23	2021-22
	$000	$000
Community service obligation payments	122 099	117 424
Total community service obligations	**122 099**	**117 424**

CSOs are payments DTF makes to utility retailers 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.

For commercial-in-confidence reasons, payments are not disaggregated between those to the private sector and those to other sectors of government.

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

The following table presents all write-offs, waivers, postponements, gifts and ex gratia payments approved under the *Financial Management Act 1995* or other legislation that the agency administers.

	Agency				Territory items			
	2022-23	No. of trans.	2021-22	No. of trans.	2022-23	No. of trans.	2021-22	No. of trans.
	$000		$000		$000		$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							2 834	477
Irrecoverable amounts payable to the Territory or an agency written off					203	5	2 399	29
Losses or deficiencies of money written off								
Value of public property written off								
Postponement of right to receive or recover money or property								
Waiver of right to receive or recover money or property[1]	7 374	1			7 172	2		
Total write-offs, postponements and waivers approved by the Treasurer	**7 374**	**1**			**7 375**	**7**	**5 233**	**506**
Gifts approved by Treasurer								
Gifts approved by delegate								
Total gifts								
Ex gratia payments[2]	691	3						
	691	**3**						
Total authorised under the *Financial Management Act 1995*	**8 065**	4			**7 375**	**7**	**5 233**	**506**
Authorised under other legislation								
Write-offs, postponements and waivers								
Gifts								
Total authorised under other legislation								

1 JTDA advance balance waived in accordance with section 35(2) of the FMA.
2 Mainly relates to settlement payment approved under section 37 of the FMA.

12. Write-offs, postponements, waiver, gifts and ex gratia payments (continued)

a) Write-off

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 circumstance where the Territory or an agency has made all attempts to pursue the debt, however, it is deemed irrecoverable for 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.

b) Waiver

Waivers reflect the election to forgo 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.

c) 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.

d) 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.

e) 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.

13. Cash and deposits

	2022-23	2021-22
	$000	$000
Cash at bank	25 139	62 633
Total cash and deposits	**25 139**	**62 633**

For the purposes of the balance sheet and the cash flow statement, cash includes cash on hand and cash at bank.

14. Cash flow reconciliation

a) Reconciliation of cash

Reconciliation of net surplus/deficit to net cash from operating activities

	2022-23	2021-22
	$000	$000
Net surplus/deficit	**21 566**	**11 590**
Non-cash items:		
Depreciation and amortisation	13	15
Waiver of advances	7 374	
Reversal of doubtful debt	- 8 805	
Changes in assets and liabilities:		
Decrease/(increase) in receivables	968	914
(Decrease)/increase in payables	- 9 924	- 4 900
(Decrease)/increase in provision for employee benefits	- 137	- 1
(Decrease)/increase in other provisions	5	7
(Decrease)/increase in other liabilities	15	
Net cash from/(used in) operating activities	**11 075**	**7 625**

b) Reconciliation of liabilities arising from financing activities

DTF did not have any liabilities arising from financing activities during 2022-23.

c) Non-cash financing and investing activities

During the financial year, the agency recognised $0.17 million (2022: $0.16 million) as interest expense related to the deferred loss amortisation and interest income on advances paid of $0.17 million (2022: $0.16 million) in the comprehensive operating statements. Refer to Note 16 for more information.

Notes to the financial statements

For the year ended 30 June 2023

15. Receivables

	2022-23	2021-22
	$000	$000
Current		
Accounts receivable	77	3
Less: loss allowance		
	77	**3**
Accrued contract revenue		1 015
Less: loss allowance		
		1 015
GST receivables	36	40
Prepayments	40	61
Other receivables	76	78
	152	**179**
Total receivables	**228**	**1 196**

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

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

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

The loss allowance reflects lifetime expected credit losses (ECLs) and represents the amount of receivables DTF estimates are likely to be uncollectible and are considered doubtful. DTF did not recognise any loss allowance on receivables in 2022-23 or 2021-22.

a) Accrued contract revenue

Accrued contract revenue relates to the agency's right to consideration in exchange for works completed but not invoiced at the reporting. Once the agency's right to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers is reported as part of other receivables.

DTF did not recognise any accrued contract revenue in 2022-23 (2021-22: $1.015 million for the HomeBuilder grant initiative).

b) Prepayments

Prepayments represent payments made in advance of receipt of goods and services. Prepayments are recognised on an accrual basis and amortised over the period in which the economic benefits from these assets are received.

15. Receivables (continued)

c) Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. The entity applies the simplified approach to measuring ECLs. This approach recognises a loss allowance based on lifetime ECLs for all accounts receivables, contracts receivables and accrued contract revenue. To measure ECLs, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information. DTF did not have any lifetime ECLs in 2022-23 or 2021-22.

In accordance with the provisions of the FMA, receivables are written off when, based on demonstrated actions to collect, there is no reasonable expectation of recovery for reasons beyond the agency's control.

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

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

d) Ageing analysis

	2022-23				2021-22			
	Gross Receivables	Loss rate	ECL	Net receivables	Gross receivables	Loss rate	ECL	Net receivables
	$000	%	$000	$000	$000	%	$000	$000
Internal receivables								
Not overdue	77			77	3			3
Overdue for less than 30 days								
Overdue for 30 to 60 days								
Overdue for more than 60 days								
Total internal receivables	**77**			**77**	**3**			**3**
External receivables								
Not overdue					1 015			1 015
Overdue for less than 30 days								
Overdue for 30 to 60 days								
Overdue for more than 60 days								
Total external receivables					**1 015**			**1 015**

15. Receivables (continued)

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

e) Reconciliation of loss allowance for receivables

DTF did not have any loss allowance for receivables in 2022-23 or 2021-22.

16. Advances and investments

	2022-23	2021-22
	$000	$000
Non current		
Advances paid	25 000	33 805
Less: loss allowance		- 8 805
Total advances and investments	**25 000**	**25 000**

a) Advances paid

Advances paid are recognised initially at fair value plus or minus relevant transaction costs and are recognised in the balance sheet when the agency 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 that is less than the amount lent. This fair value is calculated in accordance with Note 25. The difference between the amount lent and the fair value is recognised as an expense in the comprehensive income statement except when loss is deferred.

Subsequently, advances paid are measured at amortised cost using the effective interest method. The average discount rate used to calculate the amortised cost is 8%.

Included with the advances paid is a deferred loss of $22.7 million (2022: $22.8 million). During the year, $0.17 million (2022: $0.16 million) was recognised as interest expense related to the deferred loss amortisation and interest income on advances paid of $0.17 million (2022: $0.16 million) in the comprehensive operating statement.

Loss allowances on advances paid reflect either 12-month or lifetime ECLs depending on changes in credit risk and represents the amount of advances paid the agency estimates are likely to be uncollectible and are considered doubtful. In 2022-23 the loss allowance was written back due to the waiver of the loan.

Credit risk exposure of advances paid

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

16. Advances and investments (continued)

Loss allowance for advances paid represents the amount of advances paid the agency estimates to be uncollectible and is considered doubtful. Ageing analysis and reconciliation of loss allowance for advances paid as at the reporting date are disclosed below.

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

DTF did not have any internal advances paid in 2022-23 or 2021-22.

Ageing analysis

	2022-23				2021-22			
	Gross advances paid	Loss rate	ECL	Net advances paid	Gross advances paid	Loss rate	ECL	Net advances paid
	$000	%	$000	$000	$000	%	$000	$000
External advances paid								
Not overdue	25 000			25 000	25 000			25 000
Overdue for less than 30 days								
Overdue for 30 to 60 days								
Overdue for more than 60 days					8 805	100	8 805	
Total external advances paid	**25 000**			**25 000**	**33 805**		**8 805**	**25 000**

ECL: expected credit loss

Reconciliation of loss allowance for advances paid

	2022-23	2021-22
	$000	$000
Opening balance	8 805	8 805
Written off during the year	- 7 374	
Recovered during the year	- 1 431	
Increase/decrease in allowance recognised in profit or loss		
Total loss allowance for advances paid		**8 805**

Notes to the financial statements

For the year ended 30 June 2023

17. Property, plant and equipment

a) Total property, plant and equipment

	2022-23	2021-22
	$000	$000
Plant and equipment		
At fair value	68	68
Less: accumulated depreciation	- 34	- 21
Total property, plant and equipment	**35**	**47**

Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases and service concession assets under AASB 1059. The agency currently does not have any right-of-use and service concession assets.

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

	Plant and equipment	
	2022-23	2021-22
	$000	$000
Carrying amount as at 1 July	47	73
Additions/disposals from asset transfers		- 11
Depreciation/amortisation expense	- 13	- 15
Carrying amount as at 30 June	**35**	**47**

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.

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 agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and separately depreciated over their expected useful lives.

17. Property, plant and equipment (continued)

b) Revaluations and impairment

Revaluation of assets

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

DTF does not have any right-of-use assets.

Impairment of assets

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

Non-current physical agency 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. 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 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 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.

Agency 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.

Depreciation and amortisation expense

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

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

	2022-23	2021-22
Plant and equipment	3 to 10 years	3 to 10 years

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

18. Agency as a lessee

Intergovernmental leases

DTF applies the intergovernmental leases recognition exemption as per the Treasurer's Direction – Leases and recognises these as an expense on a straight-line basis over the lease term. These largely relate to the lease of motor vehicles from NT Fleet. Leases of commercial properties for office accommodation are centralised with 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.

19. Payables

	2022-23	2021-22
	$000	$000
Accounts payable	5	1
Accrued salaries and wages	328	282
Other accrued expenses	504	705
Other payables	6 339	16 112
Total payables	**7 176**	**17 100**

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

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

Other payables consist of CSOs payable to utility retailers.

20. Borrowings and advances

DTF had no borrowings and advances during 2022-23 or 2021-22.

Lease liabilities

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

	2022-23		2021-22	
	Internal	External	Internal	External
	$000	$000	$000	$000
Not later than one year	91		85	
Later than one year and not later than five years	138		128	
Later than five years				
	229		**213**	

Notes to the financial statements

For the year ended 30 June 2023

21. Provisions

	2022-23	2021-22
	$000	$000
Current		
Employee benefits		
Recreation leave	2 091	2 221
Leave loading	168	183
Other employee benefits	15	7
Other current provisions	416	411
Total provisions	**2 690**	**2 821**
Reconciliations of provisions other than employee benefits		
Balance as at 1 July	411	403
Additional provisions recognised	633	607
Reductions arising from payments	- 628	- 599
Balance as at 30 June	**416**	**411**

DTF employed 112.3 employees as at 30 June 2023 (116.5 employees as at 30 June 2022), including NTTC and Utilities Commission.

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, CHA assumes the long service leave liabilities of government agencies, and therefore no long service leave liability is recognised within these financial statements.

22. Other liabilities

	2022-23	2021-22
	$000	$000
Current		
Unearned revenue – Commonwealth appropriation	15	
Total other liabilities	**15**	

a) Financial guarantee liability

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued where the total value being guaranteed is greater than $1 million.

DTF had no quantifiable financial guarantee contracts at 30 June 2023 or 30 June 2022.

b) Unearned contract revenue liability

Unearned contract revenue liability relate to consideration received in advance from customers. As at 30 June 2023, DTF recognised unearned contract revenue liability of $15,000 for the HomeBuilder grant initiative.

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

	2022-23	2021-22
	$000	$000
Not later than one year	15	
Later than one year and not later than five years		
Later than five years		
Total	**15**	

c) Superannuation

Employees' superannuation entitlements are provided through the:

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

DTF makes superannuation contributions on behalf of its employees to CHA or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by CHA and therefore not recognised in agency financial statements.

23. Commitments

Commitments represent future obligations or cash outflows that can be reliably measured and arise out of a contractual arrangement, and typically binds the agency 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 that are external to the Northern Territory Government.

Disclosures in relation to other commitments are detailed below.

	2022-23		2021-22	
	Internal	External	Internal	External
	$000	$000	$000	$000
Not later than one year	91	652	85	2 450
Later than one year and not later than five years	138	119	128	1 172
Later than five years				
Total other non-cancellable contract commitments (exclusive of GST)	**229**	**771**	**213**	**3 622**
Plus: GST recoverable	23	77	21	362
Total other non-cancellable contract commitments (inclusive of GST)	**252**	**848**	**234**	**3 984**

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

24. 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 and liabilities.

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

24. Fair value measurement (continued)

Unobservable inputs are data, assumptions and judgments not available publicly but relevant to the characteristics of the asset and liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics or functionality of assets and 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

DTF does not recognise any financial assets or liabilities at fair values 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 level of inputs used to compute fair value.

	Level 3		Total fair value	
	2022-23	2021-22	2022-23	2021-22
	$000	$000	$000	$000
Assets				
Plant and equipment (Note 17)	35	47	35	47
Total assets	**35**	**47**	**35**	**47**

There were no transfers between level 1, 2 or 3 during 2022-23.

b) Valuation techniques and inputs

The valuation technique used to measure fair value of the level 3 asset class plant and equipment (Note 17) in 2022-23 was the cost approach.

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

24. 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

	Plant and equipment	
	2022-23	2021-22
	$000	$000
Fair value as at 1 July	47	73
Depreciation/amortisation expense	- 13	- 15
Additions/disposals from asset transfers		- 11
Fair value as at 30 June	**35**	**47**

(ii) Sensitivity analysis

Plant and equipment includes computer hardware and office furniture stated at historical cost less accumulated depreciation, which is deemed to equate to fair value.

25. 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 agency becomes a party to the contractual provisions of the financial instrument. DTF's financial instruments include cash and deposits, receivables, advances paid and payables.

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.

DTF has limited exposure to financial risks.

Notes to the financial statements

For the year ended 30 June 2023

25. Financial instruments (continued)

a) Categories of financial instruments

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

	FVTPL				
	Mandatorily at fair value	Designated at fair value	Amortised cost	FVOCI	Total
	$000	$000	$000	$000	$000
2022-23					
Cash and deposits			25 139		25 139
Receivables[1]			77		77
Advances paid			25 000		25 000
Total financial assets			**50 216**		**50 216**
Payables[1]			5		5
Total financial liabilities			**5**		**5**
2021-22					
Cash and deposits			62 633		62 633
Receivables[1]			3		3
Advances paid			25 000		25 000
Total financial assets			**87 636**		**87 636**
Payables[1]			1		1
Total financial liabilities			**1**		**1**

FVTPL: fair value through profit and loss; FVOCI: fair value through other comprehensive income.
1 Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

Categories of financial instruments

The agency'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 and loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- FVTPL.

25. Financial instruments (continued)

These classifications are based on DTF's business model for managing the financial assets and the contractual terms of 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 agency'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 agency 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. DTF's financial assets categorised at amortised cost include receivables and advances paid.

Financial assets at fair value through other comprehensive income

Financial assets are classified at FVOCI when they are held by the agency 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 derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when the agency's right to receive payments is established.

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.

DTF does not have any financial assets under this category.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. DTF's financial liabilities categorised at amortised cost include all accounts payable.

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.

25. Financial instruments (continued)

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

DTF does not have any financial liabilities under this category.

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.

DTF has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the agency 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 agency'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 15 and advances paid in Note 17.

c) Liquidity risk

Liquidity risk is the risk the agency will not be able to meet its financial obligations as they fall due. DTF'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 agency bank account to meet various current employee and supplier liabilities. DTF's exposure to liquidity risk is minimal. Cash injections are available from CHA in the event of one-off extraordinary expenditure items arising that deplete cash to levels and compromise the agency's ability to meet its financial obligations.

Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	$000	$000	$000	$000	$000
2022-23					
Liabilities					
Payables	5	5			5
Total financial liabilities	**5**	**5**			**5**
2021-22					
Liabilities					
Payables	1	1			1
Total financial liabilities	**1**	**1**			**1**

1 Amounts disclosed exclude statutory amounts and accruals (such as Accountable Officer's Trust Accounts, accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument.

25. Financial instruments (continued)

d) Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(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.

DTF is not exposed to interest rate risk as DTF financial assets and liabilities are non-interest bearing or have a fixed interest rate.

(ii) Price risk

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

(iii) Currency risk

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

26. Related parties

a) Related parties

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

- the Treasurer 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 Treasurer 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 or the Treasurer, or controlled or jointly controlled by their close family members.

b) Key management personnel

DTF's KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the agency. These include the Treasurer, Under Treasurer and the six members of the executive team.

26. Related parties (continued)

c) Remuneration of key management personnel

The details below exclude the salaries and other benefits of the Treasurer as the Treasurer's remunerations and allowances are payable by the Department of the Legislative Assembly, and consequently disclosed within the Treasurer's Annual Financial Report.

The aggregate compensation of DTF's KMP is set out below:

	2022-23	2021-22
	$000	$000
Short-term benefits[1]	1 614	2 448
Post-employment benefits[1]	157	241
Long-term benefits		
Termination benefits		
Total remuneration of key management personnel	**1 771**	**2 689**

1 The number of KMPs in 2022-23 is six compared to nine in 2021-22.

d) Related party transactions

Transactions with Northern Territory Government-controlled entities

DTF's primary ongoing source of funding is received from CHA in the form of output appropriation and on-passed Commonwealth national partnership payments.

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

	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
2022-23				
Territory Government departments	6 225	7 689		534
Subsidiaries	4	120 361	150	
Total	**6 229**	**128 050**	**150**	**534**
2021-22				
Territory Government departments	6 209	7 682		704
Subsidiaries	131	116 778	69	16 114
Total	**6 340**	**124 460**	**69**	**16 818**

The department's transactions with other government entities are not individually significant.

26. Related parties (continued)

Other related party transactions

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges, and therefore these transactions have not been disclosed.

Outside normal citizen-type transactions with the Territory, there were no related-party transactions that involved KMP and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

27. Contingent liabilities and contingent assets

a) Contingent liabilities

Unquantifiable contingent liabilities are:

Financial guarantee given to the AustralAsia Railway Company

In 2001, the Northern Territory of Australia (Territory Government) and the Crown in the Right of South Australia (SA Government) entered into an agreement to facilitate the financing, design, construction, operation and maintenance of a railway between Darwin and Alice Springs, and the operation and maintenance of the existing railway between Tarcoola and Alice Springs by the private sector ('Intergovernmental Agreement', 'the AustralAsia Railway Project'). The current holder of the railway concession is Aurizon Bulk Central Holdings Pty Ltd, previously One Rail Australia (North) Pty Ltd.

As part of the AustralAsia Railway Project, a $50 million loan was granted to the railway concession holder with underlying financing of $25 million provided by each the Territory Government and the SA Government. To grant this loan, both DTF and the SA Government granted a $25 million loan to the AustralAsia Railway Corporation (AARC) (the 'Territory Loan' and 'State Loan', respectively) , which then on-lent the funds to the railway concession holder in a subordinate loan. The loan is recorded in DTF's financial statements.

If Aurizon Bulk Central Holdings defaults, DTF is obliged to waive the advance to AARC, thereby guaranteeing the repayment of principal by Aurizon Bulk Central Holdings to AARC. It is probable that Aurizon Bulk Central Holdings will be able to repay the entire principal.

Workers compensation insurance

The government has indemnified private sector insurers that provide workers compensation insurance in the Territory, which is administered through DTF. The indemnity covers insurers for losses that arise as a result of acts of terrorism. The resultant contingent liability is unquantifiable but reportable as it is deemed to be above the materiality threshold.

b) Contingent assets

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

28. Events subsequent to balance date

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

29. 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. An agency is unable to use administered items to further its own objectives without authorisation.

Administered items are transferred to and reported by CHA, 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 agency on behalf of the government and are recorded in CHA (refer to Note 2d).

	2022-23	2021-22
	$000	$000
TERRITORY INCOME AND EXPENSES		
Income		
Taxation revenue	768 277	805 726
Grant and subsidy revenue		
GST revenue	3 933 767	3 544 348
Specific purpose payments	482 467	459 079
National partnership payments	753 145	693 017
Current	440	24 827
Fees from regulatory services	528	555
Royalties and rents	335 412	432 101
Other income	2	2
Total income	6 274 039	5 959 656
Expenses		
Central Holding Authority income transferred	6 267 562	5 959 438
Doubtful debts	- 898	- 5 014
Bad debts	7 375	5 232
Total expenses	6 274 039	5 959 656
Territory income less expenses		
TERRITORY ASSETS AND LIABILITIES		
Assets		
Taxes receivable	67 751	92 363
Other receivables	541 541	479 276
Total assets	609 292	571 640
Liabilities		
Central Holding Authority income payable	383 462	411 115
Unearned Central Holding Authority income	225 830	160 525
Total liabilities	609 292	571 640
Net assets		

30. 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.

a) Comprehensive operating statement

	2022-23			
	Actual	Original budget	Variance	Note
	$000	$000	$000	
INCOME				
Appropriation				
Output	170 172	149 813	20 359	1
Commonwealth	515	660	- 145	
Interest revenue	174		174	
Goods and services received free of charge	6 207	6 355	- 148	
Other income	44		44	
TOTAL INCOME	177 112	156 828	20 284	
EXPENSES				
Employee expenses	15 254	16 558	- 1 304	2
Administrative expenses				
Purchases of goods and services	4 114	4 282	- 168	
Depreciation and amortisation	13	13		
Other administrative expenses	3 925	13 133	- 9 208	3
Grant and subsidy expenses				
Current	10 050	14 779	- 4 729	4
Capital		5 000	- 5 000	5
Community service obligations	122 099	108 660	13 439	6
Interest expenses	91	9	82	
TOTAL EXPENSES	155 546	162 434	- 6 888	
NET SURPLUS/(DEFICIT)	21 566	- 5 606	27 172	
OTHER COMPREHENSIVE INCOME				
TOTAL OTHER COMPREHENSIVE INCOME				
COMPREHENSIVE RESULT	21 566	- 5 606	27 172	

30. Budgetary information (continued)

The following note descriptions relate to variances greater than $0.5 million or where multi-significant variances have occurred.

1. The $20.4 million increase in output appropriation mainly reflects additional funding to contain utility price increases below inflation, passed on to retail electricity providers, combined with revised timing of funding for the Power and Water Corporation underground power project, and offset by funding for the new Sage ICT system project.
2. The $1.3 million decrease reflects lower staffing in 2022-23 and vacant positions.
3. The $9.2 million reduction in other administrative expenses mainly reflects the reclassification of expenses relating to the wind-up of the JTDA from administrative expenses to current grants, and lower Commonwealth administration charges.
4. The $4.7 million decrease mainly reflects lower uptake of home owner assistance schemes and other subsidies, offset by the reclassification of JTDA wind-up expenses to current grants (see note 3 above).
5. The $5 million decrease in capital grants reflects changed timing of the Power and Water Corporation underground power project.
6. The increase largely reflects additional funding to contain utility price increases below inflation, on-passed to retail electricity providers.

30. Budgetary information (continued)

b) Balance sheet

	2022-23			
	Actual	Original budget	Variance	Note
	$000	$000	$000	
ASSETS				
Current assets				
Cash and deposits	25 139	36 107	- 10 968	1
Receivables	228	2 014	- 1 786	2
Other financial assets		96	- 96	
Total current assets	**25 367**	**38 217**	**- 12 850**	
Non-current assets				
Advances and investments	25 000	25 000		
Property, plant and equipment	35	35		
Total non-current assets	**25 035**	**25 035**		
TOTAL ASSETS	**50 402**	**63 252**	**- 12 850**	
LIABILITIES				
Payables	7 176	950	6 226	3
Provisions	2 690	2 814	- 124	
Other liabilities	15		15	
TOTAL LIABILITIES	**9 881**	**3 764**	**6 117**	
NET ASSETS	**40 521**	**59 488**	**- 18 967**	
EQUITY				
Capital	- 71 470	- 21 471	- 50 000	4
Accumulated funds	111 991	80 959	31 032	
TOTAL EQUITY	**40 521**	**59 488**	**- 18 967**	

The following note descriptions relate to variances greater than $0.5 million or where multi significant variances have occurred.

1. The decrease in cash and deposits largely reflects payments of CSOs relating to the previous period.
2. The $1.8 million decrease in receivables reflects Commonwealth funding owing for HomeBuilder grant payments made in 2021-22.
3. The $6.2 million increase in payables largely reflects accrued expenditure relating to CSO payments to be passed on to electricity retailers.
4. The $50 million increase reflects the withdrawal of excess cash balances, transferred to the CHA.

Notes to the financial statements

For the year ended 30 June 2023

30. Budgetary information (continued)

c) Cash flow statement

	2022-23			
	Actual	Original budget	Variance	Note
	$000	$000	$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	170 172	149 813	20 359	1
Commonwealth	1 545	660	885	2
Other operating receipts	217		217	
Interest received				
Total operating receipts	**171 934**	**150 473**	**21 461**	
Operating payments				
Payments to employees	15 328	16 558	1 230	3
Payments for goods and services	10 890	11 060	170	
Grants and subsidies paid				
Current	2 677	14 779	12 102	4
Capital		5 000	5 000	5
Community service obligations	131 873	108 660	- 23 213	6
Interest paid	91	9	- 82	
Total operating payments	**160 859**	**156 066**	**- 4 793**	
Net cash from/(used in) operating activities	**11 075**	**- 5 593**	**16 668**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Repayment of advances received	1 431		1 431	7
Total investing payments	**1 431**		**1 431**	
Net cash from/(used in) investing activities	**1 431**		**1 431**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Equity withdrawals	50 000		- 50 000	8
Total financing receipts	**50 000**		**- 50 000**	
Net cash from/(used in) financing activities	**50 000**		**- 50 000**	
Net increase/(decrease) in cash held	- 37 494	- 5 593	- 31 901	
Cash at beginning of financial year	62 633	41 700	20 933	
CASH AT END OF FINANCIAL YEAR	**25 139**	**36 107**	**- 10 968**	

30. Budgetary information (continued)

The following note descriptions relate to variances greater than $0.5 million or where multi significant variances have occurred.

1. The $20.4 million increase in output appropriation mainly reflects additional funding to contain utility price increases below inflation, on-passed to retail electricity providers, combined with revised timing for the Power and Water Corporation underground power project, and offset by funding for the new Sage ICT system project.
2. The $0.9 million increase in Commonwealth appropriation reflects receipt of Commonwealth funding owing for HomeBuilder grant payments made in 2021-22.
3. The $1.3 million decrease reflects lower staffing in 2022-23 and vacant positions.
4. The $12.1 million decrease mainly reflects timing of payments in home owner assistance schemes between years, and reclassification of JTDA wind-up transactions.
5. The $5 million decrease in capital grants reflects changed timing of Power and Water Corporation underground power project.
6. The increase largely reflects additional funding to contain utility price increases below inflation, passed on to retail electricity providers.
7. The $1.4 million increase reflects to the JTDA wind-up.
8. The $50 million increase reflects the withdrawal of excess cash balances, transferred to the CHA.

31. 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 29 of these financial statements together with explanations for significant variations.

	2022-23			
	Actual	Original budget	Variance	Note
	$000	$000	$000	
TERRITORY INCOME AND EXPENSES				
Income				
Taxation revenue	768 277	702 719	65 558	1
Grant and subsidy revenue				
GST revenue	3 933 767	3 576 000	357 767	2
Specific purpose payments	482 467	468 626	13 841	
National partnership payments	753 145	696 622	56 523	3
Current	440		440	
Fees from regulatory services	528	438	90	
Royalties and rents	335 412	345 300	- 9 888	
Other income	2	300	- 298	
Total income	6 274 039	5 790 005	484 034	
Expenses				
Central Holding Authority income transferred	6 267 562	5 790 005	477 557	
Doubtful debts	- 898		- 898	
Bad debts	7 375		7 375	
Total expenses	6 274 039	5 790 005	484 034	
Territory income less expenses				
TERRITORY ASSETS AND LIABILITIES				
Assets				
Taxes receivable	67 751	41 347	26 404	4
Other receivables	541 541	208 933	332 608	5
Total assets	609 292	250 280	359 012	
Liabilities				
Central Holding Authority income payable	383 462	198 679	184 783	6
Unearned Central Holding Authority income	225 830	51 601	174 229	7
Total liabilities	609 292	250 280	359 012	
Net assets				

31. Budgetary information: Administered Territory items (continued)

The following note descriptions relate to variances greater than $20 million or where multiple significant variances have occurred.

1. The $65.6 million increase in taxation revenue from the original 2022-23 Budget reflects:
   - increased payroll and labour force taxes of $30.5 million reflecting employment and wages growth in both public and private sector entities
   - higher stamp duties on financial and capital transactions of $22.6 million mainly due to unbudgeted commercial transactions in 2022-23
   - increased taxes on insurance of $10.1 million reflecting increase in insurance policy volumes and values
   - additional motor vehicle taxes of $9.6 million, largely due to new vehicle purchases
   - a net increase in taxes on gambling of $5.1 million
   - offset by lower than anticipated income tax equivalents of $12.9 million due to revised profitability in government trading entities.
2. GST revenue increased by $357.8 million due to growth in the national GST pool and an increase in the Territory's GST relativity.
3. Higher national partnership revenue of $56.5 million was due to additional Commonwealth funding for remote public housing of $75.2 million and the Bilateral Energy and Emissions Reductions agreement of $15 million, partially offset by revised delivery of various Commonwealth funded infrastructure projects.
4. Taxes receivable increased by $26.4 million largely due to increased payroll tax and stamp duty receivables.
5. Other receivables increased by $332.6 million largely due to accrued revenue of $176.6 million predominantly for works undertaken for various Commonwealth funded programs for which cash has not yet been received, $174.2 million reflecting funds received in advance from the Commonwealth and on-passed to agencies, offset by lower royalties receivable of $18.2 million.
6. Payables increased by $184.8 million in line with accrued current and capital grant revenue totalling $176.6 million relating to works undertaken for various Commonwealth funded programs for which cash has not yet been receipted and on-passed to government agencies.
7. Unearned CHA income increased by $174.2 million predominantly due to Commonwealth funding received in advance in 2022-23, to be spent and recognised in the income statement in future years as milestones are met.

Central Holding Authority

Certification of the financial statements

We certify that the attached financial statements for CHA have been prepared from proper accounts and records in accordance with the prescribed format, FMA 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.

Craig Graham
Under Treasurer

30 September 2023

Tiziana Hucent
Senior Director Financial Reporting

30 September 2023

Comprehensive operating statement

For the year ended 30 June 2023

	Note	2022-23	2021-22
		$000	$000
INCOME			
Taxation revenue	3	827 417	866 648
Grants and subsidies revenue	4a		
GST revenue		3 933 767	3 544 348
Specific purpose payments		482 467	459 079
National partnership agreements		753 145	693 017
Current grants		440	24 827
Capital grants		18 121	23 465
Sales of goods and services	4b	71 358	79 464
Interest revenue		93 704	63 656
Royalties, rents and dividends	5	424 103	518 676
Employer superannuation contributions		23 812	26 478
Unrealised gain/(loss) on investments		43 633	- 148 340
Other income		23 153	26 847
TOTAL INCOME		6 695 121	6 178 166
EXPENSES			
Long service leave expense		61 703	53 337
Superannuation expense	15	146 579	120 843
Workers compensation expense		65 247	36 129
Administrative expense[1]		1 820	- 1 565
Grants and subsidies expense[2]		7 872	2 634
Interest expense		277 570	266 547
Output appropriation		4 693 288	4 602 966
Commonwealth appropriation		764 215	854 587
TOTAL EXPENSES		6 018 294	5 935 478
NET SURPLUS/(DEFICIT)		676 827	242 687
OTHER COMPREHENSIVE INCOME			
Remeasurement of superannuation liability	15	- 78 857	674 631
Revaluations and asset impairment on provisions		- 25 703	16 461
TOTAL OTHER COMPREHENSIVE INCOME		- 104 560	691 092
COMPREHENSIVE RESULT		572 267	933 780

1 Administrative expense comprises management fees paid to NTTC for the management of investments and borrowings, combined with any taxation revenue-related bad or doubtful debts.

2 Grants and subsidies expense comprises payments under the National Redress Scheme, combined with any waivers of taxation debt.

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	2022-23	2021-22
		$000	$000
ASSETS			
Current assets			
Cash and deposits	6	827 733	719 981
Receivables	8	417 289	447 153
Advances and investments	9	1 326 971	2 115 331
Prepayments	10	195 953	127 193
Total current assets		**2 767 946**	**3 409 657**
Non current assets			
Prepayments	10	49 035	48 493
Equity investments		15 144 567	14 204 302
Total non current assets		**15 193 602**	**14 252 796**
TOTAL ASSETS		**17 961 549**	**17 662 453**
LIABILITIES			
Current liabilities			
Deposits held	11	1 154 830	1 337 992
Payables	12	185 644	104 278
Borrowings and advances	13	661 510	535 776
Employee benefits	14	311 367	295 389
Superannuation liability	15	274 792	272 276
Other liabilities	16	238 625	160 006
Total current liabilities		**2 826 768**	**2 705 717**
Non current liabilities			
Borrowings and advances	13	7 125 841	7 528 351
Employee benefits	14	75 011	70 213
Superannuation liability	15	2 811 776	2 831 298
Other liabilities	16	217 354	194 342
Total non current liabilities		**10 229 982**	**10 624 204**
TOTAL LIABILITIES		**13 056 751**	**13 329 922**
NET ASSETS		**4 904 798**	**4 332 531**
EQUITY			
Accumulated funds		4 904 798	4 332 531
TOTAL EQUITY		**4 904 798**	**4 332 531**

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

	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	$000	$000	$000	$000
2022-23				
Accumulated funds	4 332 531	572 267		4 904 798
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves				
Other movements directly to equity				
Total equity at end of financial year	4 332 531	572 267		4 904 798
2021-22				
Accumulated funds	3 398 752	933 780		4 332 531
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves				
Other movements directly to equity				
Total equity at end of financial year	3 398 752	933 780		4 332 531

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

Cash flow statement

For the year ended 30 June 2023

	Note	2022-23	2021-22
		$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Taxes received		842 413	816 299
Grants and subsidies received			
GST received		3 933 767	3 544 348
Specific purpose payments		482 467	459 079
National partnership agreements		735 288	656 414
Current grants		440	24 827
Capital grants		24 743	20 343
Royalties, rents and dividends		497 105	445 526
Employer superannuation contributions		23 812	26 478
Other receipts		104 651	106 353
Interest received		93 494	62 682
Total operating receipts		**6 738 181**	**6 162 350**
Operating payments			
Long service leave		50 528	49 171
Superannuation benefits		242 442	215 359
Other salary payments		43 022	40 355
Payments for goods and services		2 718	2 391
Interest paid		276 833	266 361
Output payments		4 693 288	4 602 966
Commonwealth payments		852 914	912 539
Total operating payments		**6 161 745**	**6 089 142**
Net cash from/(used in) operating activities	7a	**576 436**	**73 208**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Equity sales or withdrawals		86 348	220 162
Advances and investing receipts		831 993	
Total investing receipts		**918 341**	**220 162**
Investing payments			
Advances and investing payments			916 277
Capital appropriation		464 868	482 224
Commonwealth appropriation		390 089	223 689
Equity injections		72 128	153 496
Total investing payments		**927 085**	**1 775 687**
Net cash from/(used in) investing activities		**- 8 744**	**- 1 555 525**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Proceeds of borrowings		259 000	1 470 000
Deposits received		- 183 162	- 1 084 425
Total financing receipts		**75 838**	**385 575**
Financing payments			
Repayment of borrowings		535 776	660 130
Total financing payments		**535 776**	**660 130**
Net cash from/(used in) financing activities	7b	**- 459 939**	**- 274 555**
Net increase/(decrease) in cash held		107 753	- 1 756 871
Cash at beginning of financial year		719 981	2 476 851
CASH AT END OF FINANCIAL YEAR	6	827 733	719 981

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

Index of notes to the financial statements

Notes to the financial statements

For the year ended 30 June 2023

1. Objectives and funding

CHA is the parent body that represents the government's ownership interest in government-controlled entities.

CHA records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of 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.

CHA 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, long service leave, workers compensation and national redress liabilities.

CHA recognises all Territory items, therefore the Territory items managed by agencies on behalf of CHA are not recorded in agency financial statements. However, as agencies are accountable for the Territory items they manage on behalf of government, these items have been separately disclosed in the notes of agency financial statements.

2. Statement of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the FMA and related Treasurer's Directions. The FMA requires CHA to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

(i) a certification of the financial statements

(ii) a comprehensive operating statement

(iii) a balance sheet

(iv) a statement of changes in equity

(v) a cash flow statement

(vi) 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 CHA's financial statements is also consistent with the requirements of AAS. The effects of all relevant new and revised standards and interpretations issued by the AASB that are effective for the current annual reporting period have been evaluated.

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 CHA reporting.

2. Statement of significant accounting policies (continued)

Standards and interpretations issued but not yet effective

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

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

c) Comparatives

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

d) 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.

e) Changes in accounting policies

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

f) Accounting judgements and estimates

Preparation of the financial statements requires making judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses, and disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities 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.

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

g) Goods and services tax

Income, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred on a purchase of goods and services is not recoverable from the 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.

h) Grants revenue and other contributions

Following the Intergovernmental Agreement on Federal Financial Relations, effective 1 January 2009, all specific purpose and national partnership payments are made by the Commonwealth Treasury to state treasuries in a manner similar to arrangements for GST payments. The payments are received by DTF on behalf of CHA and then passed on to relevant agencies as Commonwealth appropriation.

i) Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

j) Interest expense

Interest expenses include interest on borrowings. Interest expenses are expensed in the period in which they are incurred.

k) Equity investments

This represents the contributed capital balances of the Territory's investment in all its controlled entities.

l) Equity

The values of all holdings in entities external to a sector that are controlled by that sector are included in equity.

m) Reporting period

The reporting period is the year ended each 30 June.

3. Taxation revenue

	2022-23	2021-22
	$000	$000
Taxes on employers' payroll and labour force taxes	371 137	336 841
Stamp duties on financial and capital transactions	171 572	253 740
Taxes on gambling	93 166	83 811
Taxes on insurance	69 078	64 895
Motor vehicle registration fees	92 033	88 559
Income tax equivalent income	27 396	35 431
Other	3 035	3 372
Total taxation revenue	**827 417**	**866 648**

Taxation revenue is recognised at the fair value of the consideration received, exclusive of the amount of GST.

Territory taxation is recognised when the underlying transaction or taxable event gives rise to the right to collect revenue and the revenue can be measured reliably.

Where revenue cannot be reliably measured, revenue is recognised on the earlier of lodgement of assessment or receipt of cash.

The Commonwealth applies a tax equivalent regime that levies the equivalent of specified taxes and local government rates on certain public sector entities. While levied by the Commonwealth, tax equivalent transactions and balances are payable to the Territory and recognised by CHA.

Notes to the financial statements

For the year ended 30 June 2023

4. Revenue

a) Grants and subsidies revenue

	Revenue from contracts with customers	Other	Total
2022-23	$000	$000	$000
GST revenue		3 933 767	3 933 767
Specific purpose payments		482 467	482 467
National partnership agreements	96 902	656 243	753 145
Current grants		440	440
Capital grants		18 121	18 121
Total grants and subsidies revenue	**96 902**	**5 091 038**	**5 187 940**
2021-22[1]			
GST revenue		3 544 348	3 544 348
Specific purpose payments		459 079	459 079
National partnership agreements	242 539	450 478	693 017
Current grants		24 827	24 827
Capital grants		23 465	23 465
Total grants and subsidies revenue	**242 539**	**4 502 197**	**4 744 736**

1 2021-22 disclosures have been reclassified to provide consistency with 2022-23 disclosures.

Grants revenue recognised by CHA includes specific purpose and national partnership payments, Commonwealth capital own-purpose expenditure and general assistance revenue, received by CHA and passed on to agencies as Commonwealth and Territory appropriation.

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

Where a grant agreement is enforceable and contains sufficiently specific performance obligations for the receiving 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. In this case, revenue is initially deferred as an unearned contract revenue when received in advance and recognised in CHA as or when performance obligations are satisfied by the receiving agency.

Where grant agreements do not meet the criteria above, it is accounted for under AASB 1058 and income is recognised on receipt of funding, except for national partnership revenue received for the purchase or construction of non financial assets to be controlled by the receiving agency.

GST revenue is general assistance funding received from the Commonwealth for broad objectives which are not sufficiently specific and are recognised upfront, when CHA obtains control of the funds.

Specific purpose payments funding is received from the Commonwealth to support the Territory's efforts in delivering services in key sectors and do not have sufficiently specific performance obligations. Hence revenue is recognised upfront, when the agency obtains control of the funds.

4. Revenue (continued)

National partnership payments funding is received from the Commonwealth to deliver outcomes and outputs under federation funding agreement schedules, national partnership agreements, and some national funding agreements. These agreements may contain either broad objectives with no performance obligations or specific performance obligations. Hence recognition is dependent on criteria contained within each agreement.

National partnership revenues for capital purposes are enforceable contracts with sufficiently specific obligations. Funds are initially recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue in CHA as or when the receiving agency satisfies its obligations under the agreement. Where a non financial asset is purchased, revenue is recognised in CHA at the time the asset is acquired and control transfers to the receiving agency. For constructed assets, revenue is recognised over time, using the percentage of completion method.

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.

	2022-23	2021-22[1]
Type of good or service	$000	$000
Service delivery	96 788	242 389
Research services	114	150
Total revenue from contracts with customers	**96 902**	**242 539**
Type of customer		
Commonwealth Government	96 902	242 539
Total revenue from contracts with customers	**96 902**	**242 539**
Timing of transfer of goods and services		
Over time	71 638	212 950
Point in time	25 265	29 589
Total revenue from contracts with customers	**96 902**	**242 539**

1 2021-22 disclosures have been reclassified to provide consistency with 2022-23 disclosures.

b) Sales of goods and services

	Revenue from contracts with customers	Other	Total
2022-23	$000	$000	$000
Fees from regulatory services	19 429	9 760	29 189
Workers compensation premiums		42 169	42 169
Total sales of goods and services	**19 429**	**51 929**	**71 358**
2021-22			
Fees from regulatory services	31 194	9 970	41 164
Workers compensation premiums		38 300	38 300
Total sales of goods and services	**31 194**	**48 270**	**79 464**

4. Revenue (continued)

Regulatory fees classified as Territory income are collected by agencies on behalf of CHA. Revenue from regulatory fees is recognised in CHA when the receiving agency satisfies its performance obligations. These include fees for the issue of licences. The receiving agency'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 by the receiving agency. The receiving agency recognises licences with a term less than 12 months or a low value of $10,000 or less, upfront on receipt of cash.

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.

	2022-23	2021-22
Type of good or service	$000	$000
Regulatory services	19 429	31 194
Total revenue from contracts with customers	**19 429**	**31 194**
Type of customer		
Territory Government entities	19 429	31 194
Non-government entities		
Total revenue from contracts with customers	**19 429**	**31 194**
Timing of transfer of goods and services		
Point in time	19 429	31 194
Total revenue from contracts with customers	**19 429**	**31 194**

5. Royalties, rents and dividends

	2022-23	2021-22
	$000	$000
Royalty income	335 428	432 215
Rental income	23 926	20 785
Dividend income	64 749	65 675
Total royalties, rents and dividends	**424 103**	**518 676**

Royalty income is recognised when the taxable event occurs, which is the period for which the royalty is levied.

Rental income largely arises from operating leases, accounted for on a straight-line basis over the lease term.

Dividend revenue is recognised when control of the right to receive the dividend from government trading entities is obtained by CHA.

6. Cash and deposits

	2022-23	2021-22
	$000	$000
Cash and deposits	827 733	719 981
Total cash and deposits	**827 733**	**719 981**

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.

Due to the Territory Government's centralised banking arrangements, cash at bank, on call or in short-term deposits is held by CHA, on behalf of government entities.

7. Cash flow reconciliation

a) Reconciliation of net surplus/(deficit) to net cash from operating activities

	2022-23	2021-22
	$000	$000
Net surplus/(deficit)	**676 827**	**242 687**
Changes in assets and liabilities:		
Revaluation and asset impairments other comprehensive income	- 104 560	691 092
Unrealised (gain)/loss on investments	- 43 633	148 340
Gain on extinguishment		2
Decrease/(increase) in receivables	29 864	- 122 170
Decrease/(increase) in prepayments[1]	- 88 455	- 1 689
(Decrease)/increase in payables[1]	992	- 55 493
(Decrease)/increase in employee benefits	20 776	- 3 812
(Decrease)/increase in superannuation liability	- 17 006	- 769 147
(Decrease)/increase in other liabilities	101 631	- 56 603
Net cash from/(used in) operating activities	**576 436**	**73 208**

1 Amounts exclude expenditure that is classified as investing payments.

7. Cash flow reconciliation (continued)

b) Reconciliation of liabilities arising from financing activities

		Cash flows from financing activities				
	1 July	Borrowings and advances received/ (repaid)	Deposits held receipts/ (payments)	Total cash flows	Other changes	30 June
2022-23	$000	$000	$000	$000	$000	$000
Deposits held	1 337 992		- 183 162	- 183 162		1 154 830
Borrowings and advances	8 064 128	- 276 776		- 276 776		7 787 351
Total	**9 402 120**	**- 276 776**	**- 183 162**	**- 459 939**		**8 942 181**
2021-22						
Deposits held	2 422 417		- 1 084 425	- 1 084 425		1 337 992
Borrowings and advances	7 254 255	809 870		809 870	2	8 064 128
Total	**9 676 672**	**809 870**	**- 1 084 425**	**- 274 555**	**2**	**9 402 120**

8. Receivables

	2022-23	2021-22
Current	$000	$000
Taxes receivable	55 744	85 133
Royalties, rents and dividends receivable	181 370	254 338
Interest receivables	1 352	1 143
Other receivables	3 479	11 058
Less: Loss allowance	- 6 808	- 6 214
Accrued contract revenue	10 481	10 217
Accrued capital grants	171 671	91 477
Total receivables	**417 289**	**447 153**

Receivables are recognised at fair value plus any directly attributable transaction costs. Receivables are subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. The loss allowance represents the amount of receivables CHA estimates are likely to be uncollectible and considered doubtful.

Accrued contract revenue comprises current national partnership payments accrued by CHA in line with accrued Commonwealth appropriation recognised in the receiving agency. Accrued contract revenue arise from contracts with customers where the receiving agency's right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once the agency's right to payment becomes unconditional, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers is reported as part of other receivables.

9. Advances and investments

	2022-23	2021-22
	$000	$000
Advances and investments	1 326 971	2 115 331
Total advances and investments	**1 326 971**	**2 115 331**

Advances and investments are initially recorded at cost and subsequently measured at amortised cost or at net market value, after deducting estimated costs of realisation at reporting date. Investments largely comprise the COSR investments that relate to funds set aside to fund the Territory Government's employee-related liabilities including leave entitlements, superannuation payments and to meet similar payments. These are managed by external fund managers through NTTC, on behalf of CHA.

10. Prepayments

	2022-23	2021-22
	$000	$000
Current		
Prepaid contract revenue	99 792	10 829
Prepaid capital grants	95 054	114 749
Other prepaid expenses	1 108	1 616
	195 953	**127 193**
Non current		
Prepaid capital grants	49 035	48 493
	49 035	**48 493**
Total prepayments	**244 988**	**175 687**

Prepaid contract revenue and capital grants comprise funding received in advance from the Commonwealth and passed on to agencies for national partnership agreements and Commonwealth capital own-purpose expenditure, in line with income deferred and recognised as an unearned liability.

11. Deposits held

	2022-23	2021-22
	$000	$000
Deposits held	1 154 830	1 337 992
Total deposits held	**1 154 830**	**1 337 992**

Deposits held are cash balances held by CHA on behalf of government entities due to centralised banking arrangements.

Notes to the financial statements

For the year ended 30 June 2023

12. Payables

	2022-23	2021-22
	$000	$000
Accounts payable	3 319	2 591
Accrued contract expense	10 481	10 217
Accrued capital grants	171 845	91 470
Total payables	185 644	104 278

Liabilities for accounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received. Accounts payable are normally settled within 20 days.

Accrued contract expense and capital grants comprise Commonwealth funding, for which cash has not yet been received and passed on to government agencies for national partnership agreements and Commonwealth own-purpose expenditure, in line with accrued revenue recognised as receivables.

13. Borrowings and advances

	2022-23	2021-22
	$000	$000
Current		
Borrowings and advances	661 510	535 776
	661 510	535 776
Non current		
Borrowings and advances	7 125 841	7 528 351
	7 125 841	7 528 351
Total borrowings and advances	7 787 351	8 064 128

Borrowings represent funds raised for liquidity management purposes from the following sources: loans raised by the Commonwealth on behalf of the Territory; domestic and international borrowings by the NTTC; and overdraft facilities obtained from the commercial banking sector by public non financial corporations and public financial corporations.

Advances reflect loans received for policy purposes. These are primarily the original Commonwealth loans issued at self-government and are recorded at fair value, net of transaction costs.

14. Employee benefits

	2022-23	2021-22
Current	$000	$000
Long service leave	311 367	295 389
	311 367	**295 389**
Non current		
Long service leave	75 011	70 213
	75 011	**70 213**
Total employee benefits	**386 378**	**365 602**

Long service leave

A liability is recognised for benefits accruing to employees in respect of long service leave when it is probable that settlement will be required and it is capable of being measured reliably.

CHA recognises long service leave liabilities on behalf of all Territory agencies.

Liabilities recognised in respect of employee benefits not expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows 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.

15. Superannuation liability

	2022-23	2021-22
	$000	$000
Current	274 792	272 276
Non current	2 811 776	2 831 298
Total superannuation liabilities (d)	**3 086 568**	**3 103 574**

CHA's superannuation liability represents unfunded superannuation liabilities associated with Territory Government-administered superannuation schemes that are now closed to new members, with the exception of the Judges Pension Scheme, which remains open. With the exception of Supreme Court judges, all Territory Government employees who commenced on or after 10 August 1999 are in an external employee-nominated non-government scheme (choice of fund).

Territory Government employees' superannuation entitlements are provided through either a defined contribution plan or a defined benefit plan.

15. Superannuation liability (continued)

a) Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered the service entitling them to the contributions. These include employee-nominated non-government schemes (choice of fund) for those employees commencing on or after 10 August 1999. As they are funded on an ongoing basis, a liability is generally not recognised, however a liability is recognised for the superannuation costs associated with the benefits accrued for employees in respect of annual leave and long service leave.

b) Defined benefit plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations carried out at each reporting date.

The projected unit credit method calculates the accrued liability by discounting the value of expected future benefit payments, after allowing for future salary increases, future interest and future pension increases where applicable, arising from membership completed prior to the reporting date.

Actuarial gains and losses are recognised in the comprehensive operating statement as 'other economic flows – other comprehensive income' in the period in which they occur.

The defined benefit superannuation plans include:

- CSS
- Legislative Assembly Members' Superannuation (LAMS) Scheme
- NTGPASS
- Northern Territory Police Supplementary Benefit Scheme (NTPSBS)
- Northern Territory Supplementary Superannuation Scheme (NTSSS)
- other statutory schemes.

The Territory Government provides a free death and invalidity scheme to eligible Territory public sector employees who are in choice of fund superannuation arrangements up to the age of 60.

c) Scheme information

Commonwealth Superannuation Scheme

The benefits provided by the scheme include an employer-financed defined benefit and the members' accumulation balances. The amount of retirement benefit is the sum of:

- an employer-financed indexed pension
- the accumulated value of productivity contributions (this can be converted to a non-indexed pension)
- the accumulated value of member contributions.

The employer-financed indexed pension is calculated as a percentage of final salary and discounted for early retirement before the maximum retirement age. CSS was closed on 1 October 1986 to all new Territory Government employees except police who were eligible to join until 1 January 1988.

15. Superannuation liability (continued)

Northern Territory Government and Public Authorities' Superannuation Scheme

NTGPASS is a contributory lump sum superannuation scheme that was closed to new members from 10 August 1999. On retirement members are entitled to the following benefits:

- the members' accumulation account
- plus an accrued employer component.

The accrued employer component is calculated as 2.5% x total benefit points x benefit salary.

Northern Territory Supplementary Superannuation Scheme

The NTSSS is a non-contributory lump sum superannuation scheme that was closed to new members from 10 August 1999. The standard benefit is 3% of annual salary plus approved allowances on the last day of employment for each year of service since October 1988.

Northern Territory Government Death and Invalidity Scheme

The Northern Territory Government Death and Invalidity Scheme (NTGDIS) provides death and disablement cover to all public sector employees under choice of fund arrangements up to the age of 60.

The NTPSBS, LAMS, Administrators Pension Scheme and Supreme Court Judges Pension Scheme are all pension-based schemes.

d) Superannuation liabilities comprise:

	2022-23	2021-22
	$000	$000
CSS	1 900 000	1 878 000
LAMS	74 696	77 437
NTGPASS	694 235	725 594
NTPSBS	69 798	70 780
NTSSS	167 122	173 065
NTGDIS	89 856	86 758
Statutory schemes[1]	90 861	91 940
	3 086 568	3 103 574

1 Statutory schemes comprise the superannuation liability for administrators and judges.

The values reported above are based on estimates of the size and timing of future benefit payments obtained through actuarial reviews conducted at three-yearly intervals, updated on an annual basis. The CSS and NTPSBS values are based on triennial reviews as at 30 June 2021, updated for 30 June 2023. The LAMS Scheme, NTGPASS, NTSSS, NTGDIS, Judges Pension Scheme and the Administrators Pension Scheme values are based on triennial reviews conducted on 30 June 2022 and are updated for 30 June 2023. The downward movement in the liability between years is predominantly due to higher exit payments, partially offset by higher average pension balances and pension indexation for CSS. Assumptions are made regarding discount rate, salary rate, expected return on scheme assets, inflation and imputed cost of interest.

Notes to the financial statements

For the year ended 30 June 2023

15. Superannuation liability (continued)

Key assumptions

	2022-23	2021-22
	%	%
Discount rate (gross of tax)	4.07	3.69
Short-term salary rate[1]	2.70	zero
Long-term salary rate	3.00	3.00
Inflation (pensions)[2]	2.30	2.20
Imputed cost of interest	3.69	1.49
Tax rate for employer contributions	nil	nil

1 For 2022-23, growth reflects a weighted average increase across a range of enterprise agreements. For 2022-23, Judges and Administrator Schemes reflect 2.75% and LAMS 2% in line with relevant remuneration tribunal determinations.
2 Reflects long–term growth assumptions. For 2022-23, CSS and NTPSBS CPI-linked pensions reflect 3.4% growth for the first four projection years in line with Australian CPI assumptions.

	2022-23	2021-22
	$000	$000
Amounts in the financial statements		
Balance sheet		
Present value of the defined benefit obligation at end of year	3 048 055	3 065 357
Net present value of creditors[1]	38 513	38 217
Net liability/(asset) recognised in balance sheet at end of year	**3 086 568**	**3 103 574**
Comprehensive operating statement		
Employer service cost	37 452	48 360
Net interest cost	108 602	55 773
Total included in employee benefit expense	**146 054**	**104 133**
Remeasurements in other comprehensive income		
Actuarial (gains)/losses on liability	- 78 857	674 631
Total remeasurement included in other comprehensive income	**- 78 857**	**674 631**

Notes to the financial statements

For the year ended 30 June 2023

15. Superannuation liability (continued)

	2022-23	2021-22
Explanation of amounts in the financial statements	$000	$000
Reconciliation of the net defined benefit liability/(asset)		
Net defined benefit liability/(asset) at beginning of year	3 065 357	3 850 529
Expense recognised in comprehensive operating statement	146 054	104 133
Employer contributions	- 242 213	- 214 674
Remeasurements in other comprehensive income	78 857	- 674 631
Net defined benefit liability/(asset) at end of year	**3 048 055**	**3 065 357**
Reconciliation of the present value of the defined benefit obligation liability		
Total defined benefit obligation at beginning of year	3 065 357	3 850 529
Employer service cost	37 452	48 360
Interest expense	108 602	55 773
Participant contributions	229	685
Taxes and expenses paid	nil	nil
Benefit payments	- 242 442	- 215 359
Actuarial (gain)/loss on liabilities due to changes in demographic assumptions		3 064
Actuarial (gain)/loss on liabilities due to changes in financial assumptions	2 238	- 714 981
Actuarial (gain)/loss on liabilities due to changes in liability experience	76 619	37 286
Total defined benefit obligation at end of year	**3 048 055**	**3 065 357**

Sensitivity analysis – CSS

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case		1 900 000		
Discount rate	1.0	1 706 700	- 193 300	- 10.2
Discount rate	- 1.0	2 132 000	232 000	12.2
Salary increase	1.0	1 901 700	1 700	0.1
Salary increase	- 1.0	1 898 400	- 1 600	- 0.1
Pension increase	1.0	2 127 500	227 500	12.0
Pension increase	- 1.0	1 706 700	- 193 300	- 10.2

Maturity profile of defined benefit obligation – CSS

The weighted average term of the defined benefit obligation is 10 years.

Notes to the financial statements

For the year ended 30 June 2023

15. Superannuation liability (continued)

Sensitivity analysis – LAMS

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case		74 696		
Discount rate	1.0	66 736	- 7 960	- 10.7
Discount rate	- 1.0	84 325	9 629	12.9
Salary increase	1.0	83 940	9 244	12.4
Salary increase	- 1.0	66 903	- 7 793	- 10.4
Mortality rates	10.0	72 898	- 1 799	- 2.4
Mortality rates	- 10.0	76 704	2 007	2.7

Maturity profile of defined benefit obligation – LAMS

The weighted average term of the defined benefit obligation is 12 years.

Sensitivity analysis – NTGPASS

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case[1]		676 300		
Discount rate	1.0	636 200	- 40 100	- 5.9
Discount rate	- 1.0	721 200	44 900	6.6
Salary increase	1.0	726 400	50 100	7.4
Salary increase	- 1.0	630 800	- 45 500	- 6.7
Pension increase	1.0	676 300	nil	nil
Pension increase	- 1.0	676 300	nil	nil

1 Excludes amounts payable to members who exited schemes during 2022-23 and therefore amounts will not match total scheme liability.

Maturity profile of defined benefit obligation – NTGPASS

The weighted average term of the defined benefit obligation is 10 years.

15. Superannuation liability (continued)

Sensitivity analysis – NTPSBS

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case		69 798		
Discount rate	1.0	61 710	- 8 087	- 11.6
Discount rate	- 1.0	79 774	9 977	14.3
Inflation	1.0	79 454	9 656	13.8
Inflation	- 1.0	61 826	- 7 972	- 11.4
Mortality rates	10.0	68 125	- 1 672	- 2.4
Mortality rates	- 10.0	71 655	1 857	2.7
Commutation rate	zero	69 960	162	0.2
Commutation rate	20.0	69 636	- 162	- 0.2

Maturity profile of defined benefit obligation – NTPSBS

The weighted average term of the defined benefit obligation is 14 years.

Sensitivity analysis – NTSSS

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case[1]		161 200		
Discount rate	1.0	151 500	- 9 700	- 6.0
Discount rate	- 1.0	172 100	10 900	6.8
Salary increase	1.0	172 100	10 900	6.8
Salary increase	- 1.0	151 300	- 9 900	- 6.1
Pension increase	1.0	161 200	nil	nil
Pension increase	- 1.0	161 200	nil	nil

1 Excludes amounts payable to members who exited schemes during 2022-23 and therefore amounts will not match total scheme liability.

Maturity profile of defined benefit obligation – NTSSS

The weighted average term of the defined benefit obligation is 10 years.

15. Superannuation liability (continued)

Sensitivity analysis – NTGDIS

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case[1]		75 200		
Discount rate	1.0	69 100	- 6 100	- 8.1
Discount rate	- 1.0	82 100	6 900	9.2
Salary increase	1.0	82 100	6 900	9.2
Salary increase	- 1.0	69 000	- 6 200	- 8.2
Pension increase	1.0	75 200	nil	nil
Pension increase	- 1.0	75 200	nil	nil

1 Excludes amounts payable to members who exited schemes during 2022-23 and therefore amounts will not match total scheme liability.

Maturity profile of defined benefit obligation – NTGDIS

The weighted average term of the defined benefit obligation is 10 years.

Sensitivity analysis – Administrator's Scheme

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case		2 936		
Discount rate	1.0	2 767	- 168	- 5.7
Discount rate	- 1.0	3 126	190	6.5
Inflation	1.0	3 099	163	5.6
Inflation	- 1.0	2 788	- 148	- 5.0
Mortality rates	10.0	2 796	- 140	- 4.8
Mortality rates	- 10.0	3 097	161	5.5

Maturity profile of defined benefit obligation – Administrator's Scheme

The weighted average term of the defined benefit obligation is 6 years.

15. Superannuation liability (continued)

Sensitivity analysis – Supreme Court Judges Pension Scheme

The Territory's total defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	$000	$000	% change
Base case		87 925		
Discount rate	1.0	78 703	- 9 222	- 10.5
Discount rate	- 1.0	99 051	11 126	12.7
Inflation	1.0	97 976	10 051	11.4
Inflation	- 1.0	79 394	- 8 531	- 9.7
Mortality rates	10.0	85 320	- 2 605	- 3.0
Mortality rates	- 10.0	90 846	2 921	3.3

Maturity profile of defined benefit obligation – Supreme Court Judges Pension Scheme

The weighted average term of the defined benefit obligation is 13 years.

16. Other liabilities

	2022-23	2021-22
	$000	$000
Current		
Provisions (a)	44 583	34 563
Unearned capital grants (b)	93 855	114 138
Other unearned revenue (c)	100 186	11 305
	238 625	**160 006**
Non current		
Provisions (a)	168 319	145 849
Unearned capital grants (b)	49 035	48 493
	217 354	**194 342**
Total other liabilities	**455 979**	**354 348**

Notes to the financial statements

For the year ended 30 June 2023

16. Other liabilities (continued)

a) Provisions

	2022-23	2021-22
	$000	$000
Current		
Workers compensation liability (ii)	42 300	32 286
National redress liability	2 200	2 200
Other	83	76
	44 583	**34 563**
Non current		
Workers compensation liability (ii)	154 781	132 048
National redress liability	12 300	12 600
Other	1 238	1 201
	168 319	**145 849**
Total provisions (i)	**212 902**	**180 411**

(i) Reconciliation of provisions

	Workers compensation	National Redress	Other	Total
	$000	$000	$000	$000
2022-23				
Balance at 1 July	164 334	14 800	1 277	180 411
Effect of changes in assumptions	15 870	- 400	124	15 594
Increase in claims incurred/recoveries anticipated over the year	65 247	840	nil	66 087
Payments	- 48 370	- 740	- 81	- 49 190
Other movements				
Balance at 30 June	**197 081**	**14 500**	**1 321**	**212 902**
2021-22				
Balance at 1 July	175 475	17 000	1 419	193 894
Effect of changes in assumptions	- 7 500	- 1 100	- 67	- 8 667
Increase in claims incurred/recoveries anticipated over the year	36 129	- 555	nil	35 574
Payments	- 39 770	- 545	- 74	- 40 390
Other movements				
Balance at 30 June	**164 334**	**14 800**	**1 277**	**180 411**

16. Other liabilities (continued)

Workers compensation liability

Workers compensation liabilities comprise those under the *Return to Work Act 1986* and Comcare liabilities under Commonwealth legislation.

The change in liability for the year ended 30 June 2023 is based on an actuarial assessment of the value of outstanding claims at the end of the period and benefits paid during the year.

National redress liability

National redress liability represents the Territory's estimated costs relating to compensation payable in accordance with the National Redress Scheme for institutional child sexual abuse.

The liability valuation is based on an actuarial assessment of the value of claims for the duration of the scheme.

Other provisions

Other provisions reflects provisions recognised for a long-tail settlement.

(ii) Workers compensation liability

	2022-23	2021-22
	$000	$000
Return to Work Act 1986	193 505	160 463
Comcare[1]	3 576	3 871
Total workers compensation liability	197 081	164 334

1 Administered through the *Saftey Rehabilitiation and Compensation Act 1988*.

b) Unearned capital grants liability

Unearned capital grants liability relate to consideration received in advance from the Commonwealth and passed on to agencies for national partnership agreements and Commonwealth own-purpose capital expenditure, to enable the receiving agency to acquire or construct a non financial asset to be controlled by the receiving agency.

Below is a reconciliation of unearned capital grants.

	2022-23	2021-22
	$000	$000
Unearned capital grants at the beginning of the year	162 632	207 644
Add: receipt of cash during the financial year	297 969	183 133
Less: income recognised during the financial year	317 711	228 145
Total unearned capital grants liability	142 890	162 632

16. 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.

CHA expects to recognise income for any unsatisfied obligations associated with liabilities as at the end of the reporting period in accordance with the time bands below.

	2022-23	2021-22
	$000	$000
No later than one year	93 855	114 138
Later than one year and not later than five years	49 035	48 493
Later than five years		
Total unearned capital grants liability	**142 890**	**162 632**

c) Other unearned revenue liability

	2022-23	2021-22
	$000	$000
Unearned contract revenue	99 792	10 829
Other	395	476
Total other unearned revenue liability	**100 186**	**11 305**

Unearned contract revenue relates to consideration received in advance from the Commonwealth and passed on to agencies for current national partnership agreements.

CHA expects to recognise income for unsatisfied obligations associated with unearned contract revenue in accordance with the time bands below.

	2022-23	2021-22
	$000	$000
No later than one year	99 792	10 829
Later than one year and not later than five years		
Later than five years		
Total unearned contract revenue	**99 792**	**10 829**

17. 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 CHA becomes a party to the contractual provisions of the financial instrument. Financial instruments held by CHA include cash and deposits, receivables, advances and investments, deposits held, payables and borrowings. CHA has limited exposure to financial risks as discussed below.

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 and have been excluded in the following tables. These include statutory receivables arising from tax receivables, GST input tax credits recoverable, and fines and penalties.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risks arise in the normal course of activities. CHA's advances, investments and borrowings are predominantly managed through the NTTC adopting strategies to minimise risk exposure.

17. Financial instruments (continued)

a) Categorisation of financial instruments

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

	FVTPL		Amortised			
	Mandatory	Designated	cost	FVOCI	Other	Total
	$000	$000	$000	$000	$000	$000
2022-23						
Cash and deposits					827 733	827 733
Receivables[1]			4 009			4 009
Advances and investments	1 190 815		136 156			1 326 971
Total financial assets	**1 190 815**		**140 166**		**827 733**	**2 158 714**
Deposits held			1 154 830			1 154 830
Payables[1]			1 811			1 811
Borrowings and advances			7 787 351			7 787 351
Total financial liabilities			**8 943 992**			**8 943 992**
2021-22						
Cash and deposits					719 981	719 981
Receivables[1]			6 381			6 381
Advances and investments	1 085 034		1 030 296			2 115 331
Total financial assets	**1 085 034**		**1 036 678**		**719 981**	**2 841 693**
Deposits held			1 337 992			1 337 992
Payables[1]			1 073			1 073
Borrowings and advances			8 064 128			8 064 128
Total financial liabilities			**9 403 193**			**9 403 193**

FVOCI: fair value through other comprehensive income; FVTPL: fair value through profit or loss

1 Total amounts disclosed exclude statutory amounts and accruals, as these are not within the scope of AASB 132. Therefore, amounts will not reconcile to the balance sheet.

17. Financial instruments (continued)

Categories of financial instruments

Financial assets are classified under the following categories:

- amortised cost
- FVOCI
- FVTPL.

Financial liabilities are classified under the following categories:

- amortised cost
- FVTPL.

These classifications are based on CHA'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 CHA'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 payments of principal and interest.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by CHA 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 impairments. CHA's financial assets categorised as amortised cost include receivables and certain debt securities.

Financial assets at fair value through other comprehensive income

Financial assets are classified at FVOCI when they are held by CHA 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 derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when CHA's right to receive payments is established.

CHA does not have any financial assets under this category.

17. Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL when 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.

CHA's financial assets categorised as FVTPL include investments in managed unit trusts (COSR investment).

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. CHA's financial liabilities categorised as amortised cost include all accounts payable, deposits held, borrowings and advances received.

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 CHA's credit risk are recognised in other comprehensive income while remaining changes in the fair value are recognised in the net result.

CHA does not have any financial liabilities under this category.

b) Credit risk

Credit risk is the risk a counterparty will default on its contractual obligations, resulting in financial loss to the Territory.

CHA has limited credit risk exposure. In respect of any dealings with organisations external to government, CHA 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 CHA's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

17. Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk CHA will not be able to meet its financial obligations as they fall due. Liquidity risks are managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. NTTC assists CHA with the management of liquidity risk on a day-to-day basis.

The following table details CHA's remaining contractual maturity for its financial liabilities. The tables are based on undiscounted cash flows and includes both interest and principal cash flows.

	Carrying amount	Less than one year	1 to 5 years	More than 5 years	Total
	$000	$000	$000	$000	$000
2022-23					
Deposits held	1 154 830	1 154 830			1 154 830
Payables[1]	1 811	1 811			1 811
Borrowings and advances	7 787 351	917 443	3 342 928	5 299 376	9 559 748
Total financial liabilities	**8 943 992**	**2 074 084**	**3 342 928**	**5 299 376**	**10 716 389**
2021-22					
Deposits held	1 337 992	1 337 992			1 337 992
Payables[1]	1 073	1 073			1 073
Borrowings and advances	8 064 128	797 684	3 310 546	5 812 168	9 920 398
Total financial liabilities	**9 403 193**	**2 136 750**	**3 310 546**	**5 812 168**	**11 259 463**

1 Amounts disclosed exclude statutory amounts and accruals (such as accrued expenses and provisions) as these do not meet the definition of a financial instrument and therefore amounts will not reconcile to 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 CHA is likely to be exposed to is interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk of financial loss and or increased cost due to adverse movements in the values of financial assets and liabilities as a result of changes in interest rates. The interest rate exposure arises from unmatched maturity patterns.

17. Financial instruments (continued)

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

	Interest bearing				
	Variable	Fixed	Non-interest bearing	Total	Weighted average interest rate
	$000	$000	$000	$000	%
2022-23					
Cash and deposits	827 733			827 733	4.10
Receivables[1]			4 009	4 009	
Advances and investments		136 156	1 190 815	1 326 971	4.38
Total financial assets	**827 733**	**136 156**	**1 194 824**	**2 158 714**	
Deposits held			1 154 830	1 154 830	
Payables[1]			1 811	1 811	
Borrowing and advances		7 787 351		7 787 351	3.39
Total financial liabilities		**7 787 351**	**1 156 641**	**8 943 992**	
2021-22					
Cash and deposits	719 981			719 981	0.35
Receivables[1]			6 381	6 381	
Advances and investments		1 030 296	1 085 034	2 115 331	1.12
Total financial assets	**719 981**	**1 030 296**	**1 091 416**	**2 841 693**	
Deposits held			1 337 992	1 337 992	
Payables[1]			1 073	1 073	
Borrowing and advances		8 064 128		8 064 128	3.36
Total financial liabilities		**8 064 128**	**1 339 065**	**9 403 193**	

1 Total amounts disclosed here exclude statutory amounts and accruals, as these are not in the scope of AASB 132. Therefore, amounts will not reconcile to the balance sheet.

Sensitivity analysis

Assuming the financial assets and liabilities at 30 June 2023 were to remain until maturity or settlement without any action by CHA to alter the resulting interest rate exposure, changes in the variable interest rate of 100 basis points (1%) at reporting date would have the following effect on CHA's profit or loss and equity.

	Profit or loss and equity 100 basis points increase/decrease	
	2022-23	2021-22
	$000	$000
Cash and deposits	± 8 277	± 7 200
Net sensitivity	**± 8 277**	**± 7 200**

17. Financial instruments (continued)

(ii) Price risk

CHA is exposed to price risk as CHA holds units in unit trusts. Price risk arises when an agency holds units in unit trusts and there is a change in the market value of these units as advised by respective fund managers.

Price risk is managed through the use of strictly monitored allocation limits for units held in each class of managed funds. CHA invests in a diverse range of managed funds, thereby limiting the impact of any one underlying variable affecting unit prices.

Returns achieved by appointed fund managers are continuously monitored and compared to returns earned by suitable peer group of other professional fund managers.

Sensitivity analysis

The analysis below demonstrates the impact of a movement in prices of units held in unit trusts. It is assumed that any relevant price change occurs as at reporting date.

	Change in unit price	Impact on profit or loss and equity	
		2022-23	2021-22
	%	$000	$000
Equities	± 10	± 75 391	± 66 258
Property securities	± 10	± 8 939	± 8 831
Interest bearing	± 1	± 3 475	± 3 341
Net sensitivity		**± 87 805**	**± 78 430**

e) Net fair value

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

- the fair value of cash, deposits, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of advances and investments have been determined using market values
- 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.

Financial instruments that are measured at fair value, are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- level 1 – the fair value is calculated using quoted prices in active markets.
- level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

17. Financial instruments (continued)

The following table provides an analysis of financial instruments measured and disclosed at fair value, grouped based on the level of inputs used.

	Total carrying amount	Net fair value			
		Level 1	Level 2	Level 3	Total
2022-23	$000	$000	$000	$000	$000
Advances and investments					
Units in unit trusts	1 190 815		1 190 815		1 190 815
Total financial assets	**1 190 815**		**1 190 815**		**1 190 815**
2021-22					
Advances and investments					
Units in unit trusts	1 085 034		1 085 034		1 085 034
Total financial assets	**1 085 034**		**1 085 034**		**1 085 034**

The following table discloses the fair value of financial instruments where fair value is not equal to their carrying amount. Fair values are categorised by level of inputs used.

	Total carrying amount	Net fair value			
		Level 1	Level 2	Level 3	Total
2022-23	$000	$000	$000	$000	$000
Cash and deposits					
Short-term deposits	175 000		176 122		176 122
Advances and investments					
Securities	136 156		136 084		136 084
Total financial assets	**311 156**		**312 206**		**312 206**
Borrowings and advances	7 787 351		7 009 572		7 009 572
Total financial liabilities	**7 787 351**		**7 009 572**		**7 009 572**
2021-22					
Cash and deposits					
Short-term deposits	465 000		465 888		465 888
Advances and investments					
Securities	1 030 296		1 028 330		1 028 330
Total financial assets	**1 495 296**		**1 494 218**		**1 494 218**
Borrowings and advances	8 064 128		7 490 406		7 490 406
Total financial liabilities	**8 064 128**		**7 490 406**		**7 490 406**

There were no changes in valuation techniques during the period.

18. Budgetary information

a) Comprehensive operating statement

	2022-23[1]			
	Actual	Original Budget	Variance	Note
	$000	$000	$000	
INCOME				
Taxation revenue	827 417	764 146	63 271	1
Commonwealth revenue				
GST revenue	3 933 767	3 576 000	357 767	2
Specific purpose payments	482 467	468 626	13 841	3
National partnership agreements	753 145	696 622	56 523	4
Current grants	440		440	
Capital grants	18 121	29 584	- 11 463	5
Fees from regulatory services	29 189	21 416	7 773	6
Interest revenue	137 337	76 467	60 870	7
Royalties, rents and dividends	424 103	409 553	14 550	8
Employer superannuation contributions	23 812	27 800	- 3 988	
Other revenue	65 322	64 263	1 059	
TOTAL INCOME	6 695 121	6 134 477	560 644	
EXPENSES				
Long service leave expense	61 703	45 155	16 548	9
Superannuation expense	146 579	218 708	- 72 129	10
Other salary payment	65 247	34 063	31 184	11
Administrative expense	9 692	820	8 872	12
Interest expense	277 570	281 036	- 3 466	
Appropriation expense	5 457 503	5 250 894	206 609	13
TOTAL EXPENSES	6 018 294	5 830 676	187 618	
NET SURPLUS/(DEFICIT)	676 827	303 801	373 026	
OTHER COMPREHENSIVE INCOME				
Comprehensive income	- 104 560		- 104 560	14
TOTAL OTHER COMPREHENSIVE INCOME	- 104 560		- 104 560	
COMPREHENSIVE RESULT	572 267	303 801	268 466	

1 Actuals have been presented consistent with original budget.

18. Budgetary information (a) (continued)

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

1. The $63.3 million increase in taxation revenue from the original 2022-23 Budget reflects:
   - increased payroll and labour force taxes of $29.2 million reflecting employment and wages growth in both public and private sector entities
   - higher stamp duties on financial and capital transactions of $22.6 million mainly due to unanticipated commercial transactions in 2022-23
   - increased taxes on insurance of $10.1 million reflecting increase in insurance policy volumes and values
   - additional motor vehicle registration fees of $8 million, largely due to new vehicle purchases
   - a net increase in taxes on gambling of $5.1 million and other taxes of $1.2 million
   - offset by lower than anticipated income tax equivalents of $12.9 million due to revised profitability in government trading entities.
2. GST revenue increased by $357.8 million due to growth in the national GST pool and an increase in the Territory's GST relativity.
3. An increase in specific purpose payments of $13.8 million largely related to payments for non-government schools under the National School Reform agreement.
4. Higher national partnership revenue of $56.5 million was due to additional Commonwealth funding for remote public housing of $75.2 million and the Bilateral Energy and Emissions Reductions agreement of $15 million, partially offset by revised delivery of various Commonwealth-funded infrastructure projects.
5. The variation of $11.5 million in capital grants is largely due to revised timing of anticipated contributions from schools and councils.
6. Fees from regulatory services increased by $7.8 million reflecting additional business and industry licences, permits and registration fees.
7. The $60.9 million increase in interest income from the original 2022-23 Budget is due to greater than anticipated returns on investments within the COSR and short-term deposits and securities.
8. Royalties, rents and dividends increased by $14.6 million predominantly due to a net increase in dividends declared by government trading entities of $19.9 million, partially offset by $4.6 million lower than anticipated mining royalties due to reduced production and softening of some commodity prices.
9. Long service leave payments increased by $16.5 million due to timing of entitlement payments and the flow-on effect of new enterprise agreements.
10. Superannuation expenses decreased by $72.1 million since the original 2022-23 Budget, as a result of annual actuarial adjustments and lower accruing costs as more members exited schemes in 2022-23.
11. Other salary expenses increased by $31.2 million predominantly as a result of increased workers compensation expenses as a result of annual actuarial reviews.
12. Administrative expenses increased by $8.9 million reflecting increases under the National Redress Scheme following annual actuarial review.
13. The increase of $206.6 million in appropriation expense was largely due to new government initiatives across various agencies of $182.8 million, combined with an increase in Commonwealth appropriation of $22.5 million, largely in line with tied Commonwealth funding agreements.
14. The variation reflects the movement in bond rates used in valuing the Territory's employee liabilities as required by accounting standards.

18. Budgetary information (continued)

b) Balance sheet

	2022-23[1]			
	Actual	Original Budget	Variance	Note
ASSETS	$000	$000	$000	
Cash and deposits	827 733	485 822	341 911	1
Receivables	417 289	234 665	182 624	2
Prepayments	244 988	59 465	185 523	3
Advances and investments	1 326 971	1 502 542	- 175 571	4
Equity investments	15 144 567	15 431 702	- 287 135	5
TOTAL ASSETS	**17 961 549**	**17 714 196**	**247 353**	
LIABILITIES				
Deposits held	1 154 830	817 084	337 746	6
Creditor and accruals	185 644	7 545	178 099	7
Borrowings and advances	7 787 351	8 492 351	- 705 000	8
Superannuation liability	3 086 568	3 442 156	- 355 588	9
Provision for long service leave	386 378	368 541	17 837	10
Provision for workers compensation	197 081	175 475	21 606	11
Other liabilities	258 897	73 223	185 674	12
TOTAL LIABILITIES	**13 056 751**	**13 376 375**	**- 319 624**	
NET ASSETS	**4 904 798**	**4 337 821**	**566 977**	
EQUITY				
Accumulated funds	4 904 798	4 337 821	566 977	
TOTAL EQUITY	**4 904 798**	**4 337 821**	**566 977**	

1 Actuals have been presented consistent with original budget.

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

1. Cash and deposits were $341.9 million higher largely due to the improved non financial sector fiscal balance outcome as a result of greater than expected GST and own-source revenue combined with revised timing of expenditure commitments to future years.
2. Receivables increased by $182.6 million largely due to increased accrued revenue of $177.5 million predominantly for works undertaken for various Commonwealth funded programs for which cash has not yet been received.
3. Prepayments increased by $185.5 million largely reflecting funds received in advance from the Commonwealth and passed on to agencies in respect of national partnership agreements, specific purpose payments and Commonwealth capital own-purpose expenditure.

18. Budgetary information (b) (continued)

4. Advances and investments decreased by $175.6 million due to lower COSR investments following revaluation losses realised in June 2022 after the finalisation of the original budget, combined with lower than anticipated short-term and fixed interest investments.
5. Equity investment represents CHA's ownership in public sector entities with the variation predominantly reflecting the revised timing of Territory-funded capital projects to future years.
6. Deposits held increased by $337.7 million due to higher than anticipated funds held on behalf of government entities.
7. Payables increased by $178.1 million in line with accrued current and capital grant revenue relating to works undertaken for various Commonwealth funded programs for which cash had not yet been receipted and not yet passed on to government agencies.
8. Net borrowings and advances decreased by $705 million due to the improved fiscal balance outcome for 2022-23 that facilitated the repayment of maturing debt of $535 million and lower new borrowing requirements for 2022-23.
9. Superannuation liabilities decreased by $355.6 million as a result of annual actuarial adjustments and lower accruing costs as more members exited schemes in 2022-23, combined with the movement in the bond rate used in valuing superannuation liabilities as required by accounting standards.
10. Provision for long service leave increased by $17.8 million due to increased leave entitlements as a result of the flow-on effect of new enterprise agreements and changes in the bond rate used to value employee liabilities.
11. Provision for worker's compensation increased $21.6 million as a result of annual actuarial adjustments.
12. Net other liabilities increased by $185.7 million predominantly due to Commonwealth funding received in advance in 2022-23, to be spent and recognised in the comprehensive operating statement in future years as milestones are met.

18. Budgetary information (continued)

c) Cash flow statement

	2022-23[1]			
	Actual	Original budget	Variance	Note
	$000	$000	$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Taxes received	842 413	760 951	81 462	1
Commonwealth revenue received				
GST received	3 933 767	3 576 000	357 767	2
Specific purpose payments	482 467	468 626	13 841	3
National partnership agreements	735 288	747 308	- 12 020	4
Current grants	440		440	
Capital grants	24 743	28 470	- 3 727	
Receipts from regulatory services	29 189	21 416	7 773	5
Interest received	93 494	51 505	41 989	6
Royalties, rents and dividends	497 105	402 428	94 677	7
Superannuation contributions	23 812	27 800	- 3 988	
Other receipts	75 462	64 263	11 199	8
Total operating receipts	6 738 181	6 148 767	589 414	
Operating payments				
Long service leave	50 528	45 155	5 373	9
Superannuation benefits paid	242 442	218 708	23 734	10
Other salary payments	43 022	34 063	8 959	11
Payments for goods and services	2 718	3 220	- 502	
Interest paid	276 833	280 346	- 3 513	
Appropriation payments	5 546 202	5 250 894	295 308	12
Total operating payments	6 161 745	5 832 386	329 359	
Net cash from/(used in) operating activities	576 436	316 381	260 055	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Equity sales or withdrawals	86 348	9 791	76 557	13
Advances and investing receipts	831 993		831 993	14
Total investing receipts	918 341	9 791	908 550	

18. Budgetary information (continued)

c) Cash flow statement (continued)

	2022-23[1]			
	Actual	Original budget	Variance	Note
	$000	$000	$000	
Investing payments				
Advance and investing payments		49 927	- 49 927	14
Appropriation payments	854 957	1 108 017	- 253 060	15
Equity injections	72 128	70 206	1 922	13
Total investing payments	**927 085**	**1 228 150**	**- 301 065**	
Net cash from/(used in) investing activities	**- 8 744**	**-1 218 359**	**1 209 615**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Proceeds of borrowings	259 000	434 000	- 175 000	16
Deposits received	- 183 162	- 88 823	- 94 339	17
Total financing receipts	**75 838**	**345 177**	**- 269 339**	
Financing payments				
Repayment of borrowings	535 776	5 777	529 999	16
Total financing payments	**535 776**	**5 777**	**529 999**	
Net cash from/(used in) financing activities	**- 459 939**	**339 400**	**- 799 339**	
Net increase/(decrease) in cash held	107 753	- 562 578	670 331	
Cash at beginning of financial year	719 981	1 048 400	- 328 419	
CASH AT END OF FINANCIAL YEAR	**827 733**	**485 822**	**341 911**	

1 Actuals have been presented consistent with original budget.

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

1. The $81.5 million increase in taxes received reflects:
   - increased payroll and labour force taxes of $29.2 million reflecting employment and wages growth in both public and private sector entities
   - higher stamp duties on financial and capital transactions of $22.6 million mainly due to unanticipated commercial transactions in 2022-23
   - increased taxes on insurance of $10.1 million reflecting increase in insurance policy volumes and values
   - additional motor vehicle registration fees of $8 million, largely due to new vehicle purchases
   - collection of tax receivables of $25.9 million
   - offset by lower than anticipated income tax equivalents of $12.9 million due to revised profitability in government trading entities.
2. GST revenue increased by $357.8 million due to growth in the national GST pool and an increase in the Territory's GST relativity.

18. Budgetary information (c) (continued)

3. An increase in specific purpose payments of $13.8 million largely related to payments for non-government schools under the National School Reform agreement.
4. Lower national partnership revenue of $12 million was due to the revised timing of Commonwealth-funded projects.
5. Receipts from regulatory fees increased by $7.8 million reflecting additional business and industry licences, permits and registration fees.
6. Interest receipts increased by $42 million due to greater than anticipated returns on investments and short-term deposits.
7. Royalties, rents and dividends received increased by $94.7 million predominantly due to:
   - cash receipts for dividends of $14.5 million from the NTTC and government owned corporations reflecting improved profitability
   - cash collected for royalties and rent of $80.1 million relating to prior year assessments.
8. Other receipts increased by $11.2 million largely reflecting higher than expected unclaimed money returned to the Territory.
9. Long service leave payments increased by $5.4 million largely due to timing of entitlement payments and the flow-on effect of new enterprise agreements.
10. Superannuation payments increased by $23.7 million as more members than anticipated exited schemes in 2022-23.
11. Other salary payments increased by $9 million predominantly as a result of higher than anticipated workers compensation claims.
12. The increase of $295.3 million in appropriation payments was largely due to new government initiatives across various agencies combined with increased Commonwealth appropriation, in line with tied Commonwealth funding agreements.
13. Net withdrawals and injections of $74.6 million largely reflected excess cash balances within agencies transferred to CHA.
14. Net advance and investing receipts of $882 million reflected the use of surplus cash investments to fund government activities and lower annual borrowing requirements in 2022-23.
15. The decrease of $253.1 million in appropriation payments was largely due to the revised timing of Territory and Commonwealth-funded capital projects to future years.
16. The $705 million net decrease in repayments and proceeds of borrowing is due to the improved non financial public sector fiscal balance outcome for 2022-23 that facilitated the repayment of maturing debt of $535 million and lower new borrowings requirements for 2022-23.
17. Deposits received decreased by $94.3 million due to lower cash balances held by CHA on behalf of government entities.

19. Related parties

a) Related parties

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

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

b) Key management personnel

KMP of CHA are those persons having authority and responsibility for planning, directing and controlling the activities of CHA. The KMP of CHA for 2022-23 were:

- the Treasurer
- the Under Treasurer
- the Senior Director Financial Reporting.

c) Remuneration of key management personnel

CHA does not make any direct payments to its KMP. The Treasurer's remunerations and allowances are not paid by CHA and consequently are disclosed within the Treasurer's Annual Financial Report. The Under Treasurer's and Senior Director Financial Reporting's remuneration and allowances are payable by DTF, and are disclosed in DTF's financial statements.

d) Related-party transactions

Transactions with Territory Government-controlled entities

CHA's primary sources of income are Commonwealth revenue received by DTF and Territory income administered by government entities passed on to CHA.

CHA's primary expenses are payments to government-controlled entities in the form of output and capital appropriation and Commonwealth national partnership and specific purpose payments passed on to agencies.

20. Contingent liabilities and contingent assets

Contingent assets and liabilities are possible future assets or obligations that arise from past events, which are only realised if a specified event occurs. While they have no impact on the financial statements, contingent assets and liabilities are disclosed as they have the potential to adversely or favourably affect the Territory's future financial performance or position.

CHA had no contingent liabilities or contingent assets at 30 June 2023.

21. Events subsequent to reporting date

On 29 September 2023, the Territory executed an amended loan facility agreement with the Northern Australia Infrastructure Facility (NAIF) to borrow $300 million for the Darwin ship lift and marine infrastructure project. The project is estimated at $515 million and will enable maintenance and servicing of defence and Australian Border Force vessels, along with commercial and private vessels, including from the oil, gas and marine industries. These loans will be recognised as a liability by CHA with funds passed on to DIPL as capital appropriation in accordance with expected project delivery. As at 30 June 2023, no borrowings from NAIF had been drawn down and therefore no monies were owed.

List of acronyms

AARC	AustralAsia Railway Corporation
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AO	administrative officer
ARMC	Audit and Risk Management Committee
ATO	Australian Taxation Office
CEO	chief executive officer
CGC	Commonwealth Grants Commission
CHA	Central Holding Authority
CMC	Department of the Chief Minister and Cabinet
COSR	Conditions of Service Reserve
CPI	consumer price index
CSO	community service obligation
CSS	Commonwealth Superannuation Scheme
DCDD	Department of Corporate and Digital Development
DGC	Digital Governance Committee
DIPL	Department of Infrastructure, Planning and Logistics
DTF	Department of Treasury and Finance
ECL	expected credit loss
ECO	executive contract officer
FITA	*Fiscal Integrity and Transparency Act 2001*
FMA	*Financial Management Act 1995*
FOI	freedom of information
FTE	full-time equivalent
FVTPL	fair value through profit and loss
FVOCI	fair value through other comprehensive income
GST	goods and services tax
HR	human resources
ICT	information and communications technology
JTDA	Jabiru Town Development Authority
KMP	key management personnel
LAMS	Legislative Assembly Members' Superannuation Scheme
NAIF	Northern Australia Infrastructure Facility
NTGDIS	NTG Death and Invalidity Scheme
NTGPASS	Northern Territory Government and Public Authorities' Superannuation Scheme
NTPS	Northern Territory Public Sector
NTPSBS	Northern Territory Police Supplementary Benefit Scheme
NTSSS	NT Supplementary Superannuation
NTTC	Northern Territory Treasury Corporation
OCPE	Office of the Commissioner for Public Employment
ppt	percentage point
PSEMA	*Public Sector Employment and Management Act 1993*
SA	South Australia
SAO	senior administrative officer
SHRC	Strategic Human Resources Committee
SMG	Senior Management Group
TAFR	Treasurer's Annual Financial Report
TRO	Territory Revenue Office
WHS	work health and safety

Contacts

Department of Treasury and Finance

treasury.nt.gov.au

Charles Darwin Centre
19 The Mall, Darwin NT 0800
GPO Box 1974, Darwin NT 0801

Email: Enquiries.DTF@nt.gov.au

Executive

Telephone: +61 8 8999 7425

Financial Management Group

treasury.nt.gov.au/dtf/financial-management-group

Telephone: +61 8 8999 6087
Email: DTF.FinancialPolicy@nt.gov.au
DTF.BudgetCoordination@nt.gov.au

Economic Group

treasury.nt.gov.au/dtf/economic-group

Telephone: +61 8 8999 6718
Email: Economics.DTF@nt.gov.au

Territory Revenue Office

revenue.nt.gov.au

Telephone: 1300 305 353
Email: NTRevenue@nt.gov.au

Northern Territory Superannuation Office

super.nt.gov.au

GPO Box 4675, Darwin NT 0801

Telephone: +61 8 8901 4200 or 1800 631 630
Email: NTSuperannuation@nt.gov.au

Northern Territory Treasury Corporation

treasury.nt.gov.au/dtf/nttc

GPO Box 2035, Darwin NT 0801

Telephone: +61 8 8999 7745
Email: NTTC@nt.gov.au

Utilities Commission

utilicom.nt.gov.au

GPO Box 915, Darwin NT 0801

Telephone: +61 8 8999 5480
Email: Utilities.Commission@nt.gov.au

Information Officer

treasury.nt.gov.au/InformationAct

GPO Box 2391, Darwin NT 0801

Telephone: +61 8 8999 1793
Email: FOI@nt.gov.au