NORTHERN TERRITORY

2026-27

Mid-Year Report



Published by the Department of Treasury and Finance

© Northern Territory Government 2026

Apart from any use permitted under the *Copyright Act 1968*, no part of this document may be reproduced without prior written permission from the Northern Territory Government through the Department of Treasury and Finance.

ISSN: 2204-6380 (online)

Department of Treasury and Finance
Charles Darwin Centre, 19 The Mall, Darwin NT 0800
GPO Box 1974, Darwin NT 0801

Telephone: +61 8 8999 7406
Email: enquiries.dtf@nt.gov.au
Website: treasury.nt.gov.au

Contents

Under Treasurer's Certification		3
Chapter 1	Executive summary	5
Chapter 2	Fiscal outlook	7
Chapter 3	Economic outlook	17
Chapter 4	Fiscal strategy statement	25
Chapter 5	Risks and contingent liabilities	29
Chapter 6	Consolidated financial statements	31
Appendices		
Appendix A	Classification of entities in the Northern Territory	41
Appendix B	Explanation of terms	43

Under Treasurer's Certification

In accordance with provisions of the *Fiscal Integrity and Transparency Act 2001*, I certify the financial projections included in the 2026-27 Mid-Year Report are based on government decisions that I was aware of, or were made available to me by the Treasurer, before 20 November 2026. The projections are presented in accordance with the Uniform Presentation Framework.



Tim McManus
Under Treasurer

20 November 2026

Chapter 1

Executive summary

The 2026-27 Mid-Year Report has been prepared in accordance with the *Fiscal Integrity and Transparency Act 2001* (FITA), which requires the Treasurer to prepare and publicly release a mid-year fiscal outlook report by the end of February each year, or within six months following the last budget, whichever is later.

The 2026-27 Mid-Year Report provides an update on the fiscal and economic outlook for the Territory and includes explanations for material variations that have occurred since the 2026-27 Budget (published in May 2026), being the last published budget, and their effect on the remainder of 2026-27 and forward estimates. It also provides an assessment of updated fiscal projections against the existing fiscal strategy objectives and targets set out in the 2026-27 Budget, and an update on the potential risks to the budget projections.

Fiscal overview

The 2026-27 Mid-Year Report incorporates new and revised Commonwealth funding, updated revenue and expenditure forecasts and government decisions approved since the 2026-27 Budget. It presents improving net operating balance estimates for the general government sector, with a deficit in 2026-27 followed by surpluses increasing to $370 million in 2029-30.

Similarly, the updated projections show the non financial public sector fiscal balance is expected to improve across the budget cycle, with a deficit of $1.032 billion in 2026-27, reducing substantially each year to a modest deficit of $9 million by 2029-30.

Net debt estimates are projected to increase across the budget cycle, consistent with cumulative fiscal balance deficit projections. The net debt to revenue ratio is forecast to plateau at 120% in 2027-28 and 2028-29 before commencing a gradual decline thereafter.

When compared to the 2026-27 Budget, updated fiscal indicators continue to improve across the budget cycle, albeit at a slower rate than previously forecast, primarily due to the carryover of unspent 2025-26 programs into 2026-27 and the forward estimates combined with new policy commitments. While the fiscal balance has deteriorated relative to the 2026-27 Budget, the $130 million improvement in 2025-26 actual result as reported in the 2025-26 Treasurer's Annual Financial Report more than offsets the projected worsening across the forward estimates, resulting in no net worsening over the budget cycle.

Table 1.1 highlights the key fiscal indicators for the general government and non financial public sectors for the 2026-27 Mid-Year Report.

Table 1.1: Key fiscal indicators

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
General government sector				
Net operating balance	- 152	126	253	370
Non financial public sector				
Fiscal balance	- 1 032	- 495	- 270	- 9
Net debt	12 453	13 225	13 281	13 278
Net debt to revenue (%)	115	120	120	117

Comparisons between the estimates contained in the 2026-27 Mid-Year Report and those forecast at the time of the 2026-27 Budget are provided in Chapter 2 *Fiscal outlook*. Assessment against government's fiscal strategy is provided in Chapter 4 *Fiscal strategy statement*.

Economic overview

The Territory recorded solid economic growth in 2025-26, with gross state product (GSP) increasing by 3.2%. Growth was slightly stronger than the 2.7% growth forecast in the 2026-27 Budget, reflecting stronger than expected exports and consumption, with Territory households demonstrating high levels of resilience to inflation and interest rate shocks. The economic outlook for 2026-27 is stronger than at the time of the budget, largely due to increased business investment associated with new major resource sector announcements, and notably Arafura's Nolans critical minerals project, which reached final investment decision in late May 2026. Household consumption is also forecast to stay resilient for longer through 2026-27.

Other key economic indicators were broadly in line with the 2026-27 Budget. Economic forecasts in this Mid-Year Report have also been revised to reflect government policy decisions, updated public expenditure profiles and recent data releases. Table 1.2 provides outcomes for 2025-26 and revised forecasts.

Table 1.2: Key economic results and forecasts (%)

	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Estimate		Forecast	
Gross state product[1]	3.2	7.1	1.0	5.7	4.0
State final demand[1]	- 1.8	2.8	2.2	1.5	2.5
Employment[1]	2.1	0.9	1.2	1.6	1.6
Unemployment rate[2]	4.6	5.0	4.7	4.6	4.6
Wage price index[1]	2.6	3.6	3.4	3.4	3.3
Consumer price index[3]	3.8	4.9	1.2	2.5	2.5
Population[3]	1.5e	1.4	1.4	1.3	1.3

e: estimate
1 Year-average percentage change.
2 Year average.
3 June quarter compared with June quarter the previous year (year-ended percentage change).
Source: Department of Treasury and Finance; Australian Bureau of Statistics (ABS)

Further details on economic forecasts are provided in Chapter 3 *Economic outlook*.

Chapter 2

Fiscal outlook

Overview

The information provided in this chapter meets the requirement of section 10(1)(a) of the FITA for each fiscal outlook report to contain updated financial projections for the budget year and following three financial years for the general government and non financial public sectors. The full financial statements are presented in Chapter 6 *Consolidated financial statements*.

Table 2.1 highlights the movements in operating statement key fiscal indicators for general government and non financial public sectors, and compares updated projections for the 2026-27 Mid-Year Report with those published in the 2026-27 Budget.

Table 2.1: Key fiscal indicators – operating statement

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
General government sector – net operating balance				
2026-27 Budget	- 42	199	273	372
2026-27 Mid-Year Report	- 152	126	253	370
Variation from 2026-27 Budget	- 110	- 73	- 20	- 2
Non financial public sector – fiscal balance				
2026-27 Budget	- 1 058	- 407	- 239	- 5
2026-27 Mid-Year Report	- 1 032	- 495	- 270	- 9
Variation from 2026-27 Budget	26	- 88	- 31	- 4

General government sector net operating balance

The net operating balance represents total revenue less total operating expenses, with capital spending only recognised in the fiscal balance.

As shown in Table 2.1, the updated projections for the general government sector net operating balance present improving outcomes, with a deficit in 2026-27 followed by surpluses increasing to $370 million in 2029-30.

When compared with the 2026-27 Budget, updated net operating balance projections continue to improve across the budget cycle, however have declined in aggregate by $205 million. The variation to net operating balance forecasts mainly reflects:

- increased non-cash depreciation expense averaging $44 million per annum due to higher asset valuations recognised in 2025-26 for hospitals, remote health clinics and sporting complexes
- lower taxation revenue across the budget cycle as a result of the Commonwealth's legislative amendments to prohibit online Keno and foreign-matched lottery products from 1 January 2027, reducing gambling tax collections
- unspent Commonwealth and Territory-funded programs in 2025-26 carried over into 2026-27 and forward years

partially offset by:

- upward revisions to GST revenue estimates across the budget cycle, driven by stronger population outcomes.

Non financial public sector fiscal balance

The fiscal balance is influenced by the same factors affecting the general government sector net operating balance, however the fiscal balance also includes net capital investment and excludes depreciation. The fiscal balance is assessed at the non financial public sector to ensure the financial performance of government trading entities is incorporated in the fiscal aggregates.

As shown in Table 2.1, the updated projections for the non financial public sector fiscal balance shows the fiscal position improves progressively across the budget cycle, with a deficit of $1.032 billion in 2026-27, reducing substantially each year to a modest deficit of $9 million by 2029-30.

When compared with the 2026-27 Budget, the fiscal balance deficit projections continue to improve across the budget cycle, albeit at a slower rate than previously forecast, deteriorating by a modest $97 million across the budget cycle to 2029-30. The updated fiscal balance forecasts are influenced by the same factors affecting the net operating balance, excluding depreciation adjustments, combined with variations to capital spending.

Further details on the updated projections and 2026-27 Budget are provided below.

Reconciliation with previous fiscal projections

Section 10(1)(f) of the FITA requires the Territory Government to explain factors and considerations that contributed to any material differences between the updated financial projections and equivalent projections published in the last fiscal outlook report.

The most recent fiscal outlook report published under the FITA is the 2026-27 Budget. Accordingly, the analysis in the remainder of this chapter reflects policy and non-policy changes since the 2026-27 Budget. Policy variations are the result of government decisions to implement new or expand existing agency programs, and savings and revenue measures. Non-policy variations are the result of influences outside government's control, such as the timing of payments or changes in external economic conditions.

Policy and non-policy changes since 2026-27 Budget

Table 2.2 summarises the effect of policy and non-policy changes on the non financial public sector's fiscal balance since the 2026-27 Budget. As shown in Table 2.2, the anticipated worsening in the fiscal balance over the budget cycle is largely attributable to non-policy changes.

Table 2.2: Non financial public sector fiscal balance – policy and non-policy changes since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
2026-27 Budget	- 1 058	- 407	- 239	- 5
Policy changes	- 28	- 5	- 1	- 1
Non-policy changes	54	- 83	- 30	- 3
2026-27 Mid-Year Report	- 1 032	- 495	- 270	- 9

Details of policy and non-policy changes are discussed in further detail in the following sections.

Policy changes since 2026-27 Budget

Table 2.3 outlines the effect of policy changes on the non financial public sector's fiscal balance since the 2026-27 Budget.

Table 2.3: Non financial public sector fiscal balance – policy changes since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
Operating commitments	- 4	1	- 1	- 1
Capital commitments	- 24	- 6		
Total policy changes	- 28	- 5	- 1	- 1

(+) reflects an improvement; (-) reflects a worsening

Policy changes incorporate all decisions made by government since the 2026-27 Budget and total $35 million over the budget and forward estimates.

New operating commitments totalling $5 million largely reflect reward carryovers for agencies that underspent against their approved 2025-26 budgets, partially offset by budget penalties applied to agencies that exceeded their approved budgets by more than 1% in 2025-26.

New capital commitments totalling $30 million comprise $24 million to support delivery of the State Square building project and $6 million for reward carryovers to support land release initiatives.

Non-policy changes since 2026-27 Budget

Table 2.4 highlights the effect of non-policy changes on the non financial public sector's fiscal balance since the 2026-27 Budget.

Table 2.4: Non financial public sector fiscal balance – non-policy changes since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
GST revenue	37	19	20	21
Taxation and royalties	- 8	- 24	- 24	- 24
Interest variations	10	- 2	- 2	- 2
Leases	2	1		- 5
Timing and agency-related adjustments	13	- 76	- 23	6
Total non-policy changes	54	- 83	- 30	- 3

(+) reflects an improvement; (-) reflects a worsening

Non-policy changes since the 2026-27 Budget have resulted in a $62 million forecast net worsening to the non financial public sector fiscal balance from 2026-27 to 2029-30. Key variations include:

- upward revisions to GST revenue estimates totalling $97 million across the budget cycle, driven by stronger population outcomes, combined with a balancing adjustment to be received in 2026-27 relating to underpaid GST from 2025-26
- lower taxation and royalty revenue totalling $80 million across the budget cycle as a result of the Commonwealth's legislative amendments to prohibit online Keno and foreign-matched lottery products from 1 January 2027, reducing gambling tax collections

- net interest variations of $4 million across the budget cycle primarily reflect offsetting movements in interest revenue and expense
- various timing and agency-related adjustments totalling $80 million from 2026-27 to 2029-30, including:
  - unspent Commonwealth and Territory-funded programs in 2025-25 carried over to 2026-27
  - revised timing of anticipated land sales combined with higher development costs within the Land Development Corporation
  - revised timing of expenditure commitments to reflect funding delivery schedules and contractual payments to suppliers. These timing variations have no net effect on the projected fiscal balance over the budget cycle.

Changes in key fiscal aggregates since 2026-27 Budget

The analysis in this section addresses the requirements of section 10(1)(b) of the FITA that each fiscal outlook report provides an account of the fiscal and economic assumptions on which the updated financial projections are based. Accordingly, this section provides a summary of material variations affecting the budget and forward estimates, combined with changes in assumptions used for key fiscal aggregates, where relevant.

Revenue changes since 2026-27 Budget

Table 2.5 compares the revised revenue projections for the 2026-27 Mid-Year Report with those published in the 2026-27 Budget.

Table 2.5: Non financial public sector – variation in revenue since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
2026-27 Budget	10 702	10 983	11 037	11 308
2026-27 Mid-Year Report	10 857	11 035	11 069	11 370
Variation from 2026-27 Budget	155	52	32	62

As shown in Table 2.5, when compared with the 2026-27 Budget, total revenue is higher by $155 million in 2026-27 and modest increases across the forward estimates averaging $49 million per annum. Table 2.6 identifies the variations in revenue components since the 2026-27 Budget.

Table 2.6: Non financial public sector – variations in revenue components since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
Taxation revenue	- 8	- 24	- 24	- 24
GST revenue	37	19	20	21
Current grants	127	34	6	23
Capital grants	- 43	5	24	23
Sales of goods and services	15	8	- 2	11
Interest income	16	7	7	7
Mining and petroleum royalties				
Other revenue	11	3	2	1
Total variation	155	52	32	62

Taxation revenue

Taxation revenue represents the Territory's primary source of income that government can directly influence. It comprises payroll tax, stamp duty on conveyances, taxes on gambling, taxes on insurance, and motor vehicle fees and taxes.

Table 2.6 shows taxation revenue is expected to decrease by a total of $80 million across the budget cycle to 2029-30. The reduction is as a result of the Commonwealth's legislative amendments to prohibit online Keno and foreign-matched lottery products from 1 January 2027, reducing gambling tax collections.

GST revenue

GST revenue is the Territory's largest revenue transfer from the Commonwealth and represents about 49% of total revenue across the budget cycle. The primary factors that influence the amount of GST revenue the Territory receives are:

- growth in national GST collections pool
- GST relativities as assessed by the Commonwealth Grants Commission (CGC)
- the Territory's share of the national population.

As shown in Table 2.6, GST revenue is projected to increase by a total of $97 million across the budget cycle to 2029-30. The increase is driven by stronger population outcomes combined with a balancing adjustment to be received in 2026-27 relating to underpaid GST from 2025-26.

Current and capital grants

Each year there are significant changes in tied Commonwealth funding estimates as the timing of delivery is revised or funding agreements commence, are renewed or cease. Similar to the approach with major projects, tied funding is generally not included in the forward estimates unless a funding agreement has been signed with the Commonwealth. Tied funding agreements generally do not affect the Territory's fiscal balance as revenues are matched with corresponding expenditure.

When compared with the 2026-27 Budget, Table 2.6 shows current and capital grants revenue is expected to be $200 million higher over the budget cycle to 2029-30. This is primarily due to new Commonwealth funding announced since the 2026-27 Budget combined with revised timing of funding from 2025-26 to future years.

Table 2.7 sets out variations in tied Commonwealth funding agreements since the 2026-27 Budget.

Table 2.7: Tied Commonwealth revenue – variations since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
Current grants				
Mine rehabilitation	48			
Various hospital and health-related services	50	26	2	
Other tied current grants	30	8	4	23
Subtotal	**127**	**34**	**6**	**23**
Capital grants				
Mine rehabilitation	22			
Barkly Regional Deal project – student boarding	12	1		
Building Early Education Fund	8		1	
Remote Policing - Maningrida	5			
Other tied capital grants	- 2	10		
National Network roads program	- 2	5	11	
National Water Grid Fund	- 16	- 19	12	23
Remote Housing Northern Territory	- 70	8		
Subtotal	**- 43**	**5**	**24**	**23**
Total variation	84	39	30	46

As shown in Table 2.7, variations in tied Commonwealth grant funding comprise:

- $70 million in new funding to support rehabilitation of the former Rum Jungle mine site
- $78 million for various hospital and health-related agreements including for Medicare Urgent Care Clinics, diphtheria response and Primary Care Prevocational Program
- revised timing of various tied Commonwealth funding agreements from 2025-26, now expected to be delivered over 2026-27 and forward years including:
  - $13 million to construct new student boarding facilities in Tennant Creek
  - $5 million for a remote police complex in Maningrida
- revised timing of projects from 2026-27 now expected to be delivered across the forward estimates and beyond including under the National Network roads program, remote housing and National Water Grid Fund

Sales of goods and services

Sales of goods and services revenue includes fees and charges, and rent and tenancy income collected by various government agencies, with the most significant component comprising gas sales, and electricity, water and sewerage charges collected by government owned corporations.

Table 2.6 shows projections for sales of goods and services revenue are expected to be $32 million higher over the budget cycle than the 2026-27 Budget, largely due to increased patient-related recoveries combined with revised timing of anticipated land sales across the forward estimates.

Interest income

Interest income includes returns on short-term and fixed-interest investments combined with realised gains on Conditions of Service Reserve investments. As shown in Table 2.6, interest income is expected to increase by a total of $37 million over the budget cycle to 2029-30 due to favourable market conditions.

Mining and petroleum royalties

Mining and petroleum royalty forecasts are formulated with advice from mining companies and petroleum producers, including estimates of commodity price movements, production levels and the value of the Australian dollar.

As shown in Table 2.6, mining and petroleum royalties remain unchanged from the 2026-27 Budget estimates due to ongoing volatility in global commodity markets and the uncertainty this creates for future royalty revenue forecasts.

Other revenue

Other revenue includes miscellaneous revenue such as reimbursements and research funding from non-government organisations. As shown in Table 2.6, other revenue is expected to increase modestly by $17 million across the budget cycle when compared with the 2026-27 Budget.

Expenditure changes since 2026-27 Budget

Table 2.8 compares revised expenditure projections for the 2026-27 Mid-Year Report with those published in the 2026-27 Budget.

Table 2.8: Non financial public sector – variation in expenditure since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
Total expenses				
2026-27 Budget	10 714	10 624	10 778	10 908
2026-27 Mid-Year Report	10 982	10 748	10 834	10 971
Variation from 2026-27 Budget	268	124	56	63
Net capital investment				
2026-27 Budget	2 068	1 744	1 460	1 402
2026-27 Mid-Year Report	1 979	1 807	1 497	1 425
Variation from 2026-27 Budget	- 89	63	37	23

Table 2.8 shows total expenses are projected to be higher by $268 million in 2026-27 and on average $81 million per annum across the forward estimates when compared with the 2026-27 Budget. The variation to expenses are primarily the result of:

- increased non-cash depreciation expense averaging $44 million per annum due to higher asset valuations recognised in 2025-26 for hospitals, remote health clinics and sporting complexes
- additional expenditure associated with tied Commonwealth current grants revenue as discussed earlier in this chapter
- additional expenditure associated with unspent Commonwealth and Territory-funded programs in 2025-26 carried over into 2026-27 and forward years.

Net capital investment

Net capital investment comprises purchases and sales of non financial assets, such as land, vehicles, ICT and equipment, and includes the construction of assets under the capital works program.

As shown in Table 2.8, when compared with the 2026-27 Budget, net capital investment is projected to be $34 million higher over the budget cycle to 2029-30. The variation largely reflects new capital commitments to support delivery of the State Square building project and land release initiatives.

Variations across the budget cycle mainly reflect the revised timing of Commonwealth-funded projects from 2026-27 now expected to be delivered across the forward estimates and beyond including under the National Network roads program, remote housing and National Water Grid Fund.

Key fiscal indicators – balance sheet

Key measures for the balance sheet are net debt and the resulting net debt to revenue ratio. Net debt is a cumulative measure and comprises select liabilities less financial assets. It is calculated on a cash basis and influenced when cash is received and money paid.

As shown in Table 2.9, net debt is projected to be $12.45 billion in 2026-27, increasing to $13.28 billion by 2029-30. The net debt to revenue ratio is projected to be 115% in 2026-27, plateau at 120% in both 2027-28 and 2028-29, then decrease to 117% in 2029-30.

Table 2.9: Non financial public sector – net debt and net debt to revenue ratio

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
Net debt				
2026-27 Budget	12 555	13 200	13 209	13 172
2026-27 Mid-Year Report	12 453	13 225	13 281	13 278
Variation from 2026-27 Budget	- 102	25	72	106
Net debt to revenue (%)				
2026-27 Budget	117	120	120	116
2026-27 Mid-Year Report	115	120	120	117
Variation from 2026-27 Budget	- 2			1

Table 2.9 shows net debt is projected to be lower in 2026-27 while increasing across the budget cycle when compared with the 2026-27 Budget. By 2029-30, net debt is expected to be $106 million higher than originally projected. Excluding the timing impacts of Commonwealth-funded receipts and payments, the increase in net debt is broadly consistent with the cumulative worsening to fiscal balance forecasts across the budget cycle.

Compared with the 2026-27 Budget, the net debt to revenue ratio is forecast to improve in 2026-27 and remain broadly unchanged across the budget cycle. While net debt is projected to increase through to 2029-30, this growth is largely offset by forecast revenue growth, resulting in minimal variation to the ratio across the budget cycle.

Table 2.10 provides details on the cumulative factors that contributed to the projected variation in net debt over the forward estimates since the 2026-27 Budget.

Table 2.10: Non financial public sector – detailed cumulative changes to net debt since 2026-27 Budget

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
Net debt variation from 2025-26 outcome	122	122	122	122
Cumulative changes to fiscal balance				
Other policy commitments	28	33	34	35
GST revenue	- 37	- 56	- 76	- 97
Taxation and royalties	8	32	57	80
Interest variations	- 10	- 8	- 6	- 4
Leases	- 2	- 2	- 2	2
Timing and agency-related adjustments	- 13	63	86	80
Timing of cash payments and receipts				
Commonwealth funding	- 186	- 148	- 134	- 105
Other payments	- 13	- 12	- 9	- 7
Net cumulative changes	- 102	25	72	106

(+) reflects a worsening, (-) reflects an improvement

As shown in Table 2.10, net debt has improved by $102 million in 2026-27 since the 2026-27 Budget but has declined by $106 million to 2029-30 as a result of the following factors:

- the flow-on effect of the worsened net debt outcome in 2025-26
- cumulative changes affecting the fiscal balance, comprising policy and non-policy variations as detailed earlier in this chapter, increasing net debt
- timing impacts associated with cash payments and receipts across the forward estimates for amounts recognised in prior year fiscal balance outcomes.

Chapter 3

Economic outlook

Overview

The information provided in this chapter meets the requirement of sections 10(1)(b) and 10(1)(c) of the FITA that each fiscal outlook report contains an account of the economic assumptions and analysis of the effects of their changes on the updated financial projections. This chapter provides an update on the 2025-26 outcome, and revised forecasts for 2026-27 and the following three financial years.

Key economic indicators

The Territory recorded solid economic growth in 2025-26, with GSP increasing by 3.2%. Growth was slightly stronger than the 2.7% growth forecast in the 2026-27 Budget, reflecting stronger than expected exports and consumption, with Territory households demonstrating high levels of resilience to inflation and interest rate shocks. The economic outlook for 2026-27 is stronger than at the time of the budget, largely due to increased business investment associated with new major resource sector announcements, and notably Arafura's Nolans critical minerals project, which reached final investment decision in late May 2026. Household consumption is also forecast to stay resilient for longer through 2026-27.

Other key economic indicators were broadly in line with the 2026-27 Budget. Economic forecasts in this Mid-Year Report have also been revised to reflect government policy decisions, updated public expenditure profiles and recent data releases. Table 3.1 provides outcomes for 2025-26 and revised forecasts. Recent trends and factors underpinning the forecasts are discussed in the following sections.

Table 3.1: Key economic results and forecasts (%)

	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Estimate		Forecast	
Gross state product[1]	3.2	7.1	1.0	5.7	4.0
State final demand[1]	- 1.8	2.8	2.2	1.5	2.5
Employment[1]	2.1	0.9	1.2	1.6	1.6
Unemployment rate[2]	4.6	5.0	4.7	4.6	4.6
Wage price index[1]	2.6	3.6	3.4	3.4	3.3
Consumer price index[3]	3.8	4.9	1.2	2.5	2.5
Population[3]	1.5e	1.4	1.4	1.3	1.3

e: estimate
1 Year-average percentage change.
2 Year average.
3 June quarter compared with June quarter the previous year (year-ended percentage change).
Source: ABS; Department of Treasury and Finance

More detail on historical and current economic conditions in the Territory is provided at the Territory Economy website, nteconomy.nt.gov.au. This website is updated as new data becomes available.

Gross state product and state final demand

GSP is the broadest and preferred measure of economic activity at the state and territory level. The Territory's GSP grew by 3.2% in 2025-26, stronger than expected in the 2026-27 Budget. Net international trade was stronger than expected with export volumes increasing by 17.1% and imports declining by 19.1% as the $6 billion Barossa project transitioned from investment and construction to production. As expected, state final demand contracted in 2025-26, driven by the decline in Barossa-related business investment and public investment coming off recent historical peaks.

Looking forward, growth in 2026-27 will be underpinned by a new phase of resource sector investment and resilient Territory household spending, with GSP forecast to increase by 7.1%, up 1.3 percentage points compared with the 2026-27 Budget (Figure 3.1). The revision is primarily due to stronger business investment, with several major resource projects reaching final investment decision since the 2026-27 Budget. The recent resilience demonstrated by Territory households will support modest growth in household consumption. Exports are forecast to expand rapidly in 2026-27, however capital imports will ramp up as mining-related construction accelerates. Mine construction will generate significant opportunities for local contractors and employment. The contribution to growth from net exports is expected to weaken in 2026-27 and 2027-28 as investment-related imports surge.

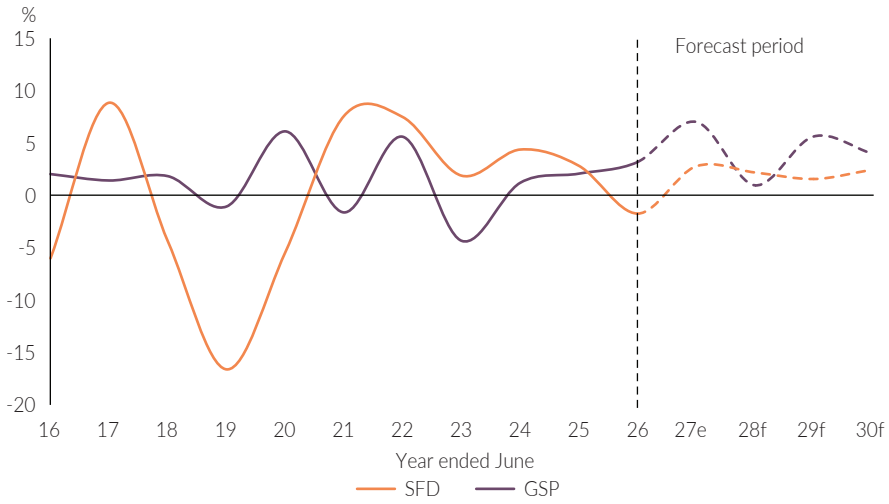
Despite the solid GSP outcome in 2025-26, state final demand (SFD) declined as business investment came off its Barossa-related peak.

Household consumption increased by 2.7% in 2025-26, supported by upward revisions to population growth and favourable labour market conditions. Consumption was significantly stronger than anticipated in the 2026-27 Budget, reflecting higher discretionary expenditure including in hotels, cafés and restaurants. The household consumption forecast for 2026-27 has been revised up and is now expected to make a modest contribution to growth. Over the forward estimates household consumption is expected to grow, broadly in line with the profile presented in the 2026-27 Budget. The cumulative impact of higher interest rates will, over time, weigh on household spending, particularly discretionary consumption, although strong population growth will support aggregate consumption and favourable labour market conditions will support household balance sheets.

Private dwelling investment increased by 5.8% in 2025-26, following growth of 4.4% in 2024-25 and was supported by government housing initiatives. However, growth was slightly weaker than anticipated in the 2026-27 Budget, reflecting capacity constraints across the construction industry. Dwelling investment will face strong headwinds in 2027 from elevated borrowing costs, while higher construction costs will also put downward pressure on new investment. Over the forward estimates dwelling investment is expected to ease as grant programs end in September 2027 and then return to be broadly in line with household formation in Darwin.

Business investment declined by 20.3% in 2025-26 as construction associated with the Barossa project came to an end. The outlook for private investment has improved since the budget, supported by final investment decisions for Arafura's Nolans project, the KGL's Jervois project and the Mt Bundy gold project. Increased exploration and appraisal activity in the Beetaloo Sub-basin is also contributing to the solid rebound to business investment growth of 12.8% in 2026-27.

Figure 3.1: Territory gross state product and state final demand, year-average change.



e: estimate; f: forecast; GSP: gross state product; SFD: state final demand
Source: ABS, *Australian National Accounts: State Accounts*; Department of Treasury and Finance

Public consumption increased by 3.1% in 2025-26, which was below the 2026-27 Budget expectations. Public consumption growth has been revised modestly from 2027-28 reflecting updated government expenditure profiles.

Public investment declined by 18.9% in 2025-26, largely reflecting the accounting impact of the one-off sale of Uluru's Ayers Rock Resort by the Commonwealth's Indigenous Land and Sea Corporation to Journey Beyond. Public investment across 2026-27 and 2027-28 is forecast to remain elevated, supported by work across flood mitigation, education, corrections and major projects such as the Northern Marine Complex, which includes the Darwin ship lift. Public investment is forecast to ease from 2028-29 as major projects including several defence projects are completed.

Exports increased by 17.1% in 2025-26, reflecting higher LNG production and stronger than expected manganese exports. Export growth in 2026-27 is underpinned by Darwin LNG, which is expected to reach full production of around 3.7 million tonnes per annum. Export growth has been revised down by 1.3 percentage points in 2026-27 as water management issues impact manganese production. Export growth is also revised down in 2027-28 following the announcement of planned maintenance work on the Ichthys LNG plant. The commencement of critical minerals exports from the Nolans project will boost exports from 2028-29.

Imports declined 19.1% in 2025-26 as the completion of major projects saw reduced demand for imported capital equipment. The stronger than expected decline in 2025-26 has contributed to a substantial increase in net exports and stronger GSP growth. Imports are forecast to accelerate over the forward estimates reflecting demand for plant and equipment for resource projects.

Labour market

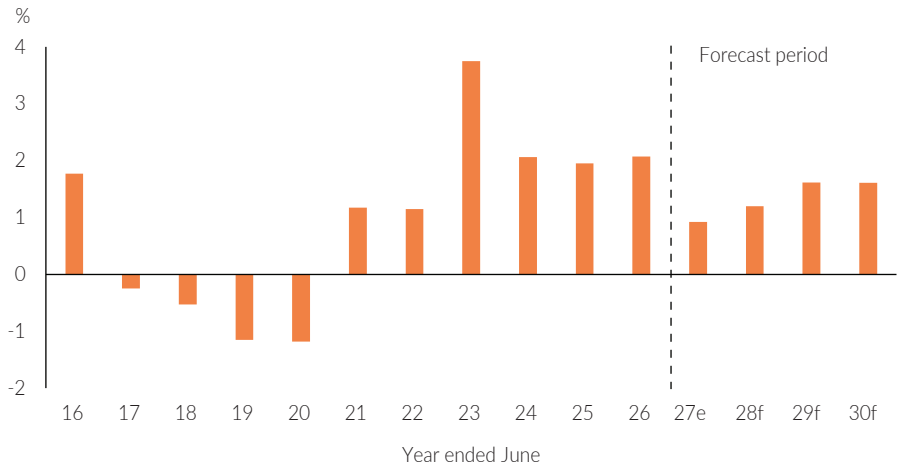
The Territory labour market was resilient through 2025-26 despite domestic demand moderating. Employment increased by 2.1% in 2025-26, stronger than the 1.1% growth forecast in the 2026-27 Budget, in part driven by revisions to population.

Employment growth is forecast to moderate to 0.9% in 2026-27 as labour market conditions normalise, before strengthening to 1.6% by 2028-29 supported by a strong pipeline of investment and construction projects (Figure 3.2).

Employment forecasts have been revised modestly upward since the 2026-27 Budget, reflecting stronger than expected labour market outcomes in 2025-26, upward revisions to the Territory's population estimates and new major projects expected to begin construction.

Employment is forecast to increase to around 155,000 persons by 2029-30, representing an additional 3,000 workers compared with the 2026-27 Budget.

Figure 3.2: Territory employment change



e: estimate; f: forecast
Source: ABS, *Labour Force, Australia*; Department of Treasury and Finance

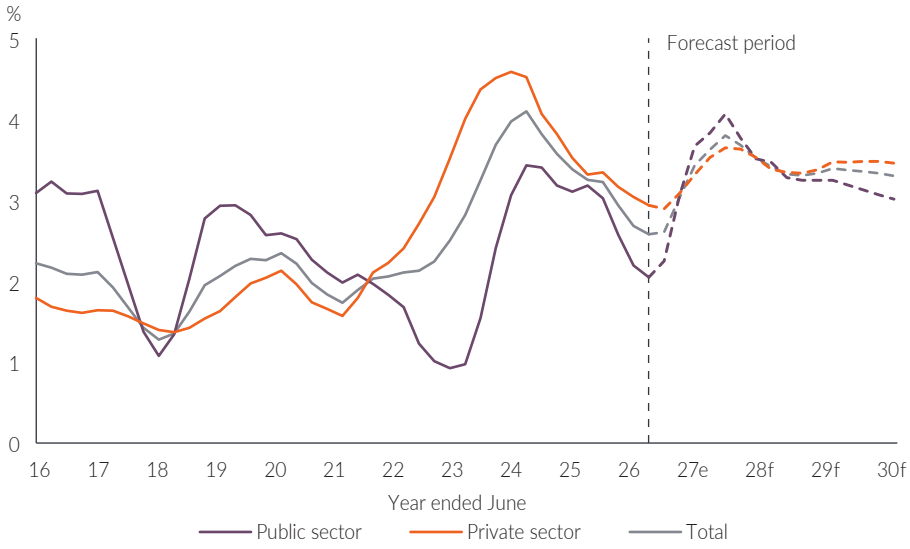
Wage price index

The Territory's wage price index increased by 2.6% in year-average terms in 2025-26, in line with the forecast published in the 2026-27 Budget (Figure 3.3).

Private sector wage growth has been consistently stronger than public sector wage growth since 2022 and this continued in 2025-26 with private sector wages growing by 2.9% compared with 2.1% in the public sector. Public sector wage growth was subdued in 2025-26 due to the timing of wage increases under the Northern Territory Public Sector 2025–2029 Enterprise Agreement, with the first salary increase recorded in the June quarter 2026.

Wage growth is forecast to strengthen to 3.6% in 2026-27 as public sector wage increases come into effect together with ongoing labour demand associated with resources project activity. Higher inflation expectations are expected to be a factor in future wage negotiations.

Figure 3.3: Year-average change in Territory wage price index by sector



e: estimate; f: forecast
Source: ABS, *Wage Price Index, Australia*; Department of Treasury and Finance

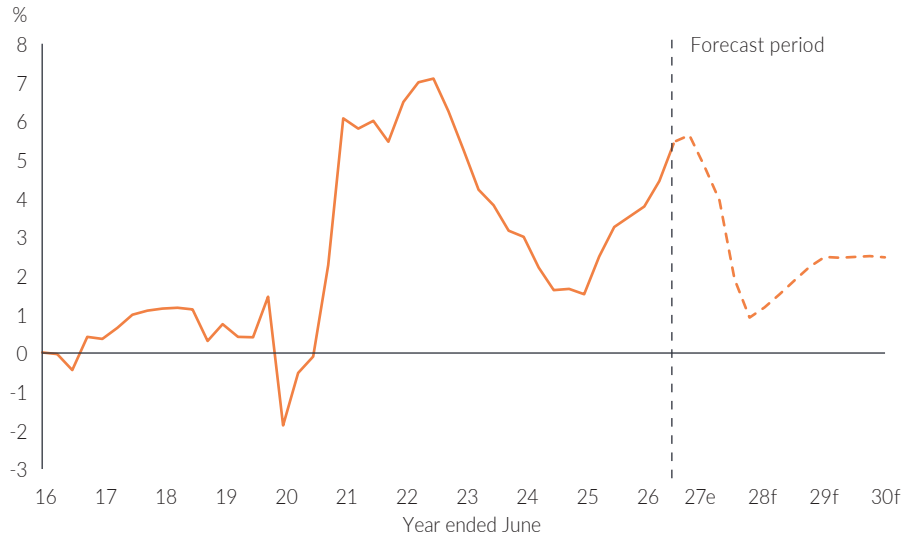
Consumer price index

The Darwin CPI increased by 3.8%, lower than forecast in the 2026-27 Budget partly due to fuel and transport prices being lower than anticipated.

Despite the lower outcome, price pressures were evident across several expenditure categories. Inflation increased to 4.5% in the year-ended September quarter 2026. Housing was the largest contributor, followed by transport and recreation and culture which are highly sensitive to changes in fuel prices.

Inflation is forecast to peak at 4.9% in 2026-27, reflecting current assumptions on fuel prices and the Middle East conflict. Higher fuel, freight and business input costs are expected to flow through to consumer prices in the year ahead, resulting in a stronger inflation outlook than anticipated in the 2026-27 Budget (Figure 3.4). Inflation is then expected to ease as fuel prices return to slightly above pre-conflict levels as higher interest rates impact demand and reduce cost pressures across the economy.

Figure 3.4: Year-ended change in Darwin consumer price index

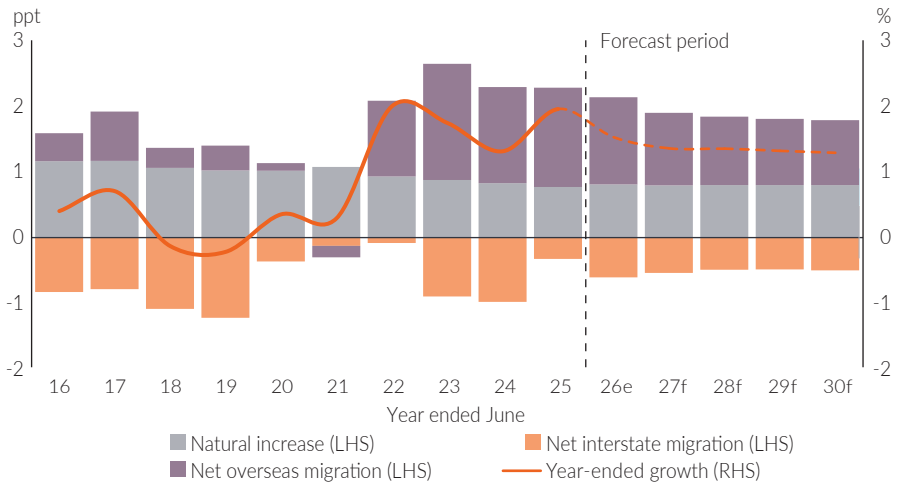


e: estimate; f: forecast
Source: ABS, *Consumer Price Index, Australia*; Department of Treasury and Finance

Population

The Territory's population is expected to increase by 1.5% in 2025-26 to 270,000, above the 1.2% forecast in the 2026-27 Budget (Figure 3.5). The stronger growth resulted from an improvement in net interstate migration to the Territory (that is, weaker net outflow). Along with natural increase, net overseas migration continued to be a solid contributor to growth in 2025-26.

Figure 3.5: Territory population growth and population component contributions



e: estimate; f: forecast; ppt: percentage point; RHS: right-hand side; LHS: left-hand side
Source: ABS, *National, state and territory population*; Department of Treasury and Finance

Population growth is forecast to ease over the forecast period from 1.4% in 2026-27 and 2027-28 to 1.3% from 2028-29. This moderation reflects a continued easing in net overseas migration related to Commonwealth policy changes, partially offset by more stable net interstate migration outflows.

Solid employment growth in the Territory combined with uncertain economic conditions in some other jurisdictions may support net interstate migration in the short to medium term. Population growth will be supported by new sources of labour demand associated with recent final investment decisions for major resource projects and ongoing public investment activity.

The Territory's population is forecast to reach about 285,000 persons by June 2030, around 4,800 persons higher than forecast in the 2026-27 Budget. Natural increase is forecast to contribute steadily to population growth over the forecast period. Commonwealth policy changes to further restrict Australia's migration program continue to present downside risks to the Territory's population growth forecasts.

Revisions to population statistics

The ABS revised the Territory's historical population estimates in the December quarter 2025 release. The revisions increased the Territory's population by 1,510 persons between June 2024 and September 2025. The revision was primarily driven by stronger net interstate migration outcomes, which added 1,397 persons to the Territory's population. Revisions to net overseas migration contributed 113 persons. The interstate migration revisions are based on updated administrative data.

Chapter 4

Fiscal strategy statement

Overview

The information provided in this chapter meets the requirements under section 14 of the FITA that fiscal outlook reports provide updated information to allow assessment of government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement. This chapter also meets the requirement under section 10(1)(g) of the FITA that each fiscal outlook report is to contain an explanation of the factors and considerations contributing to any material differences between the updated fiscal projections and government's fiscal objectives and targets.

This chapter assesses the updated 2026-27 Mid-Year Report fiscal projections against the government's fiscal objectives and targets set in the 2026-27 Budget, which remained unchanged from those first established in the 2025-26 Budget.

The government's fiscal strategy is focused on debt management and reduction. The targets represent the outcomes required to restore the Territory to a financially sustainable position, taking into account current fiscal and economic conditions and performance relative to comparable jurisdictions. Jurisdictional comparisons provide a benchmark for assessing the economic and fiscal conditions, and pressures faced by each state government. The state average used in this chapter is premised on lagging budget data for each state representing their 2026-27 Budget projections, while for the Territory updated 2026-27 Mid-Year Report projections have been used.

Assessment of the fiscal strategy

Principle 1: Spending and taxing policies for employment, economic prosperity and development of the Territory

Ongoing objective: Maintain a competitive tax environment that encourages investment, creates jobs and attracts business to the Territory

Target: Territory taxation effort for the last assessed year by the Commonwealth Grants Commission to be equal or lower than the state average of 100%

This measure is a lagging indicator as the CGC updates information annually based on the actual outcome of the previous year. Consequently, assessment of this element of the strategy remains unchanged from the 2026-27 Budget with the Territory's 2024-25 total taxation effort assessed as 82.5%, the latest year assessed by the CGC. Accordingly, this fiscal strategy target has been achieved as the Territory's taxation effort is below the state average of 100%. The Territory generally demonstrates below-average taxation effort as it does not impose land tax and levies lower than average motor vehicle taxes.

Table 4.1: Taxation effort by jurisdiction, 2024-25

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Average	Target met
	%	%	%	%	%	%	%	%	%	
Total taxation effort	99.4	112.4	90.8	91.5	94.3	85.1	137.5	82.5	100	yes

Source: CGC 2025 Methodology Review

Principle 2: Spending and taxing policies for stability and predictability of service provision

Objective and target: Maintain a general government sector net operating balance surplus (excluding capital revenue) in every year over the budget cycle to provide stability and predictability of government service provision and lower reliance on debt for service provision
Table 4.2 shows the updated projections for the general government sector net operating balance, excluding capital revenue, is expected to remain in deficit over the budget cycle, therefore not meeting this fiscal strategy target.

When compared with the 2026-27 Budget, the updated projections for the adjusted net operating balance are expected to worsen each year across the budget cycle. The deterioration is predominantly due to increased non-cash depreciation expense, unspent Commonwealth and Territory-funded programs in 2025-26 carried over into 2026-27 and forward years combined with largely offsetting variations to GST and taxation revenue.

Table 4.2: General government sector – net operating balance (excluding capital revenue)

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	$M	$M	$M	$M
2026-27 Budget				
Net operating balance	- 42	199	273	372
Less: Capital revenue	520	600	523	517
Adjusted net operating balance	**- 562**	**- 401**	**- 250**	**- 145**
Target on track	no	no	no	no
2026-27 Mid-Year Report				
Net operating balance	- 152	126	253	370
Less: Capital revenue	477	605	547	540
Adjusted net operating balance	**- 629**	**- 479**	**- 294**	**- 170**
Target on track	no	no	no	no

Principle 3: Funding for current services is to be provided by the current generation

Objective and target: Interest expense as a percentage of revenue at the non financial public sector to be equal or lower than the average of the states in each year over the budget cycle to lower the Territory's reliance on debt to fund service provision
As shown in Table 4.3, the updated projections for the Territory's interest expense to revenue ratio are expected to be on average 0.7 percentage points above the state average in each year over the budget cycle, therefore not meeting the fiscal strategy target. While the fiscal strategy target is not met, when compared on an individual state basis, the Territory is expected to have the fourth highest interest expense to revenue ratio in 2026-27, with ACT highest at 8.3%, Victoria at 8% and closely followed by NSW at 7.9%.

When compared with the 2026-27 Budget, the Territory's interest expense to revenue ratio remains largely unchanged across the budget cycle.

Table 4.3: Non financial public sector – interest expense to revenue ratio

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	%	%	%	%
2026-27 Budget				
Interest expense to revenue ratio	**7.2**	**7.8**	**8.3**	**8.5**
State average	6.4	7.1	7.5	n/a
Variation	0.8	0.7	0.8	n/a
Target on track	no	no	no	n/a
2026-27 Mid-Year Report				
Interest expense to revenue ratio	**7.2**	**7.9**	**8.3**	**8.5**
State average	6.4	7.1	7.6	8.1
Variation	0.8	0.8	0.7	0.4
Target on track	no	no	no	no

n/a: not available at the time of publishing the 2026-27 Budget

Principle 4: Financial risks and Territory debt managed at prudent levels

Objective: To ensure the Territory's debt levels remain serviceable, when compared to revenue, and at prudent levels

Target: The Territory's net debt to revenue ratio at the non financial public sector be equal or lower than the average of the states in any year over the budget cycle

Table 4.4 shows that updated projections for net debt to revenue ratios remain higher than the state average by around 7 percentage points each year over the budget cycle, therefore not meeting this fiscal strategy target. When compared on an individual state basis for 2026-27, the Territory is expected to have the third highest ratio, with Victoria highest at 171% and New South Wales second at 124%.

Table 4.4: Non financial public sector – net debt to revenue ratios

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	%	%	%	%
2026-27 Budget				
Net debt to revenue ratio	**117**	**120**	**120**	**116**
State average	107	113	117	n/a
Variation	10	7	3	n/a
Target on track	no	no	no	n/a
2026-27 Mid-Year Report				
Net debt to revenue ratio	**115**	**120**	**120**	**117**
State average	104	111	114	115
Variation	11	9	6	2
Target on track	no	no	no	no

n/a: not available at the time of publishing the 2026-27 Budget

Ongoing objective: Maintain or improve the Territory's credit rating to lower risks of higher borrowing costs and improve the Territory's credit strength

Target: Territory's credit rating of Aa3 (stable) or better

Moody's Investors Service completed its most recent periodic review of the Territory's credit rating in September 2026 based on the Territory's 2026-27 Budget. The Territory continues to hold a Aa3 credit rating with a stable outlook. Accordingly, this fiscal strategy target has been met.

Objective: Ensure government owned corporations are commercially sustainable

Target: Power and Water Corporation and Territory Generation to maintain an average return on assets equal to or greater than 6% over the budget cycle, Jacana Energy to maintain an average operating margin equal to or greater than 2.5% over the budget cycle

Projections for government owned corporations are revised through each respective statement of corporate intent (SCI), which is prepared annually and forms part of the Territory's budget development process.

No assumptions or projections for the government owned corporations have been updated since the 2026-27 Budget. Consequently, as the fiscal strategy objective and targets within this principle assess rates of returns and operating margins over the SCI budget cycle, and government owned corporation fiscal projections are unchanged, assessment of objectives and targets within this fiscal strategy remain unchanged from the 2026-27 Budget.

Chapter 5

Risks and contingent liabilities

Overview

Section 10(1)(e) of the FITA requires each fiscal outlook report to contain a statement of risks, quantified as far as practicable, that could materially affect updated financial projections including any contingent liabilities and related agreements yet to be finalised.

This chapter meets the FITA requirements by providing an update on potential risks that have changed since the 2026-27 Budget due to changes in factors underpinning revenue and expenditure estimates, and the likelihood of contingent liabilities becoming actual liabilities.

Risks to the Territory are assessed and categorised in accordance with those identified in section 5(2) of the FITA, which requires government to prudently manage risks faced by the Territory (having regard to economic circumstances). The categories comprise risks from excessive debt, ownership of trading entities, erosion of the Territory's revenue base, managing assets and liabilities, and other risks.

Most of the risks and contingent liabilities for the Territory remain unchanged from those disclosed in the 2026-27 Budget, with the exception of risks from ownership of trading entities, and expenses and payments. Further details on changes in factors since the 2026-27 Budget affecting these risks are provided below.

For further information on the Territory's risks and contingent liabilities, refer to the 2026-27 Budget, Chapter 7 *Risks and contingent liabilities* and 2025-26 Treasurer's Annual Financial Report, Note 41 *Contingent assets and liabilities*.

Sound fiscal management of risks

Risks from ownership of trading entities

In August 2026, the Territory Government announced reforms to restructure the governance and operation of its gas business, currently managed by Power and Water Corporation (PWC). The reforms are intended to support increased competition, improve access to gas transportation services, and align the Territory with national gas market arrangements and law while protecting the Territory's energy security ahead of expected production from the Beetaloo Sub-basin. As part of the reforms, Territory Generation will take on an expanded role in securing the gas required to power the Territory, including responsibility for key gas supply agreements currently held by the Territory Government and PWC.

These reforms present a fiscal risk through potential increases in restructuring, regulatory and transition costs. The magnitude and timing of these costs remain uncertain pending completion of the reform program.

Risks to expenses and payments

Estimates for expenses are based on known policy decisions, with adjustments for non-policy changes. The most significant changes to risks to expense estimates from those disclosed in the 2026-27 Budget include:

- Remote Rent Framework – the December 2025 High Court decision finding procedural unfairness in implementing changes to the Remote Rent Framework may give rise to significant and currently unquantified financial implications for the Territory, creating uncertainty for budget forecasts and fiscal planning
- workers compensation expenses – rising psychological injury and mental stress claims may increase workers compensation payments and outstanding liabilities beyond forecast levels, with the growing proportion and reporting rate of these claims creating significant uncertainty in future scheme costs and actuarial estimates.

Contingent assets and liabilities

Contingent assets and liabilities are possible future assets or obligations that arise from past events, which are only realised if a specified event occurs and it can be reliably measured. Contingent assets and liabilities pose a risk to the Territory's financial position and have the potential to adversely or favourably affect the budget due to the likelihood of an event arising.

The Territory's contingent liabilities are predominantly considered low risk and largely unchanged from the 2026-27 Budget and 2025-26 Treasurer's Annual Financial Report except for the matter below, however the Territory continues to monitor risks associated with contingent liabilities to ensure they are appropriately recognised.

Gas supply

The Territory, through PWC, is engaged in arbitration with Eni Australia Limited for damages resulting from gas supply disruptions, which may give rise to a contingent asset. Associated with this, PWC is also contesting several major legal claims brought against it by third parties, of which are dependent on the outcome of the arbitration process for the asset. Due to the nature of the cases and uncertainty of any potential assets/liabilities that may arise, no value can be attributed until cases are resolved.

Chapter 6

Consolidated financial statements

The financial statements in this chapter meet the requirements of the FITA and have been prepared in accordance with relevant Australian accounting standards including AASB 1049 *Whole of Government and General Government Sector Financial Reporting* and the Uniform Presentation Framework (UPF).

The UPF mandates that all Commonwealth, state and territory governments must comply with AASB 1049, and publish financial information in budget papers and fiscal outcome reports in a standard format, allowing for greater transparency and comparison of fiscal data between jurisdictions.

The financial statements included in this chapter present the fiscal projections at the 2026-27 Budget, along with updated projections for 2026-27 (revised budget) and 2027-28 to 2029-30 forward estimates.

Each set of financial statements includes a comprehensive operating statement, balance sheet and cash flow statement for the following government sectors:

- general government sector
- public non financial corporation sector
- non financial public sector.

For details on changes to the revised projections since the 2026-27 Budget, refer to Chapter 2 *Fiscal outlook*.

General government sector comprehensive operating statement

		2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
		$000	$000	$000	$000	$000
	REVENUE					
	Taxation revenue	842 207	834 158	847 875	880 343	915 272
	Current grants	7 204 764	7 369 072	7 141 650	7 353 722	7 610 623
	Capital grants	519 618	476 636	604 783	546 816	539 547
	Sales of goods and services	460 837	475 203	458 677	463 415	468 707
	Interest income	144 230	160 051	154 853	159 488	163 614
	Dividend and income tax equivalent income	98 704	98 704	176 014	207 416	156 545
	Other revenue	516 885	527 368	475 227	496 136	507 155
	TOTAL REVENUE	**9 787 245**	**9 941 192**	**9 859 079**	**10 107 336**	**10 361 463**
less	**EXPENSES**					
	Employee benefits expense	3 577 750	3 626 688	3 659 609	3 744 459	3 879 123
	Superannuation expenses					
	Superannuation interest cost	122 592	122 592	118 932	114 913	110 745
	Other superannuation expenses	405 266	411 016	416 031	425 834	441 129
	Depreciation and amortisation	804 617	868 494	827 049	795 261	768 139
	Other operating expenses	2 285 260	2 383 246	2 188 309	2 218 876	2 238 565
	Interest expenses	611 725	616 691	685 173	729 930	773 664
	Other property expenses					
	Current grants	1 402 603	1 442 774	1 402 074	1 423 718	1 382 656
	Capital grants	313 126	319 406	100 717	65 548	55 241
	Subsidies and personal benefit payments	306 443	301 973	335 007	336 131	341 785
	TOTAL EXPENSES	**9 829 382**	**10 092 880**	**9 732 901**	**9 854 670**	**9 991 047**
equals	**NET OPERATING BALANCE**	**- 42 137**	**- 151 688**	**126 178**	**252 666**	**370 416**
plus	Other economic flows – included in operating result	77 004	77 704	86 825	97 064	105 837
equals	**OPERATING RESULT**	**34 867**	**- 73 984**	**213 003**	**349 730**	**476 253**
plus	Other economic flows – other comprehensive income	6 848	- 9 410	147 667	- 17 859	19 748
equals	**COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners**	**41 715**	**- 83 394**	**360 670**	**331 871**	**496 001**
	NET OPERATING BALANCE	**- 42 137**	**- 151 688**	**126 178**	**252 666**	**370 416**
less	**Net acquisition of non financial assets**					
	Purchases of non financial assets	1 579 231	1 491 068	1 366 755	1 170 970	1 139 759
	Sales of non financial assets	- 28 349	- 29 049	- 29 049	- 29 049	- 29 049
	less Depreciation	804 617	868 494	827 049	795 261	768 139
	plus Change in inventories					
	plus Other movements in non financial assets	33 365	36 770	58 990	61 191	27 423
	equals **Total net acquisition of non financial assets**	**779 630**	**630 295**	**569 647**	**407 851**	**369 994**
equals	**FISCAL BALANCE**	**- 821 767**	**- 781 983**	**- 443 469**	**- 155 185**	**422**

General government sector balance sheet

	2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
	$000	$000	$000	$000	$000
ASSETS					
Financial assets					
Cash and deposits	1 032 248	1 268 821	1 003 797	1 026 660	980 518
Advances paid	149 535	120 333	119 333	118 333	117 333
Investments, loans and placements	3 347 244	3 544 663	3 785 960	4 017 608	4 264 291
Receivables	602 992	948 882	1 036 311	995 998	997 389
Equity investments					
Investments in other public sector entities	2 563 714	2 372 487	2 520 154	2 502 295	2 522 043
Equity accounted investments					
Investments – shares	14 398	10 060	10 060	10 060	10 060
Other financial assets	83 367	83 366	82 295	81 220	80 144
Total financial assets	**7 793 498**	**8 348 612**	**8 557 910**	**8 752 174**	**8 971 778**
Non financial assets					
Inventories	22 368	31 792	31 792	31 792	31 792
Property, plant and equipment	23 009 082	23 543 949	24 123 379	24 550 630	24 939 589
Investment property	23 897	28 144	24 144	20 144	16 144
Other non financial assets	586 486	583 336	585 007	577 221	569 445
Total non financial assets	**23 641 833**	**24 187 221**	**24 764 322**	**25 179 787**	**25 556 970**
TOTAL ASSETS	**31 435 331**	**32 535 833**	**33 322 232**	**33 931 961**	**34 528 748**
LIABILITIES					
Deposits held	462 215	480 046	426 529	399 579	343 811
Advances received	92 262	82 293	73 695	64 680	55 228
Borrowing	13 919 191	14 164 440	14 725 531	15 118 633	15 324 874
Superannuation	2 702 842	2 596 195	2 527 304	2 455 923	2 382 072
Other employee benefits	1 005 184	1 073 197	1 073 197	1 073 197	1 073 197
Payables	364 668	495 072	497 472	499 941	499 894
Other liabilities	1 340 472	1 547 445	1 540 689	1 530 322	1 563 985
TOTAL LIABILITIES	**19 886 834**	**20 438 688**	**20 864 417**	**21 142 275**	**21 243 061**
NET ASSETS/(LIABILITIES)	**11 548 497**	**12 097 145**	**12 457 815**	**12 789 686**	**13 285 687**
NET WORTH	**11 548 497**	**12 097 145**	**12 457 815**	**12 789 686**	**13 285 687**
NET FINANCIAL WORTH[1]	- 12 093 336	- 12 090 076	- 12 306 507	- 12 390 101	- 12 271 283
NET FINANCIAL LIABILITIES[2]	14 657 050	14 462 563	14 826 661	14 892 396	14 793 326
NET DEBT[3]	**9 944 641**	**9 792 962**	**10 316 665**	**10 420 291**	**10 361 771**

1 Net financial worth equals total financial assets minus total liabilities.
2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.
3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

General government sector cash flow statement

	2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
	$000	$000	$000	$000	$000
Cash receipts from operating activities					
Taxes received	842 207	834 158	847 875	880 343	915 272
Receipts from sales of goods and services	473 306	488 356	471 955	476 693	481 985
Grants and subsidies received	7 670 850	7 987 331	7 662 438	7 839 024	8 125 650
Interest receipts	144 230	160 051	154 853	159 488	163 614
Dividends and income tax equivalents	58 175	57 829	100 306	251 538	156 674
Other receipts	509 753	509 940	469 491	491 187	500 644
Total operating receipts	**9 698 521**	**10 037 665**	**9 706 918**	**10 098 273**	**10 343 839**
Cash payments for operating activities					
Payments for employees	- 4 173 466	- 4 244 493	- 4 263 463	- 4 356 587	- 4 504 848
Payment for goods and services	- 1 905 774	- 2 004 860	- 1 798 334	- 1 847 475	- 1 857 919
Grants and subsidies paid	- 2 111 591	- 2 124 057	- 1 837 798	- 1 825 397	- 1 779 682
Interest paid	- 609 462	- 615 286	- 683 650	- 728 887	- 773 069
Other payments	- 352 307	- 353 417	- 352 307	- 352 307	- 352 307
Total operating payments	**- 9 152 600**	**- 9 342 113**	**- 8 935 552**	**- 9 110 653**	**- 9 267 825**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**545 921**	**695 552**	**771 366**	**987 620**	**1 076 014**
Cash flows from investments in non financial assets					
Sales of non financial assets	28 349	29 049	29 049	29 049	29 049
Purchases of non financial assets	- 1 579 231	- 1 491 068	- 1 366 755	- 1 170 970	- 1 139 759
Net cash flows from investments in non financial assets	**- 1 550 882**	**- 1 462 019**	**- 1 337 706**	**- 1 141 921**	**- 1 110 710**
NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS	**- 1 004 961**	**- 766 467**	**- 566 340**	**- 154 301**	**- 34 696**
Net cash flows from investments in financial assets for policy purposes[1]	- 1 239	- 1 239	- 1 396	- 1 564	- 1 744
Net cash flows from investments in financial assets for liquidity purposes	- 123 701	- 123 701	- 137 274	- 117 218	- 123 300
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 1 675 822	- 1 586 959	- 1 476 376	- 1 260 703	- 1 235 754
Net cash flows from financing activities					
Advances received (net)	- 11 200	- 11 200	- 8 598	- 9 015	- 9 452
Borrowing (net)	1 067 820	1 066 120	502 101	331 911	178 818
Deposits received (net)	- 4 812	- 136 834	- 53 517	- 26 950	- 55 768
Other financing (net)					
NET CASH FLOWS FROM FINANCING ACTIVITIES	1 051 808	918 086	439 986	295 946	113 598
NET INCREASE/DECREASE (-) IN CASH HELD	- 78 093	26 679	- 265 024	22 863	- 46 142
Net cash flows from operating activities	545 921	695 552	771 366	987 620	1 076 014
Net cash flows from investments in non financial assets	- 1 550 882	- 1 462 019	- 1 337 706	- 1 141 921	- 1 110 710
CASH SURPLUS/DEFICIT (-)	**- 1 004 961**	**- 766 467**	**- 566 340**	**- 154 301**	**- 34 696**
Future infrastructure and superannuation contributions/earnings[2]	- 61 215	- 61 215	- 64 888	- 68 781	- 72 907
UNDERLYING SURPLUS/DEFICIT (-)	**- 1 066 176**	**- 827 682**	**- 631 228**	**- 223 082**	**- 107 603**

1 Includes equity acquisitions, disposals and privatisations (net).
2 Contributions for future infrastructure and superannuation requirements.

Public non financial corporation sector comprehensive operating statement

		2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
		$000	$000	$000	$000	$000
	REVENUE					
	Current grants	293 824	293 824	324 073	324 407	330 521
	Capital grants	129 831	125 741	85 323	68 028	69 074
	Sales of goods and services	964 800	965 773	1 253 565	1 078 840	1 072 483
	Interest income	7 549	7 549	7 355	7 468	6 917
	Other revenue	34 529	35 556	33 984	37 459	37 909
	TOTAL REVENUE	1 430 533	1 428 443	1 704 300	1 516 202	1 516 904
less	EXPENSES					
	Employee benefits expense	116 888	116 888	128 813	129 458	132 822
	Superannuation expenses	16 202	16 202	17 418	17 165	17 340
	Depreciation and amortisation	251 437	251 437	260 529	272 187	281 930
	Other operating expenses	803 328	803 647	869 040	810 182	791 315
	Interest expenses	161 945	163 249	186 134	194 231	194 424
	Other property expenses	14 033	14 033	77 760	41 043	44 195
	Current grants					
	Capital grants					
	Subsidies and personal benefit payments	1 378	1 378	1 491	1 426	1 461
	TOTAL EXPENSES	1 365 211	1 366 834	1 541 185	1 465 692	1 463 487
equals	NET OPERATING BALANCE	65 322	61 609	163 115	50 510	53 417
plus	Other economic flows – included in operating result	- 47 118	- 47 118	- 46 192	- 32 247	- 41 162
equals	OPERATING RESULT	18 204	14 491	116 923	18 263	12 255
plus	Other economic flows – other comprehensive income	23 836	23 836	24 156	19 642	22 283
equals	COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners	42 040	38 327	141 079	37 905	34 538
	NET OPERATING BALANCE	65 322	61 609	163 115	50 510	53 417
less	Net acquisition of non financial assets					
	Purchases of non financial assets	541 265	541 265	468 984	354 767	314 126
	Sales of non financial assets	- 24 400	- 24 400			
	less Depreciation	251 437	251 437	260 529	272 187	281 930
	plus Change in inventories	149	9 466	2 414	13 413	4 710
	plus Other movements in non financial assets					
	equals Total net acquisition of non financial assets	265 577	274 894	210 869	95 993	36 906
equals	FISCAL BALANCE	- 200 255	- 213 285	- 47 754	- 45 483	16 511

Public non financial corporation sector balance sheet

	2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
	$000	$000	$000	$000	$000
ASSETS					
Financial assets					
Cash and deposits	212 942	205 819	161 314	127 933	61 458
Advances paid					
Investments, loans and placements					
Receivables	176 373	202 322	451 334	198 912	194 363
Equity investments					
Investments in other public sector entities					
Equity accounted investments					
Investments – shares					
Other financial assets	4 699	1 756	1 483	1 714	3 810
Total financial assets	**394 014**	**409 897**	**614 131**	**328 559**	**259 631**
Non financial assets					
Inventories	218 416	245 788	248 202	261 615	266 325
Property, plant and equipment	5 059 300	4 921 165	5 129 305	5 258 103	5 310 456
Investment property					
Other non financial assets	72 249	102 581	102 305	102 254	102 232
Total non financial assets	**5 349 965**	**5 269 534**	**5 479 812**	**5 621 972**	**5 679 013**
TOTAL ASSETS	**5 743 979**	**5 679 431**	**6 093 943**	**5 950 531**	**5 938 644**
LIABILITIES					
Deposits held	1 952	3 325	3 325	3 325	3 325
Advances received					
Borrowing	2 844 690	2 882 553	3 084 968	3 003 184	2 990 462
Superannuation					
Other employee benefits	87 780	90 237	92 103	92 520	87 589
Payables	125 099	194 743	207 595	203 239	204 693
Other liabilities	97 877	119 087	189 547	180 641	183 715
TOTAL LIABILITIES	**3 157 398**	**3 289 945**	**3 577 538**	**3 482 909**	**3 469 784**
NET ASSETS/(LIABILITIES)	**2 586 581**	**2 389 486**	**2 516 405**	**2 467 622**	**2 468 860**
NET WORTH	**2 586 581**	**2 389 486**	**2 516 405**	**2 467 622**	**2 468 860**
NET FINANCIAL WORTH[1]	- 2 763 384	- 2 880 048	- 2 963 407	- 3 154 350	- 3 210 153
NET DEBT[2]	**2 633 700**	**2 680 059**	**2 926 979**	**2 878 576**	**2 932 329**

1 Net financial worth equals total financial assets minus total liabilities.
2 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Public non financial corporation sector cash flow statement

	2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
	$000	$000	$000	$000	$000
Cash receipts from operating activities					
Receipts from sales of goods and services	935 214	936 187	997 859	1 325 467	1 071 447
Grants and subsidies received	391 394	387 304	405 064	415 941	394 446
Interest receipts	7 549	7 549	7 355	7 468	6 917
Dividends and income tax equivalents					
Other receipts	31 614	34 583	33 984	35 306	34 994
Total operating receipts	**1 365 771**	**1 365 623**	**1 444 262**	**1 784 182**	**1 507 804**
Cash payments for operating activities					
Income tax equivalents paid	1 286	880	- 11 223	- 81 981	- 42 290
Payments for employees	- 140 149	- 139 916	- 153 790	- 155 308	- 164 278
Payment for goods and services	- 771 968	- 781 271	- 845 069	- 848 202	- 795 442
Grants and subsidies paid	- 1 378	- 1 378	- 1 491	- 1 426	- 1 461
Interest paid	- 160 974	- 162 259	- 185 270	- 194 423	- 195 122
Other payments	- 358	- 358	- 397	- 214	- 228
Total operating payments	**- 1 073 541**	**- 1 084 302**	**- 1 197 240**	**- 1 281 554**	**- 1 198 821**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**292 230**	**281 321**	**247 022**	**502 628**	**308 983**
Cash flows from investments in non financial assets					
Sales of non financial assets	24 400	24 400			
Purchases of non financial assets	- 541 265	- 541 265	- 468 984	- 354 767	- 314 126
Net cash flows from investments in non financial assets	**- 516 865**	**- 516 865**	**- 468 984**	**- 354 767**	**- 314 126**
NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS	**- 224 635**	**- 235 544**	**- 221 962**	**147 861**	**- 5 143**
Net cash flows from investments in financial assets for policy purposes[1]	- 204	- 204			- 2 001
Net cash flows from investments in financial assets for liquidity purposes	1 521	1 521	273	- 231	- 95
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 515 548	- 515 548	- 468 711	- 354 998	- 316 222
Net cash flows from financing activities					
Advances received (net)					
Borrowing (net)	225 271	210 271	190 525	- 95 544	- 24 537
Deposits received (net)	- 271	- 271			
Dividends paid	- 10 456	- 10 270	- 13 341	- 85 467	- 34 699
Other financing (net)					
NET CASH FLOWS FROM FINANCING ACTIVITIES	214 544	199 730	177 184	- 181 011	- 59 236
NET INCREASE/DECREASE (-) IN CASH HELD	- 8 774	- 34 497	- 44 505	- 33 381	- 66 475
Net cash flows from operating activities	292 230	281 321	247 022	502 628	308 983
Net cash flows from investments in non financial assets	- 516 865	- 516 865	- 468 984	- 354 767	- 314 126
Dividends paid	- 10 456	- 10 270	- 13 341	- 85 467	- 34 699
CASH SURPLUS/DEFICIT (-)	**- 235 091**	**- 245 814**	**- 235 303**	**62 394**	**- 39 842**

1 Includes equity acquisitions, disposals and privatisations (net).

Non financial public sector comprehensive operating statement

		2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
		$000	$000	$000	$000	$000
	REVENUE					
	Taxation revenue	833 298	825 249	838 461	871 237	906 087
	Current grants	7 157 578	7 321 886	7 128 950	7 345 330	7 610 623
	Capital grants	585 469	542 487	678 767	609 758	594 182
	Sales of goods and services	1 353 064	1 368 189	1 639 440	1 469 454	1 469 384
	Interest income	150 918	166 739	161 485	166 315	170 230
	Dividend and income tax equivalent income	75 731	75 731	84 094	79 685	79 050
	Other revenue	545 451	556 841	503 352	527 733	540 665
	TOTAL REVENUE	**10 701 509**	**10 857 122**	**11 034 549**	**11 069 512**	**11 370 221**
less	**EXPENSES**					
	Employee benefits expense	3 694 638	3 743 576	3 788 422	3 873 917	4 011 945
	Superannuation expenses					
	Superannuation interest cost	122 592	122 592	118 932	114 913	110 745
	Other superannuation expenses	418 301	424 051	430 282	439 832	455 302
	Depreciation and amortisation	1 054 808	1 118 685	1 086 332	1 066 202	1 048 823
	Other operating expenses	3 005 620	3 103 591	2 973 751	2 945 766	2 948 967
	Interest expenses	772 711	778 981	870 486	923 422	967 689
	Other property expenses					
	Current grants	1 333 189	1 373 360	1 330 776	1 351 285	1 308 816
	Capital grants	228 246	238 616	65 278	33 162	32 202
	Subsidies and personal benefit payments	83 411	78 941	83 723	85 583	86 565
	TOTAL EXPENSES	**10 713 516**	**10 982 393**	**10 747 982**	**10 834 082**	**10 971 054**
equals	**NET OPERATING BALANCE**	**- 12 007**	**- 125 271**	**286 567**	**235 430**	**399 167**
plus	Other economic flows – included in operating result	29 886	30 586	40 633	64 817	64 675
equals	**OPERATING RESULT**	**17 879**	**- 94 685**	**327 200**	**300 247**	**463 842**
plus	Other economic flows – other comprehensive income	23 836	11 291	33 470	31 624	32 159
equals	**COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners**	**41 715**	**- 83 394**	**360 670**	**331 871**	**496 001**
	NET OPERATING BALANCE	**- 12 007**	**- 125 271**	**286 567**	**235 430**	**399 167**
less	**Net acquisition of non financial assets**					
	Purchases of non financial assets	2 120 496	2 032 333	1 835 739	1 525 737	1 453 885
	Sales of non financial assets	- 52 749	- 53 449	- 29 049	- 29 049	- 29 049
	less Depreciation	1 054 808	1 118 685	1 086 332	1 066 202	1 048 823
	plus Change in inventories	149	9 466	2 414	13 413	4 710
	plus Other movements in non financial assets	33 365	36 770	58 990	61 191	27 423
	equals **Total net acquisition of non financial assets**	**1 046 453**	**906 435**	**781 762**	**505 090**	**408 146**
equals	**FISCAL BALANCE**	**- 1 058 460**	**- 1 031 706**	**- 495 195**	**- 269 660**	**- 8 979**

Non financial public sector balance sheet

	2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
	$000	$000	$000	$000	$000
ASSETS					
Financial assets					
Cash and deposits	1 051 074	1 276 958	1 011 934	1 034 797	988 655
Advances paid	149 535	120 333	119 333	118 333	117 333
Investments, loans and placements	3 347 244	3 544 663	3 785 960	4 017 608	4 264 291
Receivables	749 197	1 091 503	1 360 599	1 107 577	1 103 913
Equity investments					
Investments in other public sector entities	21 630	9 086	18 400	30 382	40 258
Equity accounted investments					
Investments – shares	14 398	10 060	10 060	10 060	10 060
Other financial assets	88 066	85 122	83 778	82 934	83 954
Total financial assets	**5 421 144**	**6 137 725**	**6 390 064**	**6 401 691**	**6 608 464**
Non financial assets					
Inventories	240 784	277 580	279 994	293 407	298 117
Property, plant and equipment	28 044 992	28 445 130	29 233 946	29 791 241	30 233 799
Investment property	23 897	28 144	24 144	20 144	16 144
Other non financial assets	658 735	685 917	687 312	679 475	671 677
Total non financial assets	**28 968 408**	**29 436 771**	**30 225 396**	**30 784 267**	**31 219 737**
TOTAL ASSETS	**34 389 552**	**35 574 496**	**36 615 460**	**37 185 958**	**37 828 201**
LIABILITIES					
Deposits held	270 051	285 689	276 677	283 108	293 815
Advances received	92 262	82 293	73 695	64 680	55 228
Borrowing	16 740 593	17 026 807	17 791 525	18 104 055	18 298 786
Superannuation	2 702 842	2 596 195	2 527 304	2 455 923	2 382 072
Other employee benefits	1 092 964	1 163 434	1 165 300	1 165 717	1 160 786
Payables	481 551	647 875	663 127	661 240	662 647
Other liabilities	1 460 792	1 675 058	1 660 017	1 661 549	1 689 180
TOTAL LIABILITIES	**22 841 055**	**23 477 351**	**24 157 645**	**24 396 272**	**24 542 514**
NET ASSETS/(LIABILITIES)	**11 548 497**	**12 097 145**	**12 457 815**	**12 789 686**	**13 285 687**
NET WORTH	**11 548 497**	**12 097 145**	**12 457 815**	**12 789 686**	**13 285 687**
NET FINANCIAL WORTH[1]	- 17 419 911	- 17 339 626	- 17 767 581	- 17 994 581	- 17 934 050
NET FINANCIAL LIABILITIES[2]	17 441 541	17 348 712	17 785 981	18 024 963	17 974 308
NET DEBT[3]	**12 555 053**	**12 452 835**	**13 224 670**	**13 281 105**	**13 277 550**

1 Net financial worth equals total financial assets minus total liabilities.
2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.
3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Non financial public sector cash flow statement

	2026-27 Budget	2026-27 Revised	2027-28 Forward estimate	2028-29 Forward estimate	2029-30 Forward estimate
	$000	$000	$000	$000	$000
Cash receipts from operating activities					
Taxes received	833 298	825 249	838 461	871 237	906 087
Receipts from sales of goods and services	1 335 947	1 351 756	1 397 012	1 729 359	1 481 626
Grants and subsidies received	7 683 540	8 000 021	7 707 990	7 898 172	8 166 536
Interest receipts	150 918	166 739	161 485	166 315	170 230
Dividends and income tax equivalents	48 288	48 288	75 731	84 094	79 685
Other receipts	535 404	538 440	497 616	520 631	531 239
Total operating receipts	**10 587 395**	**10 930 493**	**10 678 295**	**11 269 808**	**11 335 403**
Cash payments for operating activities					
Payments for employees	- 4 301 155	- 4 372 182	- 4 404 661	- 4 499 626	- 4 656 774
Payment for goods and services	- 2 603 350	- 2 711 738	- 2 569 219	- 2 621 491	- 2 581 633
Grants and subsidies paid	- 1 734 265	- 1 750 821	- 1 479 777	- 1 470 030	- 1 427 583
Interest paid	- 769 477	- 776 586	- 868 099	- 922 571	- 967 792
Other payments	- 352 665	- 353 775	- 352 704	- 352 521	- 352 535
Total operating payments	**- 9 760 912**	**- 9 965 102**	**- 9 674 460**	**- 9 866 239**	**- 9 986 317**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**826 483**	**965 391**	**1 003 835**	**1 403 569**	**1 349 086**
Cash flows from investments in non financial assets					
Sales of non financial assets	52 749	53 449	29 049	29 049	29 049
Purchases of non financial assets	- 2 120 496	- 2 032 333	- 1 835 739	- 1 525 737	- 1 453 885
Net cash flows from investments in non financial assets	**- 2 067 747**	**- 1 978 884**	**- 1 806 690**	**- 1 496 688**	**- 1 424 836**
NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS	**- 1 241 264**	**- 1 013 493**	**- 802 855**	**- 93 119**	**- 75 750**
Net cash flows from investments in financial assets for policy purposes[1]	- 1 443	- 1 443	- 1 396	- 1 564	- 3 745
Net cash flows from investments in financial assets for liquidity purposes	- 122 180	- 122 180	- 137 001	- 117 449	- 123 395
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 2 191 370	- 2 102 507	- 1 945 087	- 1 615 701	- 1 551 976
Net cash flows from financing activities					
Advances received (net)	- 11 200	- 11 200	- 8 598	- 9 015	- 9 452
Borrowing (net)	1 294 303	1 277 603	693 838	237 579	155 493
Deposits received (net)	3 691	- 102 608	- 9 012	6 431	10 707
Other financing (net)					
NET CASH FLOWS FROM FINANCING ACTIVITIES	1 286 794	1 163 795	676 228	234 995	156 748
NET INCREASE/DECREASE (-) IN CASH HELD	- 78 093	26 679	- 265 024	22 863	- 46 142
Net cash flows from operating activities	826 483	965 391	1 003 835	1 403 569	1 349 086
Net cash flows from investments in non financial assets	- 2 067 747	- 1 978 884	- 1 806 690	- 1 496 688	- 1 424 836
CASH SURPLUS/DEFICIT (-)	**- 1 241 264**	**- 1 013 493**	**- 802 855**	**- 93 119**	**- 75 750**
Future infrastructure and superannuation contributions/earnings[2]	- 61 215	- 61 215	- 64 888	- 68 781	- 72 907
UNDERLYING SURPLUS/DEFICIT (-)	**- 1 302 479**	**- 1 074 708**	**- 867 743**	**- 161 900**	**- 148 657**

1 Includes equity acquisitions, disposals and privatisations (net).
2 Contributions for future infrastructure and superannuation requirements.

Appendix A

Classification of entities in the Northern Territory

Total public sector

Non financial public sector

General government sector

Aboriginal Areas Protection Authority
Attorney-General's Department
Auditor-General's Office
AustralAsia Railway Corporation[1]
Batchelor Institute of Indigenous Tertiary Education[1]
Central Holding Authority
Darwin Waterfront Corporation[1]
Data Centre Services[2]
Department of Agriculture and Fisheries
Department of the Chief Minister and Cabinet
Department of Children and Families
Department of Corporate and Digital Development
Department of Corrections
Department of Education and Training
Department of Health
Department of Housing, Local Government and Community Development
Department of Lands, Planning and Environment
Department of the Legislative Assembly
Department of Logistics and Infrastructure
Department of Mining and Energy
Department of People, Sport and Culture
Department of Tourism and Hospitality
Department of Trade, Business and Asian Relations
Department of Treasury and Finance
Desert Knowledge Australia[1]
Motor Accidents (Compensation) Commission[1]
Museums and Art Galleries Board of the Northern Territory[1]
Nominal Insurer's Fund[1]
Northern Territory Electoral Commission
Northern Territory Fire and Emergency Service
Northern Territory Legal Aid Commission[1]
Northern Territory Major Events Company Pty Ltd[1]
Northern Territory Police Force
NT Build[1]
NT Fleet[2]
NT Home Ownership[2]
Office of the Independent Commissioner Against Corruption[4]
Office of the Integrity and Ethics Commissioner[4]
Ombudsman's Office[4]
Territory Wildlife Parks[2]

Public non financial corporations sector

Indigenous Essential Services Pty Ltd[1]

Jacana Energy[1, 3]

Land Development Corporation[2]

Power and Water Corporation[1, 3]

Territory Generation[1, 3]

Public financial corporation sector

Northern Territory Treasury Corporation[2]

1 Non-budget sector entity.
2 Government business division.
3 Government owned corporation.
4 Reflects the merge of the Independent Commissioner Against Corruption, Ombudsman, Information Commissioner, and Health and Community Services Complaints Commissioner from 1 July 2026.

Appendix B

Explanation of terms

Australian Bureau of Statistics

A Commonwealth entity that coordinates statistical activities and collaborates with official bodies in collecting, compiling, analysing and distributing statistics.

Balancing item

The balancing item is the residual of gross state product less state final demand and net international trade in goods and services. It comprises the change in inventories at a jurisdictional level plus net interstate trade.

Borrowings

Receipt of money, property or other value with an obligation to repay, regardless of whether or not the repayment is of equal value. It includes loans, the issue of debentures, bonds or stock, discounted securities, promissory notes, the lease of real or personal property, or any other arrangement where there is an obligation to repay.

Budget cycle

Financial years reported in the budget, comprising of the revised budget, budget year and three forward estimate years.

Capital works

Infrastructure projects involving building and engineering works that create or improve government owned assets, as well as constructing or installing facilities and fixtures associated with and forming an integral part of those works.

Commonwealth Grants Commission

A Commonwealth statutory body that makes recommendations to the Commonwealth Treasurer on how revenues raised from GST should be distributed to states and territories.

Consumer price index

A measure of the price of a representative basket of goods and services for each Australian capital city over time.

The consumer price index's basket of goods has 11 categories of goods and services (food and non-alcoholic beverages; alcohol and tobacco; clothing and footwear; housing; furnishings, household equipment and services; health; transport; communication; recreation and culture; education; and insurance and financial services). These categories are weighted to reflect household consumption patterns in each city. Weights for each capital city are updated on an annual basis to reflect changing household consumption patterns over time.

Contingent liability

A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly in control of the Territory. It also includes present liabilities that arise from past events where it is not probable the Territory will be required to settle the liability, or the amount of the obligation cannot be reliably estimated.

Depreciation and amortisation

An expense that represents the cost of assets (both tangible and intangible) over their useful life, to account for declines in value over time due to usage, wear and tear, and obsolescence.

Employee benefits expense

Consists of all uncapitalised compensation of employees except for superannuation. It includes payments in cash or in-kind.

Financial asset

A non physical asset that gets its value from a contractual or ownership claim with a counterparty. Includes cash and deposits, advances paid, investments, loans and placements, receivables, equity investments and other contractual rights to receive future economic benefits.

Fiscal aggregate

Financial indicators used for macro-economic analysis purposes, including assessing the impact of a government and its sectors on the economy. AASB 1049 *Whole of Government and General Government Sector Financial Reporting* prescribes net operating balance, net lending/borrowing (fiscal balance), change in net worth (comprehensive result), net worth and cash surplus/deficit. The Uniform Presentation Framework prescribes additional fiscal aggregates not included in AASB 1049. These are net debt, net financial worth, net financial liabilities and cash surplus/deficit.

Fiscal balance (net lending/borrowing)

An operating statement measure, also referred to as net lending/borrowing, that differs from net operating balance as it includes spending on capital items but excludes depreciation. A net lending (or fiscal surplus) balance indicates government is saving more than enough to finance all its investment spending. A net borrowing (or fiscal deficit) balance indicates a government's level of investment is greater than its level of savings. The fiscal balance equals the net operating balance less the net acquisition of non financial assets.

General government sector

Agencies and other entities controlled by government mainly engaged in the production of goods and or services outside the normal market mechanism, where goods and services are provided free of charge or at nominal charge well below costs of production. This sector is generally funded by taxation revenues (directly or indirectly) and Commonwealth grants.

Government finance statistics

Statistics that measure the financial transactions of governments and reflect the impact of those transactions on other sectors of the economy. Government finance statistics in Australia are developed by the Australian Bureau of Statistics in conjunction with all governments and are mainly based on international statistical standards, developed in consultation with member countries by the International Monetary Fund.

Government owned corporation

An entity governed by the *Government Owned Corporations Act 2001*. Operating under a shareholder model of corporate government, its objectives are to function as efficiently as any corporate business and maximise sustainable returns to government.

The Territory has three government owned corporations: Power and Water Corporation, Territory Generation and Jacana Energy.

Grants

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving equal value in return. Grants can be either current or capital in nature.

Grants can be paid as general purpose grants, which refer to grants not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and or have conditions attached regarding their use.

Gross state product

Measures the total value of goods and services produced in a state or territory. It can be calculated by measuring expenditure, where it is the sum of state final demand and international and interstate trade, changes in the level of stocks, and a balancing item.

Inflation

Annual change in the consumer price index. For the purpose of adjusting agency budgets and government fees, the Territory Government generally uses the year-on-year change in the consumer price index.

Interest expense

Costs incurred in connection with the borrowing of funds. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments and amortisation of discounts or premiums on borrowings.

Key fiscal indicators

Key financial measures that must be specified by government in accordance with the *Fiscal Integrity and Transparency Act 2001*, against which fiscal policy is set and assessed. The fiscal indicators determined by government are generally derived from fiscal aggregates reported in the Uniform Presentation Framework and AASB 1049.

Labour force

Persons 15 years and over who are available for work, that is, employed plus unemployed persons actively seeking work. Labour force excludes Australian Defence Force personnel and non residents.

Leases

Rights conveyed in a contract or part of a contract to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net capital investment

Purchases of non financial assets (incorporating the construction of assets) less sales of non financial assets as reported in the operating statement.

Net debt

A government's net stock of selected gross financial liabilities less financial assets. A key fiscal aggregate reported in the balance sheet, it equals the sum of deposits held, advances received, loans and other borrowings, less the sum of cash and deposits, advances paid and investments, loans and placements.

Net debt to revenue

Fiscal measure that assesses net debt as a proportion of total revenue. It assesses a government's ability to repay borrowings, with a high ratio indicating a lower ability to repay debt and a low ratio indicating a stronger ability to repay debt.

Net operating balance

Key fiscal aggregate reported in the operating statement, measuring the ongoing sustainability of a government's operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets, and is the component of the change in net worth that is due to transactions attributable to government policies. It equals total revenue less total expenses.

Non financial assets

Assets that are not financial assets, predominantly comprising land and other fixed assets.

Non financial public sector

The sector formed through a consolidation of the general government and public non financial corporation sectors.

Non-policy variations

Changes in key fiscal indicators as a result of factors outside government's control, such as the timing of payments or changes in external economic conditions.

Other operating expenses

Expenses that generally represent day-to-day running costs incurred in normal operations. They also include total value of goods and services used in production and use of goods acquired for resale.

Own-source revenue

Revenue raised by the Territory, mainly through Territory administered legislation, largely comprising taxes, mining and petroleum royalties, fees and charges, rent and tenancy income, interest and dividend revenue, and profit and loss on the disposal of assets.

Policy variations

Changes to key fiscal indicators that arise from government decisions to implement new or expand existing agency programs and savings, revenue and contingency measures.

Private investment

Expenditure by producers on fixed assets that are used in the process of production and used repeatedly or continuously for longer than one year. It comprises dwelling investment, ownership transfer costs (fees incurred by the buyer or seller of real estate), non-dwelling construction (industrial, commercial and non-dwelling buildings and other structures such as pipelines and bridges), machinery and equipment, cultivated biological resources (natural resources used repeatedly to produce products such as milk or orchards) and intellectual property products (products as a result of creative activity, research and development and mineral exploration).

Public consumption

Government expenditure on goods and services (including wages and rents). National consumption is a combination of Commonwealth consumption, defence consumption and consumption by universities. State and local government consumption includes all other public consumption.

Public investment

Expenditure by all levels of government on the purchase of fixed assets that are used over a long time period. Most data for public investment is sourced from state and territory government financial reports. Adjustments are made by the Australian Bureau of Statistics to deduct expenditure that is classified as consumption, rather than investment. The Australian Bureau of Statistics' statistical treatment of public investment does not always reconcile with the Territory Government's reporting of investment expenditure and, as a result, is not directly comparable.

Public non financial corporations

Government owned and controlled entities that provide goods and services to consumers on a commercial basis and are funded largely by the sale of these goods and services with the aim to maximise sustainable returns to government. These entities are legally distinguishable from the government that owns them.

Sales of goods and services

Revenue from the direct provision of goods and services, including fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on assets such as buildings and equipment, but excludes rental income from the use of non-produced assets such as land.

State final demand

A major component of gross state product, and a measure of the demand for goods and services in an economy. While state final demand includes consumption and investment expenditure, it does not include the contribution of trade or changes in inventories to economic growth and therefore is not a comprehensive measure of economic growth.

Territory-funded expenses

Expenses funded by the Territory from appropriation and payments made from the Central Holding Authority including interest and employee entitlements.

Uniform Presentation Framework

A framework agreed by the Council on Federal Financial Relations to incorporate AASB 1049. The Uniform Presentation Framework requires Commonwealth, state and territory governments to present a minimum set of budget and financial outcome information based on the government finance statistics, according to an agreed format and specified reporting arrangements. This enables users of the information to make valid comparisons between jurisdictions.

Wage price index

A measure of hourly rates of pay over time for a fixed range of jobs. The Australian Bureau of Statistics measures the wage price index at the state and territory level (as well as nationally) and for both the public and private sectors. It excludes non-wage costs such as superannuation, payroll tax and workers compensation.