

DEPARTMENT OF
TREASURY AND FINANCE



ANNUAL REPORT

2017-18

Published by the Department of Treasury and Finance

© Northern Territory Government 2018

Apart from any use permitted under the *Copyright Act*, 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 2204-5783 (print)

ISSN 2204 5791 (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

Find this report online at www.treasury.nt.gov.au



The Honourable Nicole Manison MLA
Treasurer
GPO Box 3146
Darwin NT 0801

Dear Treasurer

I am pleased to provide to you the 2017-18 Annual Report for the Department of Treasury and Finance (DTF), which has been prepared in accordance with the provisions of section 28 of the *Public Sector Employment and Management Act*, and section 12 of the *Financial Management Act*.

Pursuant to my responsibilities as the Accountable Officer under the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*, I advise that to the best of my knowledge and belief:

- a) proper records of all transactions affecting DTF are kept and employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions
- b) procedures within DTF afford proper internal control, and a current description of such procedures are recorded in the Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*
- c) there is no indication of fraud, malpractice, major breach of legislation or delegation, or major error in or omission from the accounts and records. The agency's internal fraud policy and procedures have been strengthened and a whole of government policy guidance on fraud has been incorporated in the Financial Management and Accountability Framework review
- d) in accordance with the requirements of section 15 of the *Financial Management Act*, the internal audit capacity available to DTF is adequate and the results of internal audits have been reported to the Under Treasurer
- e) the financial statements included in the annual report have been prepared from proper accounts and records, and are in accordance with Treasurer's Directions
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied
- g) DTF is working in compliance with section 131 of the *Information Act*.

In addition, the Chief Executive of the Department of Corporate and Information Services (DCIS) has advised that, in relation to items a) and e), and to the best of her knowledge and belief, proper records are kept of transactions undertaken by DCIS on behalf of DTF, and the employees under her control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions. The Chief Executive of DCIS also advises the Auditor-General conducted various compliance audits during the year to provide audit assurance that selected aspects of DCIS controls and record-keeping practices were maintained at a high level.

Yours sincerely



Catherine Weber
Acting Under Treasurer
28 September 2018

Purpose of this report

This report is designed to meet DTF's annual reporting requirements as specified in the *Public Sector Employment and Management Act*, *Financial Management Act* and *Information Act*, and aims to align the department's achievements against the strategic goals in DTF's 2017-2020 Corporate Plan and 2018-19 Budget Paper No. 3.

It reports on DTF's performance to the Treasurer, the Legislative Assembly, government agencies and other stakeholders, including DTF's own staff.

Related annual reporting

The Utilities Commission and Northern Territory Treasury Corporation produce their own annual reports. Each forms part of DTF for administrative purposes and summary information of their performance is provided in the Our Performance section of this report.

The Northern Territory Superannuation Office also produces an annual report for each superannuation fund.

Contents

1 THE AGENCY	3
Under Treasurer's review	4
Corporate statement	6
Organisation chart	7
Functions of DTF	8
Senior Management Group	11
2 OUR PERFORMANCE	15
Performance profile	16
Corporate report	16
Output groups	19
Financial performance	35
3 OUR PEOPLE	41
Staffing profile	42
Career pathways	45
Building our capability	48
Health and wellbeing	52
Our community	54
4 CORPORATE GOVERNANCE	57
Organisational capability review	58
Corporate Governance Framework	58
Communication and collaboration	70
Records and information	75
Corporate social responsibility	76
5 FINANCIAL STATEMENTS	79
2017-18 Financial statements	80
Department of Treasury and Finance	81
Central Holding Authority	116
6 APPENDICES	153
Appendix 1 – Corporate Plan achievements	154
Appendix 2 – Competitive neutrality	160
Appendix 3 – Reporting against Employment Instructions	161
Appendix 4 – Audit findings	165
Appendix 5 – Legislation administered	169
Appendix 6 – Legislative changes 2017-18	170
Appendix 7 – Abbreviations	171
Appendix 8 – Glossary	173
Appendix 9 – Directory	176





1 | THE AGENCY

Under Treasurer's review	4
Corporate statement	6
Organisation chart	7
Functions of DTF	8
Senior Management Group	11

Under Treasurer's review

I am pleased to present the Department of Treasury and Finance (DTF) Annual Report for the year ended 30 June 2018.



Economic overview

After almost a decade of sustained economic growth, the Territory is currently experiencing subdued economic conditions, evidenced by a softening in investment and construction activity, and population numbers set to decline over 2018. This is largely due to the Ichthys liquefied natural gas (LNG) project finalising its transition from the construction phase to production and export phase. In response, the Territory Government has introduced a population strategy and a 10-year infrastructure plan to support economic growth. It also approved hydraulic fracturing to proceed in the Territory, subject to implementation of all recommendations from the hydraulic fracturing inquiry. This new industry has significant potential for generating jobs and wealth in the future.

Over the coming years, economic growth is expected to be underpinned by increased net exports, predominantly LNG. However, the rate of growth is expected to be lower than in recent years.

Fiscal overview

The Territory is facing challenging fiscal conditions following significant and ongoing reductions in GST revenue forecasts, emerging expenditure pressures and a sharp downturn in economic conditions. The revised downward estimates of GST revenue over the budget and forward years are driven by a decline in the Territory's share of the national population and unprecedented reductions in the Territory's GST relativities. Over the forward estimates period, GST

revenue is projected to remain below 2016-17 levels, significantly constraining the Territory's capacity to return the budget to surplus.

The Territory Government has implemented substantial savings targets to constrain recurrent expenditure, but has also responded to the economic downturn by investing in significant stimulus programs in the infrastructure and tourism sectors.

Year in review

In 2017-18, DTF provided high level advice and assistance to government and agencies to inform fiscal and economic management, including developing the 2018-19 Budget, with economic and fiscal outlooks and other budget publications. Up-to-date analysis of the Territory economy was also provided throughout the year in Territory economic briefs and the new Northern Territory Economy website.

During the year, DTF prepared the 2016-17 Treasurer's Annual Financial Report, the 2017-18 Mid-Year Report, the Treasurer's quarterly financial reports and the 2018-19 Budget. Combined, these key accountability publications implement and report performance of the government's medium-term fiscal strategy and meet the Territory's reporting obligations.

In May 2017, the Commonwealth Treasurer commissioned the Productivity Commission (PC) Inquiry into Australia's system of horizontal fiscal equalisation (HFE). Over the inquiry period, the

Territory provided two submissions in response to the PC's Guidance Note and Draft Report, and further expressed its views at the public hearings held in Darwin in November 2017.

In July 2017, as part of the Commonwealth Grants Commission's (CGC) 2020 Methodology Review (2020 Review), DTF provided the Territory's first submission to the 2020 Review, outlining its support for the overall objective of achieving HFE and the current principles used to distribute GST among the states. In June 2018, the Territory hosted CGC commissioners and staff in Alice Springs to discuss priority assessment issues and challenges the Territory faces in delivering services to its population, particularly its remote and Aboriginal population.

In 2017-18, DTF also assisted with the approval and facilitation of the Northern Australia Infrastructure Facility's first loan in the Territory, which approved funding for the expansion of the Humpty Doo Barramundi Farm.

In collaboration with the Northern Institute at Charles Darwin University, DTF updated the population projections up to the year 2043, following the release of new population estimates based on the 2016 Census of Population and Housing.

The Economic Standing Committee was created to create linkages and provide greater collaboration between key economic teams in DTF, the Department of the Chief Minister and the Department of Trade, Business and Innovation. The committee has a particular focus on strategic issues of economic importance to the Territory.

In 2017-18, the Territory Revenue Office introduced an online insurance stamp duty lodgement facility and released a revenue discussion paper for consultation. The discussion paper outlined the need to balance two priorities: maintaining a competitive tax environment that encourages investment, creates jobs and attracts business, while raising sufficient revenue to contribute to funding the Territory's service delivery and infrastructure requirements. Consultation closed on 28 February 2018. Submissions were used by government to inform its revenue reform agenda for the 2018-19 Budget and provide broader context for possible future revenue reform initiatives.

The year ahead

In the year ahead DTF will continue to support the government's priorities through economic, financial and technical advice to the Treasurer and government.

DTF will make further submissions to the CGC's 2020 Review and provide sound advice to government on the Commonwealth's response to the PC Inquiry Report into HFE, with the goal of ensuring the Territory receives its fair share of GST revenues.

In 2018-19, key projects for DTF include leading the regulation reform agenda of the Territory Government's Economic Development Framework and releasing a further update of the 2017 Northern Territory Population Projections, as well as regional projections.

Ongoing reforms to management and administration of the Northern Territory Government and Public Authorities' Superannuation Scheme (NTGPASS) are underway, including a successor fund transfer of NTGPASS members' savings accounts to an external superannuation fund and replacing the ageing SuperB business system.

The 2018-19 Budget borrowing program will be implemented, involving almost \$1.75 billion, comprising \$522 million to refinance maturing debt and \$1.22 billion to finance loans for the infrastructure and capital investment program.



Craig Graham

Corporate statement

DTF's primary role is to promote the long-term development of the Territory. The department achieves this by providing specialist fiscal, economic and commercial policy advice to government, focusing on sustainable government finances, economic efficiency and effective risk management.

DTF was established at self-government in 1978 and is responsible to the Treasurer.

Vision

To be recognised for excellence in the provision of economic, financial and regulatory services for the Northern Territory Government.

Role

To provide specialist fiscal, economic and commercial policy advice and services to government to assist in delivering services and infrastructure for the benefit of Territorians.

Purpose

To promote sustainable fiscal strength and economic development of the Territory and contribute to improved social and fiscal wellbeing of Territorians.

Stakeholders

DTF serves the government and community through the Treasurer. Other key stakeholders include government agencies, the Territory community and DTF staff.

Organisation

DTF is located in the Charles Darwin Centre in the Darwin central business district and has no requirement for any regional presence. As at 30 June 2018, DTF employed 152.3 full-time equivalent (FTE) staff, including those in the Northern Territory Treasury Corporation (NTTC).

Strategic goals

In 2018, DTF updated its 2017-2020 Corporate Plan with the strategic goals revised as follows:

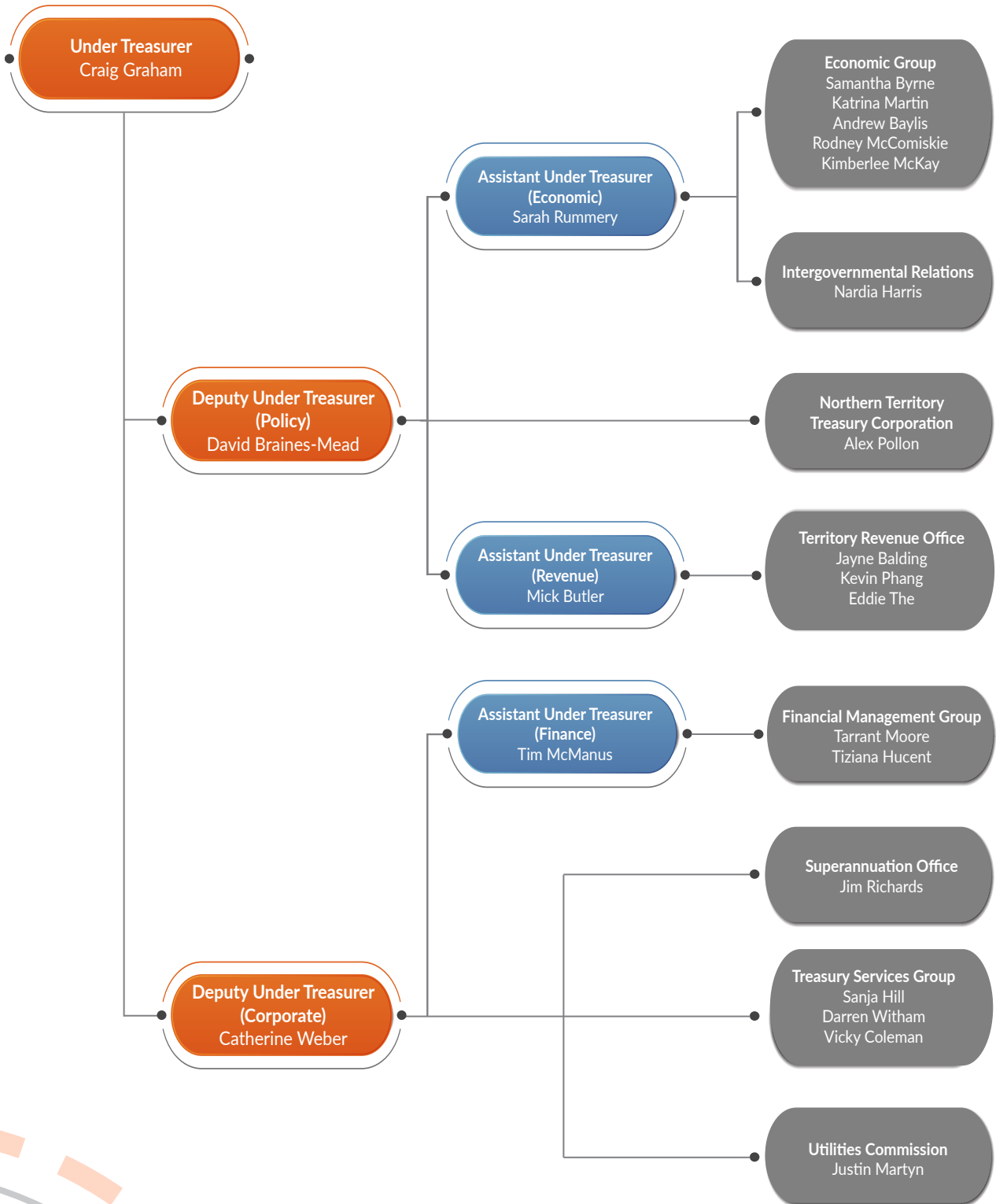
- support the Territory's economic growth, job creation and fiscal sustainability through clear, factual and fearless policy advice to the government
- proactively engage and collaborate with stakeholders to identify solutions that add value to policy and service delivery outcomes
- empower our people and create an agile, skilled and resilient workforce by continuing to build, grow and maintain organisational capability.

Services provided

- A financial management framework consistent with the government's fiscal strategy.
- Appropriate and effective management of intergovernmental financial relations.
- Accurate and timely commercial advice to optimise the Territory's financial position.
- Expert analysis on the Territory economy.
- Prudent management of the investment and borrowing activities of government.
- Collection of taxation and royalty revenue, and the development of a fair and efficient taxation system that is competitive with other jurisdictions.
- An efficient and legislatively compliant superannuation framework.

Organisation chart

as at 30 June 2018



Functions of DTF

The functions of DTF are provided through five divisional groups – Financial Management Group, Economic Group, Territory Revenue Office, Northern Territory Superannuation Office and Treasury Services Group – and one government business division, NTTC.

-
- Financial Management Group**
- Manages and coordinates the Territory budget process and whole of government financial reporting
 - Manages the Territory's financial management framework
 - Analyses and provides advice on whole of government resource allocation issues, including major government projects and initiatives with funding implications
 - Develops the Territory's infrastructure program from a whole of government perspective
 - Monitors each agency's financial performance
 - Manages the Central Holding Authority
 - Manages financial and commercial accountabilities and risks as prescribed in the *Financial Management Act* and the *Fiscal Integrity and Transparency Act*, including the fiscal strategy

-
- Economic Group**
- Provides economic and policy advice, and manages economic and regulatory reform
 - Provides commercial advice on major government infrastructure projects and other initiatives, and on the government owned corporations framework
 - Publishes information and analysis on economic and demographic trends that affect the Territory economy
 - Provides research, advice and statistical coordination across government
 - Provides advice and analysis on intergovernmental financial relations including GST revenue distribution
 - Manages submissions and data returns to the CGC
 - Negotiates, develops and provides advice on funding agreements with the Commonwealth
 - Manages Territory input to major national economic inquiries and reviews
-

Territory Revenue Office

- Collects Territory revenue in accordance with the relevant tax and royalty legislation
- Administers and provides advice on grant, tax and royalty legislation
- Provides education and information programs to assist tax and royalty payers' compliance
- Minimises losses to revenue through compliance activity
- Promotes home ownership through administering grant and stamp duty assistance schemes
- Provides revenue modelling and forecasting
- Develops tax and royalty-related information and data systems

Northern Territory Superannuation Office

- Manages and develops the Northern Territory Public Sector superannuation policy and legislation for a range of defined benefit superannuation schemes
- Administers and makes benefit payments
- Engages advisors to invest members' funds
- Provides support services to the Superannuation Trustee Board, subcommittees and members of various schemes

Northern Territory Treasury Corporation

- Borrows, lends and invests funds on behalf of the Territory as its central financing authority
- Invests surplus short-term cash balances of government accounts
- Provides loans to the government, agencies, government owned corporations and, in certain circumstances, local governing authorities

Treasury Services Group

- Manages human resources management, recruitment, employment and staff development programs
- Provides finance, procurement and office services
- Manages communications and publishing
- Provides information management, and information, communication and technology
- Manages risk and audit and organisational development
- Manages natural disaster relief and recovery arrangements on behalf of the Territory
- Provides secretariat and executive support including central coordination and liaison between the Treasurer's Office, ministers, Cabinet office, Legislative Assembly and other government agencies on Cabinet and ministerial business

The independent Utilities Commission is also part of DTF for administrative purposes.

Utilities Commission

- Regulates prices charged by government and other businesses for providing certain monopoly services
 - Performs licensing functions
 - Develops, monitors and enforces compliance with, and promotes improvement in, standards and conditions of service and supply
 - Develops and monitors the operation of codes and rules relating to the conduct or operations of a regulated industry or licensed entities
 - Investigates complaints relating to the conduct or operations of licensed entities
 - Assists consumers, industry participants, potential market participants and other stakeholders with information
 - Advises the minister on any matter referred by the minister
-

Senior Management Group

Craig Graham was appointed Under Treasurer in April 2017, following three years in the role of Deputy Under Treasurer from June 2014.

Craig joined DTF in February 1997 after completing a Bachelor of Economics at Northern Territory University (now Charles Darwin University), and was in the first intake of the still-current Finance Officer in Training (FOIT) graduate program in February 1998.

In August 2008, Craig was appointed Senior Director Economic in the Economic Policy and Public Finance areas, and in July 2011 he was appointed Assistant Under Treasurer (Economic).

David Braines-Mead was appointed Deputy Under Treasurer (Policy) in May 2017 after four years of managing the Financial Management Group in his position as Deputy Under Treasurer (Finance).

David joined DTF in 2004 after more than 15 years' experience in a number of roles in the accounting profession, both in Darwin and the United Kingdom and is a Fellow of the United Kingdom-based Association of Chartered Certified Accountants.

David is responsible for the Economic Group and oversees the Territory Revenue Office and NTTC.

Catherine Weber was appointed Deputy Under Treasurer (Corporate) in May 2017, and is responsible for corporate strategy/governance and agency capability, as well as the Financial Management and Treasury Services groups, the Superannuation Office and oversight of the Utilities Commission.

Catherine's previous roles include Deputy Chief Executive of the departments of Education and Housing, Local Government and Regional Services since 2010, and several roles in DTF over the preceding 17 years.

Catherine has a Bachelor of Economics from Flinders University and a Master of Public Policy from Northern Territory University (now Charles Darwin University).

Senior Management Group (SMG): (left to right) Sanja Hill, Catherine Weber, Sarah Rummery, David Braines-Mead, Craig Graham, Alex Pollon, Tim McManus, Samantha Byrne, Katrina Martin, Jim Richards



Sarah Rummery was appointed Assistant Under Treasurer (Economic) in March 2017 and is responsible for economic, regulatory, commercial and intergovernmental financial relations matters.

Sarah first joined DTF in January 2005, held the role of Senior Director Economic Group from July 2007 to June 2014 and was Commissioner of Superannuation from June 2014 to March 2017.

Sarah has a Bachelor of Economics from the University of Western Australia and a PhD in Economics from the Australian National University.

Mick Butler was appointed Assistant Under Treasurer (Revenue) in May 2017 and is also the Commissioner of Territory Revenue and Mineral Royalty Secretary.

Mick joined DTF in November 1999, undertaking the FOIT graduate program in January 2000 and is responsible for the administration and enforcement of the Territory's own-source revenue and grants legislation, ensuring the strategic alignment and effectiveness of revenue programs, and providing high level policy, strategic and technical advice.

Mick has a Bachelor of Laws and Bachelor of Business from Northern Territory University (now Charles Darwin University), a Master of Taxation from the University of New South Wales and is a Chartered Tax Advisor of The Tax Institute.

Tim McManus was appointed Assistant Under Treasurer (Finance) in February 2018 after acting in this role since May 2017.

Tim joined DTF in December 1999, undertaking the FOIT graduate program in January 2001 and his current and previous roles in the Financial Management Group since 1999 have provided him with substantial experience in high level analysis and assessment of policy and budget proposals.

Tim is responsible for providing high level policy, strategic and technical advice on the full range of financial and budgetary issues affecting the Territory. Tim has a Bachelor of Business Studies from Northern Territory University (now Charles Darwin University).

Samantha Byrne was appointed Senior Director Utilities Reform in October 2016 and is responsible for providing advice and analysis on issues affecting the Territory's utilities sector and, more specifically, leading reform of the Territory's electricity market. Previously, Sam was Senior Director Commercial and Economic Policy and has undertaken a number of senior roles in DTF and other Territory government agencies. Sam has a Bachelor of Business from Northern Territory University (now Charles Darwin University) and is a Certified Practising Accountant.

Katrina Martin commenced with DTF in October 2016 as Senior Director Commercial and Economic Policy and is responsible for providing advice on economic and commercial policy and issues affecting the Territory. Katrina joined DTF from the Department of Trade, Business and Innovation where she was responsible for regulatory reform. Prior to joining the Territory Government in 2014, Katrina worked for Queensland Treasury in a range of senior roles spanning economic policy and regulatory reform, and was involved in major Queensland Government commercial asset sales. Katrina holds a Bachelor of Economics (Honours) and a Bachelor of Laws from the University of Queensland.

Alex Pollon was appointed General Manager of NTTC in May 2010 and is responsible for the overall management of NTTC's staff and resources, ensuring the efficient, effective and appropriate control of the borrowing, lending and investing activities on behalf of government. Alex has over 20 years' experience in the finance and treasury industry and is a member of various inter-agency committees and boards including the Public Trustee Investment Board, Superannuation Trustee Board, Agents Licensing Fidelity Guarantee Fund and Legal Practitioners Fidelity Fund. Prior to joining NTTC, Alex held various treasury management positions in the financial services sector. Alex is a member of the Australian Institute of Company Directors and holds Australian Financial Markets Association dealer accreditation.

Jim Richards was appointed Commissioner of Superannuation in June 2018 and is responsible for administering a range of statutory superannuation schemes. Jim's previous roles include Deputy Commissioner of Territory Revenue and several other policy and operational roles within DTF. He joined DTF in 1998 after working in a small Darwin law firm while studying. Jim has a Bachelor of Science and a Bachelor of Laws (Honours) from Northern Territory University (now Charles Darwin University), a Graduate Certificate in Public Sector Management from Flinders University, a Graduate Diploma in Legal Practice from Charles Darwin University, is a graduate of the Australian Institute of Company Directors, a Chartered Tax Advisor of The Tax Institute and has been admitted as a barrister and solicitor in the Territory.

Sanja Hill commenced with DTF in September 2017 as Director Corporate Support and is responsible for all corporate support functions for the agency. Prior to joining DTF, Sanja had 13 years in banking and external consulting and three years as the Director Risk Management and Audit at the Department of Education, advising senior management on issues pertaining to risk management, strategic project management, audit and corporate governance. Sanja has a Bachelor of Arts in Business Administration and is a Member of the Institute of Internal Auditors (Australia).

Previous SMG members

David Ryan was appointed acting Commissioner of Superannuation in May 2017 and was responsible for administering a range of statutory superannuation schemes. Previously he had been the Executive Director Corporate Services and Chief Finance Officer for the Department of the Chief Minister. David temporarily transferred to another agency in May 2018.

Gerard Taylor was Director Corporate Support from May 2009, responsible for all corporate support functions for DTF. He moved to a new role in September 2017. Gerard joined DTF in April 2002, and previously worked in the Superannuation Office and in corporate systems for government.





2 | OUR PERFORMANCE

Performance profile	16
Corporate report	16
Output groups	19
Financial performance	35

Performance profile Corporate report

The Department of Treasury and Finance's (DTF) overall purpose is to promote sustainable fiscal and economic development of the Territory and contribute to the improved wellbeing of Territorians.

Achievement of this purpose is measured through three strategic goals, outlined in the 2017-2020 Corporate Plan:



Support economic growth, job creation and fiscal sustainability by providing timely and reliable policy advice to inform the government's strategic priorities.



Strengthen our policy leadership role within the public sector and the community to assist the government in delivering its objectives.



Empower our people and create an agile, skilled and resilient workforce by continuing to build, grow and maintain organisational capability.

The strategic goals were revised in 2018, as described in The Agency chapter.

This section reports on DTF's performance in delivering outputs to meet these strategic goals. Details are provided on key projects and achievements during the year, and future priorities for 2018-19.

Performance against the measures published in Budget Paper No. 3 is reported in the output performance tables. In almost all cases, measures were met or exceeded. Where performance did not meet the estimate, an explanation is provided.

Brief performance information is provided for the Utilities Commission and Northern Territory Treasury Corporation (NTTC) as these two statutory offices form part of DTF for administrative purposes. Full details of achievements in 2017-18 are reported in their own annual reports.

The direction of DTF is set for a three-year period through the Corporate Plan, which is reviewed annually. Performance monitoring against the strategic goals is conducted six-monthly and the results are reported to the Senior Management Group (SMG).

The key actions for 2017 from the 2017-2020 Corporate Plan were extended to include the first six months of 2018 to align with financial reporting timelines for DTF. Progress of 2017-18 key actions is summarised below, with further detail provided in Appendix 1.

Our performance symbols:



Completed, actions finalised in 2017-18



Business as usual, actions established, now normal business practice



Ongoing, actions progressed in 2017-18, not yet finalised

1

Strategic goal 1: Support economic growth, job creation and fiscal sustainability by providing timely and reliable policy advice to inform the government's strategic priorities.

STRATEGIES

This is achieved through the following strategies:

- shaping policy to support economic growth, create jobs, inform key policy and investment decisions and support the key fiscal targets of government
- providing leadership in microeconomic reform to support a strong, competitive economy and improve productivity and efficiency
- advocating the Territory's interests in Commonwealth-state fiscal relations
- effectively administering government's revenue collection system, funds management and superannuation schemes
- providing clear, factual and fearless advice to government.

2017-18 KEY ACTIONS

-  Review and improve context and format of advice to the Treasurer and Cabinet.
-  Ensure Territory budget processes support government's strategic priorities.
-  Support rigorous analysis of government programs and expenditure, including improved capital project assessments.
-  Actively engage with emerging issues in Commonwealth-state financial relations.
-  Provide forward-looking and solutions-focused advice to government.

2








Strategic goal 2: Strengthen our policy leadership role within the public sector and the community to assist government in delivering its objectives.

STRATEGIES

This is achieved through the following strategies:

- engaging and collaborating with stakeholders to identify solutions that add value to policy and service delivery outcomes
- providing expert economic and financial advice
- improving public sector accountability by supporting and developing contemporary legislative and policy frameworks
- fostering strong industry and community partnerships.

2017-18 KEY ACTIONS

-  Build more effective relationships across the public sector.
-  Create a communications strategy to discuss key fiscal and economic issues with all stakeholders.
-  Develop and implement a pilot program to enhance capability in chief financial officers (CFOs) across the Northern Territory Public Sector (NTPS).
-  Develop and implement a strategic policy framework.
Additional actions:
 -  Review the Financial Management and Accountability Framework.
 -  Implement AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities across government.
-  Engage with the community on Territory taxes and royalties.

3



Strategic goal 3: Empower our people and create an agile, skilled and resilient workforce by continuing to build, grow and maintain organisational capability.

STRATEGIES

This is achieved through the following strategies:

- a) attracting, retaining and rewarding high calibre people
- b) developing current and future leaders capable of shaping policy and services for the Territory
- c) providing efficient systems to support organisational capability
- d) ensuring a safe, productive and fair work place.

2017-18 KEY ACTIONS

-  Commence succession planning and develop a corporate knowledge management strategy.
 -  Ensure organisational structure is aligned with agency functions to meet current and future demands.
 -  Review and refine Finance Officer in Training and emerging leaders programs.
 -  Develop a senior leaders program.
 -  Review the Employee Development Framework process.
 -  Review job descriptions, selection criteria and recruitment process.
 -  Develop a secondment strategy for internal and external staff development.
- Additional actions:
-  Undertake a high level organisational capability review.
 -  Review and release the Corporate Governance Framework.

Output groups

DTF is a central agency and its primary role is to promote the long-term development of the Territory through providing specialist fiscal, economic and commercial policy advice to government. This is achieved through the work of a number of output groups: Financial Management; Economic; Territory Revenue Office; Superannuation; and

Treasury Services. There are also two statutory offices, the Utilities Commission and Northern Territory Treasury Corporation, that form part of DTF for administrative purposes.

The following is a summary of the achievements and ongoing work of DTF's output groups.

Output group: Financial Management

Outcome

Provide financial management analysis, reporting and strategic policy advice to inform the government's decision-making on:

- whole of government financial resource issues, including financial management frameworks, fiscal policy and strategy, budget development and infrastructure investment

- major priorities with resource implications, including advice and management of the Central Holding Authority (CHA).

Outputs are achieved through the Financial Management Group, which includes the Budget Development, Financial Reporting and Financial Policy business units.

Table 1: Financial Management output performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Quantity						
Develop and present the Budget	1	1	1	1	1	1
Financial reporting – PEFO, TAFR, Mid-Year Report, Treasurer's quarterly financial reports	5	5	6	5	5	5
Capacity to provide policy advice and analysis on financial management issues (\$M)	4.36	4.29	4.60	4.83	4.16	4.87
Quality						
Compliance with the Uniform Presentation Framework requirements for whole of government financial reporting (%)	100	100	100	100	100	100
Timeliness						
Budget published by date set by Treasurer	yes	yes	yes	yes	yes	yes
TAFR, Mid-Year Report and Treasurer's quarterly financial reports published in accordance with legislation	yes	yes	yes	yes	yes	yes
Ministerial advice provided within allotted timeframes ¹ (%)				82	66	90













PEFO: Pre-Election Fiscal Outlook Report; TAFR: Treasurer's Annual Financial Report

¹ New measure, commenced in 2017-18.

Achievements in 2017-18















Completed

Strategic priority Description of achievement

-   Updated the presentation of the Treasurer's Annual Financial Report (TAFR) in accordance with changes to accounting standards.
-   Analysed agency budget requirements and proposals to develop the 2018 Budget and infrastructure program.
-   Supported the establishment and operation of the Budget Review Subcommittee of Cabinet, to assist government to achieve its fiscal strategy and targets.
-   Implemented the revised structure of the Northern Territory Government Financial Management and Accountability Framework.
-   Developed two new Treasurer's Directions and guidance materials, on fraud control and the Classifications of the Functions of Government – Australia.
-  Implemented the revised Australian System of Government Finance Statistics (GFS) framework to enable compliance with GFS financial reporting.
-  Implemented new centralised arrangements for the NTPS workers compensation scheme, and coordinated payment of premiums with Territory agencies.

Ongoing

Strategic priority Description of achievement

-   Provide advice on budgetary and financial issues affecting the Territory's financial resources.
-   Monitor and analyse monthly agency budget versus actual outcomes, including CHA transactions and effects on fiscal targets.
-   Engage with agencies for early identification of budget issues through a proactive approach to financial management and compliance.
-  Provide professional development for agency CFOs and finance teams through regular education sessions to discuss emerging financial reporting and technical improvements.
-   Continue to provide advice, analysis and assistance to the Treasurer and agencies on whole of government major projects and service delivery issues with resource implications.
-   Continue to monitor, develop and publish whole of government financial information.
-   Manage financial accountabilities as prescribed in the *Financial Management Act* (FMA), including continued development, review and amendment to Treasurer's Directions.
-   Continue to support the operations of the Budget Review Subcommittee of Cabinet.

Future priorities

- Prepare and publish the 2017-18 TAFR and the 2018-19 Mid-Year Report.
- Assist government to develop and publish the 2019-20 Budget and deliver its fiscal strategy, aligned with revised fiscal and economic conditions in the Territory.
- Design and implement a program evaluation function to undertake critical evaluation of government expenditure and outcomes it delivers, to ensure it is efficient, effective and sustainable.
- Continue to review and contemporise the sub elements of the Financial Management and Accountability Framework, including:
 - develop new and review existing Treasurer's Directions and associated guidance documents, including the Financial Management Toolkit
 - update policies, processes and systems across government for the three new accounting standards: financial instruments, leases and revenue.

Output group: Economic

Outcome

Accurate and timely analysis and policy advice relevant to economic, commercial, demographic and intergovernmental financial issues affecting the Territory, and in relation to community service obligations and other grant payments made on behalf of government as a result of formal agreements or legislative requirements.

Outputs are delivered through the Economic Group, which includes the Commercial and Economic Policy, Utilities Reform, Economic Analysis and Intergovernmental Relations business units.

Table 2: Economic output performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Quantity						
Capacity to provide policy advice and analysis on economic and related issues (\$M)	5.27	6.38	9.08	9.50	8.05	7.79
Publish Northern Territory Economy book	1	1	1	1	1	1
Provide Territory economic briefs ¹	176	174	176	174	169	168
Publish Territory Economic Review	12	11	12	11	6 ²	n.a.
Publish social indicators briefs	12	11	11	11	11	11
Quality						
Variation between economic forecasts and actual outcomes ^{3,4} (%)					100	100
Variation between GSP growth rate forecast and the actual outcome ^{3,5}					n.a.	< 2ppt
Timeliness						
Briefings on ABS economic data provided on day of release (%)	100	100	100	100	100	100
Economic publications published by agreed date (%)	100	100	100	100	100	100
Preliminary impact statements assessed within agreed timeframes ³ (%)				86	85	90
Ministerial advice provided within allotted timeframes ³ (%)				82	72	90

ABS: Australian Bureau of Statistics; GSP: gross state product; n.a.: not applicable; ppt: percentage points

1 Decline in the number of economic briefs provided is due to the cessation of publication of Motor Vehicle Sales data by the ABS.

2 The Territory Economic Review was discontinued in November 2017, replaced with the nteconomy.nt.gov.au website, which provides contemporary analysis of the Territory economy and its industries, as well as up-to-date key economic indicator data.

3 New performance measures have been developed following the completion of an organisational capability review.

4 Refers to the following economic forecasts: population, employment, unemployment, consumer price index and wage price index. The target is measured as the percentage of indicators where the estimated result for the current financial year's economic data is within one percentage point of the actual result as published by the ABS.

5 GSP actual data for 2017-18 will be published by the ABS in late November 2018. Target is for the estimate to be within two percentage points of the actual result.

Table 3: Payments on behalf of government

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
CSO payment for uniform tariff subsidy ¹ (\$M)	64.23	65.83	102.56	105.47	105.47	94.86
Grants and subsidies ² (\$M)	0.05	54.20	1.50	2.00	3.32	2.00
GST collection costs (\$M)	7.10	6.86	6.88	7.09	6.25	7.09

CSO: community service obligation

1 Variation from 2015-16 to 2016-17 is the result of a comprehensive review of the utilities CSOs, which identified areas of previous cross-subsidisation that should instead be directly funded by CSOs.

2 A one-off \$50 million capital grant in 2015-16 was provided to Territory Generation to support the expansion of the Owen Springs power station and upgrade of the Tennant Creek power station.

Achievements in 2017-18

Completed

Strategic priority Description of achievement



Released the NT 2017 Population Projections Preliminary Update based on a new NT Population Projections model and data from the 2016 Census.



Revised the Northern Territory Economy book to focus on forecasts as part of the 2018-19 Budget, in concert with developing and publishing a new Territory economy website that provides contemporary analysis of the Territory economy and its industries, as well as up-to-date key economic indicator data.



Implemented the Territory Government's MyFuel NT initiative in conjunction with Northern Territory Consumer Affairs and the Department of Corporate and Information Services.



Established the Economic Standing Committee to create linkages and improve collaboration between the economic teams within DTF, the Department of Business, Trade and Innovation, and the Department of the Chief Minister.



Reviewed and updated the Regulation Making Framework and associated documents to incorporate contemporary best practice principles.



Developed a joint implementation plan for the regulatory reform action item as part of the Economic Development Framework.



Assisted with the approval and facilitation of the Northern Australia Infrastructure Facility's first loan in the Northern Territory.



Improved the management of the government's commercial insurances by developing a commercial insurance register.



Completed the review and finalised the 2018-19 Statements of Corporate Intent for the Territory's government owned corporations.



Represented the Territory's interests with the Commonwealth Grants Commission (CGC) in the CGC's 2018 Update of State Revenue Sharing Relativities.



Represented the Territory's interests through preparation of an initial written submission and a visit by CGC and its staff as part of the CGC's 2020 Review of the GST Distribution methodology.



Made written submissions and attended public hearings into the Productivity Commission's (PC) Inquiry into Horizontal Fiscal Equalisation (HFE).



Investigated a complaint in accordance with the Northern Territory's Policy Statement on Competitive Neutrality.



Established the Gas Governance Group to share information and facilitate better planning and coordination of policy development between government agencies on all issues related to natural gas in the Territory.

Ongoing

Strategic priority Description of achievement



Provide economic and commercial advice to government and agencies.



Analyse and provide advice to government on the Commonwealth's response to the PC's Inquiry into HFE.



Maintain and update Territory economy website and publish economic briefs analysing key indicators of economic and social activity to inform government, industry and the community.



Continue to monitor compliance with the Government Owned Corporations Corporate Governance and Reporting Framework and provide advice to the Treasurer as shareholding minister.



Release revisions to the 2017 NT Population Projections following the release of new data based on the 2016 Census, as well as release population projections for the Territory's regions.



Analyse and provide advice to government and agencies on the Territory's economic and demographic statistics and continue to work with the ABS on Territory data issues.



Provide prudential supervision and regulation of the Motor Accidents Compensation Commission.



Working closely with the Department of the Chief Minister and other agencies, implement government's electricity industry reform agenda, including renewable energy.



Continue the phased application of the National Electricity Rules with modifications and transitional arrangements as appropriate for the Territory.



Provide consumers with a uniform price for water and electricity through administration of the contestable community service obligation subsidy to utilities retailers.



Work in partnership with agencies and the Commonwealth to implement reforms to assist small business and reforms under the National Business Simplification Initiative, and to identify and implement regulatory reforms to make it easier to do business in the Territory.



Provide policy advice in implementing the Scientific Inquiry into Hydraulic Fracturing recommendations and the government's broad environmental reform agenda.



Provide advice to agencies on the National Disability Insurance Scheme (NDIS) and assist with full scheme negotiations.



Provide advice to government on a range of new and renegotiated national partnership and project agreements with the Commonwealth to achieve the best arrangements for the Territory.



Continue to represent the Territory's interests as part of the CGC annual GST relativity review updates and current 2020 methodology review processes as well as arguing the Territory's case for a fair share of GST through intergovernmental forums.



Continue to work with and contribute to jurisdictional work teams supporting the Council of Australian Governments' Energy Council through providing economic advice to, among other things, ensure the Territory's circumstances are considered and addressed as appropriate in relation to national energy policy and associated regulatory frameworks.



Manage the NTPS workers compensation self-insurance framework.

Future priorities

- Continue to provide analysis and advice on intergovernmental financial relations.
- Continue to implement reform of the Territory's electricity market.
- Continue to provide high quality economic and commercial advice to government.
- Continue to work closely with the ABS and Territory agencies to ensure highest possible quality demographic data, including collaborating with the ABS on the Census 2021 work program.
- Review the Territory's Policy Statement on Competitive Neutrality to ensure it remains reflective of the legislative and policy frameworks for promoting competition and restricting anti-competitive activities.
- Continue to work closely with Territory agencies and the Commonwealth on transition to full implementation of the NDIS.
- Lead the regulation reform agenda and assist with other elements of the Territory Government's Economic Development Framework.
- Invest in enhanced economic forecasting capability, including improved modelling tools.

Output group: Territory Revenue

Outcome

Fair, efficient and timely Territory own-source revenue management services and advice that are responsive and transparent.

The Territory Revenue Office (TRO) delivers these outputs through the Revenue Collections, Legislation, Advisory and Review, and Royalties and Assurance business units.

Table 4: Territory Revenue output performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Quantity						
Territory revenue collected ¹ (\$M)	915.29	855.41	855.04	1 047.03	1 022.96	883.50
Capacity to manage Territory revenue-related activities ² (\$M)	6.70	5.99	6.19	5.77	5.70	5.76
Subsidy payments ³ (\$M)	18.97	11.69	10.17	10.68	8.87	10.50
Quality						
Territory revenue forecast accuracy ⁴ (%)	+ 17.29	- 2.54	- 0.14	± 5.00	- 2.77	± 5.00
Taxpayer satisfaction survey ^{5,6}	5.21	5.11	5.08	≥ 5.00	5.03	≥ 5.00
Assessment accuracy ⁷ (%)	99.9	99.9	99.9	99.9	99.9	99.9
Accuracy of FHOG payments processed (%)	100	100	100	100	100	100
Timeliness						
Revenue received within agreed timeframes (%)	93.3	96.7	97.6	≥ 95.0	96.6	≥ 95.0
Services completed within agreed service standards ⁸ (%)	96.7	96.4	97.9	≥ 95.0	94.9	≥ 95.0
Ministerial advice provided within allotted timeframes ⁹ (%)				82	91	90

FHOG: first home owner grant

1 Variation between 2016-17 and 2017-18 reflects higher royalty collections resulting from the value of mineral production and higher payroll tax collections largely related to the extension of the construction phase of the Ichthys liquefied natural gas (LNG) project.

2 Variations are attributable to actual staffing levels.

3 Lower levels from 2015-16 reflect policy changes to the FHOG.

4 Reflects the variance between the estimate and actual revenue collected.

5 Determined through a survey of more than 2200 clients.

6 Measure ranges from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

7 The percentage of assessments issued for the year not revised by way of allowed objections and appeals.







8 The weighted average performance of a series of lower level measures in the TRO Service Charter as published on the TRO website. Table 4 details the components that comprise the weighted average.

9 New measure, commenced in 2017-18.

Achievements in 2017-18







Completed

Strategic priority Description of achievement

-  Released a revenue discussion paper on the Territory's revenue schemes, including options for reform and modernisation, and undertook public consultation through a number of channels seeking feedback.
-  Introduced an online stamp duty lodgement facility to improve accessibility for insurers when interacting with TRO.
-  Delivered face-to-face training sessions and participated with other state revenue offices to deliver weekly payroll tax webinars to businesses and their staff.
-  Released a circular outlining the 2018-19 Budget revenue measures including royalty and payroll tax incentives for employers hiring Territory residents, and introduced a minimum royalty on the gross value of mineral production.
-  Published a guideline for employers explaining the operation of the payroll tax exemptions for hiring Territory residents.
-  Conducted reviews and undertook a risk-based audit program to preserve the integrity of the Territory's revenue schemes.

Ongoing

Strategic priority Description of achievement

-  Continue to update revenue information technology systems to improve the stakeholder experience and ease of compliance.
-  Improve service delivery through active engagement with stakeholders.
-  Provide timely assistance to prospective mining project proponents to understand their royalty paying obligations.
-  Undertake ongoing client education programs (including the publication of guidelines) to enhance transparency of the Territory revenue schemes.
-  Continue to strengthen data matching capability (including consideration of new external data sets and information technology) and compliance activities to assist with improving compliance with revenue laws.
-  Maintain the Commissioner's Guidelines and payroll tax rulings.

Future priorities

- Continue to review and modernise revenue laws, information and educational tools, to improve revenue payers' understanding of and compliance with these laws.
- Enhance revenue administration through access to better data and business intelligence, information technology and process reforms.
- Advise on, develop and implement budget revenue and home ownership incentive options for government.
- Implement the derelict and vacant property levy.
- Liaise with professional advisors and relevant industry groups to increase revenue awareness and reduce red tape.
- Review royalty provisions of the *Petroleum Act* in the context of government's response to the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory.
- Complete implementation of an integrated revenue administration system to reduce effort for revenue payers and improve efficiency.

Table 5: Achievement of standards in the TRO Service Charter¹

Performance measures	Previous years			Current year		Target
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actual	Actual	Actual	Estimate	Actual	Budget
	%	%	%	%	%	%
Stamp duty assessing document turnaround (proportion assessed within five working days)	93	92	94	90	90	90
Response to written inquiries within 14 days of receipt	85	95	94	90	92	90
Audits completed within respective timeframes ²	87	76	80	80	88	80
Objections determined within 120 days ³	74	62	55	80	57	80
Other grant applications determined within respective timeframes ⁴	100	100	100	100	100	100

1 Further information on the TRO Service Charter is available at: treasury.nt.gov.au/dtf/revenue/about-territory-revenue-office/tro-service-charter

2 Territory payroll tax, stamp duty and FHOG audits completed within 120 days, and mining and petroleum royalty audits completed within 180 days of commencement.

3 There were a number of complex long-running objections determined in 2017-18 from a small base.

4 The measure is the weighted average performance of other grant applications processed within the timeframes stated in the TRO Service Charter. The relevant standards are that 95 per cent of approved FHOG payments are made within 24 hours of the payment eligibility date and other grant applications are paid within five business days of receipt of all relevant information.

Output group: Superannuation

Outcome

Accurate and timely provision of superannuation services and advice that meet the expectations of scheme members and government.

The Northern Territory Superannuation Office delivers this output and supports the Superannuation Trustee Board.

Table 6: Superannuation output performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Quantity						
Capacity to provide policy advice and services on superannuation ¹ (\$M)	3.70	3.01	2.81	2.51	2.68	2.54
Quality						
Number of benefits processed ²	1 751	5 329	1 743	1 743	1 673	1 750
Number of benefits paid ² (\$M)	263	558	174	160	185	175
Stakeholder satisfaction survey rating						
Superannuation Trustee Board ³	5	5	5	≥ 5	5	≥ 5
Timeliness						
Member statements issued within approved timeframes (%)	100	100	100	100	100	100

1 Decline in operational expenditure and activity as membership of the closed superannuation schemes continues to reduce.

2 2015-16 included the one-off transfer of retained Northern Territory Government And Public Authorities' Superannuation Scheme (NTGPASS) members and their funds to an industry superannuation fund.

3 Measure ranges from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Achievements in 2017-18

Completed

Strategic priority Description of achievement



Transferred \$16.2 million in lost and unclaimed superannuation benefits from 479 former Territory Government employees, to Australia's Unclaimed Super Fund (AUSfund), an eligible rollover fund.



As part of the Commonwealth government's 'single touch payroll' initiative, which will allow real time reporting of contributions to superannuation funds, successfully implemented the Member Account Attribute Service (MAAS) for all the schemes administered by the Superannuation Office. MAAS was deployed in June 2018 and reports lost member and open/closed accounts to the Australian Tax Office using Westpac's Quicksuper gateway in real time.



Undertook a risk-based audit of the Commonwealth Superannuation Scheme (CSS) pensions paid to former Territory government employees to ensure the pension amounts are correct, and that the Territory is paying the correct share of the pension.

Ongoing

Strategic priority Description of achievement



Provide member services to all NTGPASS members and members of a range of other schemes.



Provide support to the Superannuation Trustee Board.



Meet all compliance reporting obligations.

Future priorities

- Implement management and administration reforms to NTGPASS, which will result in the NTGPASS fund (comprising member savings) being transferred to a new superannuation fund to manage on behalf of members. The NTGPASS employer-funded defined benefit will continue to be managed and paid by the Northern Territory Superannuation Office.
- Procure and implement a new superannuation administration system to replace SuperB.
- Continue transferring lost and unclaimed superannuation accounts to AUSfund.
- Continue to simplify arrangements and reduce administration costs for the Territory's superannuation schemes.
- Amend superannuation scheme rules to improve efficiency and remove redundant or superseded terms or requirements.

Business division: Northern Territory Treasury Corporation

Profile

NTTC is the central financing authority for the Territory Government and operates as a government business division within DTF. NTTC undertakes borrowing and investment activities on behalf of the Territory Government and provides cost-efficient loans to its public sector clients.

Table 7: NTTC business division performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Quantity						
Weighted average cost of borrowings during the year ¹ (%)	2.51	2.22	2.54	3.50	3.10	4.00
Quality						
Borrowing rate margin compared to industry peers ² (%)	n.a.	n.a.	+ 0.41	≤ 0.35	+ 0.31	≤ 0.40
Investment portfolio return above benchmark ³ (%)	+ 0.27	+ 0.31	+ 0.44	± 0.25	+ 0.33	± 0.25
Stakeholder satisfaction survey rating ⁴	5	5	5	≥ 5	5	≥ 5

n.a.: not available

- 1 NTTC's cost of borrowings is expected to increase to 4 per cent in 2018-19 as global and domestic bond yields trend higher, driven by changes to global fiscal policy and the gradual tightening of monetary policy in the United States.
- 2 NTTC did not issue any term funding into the wholesale financial market during the 2014-15 and 2015-16 financial years.
- 3 The benchmark is the weighted composite of the Bloomberg AusBond Bill Index and Bloomberg AusBond Semi-Government Index (0-3 years). The composite benchmark return for 2017-18 was 1.78 per cent while NTTC achieved a return of 2.11 per cent.
- 4 A stakeholder satisfaction rating is obtained from government agencies, government owned business divisions and government owned corporations. Ratings range from 1: extremely dissatisfied to 6: extremely satisfied.

Achievements and future priorities

NTTC's achievements for 2017-18 and future priorities for 2018-19 are provided in its own annual report.

Output group: Economic Regulation

Outcome

An economic regulatory framework that promotes and safeguards competition, and fair and efficient market conduct or, in the absence of a competitive market, promotes the simulation of competitive market conduct and the prevention of the misuse of monopoly power.

The Utilities Commission delivers this output as an independent statutory authority that is part of DTF for administrative purposes.

Table 8: Economic Regulation output performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Quantity						
Capacity to administer regulatory regime (\$M)	0.91	0.89	0.92	0.98	0.84	0.94
Capacity to advise the regulatory minister (\$M)	0.39	0.38	0.39	0.41	0.36	0.40
Quality						
Codes, guidelines and licences reviewed for currency and relevance, as planned for the financial year ¹ (%)				80	80	80
Timeliness						
Determinations and approvals issued within statutory timeframes ² (%)	100	100	100	100	100	100

¹ New measure, commenced in 2017-18.

² Includes determinations and approvals on monopoly pricing, minimum service standards and other activities as provided for under the *Utilities Commission Act* and other relevant industry regulation legislation.

Achievements and future priorities

The Utilities Commission's achievements for 2017-18 and future priorities for 2018-19 are provided in its own annual report.

Output group: Corporate and Governance

Outcome

Improved organisation performance through strategic and governance leadership and the provision of corporate services functions.

Outputs are achieved through the Treasury Services Group.

Table 9: Corporate and Governance output performance

Performance measures	Previous years			Current year		Target
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Estimate	2017-18 Actual	2018-19 Budget
Capacity to provide corporate and governance services to support the function of the agency (\$M) ¹	4.65	5.21	4.78	4.30	5.56	4.26
Shared services received	n.a.	n.a.	n.a.	2.93	2.73	2.93
Internal audits and reviews conducted ²	1	2	5	4	2	6
Accounts paid within 30 days (%)	94.9	94	92.3	94.0	94.0	94.0
Procurement completed within 60 days (%)	100	100	87.5	90	93	91

n.a.: not applicable

1 In 2014-15 to 2017-18, the shared services cost was distributed across all output groups. This treatment changed, across government, for 2017-18 onwards in the 2018-19 Budget.

2 A higher number of estimated internal audits and reviews in 2018-19 reflects two internal audits continuing in 2018-19.

Achievements in 2017-18

Completed

Strategic goal	Description of achievement
	Implemented the 2018 series of DTF early career programs: Finance Officer In Training graduate program, Work Integrated Learning Scholarship cadetships, apprenticeships and vacation employment.
	Implemented DTF's revised corporate governance framework and a revised accountability structure.
	Enhanced corporate performance reporting and refreshed the 2017-2020 Corporate Plan
	Consolidated all information technology staff into a central information and technology unit, to improve service capability and standards.
	Consolidated all corporate finance staff into a single Treasury Financial Services business unit, to improve service capability and standards.

Ongoing

Strategic goal	Description of achievement
  	Continue to implement the DTF Organisational Capability Review recommendations to build capacity and skills of staff, and the capability of the organisation.
	Implement the new 2018 disaster recovery funding arrangements.
 	Continue to ensure DTF information and communications technology (ICT) business systems are robust and operate in a secure environment.
	Continue to formulate and implement strong corporate governance, internal audit, risk management and control processes.
  	Monitor and report on corporate performance regularly.

Future priorities

- Implement workforce development and recruitment strategies to build capacity and capability of the organisation.
- Support the agency with robust policies and procedures to achieve its strategic goals.

Financial performance

DTF manages two sets of financial statements: one for its own agency activities and one on behalf of the Territory (whole of government) including CHA.

A summary of the 2017-18 financial performance for DTF and CHA is provided below, with further information in the Financial Statements section of this report.

Department of Treasury and Finance

Key fiscal results include:

- DTF reported an operating surplus of \$2.3 million in 2017-18 compared to an estimated deficit of \$2.4 million, down marginally from a surplus of \$2.9 million in 2016-17. DTF operated within budget and improved the bottom line, mainly due to constrained staffing, deferred major consulting requirements and more efficient ICT systems.

- Appropriations increased from \$149.5 million in 2016-17 to \$150.1 million in 2017-18 in line with a net increase in grants and CSOs paid on behalf of government.
- DTF cash and deposits increased by \$2.1 million in 2017-18 from \$22.5 million in 2016-17, a \$4.6 million improvement on the revised forecast cash position due to a carryover of consultant expenditure.

Comprehensive Operating Statement

DTF's revenue consists mainly of output appropriations that relate to mostly non-discretionary expenses such as grants and CSOs paid on behalf of government. In 2017-18, DTF received \$150.7 million in appropriations, representing 98 per cent of total operating income, in line with the budget forecast.

Table 10: Operating Statement overview

	2014-15 Actuals	2015-16 Actuals	2016-17 Actuals	2017-18 Estimate	2017-18 Actuals
	\$000	\$000	\$000	\$000	\$000
Operating income	123 526	166 311	152 783	154 029	154 056
Operating expenses	116 273	164 454	149 883	156 462	151 796
Net surplus/(deficit)	7 253	1 857	2 900	(2 433)	2 260

Operating expenses

DTF's operating expenses consist of employee expenses, purchases of goods and services, administration costs, grants and CSOs.

Significant movements in operating expenses included:

- Employee expenses below budget by \$0.9 million due to a lower number of full-time equivalent (FTE) staff.
- Administrative expenses below budget by \$3.3 million due to consultant costs for utilities reform projects that will occur in 2018-19 and lower GST administration charges.
- Grants and subsidies expenses below budget by \$0.5 million, in line with the funding agreement.

Table 11: Operating expenses overview

	2014-15 Actuals	2015-16 Actuals	2016-17 Actuals	2017-18 Estimate	2017-18 Actuals
	\$000	\$000	\$000	\$000	\$000
Employee expenses	16 664	16 476	18 024	19 357	18 451
Administrative expenses	16 057	15 803	17 191	18 509	15 223
Grants and subsidies expenses	83 245	131 722	114 643	118 587	118 122
Interest expenses	307	353	25	9	-
Total expenses	116 273	164 354	149 883	156 462	151 796

Balance Sheet

The Balance Sheet is a derivative of the Comprehensive Operating Statement and Cash Flow Statement, and movement from prior year closing balances. The variation between the 2017-18 budget estimates and actuals is in line with the improved operating result in tables 10 and 11.

The cash at bank increase of \$4.6 million reflects the improved 2017-18 operating result.

Receivables and prepayments decreased by \$0.4 million to the budget mainly due a reduction in GST receivables as at 30 June 2018.

The \$0.5 million decrease in payables is due to a reduction in accrued expenses as at 30 June 2018.

Table 12: Balance Sheet overview

	2014-15 Actuals	2015-16 Actuals	2016-17 Actuals	2017-18 Estimate	2017-18 Actuals
	\$000	\$000	\$000	\$000	\$000
Assets					
Cash and deposits	19 024	14 597	22 473	20 042	24 617
Receivables and prepayments	76	5 670	1 094	1 097	714
Advances and investments	423	423	25 000	25 000	25 000
Property, plant and equipment	69	43	48	45	41
<i>Less</i>					
Liabilities					
Payables and provisions	4 365	3 650	4 128	4 130	3 625
Net assets/equity	15 227	17 083	44 487	42 054	46 747

Central Holding Authority

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

Its key deliverables include:

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

In 2017-18, the Territory adopted a new framework for the NTPS workers compensation scheme. Under this new framework, CHA receipts an annual risk premium plus an additional amount to pay down the unfunded liability from each general government sector agency. In return, CHA now incurs all workers compensation claims expenses previously recognised by each agency and continues to recognise the associated liability. Workers compensation liabilities are reviewed annually by an actuary and adjusted accordingly.

Key fiscal results include:

- CHA reported an operating surplus of \$53 million in 2017-18 compared with a \$916 million surplus in 2016-17
- equity has increased by \$53 million to \$4.8 billion in 2017-18 as a direct result of the operating surplus outcome.

Comprehensive Operating Statement

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

For 2017-18, CHA reported a net operating surplus of \$53 million, a reduction of \$863 million compared to the previous year's operating surplus of \$916 million.

The lower surplus is predominantly due to an increase in expenses of \$899 million, partially offset by a \$36 million increase in revenue. The increase in expenses is largely the result of actuarial changes to the value of the Territory's superannuation liability between years, as required by accounting standards.

The increase in revenue was largely attributed to an increase in mining royalties and the early receipt of the Commonwealth's financial assistance payment, offset by the revised timing of national partnership revenue.

Operating revenue

The Territory continues to be heavily reliant on Commonwealth revenue, with GST revenue being the largest single transfer from the Commonwealth. GST revenue represents 56 per cent of total CHA revenue followed by general purpose and tied Commonwealth revenue of 17 per cent and the remaining 27 per cent being Territory own-source revenue.

In 2017-18, CHA recorded revenue in excess of \$5.22 billion, a \$36 million increase from 2016-17. The increase is predominantly due to the early receipt of the Commonwealth's financial assistance payment (\$260 million) combined with increased mining royalties (\$170 million) and agency workers compensation premiums (\$38 million), partially offset by a decrease in national partnership payments (\$246 million) and GST revenue (\$213 million).

Taxation revenue increased by \$4 million, predominantly due to an increase in payroll tax collections of \$42 million reflecting the extension of the construction phase of the Ichthys LNG project during 2017-18 and the associated higher level of peak workforce for employers associated with the project. This was partially offset by a reduction in conveyancing duties of \$29 million largely reflecting continued softness in the residential and commercial property markets.

Royalties, rents and dividends have increased by \$187 million in 2017-18 predominantly due to higher mining royalties reflecting the increase in the value of mineral production, driven by a combination of price, production and exchange rates, coupled with reasonably stable production costs.

Table 13 provides a summary of the increase in CHA revenue from 2016-17.

Table 13: Significant movements in operating revenue

	2016-17	2017-18	Variation	
	\$M	\$M	\$M	Reason for variation
GST revenue	3 157	2 945	(213)	Reflects lower share of national population and a lower per capita relativity.
Commonwealth revenue	897	624	(246)	Relates to the revised timing of funding for NT Remote Aboriginal Investment, remote housing and capital funding for roads projects.
Commonwealth financial assistance payment	-	260	260	Early receipt of the Commonwealth's financial assistance payment, scheduled for 2018-19.
Stamp duty	170	142	(29)	Reflects continued softness in the residential and commercial property market.
Payroll tax	404	446	42	Increase is largely due to the extension of the construction phase of the Ichthys LNG project during 2017-18 and the associated higher level of peak workforce for employers associated with the project.
Income tax equivalents	52	26	(26)	Reflects reduced profitability of government owned corporations.
Royalties, rents and dividends	212	400	187	Primarily due to higher mining royalties reflecting the increase in the value of mineral production, driven by a combination of price, production and exchange rates, coupled with reasonably stable production costs.
Other	199	248	49	Reflects agency workers compensation premiums.

Operating expenses

CHA expenses are limited, with the largest expense relating to appropriations paid to agencies to deliver government services and on-passed in accordance with the *Appropriation Act*. Other expenses reflect direct costs associated with workers compensation, borrowings and unfunded employee liabilities.

CHA operating expenses in 2017-18 totalled \$5.17 billion, \$899 million higher than 2016-17. This increase is mainly due to higher superannuation expenses of \$545 million largely resulting from the movement in the 10-year bond rate used to value the superannuation liability in accordance with accounting standards. In addition, appropriations paid to agencies increased by \$300 million from 2016-17 as a result of new and revised timing of government programs.

Balance Sheet

Net assets, being total assets less total liabilities, increased by \$53 million to \$4.8 billion in 2017-18, compared with \$4.75 billion in 2016-17. This increase was driven by a \$922 million increase in assets offset by an increase in liabilities of \$869 million.

The increase in total assets of \$922 million reflects an increase in net assets across agencies, combined with increased cash and deposits as a result of prefunding a portion of the 2018-19 borrowing program to take advantage of improved market conditions.

The \$869 million increase in total liabilities predominantly reflects an increase in Territory's borrowings to fund new government programs as well as prefunding a portion of the 2018-19 borrowing program. Additional significant movements in liabilities throughout the year include reduced deposits held of \$291 million, which represent the levels of monies held by CHA on behalf of government entities.





3 | OUR PEOPLE

Staffing profile	42
Career pathways	45
Building our capability	48
Health and wellbeing	52
Our community	54

Staffing profile

The Department of Treasury and Finance (DTF) recognises that by investing in our most valuable resource, our people, we strengthen our capacity to meet and exceed our organisational goals now and in the future.

As a key central agency providing expert advice to the Territory Government to inform decision-making for Territorians, we continue to strive to ensure we have the right people in the right jobs and develop our workplace culture to support continuous improvement in everything we do.

As at 30 June 2018, DTF employed 152.3 full-time equivalent (FTE) staff, including those in the Northern Territory Treasury Corporation (NTTC), compared to 151.1 FTE in 2016-17.

A snapshot of DTF staff is provided in Table 14.

Table 14: DTF staff snapshot (headcount¹, unless stated otherwise)

	As at 30 June 2017		As at 30 June 2018		NTPS ² comparison
	Number	%	Number	%	%
Staff numbers					
FTE staff as at 30 June	151.1		152.3		
FTE yearly average to 30 June	151.9		153.5		
Employment programs ²	17	9.9	18	10.34	0.34
Permanent: contract ³ ratio	129:42	75:25	130:44	75:25	75:25
Part-time staff	19	11.1	20	11.5	11.3
Full-time staff	152	88.9	154	88.5	88.7
Total staff	171		174		
Turnover					
Commencements ⁴	43		43		
Separations ⁵	24		24		
Staff turnover rate ⁶		14		14	23

NTPS: Northern Territory Public Sector; FTE: full-time equivalent

1 Headcount includes both paid and unpaid inoperative staff.

2 Includes graduates, trainees and cadets.

3 Includes temporary employees and staff on executive contracts.

4 Includes employees on transfer to DTF from other government agencies.

5 Includes resignations and end of contract.

6 Calculated by dividing number of separations by average headcount for the year.

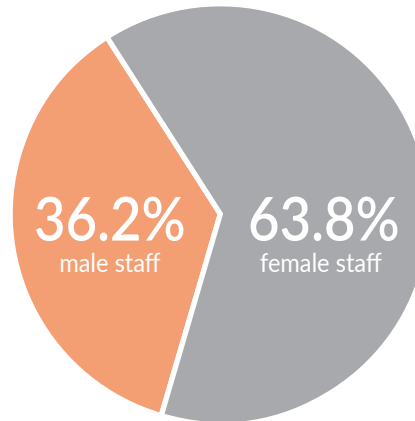
Equity and diversity

DTF strives for diversity and aims for a workforce that reflects the community we serve. DTF recognises the value staff bring from different backgrounds, education and work experiences, and values their contribution to the workplace and a high performing culture.

The average age of DTF staff is 37 years, younger than the NTPS average age of 43 years. Almost half of DTF's workforce is under 35 years of age, and less than 18 per cent is over 50 years of age. This comparatively young age can be mostly attributed to DTF's strong and sustained emphasis on early career programs over the past 20 years, including graduates, scholarships and apprenticeships, and subsequent employment and advancement in DTF.

The ratio of males to females in DTF has remained consistent over the past 10 years. Of the 174 staff employed as at 30 June 2018, 64 per cent (111 staff) were women and 36 per cent were men (Figure 1). This is consistent with the NTPS proportion of 64 per cent women.

Figure 1: Staff by gender as at 30 June 2017-18



The proportion of DTF executives (25 in total) who are women increased to 44 per cent (11). DTF's relative proportion of female executives (that is, directors and above) is below the NTPS figure of 55 per cent, however with a targeted leadership program and internal professional development opportunities, the aim is to increase this proportion over time.

DTF has a higher proportion of staff with a non-English speaking background than the NTPS as a whole, however its proportion of Aboriginal staff is lower (Table 15).

Table 15: DTF staff demographics (headcount)

	As at 30 June 2017		As at 30 June 2018		NTPS comparison
	Number	%	Number	%	%
Male:female ratio	63:108	37:63	63:111	36:64	36:64
Male:female executive ratio	17:10	63:37	14:11	56:44	45:55
People with a disability	6	5	7	4	1.1
Aboriginal staff	6	3.5	3	1.7	10.4
Non-English speaking background	18	10.5	20	11.5	8.6
Average age (years)	36		37		43

Workforce information

DTF has a strong focus on attracting and retaining a highly skilled workforce. As illustrated in figures 2 and 3, DTF's workforce is dominated by staff in the mid-career levels, more females than males, and between the ages of 25 and 44. The gender imbalance is not apparent at the executive levels.

Figure 2: Staff by gender and classification as at 30 June 2018

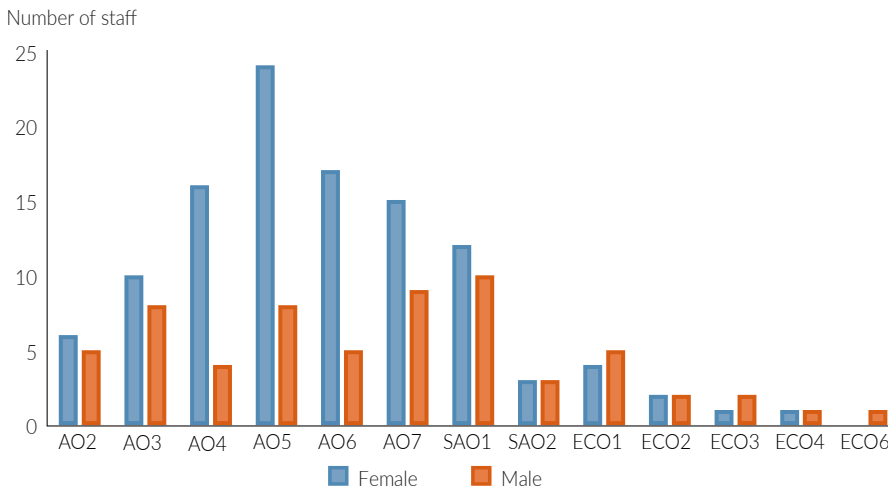
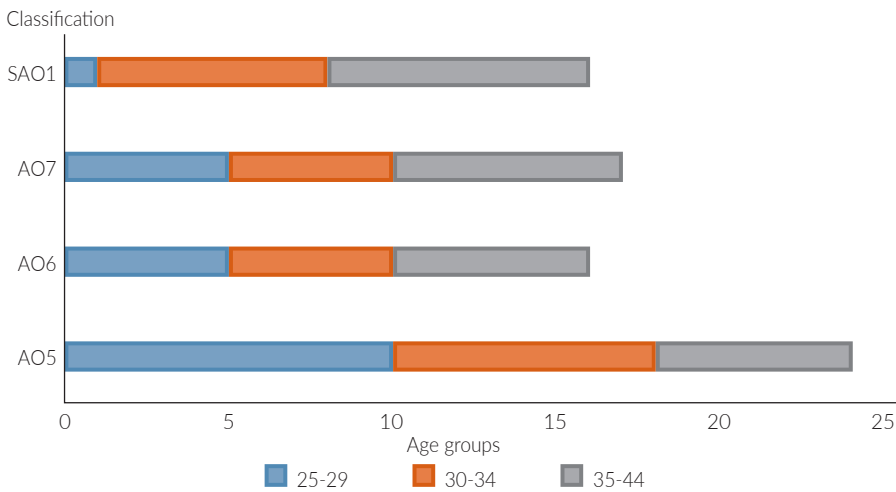


Figure 3: Staff in mid-career levels by age, as at 30 June 2018



Career pathways

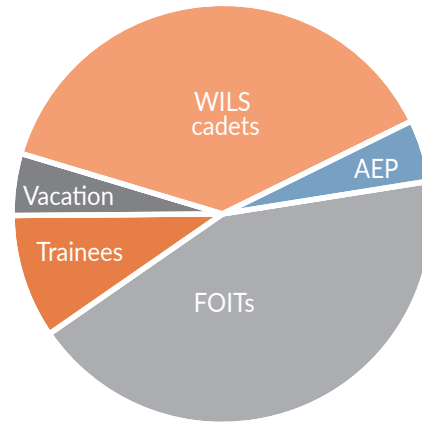
DTF devotes considerable resources to entry-level career pathways, ranging from apprenticeships through to the Finance Officer in Training (FOIT) graduate program and a specific Aboriginal employment program (AEP) (Figure 4). These programs, especially scholarships and vacation employment programs, are valuable in establishing relationships with local tertiary students by building their understanding of the workplace as they prepare to progress into professional careers in DTF and the NTPS.

The FOIT graduate program places an emphasis on providing opportunities for graduates, both locally and interstate, to build a skilled, stable Territory workforce. Innovative and successful design elements of the program, such as fast-tracked professional development and a coordinated, centrally managed and funded program, have been adapted for other early career programs.

Other career pathways into DTF and the public sector were developed, taking a school-through-to-work approach. These include scholarships and work placements for Territory university students, and administrative and information technology (IT) traineeships (Table 17). Career opportunities and pathways are promoted through workshops with secondary school students and career expos in Darwin, Adelaide and Brisbane.

DTF actively recruits through the Territory government traineeship programs and the AEP, and tailors traineeships where required to best suit the employee.

Figure 4: Career program participants, 2017-18



WILS: Work Integrated Learning Scholarship; AEP: Aboriginal employment program; FOITs: Finance Officers in Training

Table 16: Career pathways (year ended 30 June)

	2014	2015	2016	2017	2018
Vacation employment	2	-	2	-	1
Traineeships	-	-	-	1	2
AEP	-	-	-	-	1
WILS	6	6	3	5	8
FOITs	12	8	10	7	9
Total	20	14	15	13	21

Vacation employment

Students in relevant degree fields are employed during university breaks for periods of up to two months across various DTF business units. This program enables students to develop an understanding of the functions and workings of the NTPS and develop a range of skills and knowledge relevant to their studies.

DTF had one vacation program participant in 2017-18. The Bachelor of Economics student undertook work placement in the Utilities Reform business unit.

Aboriginal employment program

NTPS agencies are host employers of the AEP. Participants take part in work placements while undertaking a Certificate II or Certificate III qualification at a registered training organisation.

DTF hosted one participant in 2017-18. The participant undertook her work placement with the Corporate Support unit.

Traineeships

DTF had two employees in 2017-18 through a tailored traineeship program. Both trainees were continuing their studies towards a Bachelor of Accounting while working in Treasury Financial Services.

Work Integrated Learning Scholarships

The Work Integrated Learning Scholarship (WILS) program is a partnership between the Territory Government and Charles Darwin University (CDU) that invites students enrolled in full-time studies at CDU to apply for a scholarship with NTPS agencies. DTF offers scholarships to students studying commerce, accounting and economics degrees. The program provides financial support during the semester and paid work experience during semester breaks. At the completion of their studies, students are encouraged to participate in the annual FOIT graduate program.

In 2017-18, DTF had nine WILS cadet participants. Four cadets have continued through the WILS program since commencing in 2016 and 2017. Four more participants commenced the program in 2018. One cadet ceased the program in 2017, transferring to a tailored traineeship arrangement in Treasury Financial Services.

In 2017, two cadets received Outstanding Academic Achievement awards, presented at the 2018 CDU Prize Giving Ceremony.



2018 WILS cadets: (left to right) Kristina Mu, Simeon Skoufezis, Netanya Lai, Amelia Jape, Jessica Gould, Chiderah Ugwu and Pov Sok. ABSENT: Ryan Darker

FOIT graduate program

The FOIT program employs local and interstate graduates from a variety of disciplines, including accounting, economics, business and law. This program is an important ongoing component of DTF's recruitment strategy and succession planning, and aims to fast-track high quality graduates to middle and senior management capability, thereby strengthening the business, economic and finance capabilities and resources of both DTF and the NTPS.

Each graduate undertakes a year-long intensive structured learning experience where they undertake up to four placements in different business units within DTF, as well as regular in-house training workshops and seminars to further their professional development. Each graduate is also assigned a mentor from DTF's Senior Management Group. The main

focus of the mentoring relationship is to enhance the professional abilities of the graduate by providing on-the-job support, in addition to the mentors sharing their knowledge of government and the role of the organisation, and providing constructive feedback that supports the graduates' development.

A program of continued rotation for second-year graduates is being trialled in 2018. This cohort is undertaking two six-month rotations within the agency to build upon skills and knowledge acquired during the 12-month FOIT program.

There are nine FOITs in the 2018 program. From the 2017 FOIT intake, five of the seven graduates successfully completed the graduate program and continued employment in DTF.



2018 FOITs: (left to right) Brett Totham, Matthew Harris, Ryan Churchman, Hayley Lim, Matthew Westhoff, Grace Xu, Hua Cao, Mathew Koshy and Courtney Organ.

Building our capability

DTF recognises that the expert advice it is able to provide to the Territory Government and its agencies is a function of the quality of its workforce. Employees are encouraged and challenged to grow and develop both professionally and personally through further study and professional development opportunities.

DTF's workforce retention and development strategy for building capacity and capability is underpinned by a number of key initiatives, including:

- study assistance, with financial support, study time and use of office resources
- professional membership support and remuneration
- career pathways through leadership development training for middle and senior managers, including opportunities for secondments, higher duties and work placements
- mobility programs that offer employees lateral movement across the agency, including rotations for second-year graduates
- flexible work arrangements to assist with work-life balance, including part-time arrangements for parents and carers.

Table 17: Training and development expenses

	2013-14	2014-15	2015-16	2016-17	2017-18
Headcount as at 30 June	161	173	179	171	174
Total training and development expenses (\$)	129 265	165 793	236 817	244 510	284 128
Total employee expenses (\$M)	17.16	16.66	16.47	18.02	18.45
Training and development as a percentage of employee expenses (%)	0.75	1.00	1.44	1.37	1.54
Training and development expenditure per employee (\$)	803	958	1 323	1 429	1 633

Note: The figures do not include the value of training sessions provided to staff by in-house experts and specialists.

Study assistance and training

Staff are encouraged to continue work-related tertiary study, with DTF providing financial reimbursement of enrolment fees and study time for approved courses.

In 2017-18, 24 study applications for 14 staff were approved. Fields of study include: Bachelor of Accounting, Certified Practising Accountant (CPA), Chartered Financial Analyst (CFA), graduate certificates

in both accounting and finance, Graduate Diploma in Applied Statistics, a Masters in Applied Statistics and Masters in Business Administration.

DTF also provides a range of initiatives to encourage staff development through seminars, conferences, short courses and workshops.

Leadership programs

DTF invests in leadership development at various levels of the department to enhance strategic leadership skills and create succession planning opportunities.

During 2017-18, four senior staff completed the following executive leadership programs with the Australian and New Zealand School of Government (ANZSOG), which specialises in education and government-focused research relevant to the public sector:

- Leadership for Change
- Advancing Leadership
- Executive Fellows Program.

Performance planning and review framework – ROADmap

A new performance planning and review framework was launched in June 2018, coined ROADmap (reflection, objective, action, development). The new tool was the result of an extensive review of the earlier employee development framework, which involved consulting with staff through multiple focus group sessions, feedback and surveys, and designing a more effective and useful process for supervisors and staff.

The framework is a fundamental tool of DTF's culture of continuous improvement and development of staff. Its key components include performance planning, goal-setting, annual performance monitoring based on competencies and capabilities, identifying professional development opportunities, and employees providing upward feedback to their managers.

Middle level career development program

The middle level career development program targets employees at AO6 to SAO2 levels to identify potential leaders for further development by building and strengthening their capacity, and developing leadership and people management skills.

The new ROADmap process prompts employees to consider their development needs and asks if they are interested in opportunities to move internally to broaden their knowledge and experience, or consider an inter-agency exchange or secondment outside the NTPS.

The expressed interests are further reviewed by the Strategic Human Resources Committee and opportunities for the employee to undertake selected development are identified, ensuring the needs of the employee and agency are being met.

Exchange program with South Australia

In 2018, DTF partnered with the South Australian Department of Treasury and Finance (SA DTF) on a staff exchange program to build understanding of the operating context and business in both agencies and jurisdictions, and to strengthen DTF's capability as a learning organisation.



"The program is a terrific opportunity to learn about another jurisdiction, particularly the economic issues facing the Territory."

Helen Debs – Analyst



"This experience allowed me to work on a broader variety of policy issues that I may not have otherwise had the chance to work on."

Eugene Braslavskiy – Account Analyst

The first exchange involved three SA DTF employees undertaking three to four-month placements in DTF business units. An expression of interest was also issued for DTF staff to participate in an exchange to Adelaide, resulting in five employees being nominated to SA DTF to participate in the 2018-19 exchange.

At the conclusion of a placement, employees are encouraged to share their learning and experiences across the agency, helping DTF to improve our system and processes and develop our strategic thinking capability.

"I have gained exposure to different areas of taxation and expanded my network of contacts, which will help in my career moving forward."

Justin Patriarca – Analyst



Work life balance

In 2017-18, DTF continued to offer flexible work arrangements to staff, including part-time employment, home-based work, and work and career breaks. Being flexible and balancing the professional and personal priorities of staff with those of the workplace creates a more effective and productive agency, and facilitates retention of staff over a longer period.

DTF has a young workforce, many with young families. In 2017-18, 22 staff worked with flexible arrangements and one staff member accessed

work from home arrangements. The majority related to childcare responsibilities but also included health issues, transition to retirement arrangements, study and outside employment. A summary is provided in Table 19.

Additionally, flex-time is managed for staff in relation to peak periods and arrangements mutually agreed and operationally viable.

Table 18: Number of staff utilising a work-life balance option in 2017-18

	Female	Male	Total	% of workforce
Part-time work	19	3	22	12.6
Working from home	1	-	1	0.6
Purchased leave (up to six weeks additional leave)	-	-	-	-
Recreation leave at half pay	9	-	9	5.2
Career break (leave without pay)	-	-	-	-

OUR PEOPLE

Health and wellbeing

DTF promotes a safe workplace and actively educates staff on appropriate workplace behaviour, work health and safety (WHS) and resilience.

DTF has a number of initiatives in place to provide education, training and support to encourage employees to maintain a healthy lifestyle, work in a safe manner, and assist staff in handling difficult or stressful situations at work or at home.

Work health and safety

DTF's WHS Management System provides a structured approach to meeting the requirements of the *Work Health and Safety (National Uniform Legislation) Act*.

A dedicated page on DTF's internal website provides staff with all policies, procedures and forms, information on emergency wardens, first aid officers and WHS committee members, as well as links to NT Worksafe and SafeWork Australia.

Personal Emergency Evacuation Plans (PEEPs) are prepared for all staff who may have difficulty evacuating the workplace during an emergency situation. In 2017-18, 26 PEEPs were maintained.

The 2017-18 WHS Action Plan assists DTF to meet its WHS targets and objectives. The Action Plan outlines objectives for the WHS Committee and the department in safety leadership, safety culture, and hazard and risk management.

The Action Plan includes a training component. In 2017-18, 20 occasions of training in WHS matters were provided.

Table 20 compares data from 2013-14 through to 2017-18. The increase in 2015-16 was primarily due to building-related issues with the new Charles Darwin Centre building, following DTF's move from Cavenagh House.

There were four WHS incidents reported in 2017-18, all of which were low risk and not reportable to NT WorkSafe. They included a staff member tripping in the stairwell and an overloaded electrical circuit resulting in a power point shorting.

Table 19: WHS incidents by type

	2013-14	2014-15	2015-16	2016-17	2017-18
Being hit by objects	2	1	3	-	-
Environmental factors	-	1	-	-	-
Hazard	-	1	2	-	1
Medical issue	-	1	1	1	-
Other	1	-	3	1	1
Slips, trips and falls	3	2	-	1	2
Total	6	6	9	3	4

Workers compensation

No new workers compensation claims were lodged during 2017-18. Table 21 compares data from 2013-14 through to 2017-18.

Table 20: Workers compensation claims

	2013-14	2014-15	2015-16	2016-17	2017-18
Total expenditure (\$)	9 699	373	-	-	-
New claims	1	-	-	-	-
Claims resolved	1	-	-	-	-
Staff receiving ongoing workers compensation payments	-	-	-	-	-

Employee assistance program

DTF's Employee Assistance Program (EAP) provides an important support service to assist staff who may be affected by personal, family or work-related issues. EAP offers up to three free confidential counselling sessions for employees and their family members with any of the Territory Government's six EAP providers.

EAP also provides vocational assessments for employees, and coaching for supervisors and managers in dealing with difficult and sensitive staff

issues in the workplace. Guidance and strategies, mediation and dispute resolution services are also offered.

Total expenditure on EAP was slightly higher in 2017-18 compared to the previous year, with a 2.5 per cent increase. There was an increase in the number of people using the service, which is attributed to increased promotion and awareness of the EAP.

Table 21: EAP uptake

	2013-14	2014-15	2015-16	2016-17	2017-18
Expenditure for financial year (\$)	11 282	7 054	7 651	12 453	12 762
Number of people assisted by EAP providers	24	14	17	24	33
Number of sessions	51	27	27	45	60

Workplace ergonomic assessments

All DTF staff undergo an ergonomic assessment on commencement or when relocating to a new workspace. There were 172 ergonomic assessments of workstations in 2017-18. The large number was due to a number of work units relocating across the three floors of the Charles Darwin Centre occupied by DTF.

Twenty staff successfully completed a workstation assessor workshop in February 2018, in order to perform ergonomic assessments across the agency.

Vaccinations

DTF offered free in-house influenza vaccinations to all staff in May 2018, and 62 staff were immunised. Overall, 36 per cent of staff were vaccinated in 2017-18, on par with 36 per cent in 2016-17.

Our community

Cyclone Marcus welfare response volunteers

Disaster assistance for residents affected by Tropical Cyclone Marcus in the Territory was activated through the jointly funded Commonwealth-Territory Natural Disaster Relief and Recovery Arrangements. Immediate relief payments were made available and welfare recovery centres were set up across the greater Darwin region.

Immediately after the cyclone, eight DTF staff members volunteered at various welfare recovery centres to assist residents with their relief payment applications. Three of these staff members continued to work long hours for several weeks processing claims in the Territory Families head office claims centre.



Brett Totham and Ryan Churchman volunteering at the welfare recovery centre at Casuarina Library in March 2018, following Tropical Cyclone Marcus.

Social club

The DTF Social Club is dedicated to fostering positive relationships and promoting a healthy sense of wellbeing amongst DTF employees, both in and outside the work environment. It does this by organising and facilitating social activities, many of which have a strong focus on charitable causes and benefits to the community.

Through DTF's social club, a number of events and activities raised over \$7500 in 2017-18, with donations going to several charity organisations. These events included:

- Movember, which raised funds for and awareness of men's health issues
- Jeans for Genes Day, with donations towards the Children's Medical Research Institute
- National Youth Week, with donations towards Dolly's Dream, which addresses bullying and youth mental health issues
- International Women's Day, to support Dawn House Women's Shelter
- Australia's Biggest Morning Tea and Daffodil Day, to support the Cancer Council.

Other activities included:

- an environment month campaign to raise awareness of recycling, composting and responsible waste management
- recycling bins for bottles and cans in the staff breakout areas for the Down Syndrome Association of the NT to help the association raise funds through the Container Deposit Scheme.



2017 Movember participants.





4 | CORPORATE GOVERNANCE

Organisational capability review	58
Corporate Governance Framework	58
Communication and collaboration	70
Records and information	75
Corporate social responsibility	76

Organisational capability review

The Department of Treasury and Finance (DTF) engaged an external expert in July 2017 to undertake a high level capability review of the organisation to identify strengths and areas that required further development, and others with potential for improvement. The review was conducted independently with input from the Senior Management Group (SMG), a cross-section of staff and several external stakeholders. The review captured current areas of strength and identified areas for improvement.

The review report and resulting action plan were finalised in September 2017. Senior executives have provided regular updates to all DTF staff on the progress of the action plan.

As a result of the review, DTF has implemented a range of actions to improve:

- engagement with other Territory Government agencies, including through the revamped Northern Territory Economy website, involvement in various inter-agency groups and population modelling
- employee development programs and succession planning
- internal communications and collaboration
- organisational and governance structures to enhance accountability and service delivery.

Outstanding actions planned for 2018-19 are:

- develop medium-term fiscal and economic projections
- establish a whole of government program evaluation function
- develop a new online revenue system
- consult on a set of collaboration principles with key Territory Government stakeholders
- explore options with the Department of the Chief Minister to combine back office functions
- finalise an organisational development strategy.

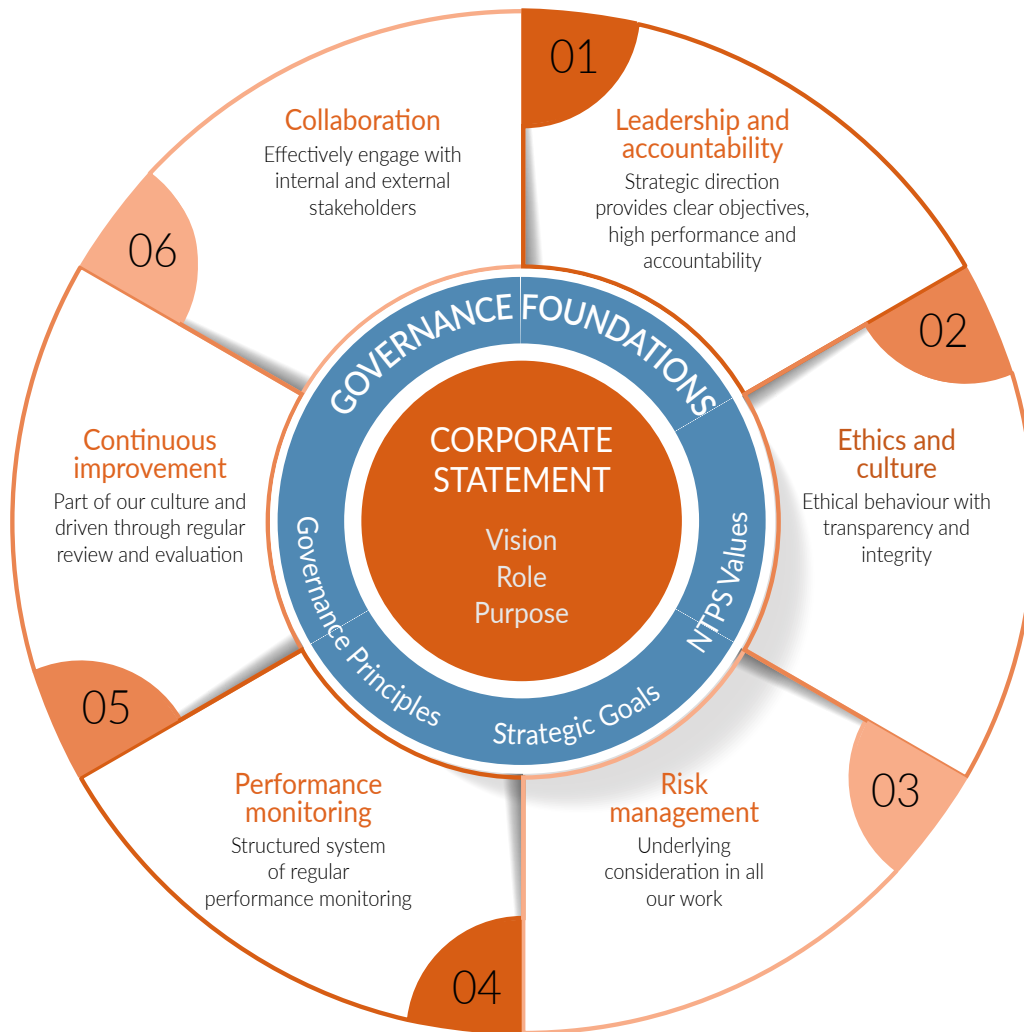
Corporate Governance Framework

The Corporate Governance Framework outlines DTF's corporate governance principles, strategic goals and values for effective governance.

The Corporate Governance Framework was revised in 2017 to reflect associated recommendations from the organisational capability review and provide further information on DTF's corporate governance practices.

The framework also introduced a revised accountability structure with four standing committees that provide further support to the Under Treasurer and SMG with oversight and advice in relation to specific risks and issues affecting the agency.

Figure 5: Corporate Governance Framework



Corporate statement

The corporate statement describes the vision, role and purpose of the organisation, and is presented in The Agency chapter.

Corporate governance foundations

The corporate governance foundations provide direction and commitment to staff by outlining DTF's strategic goals and focusing on how DTF will deliver, applying the corporate governance principles and Northern Territory Public Sector (NTPS) values.

Corporate governance practices

The revised framework introduced six corporate governance practices, which are designed to provide an effective governance structure and processes for DTF. They commit DTF, as a central agency, to good governance, optimising corporate performance and accountability. They demonstrate strong leadership, provide assurance to stakeholders and promote disclosure and transparency.

As shown in Figure 5, the six corporate governance practices are:

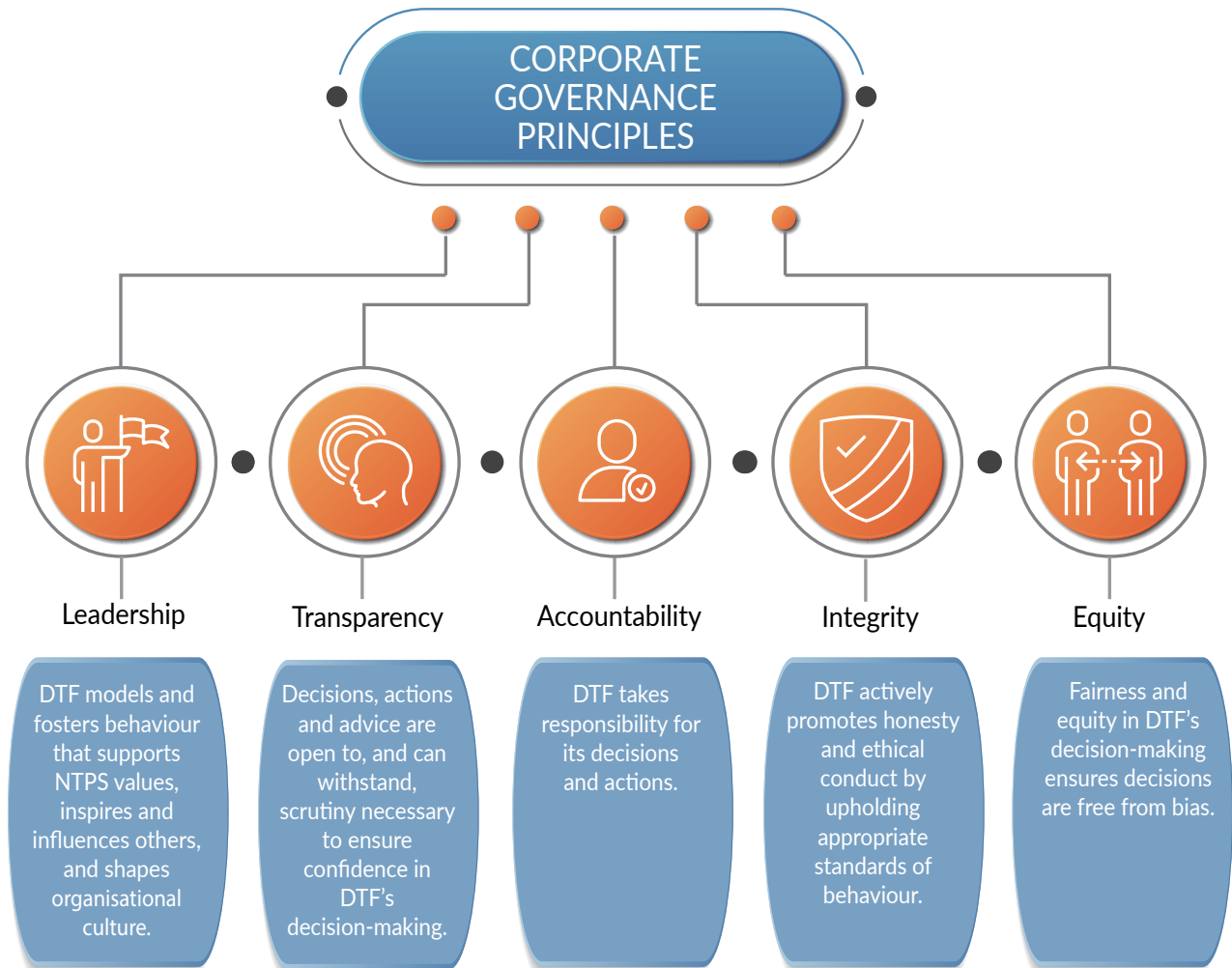
- leadership and accountability – senior management sets the strategic direction of the organisation, which provides clear objectives and focuses on achieving high performance with accountability

- ethics and culture – DTF staff behave ethically with transparency and integrity
- risk management – the management and understanding of risk is an underlying consideration in all our work
- performance monitoring – DTF has a structured system of regular performance monitoring
- continuous improvement – DTF has a culture of continuous improvement, driven through regular review and evaluation
- collaboration – DTF staff engage effectively with external and internal stakeholders.

Corporate governance principles

The corporate governance principles are a fundamental part of DTF's Corporate Governance Framework and ensure DTF delivers its outcomes in a manner consistent with the legal and policy framework under which it operates (Figure 6). They describe the principles upon which DTF operates as an organisation.

Figure 6: Corporate governance principles



Strategic goals

The strategic goals guide DTF's core business areas in the delivery of government outcomes and are set for a four-year period through the Corporate Plan. The plan is reviewed annually and adjusted as necessary, by SMG. Achievements are reported to SMG every six months.

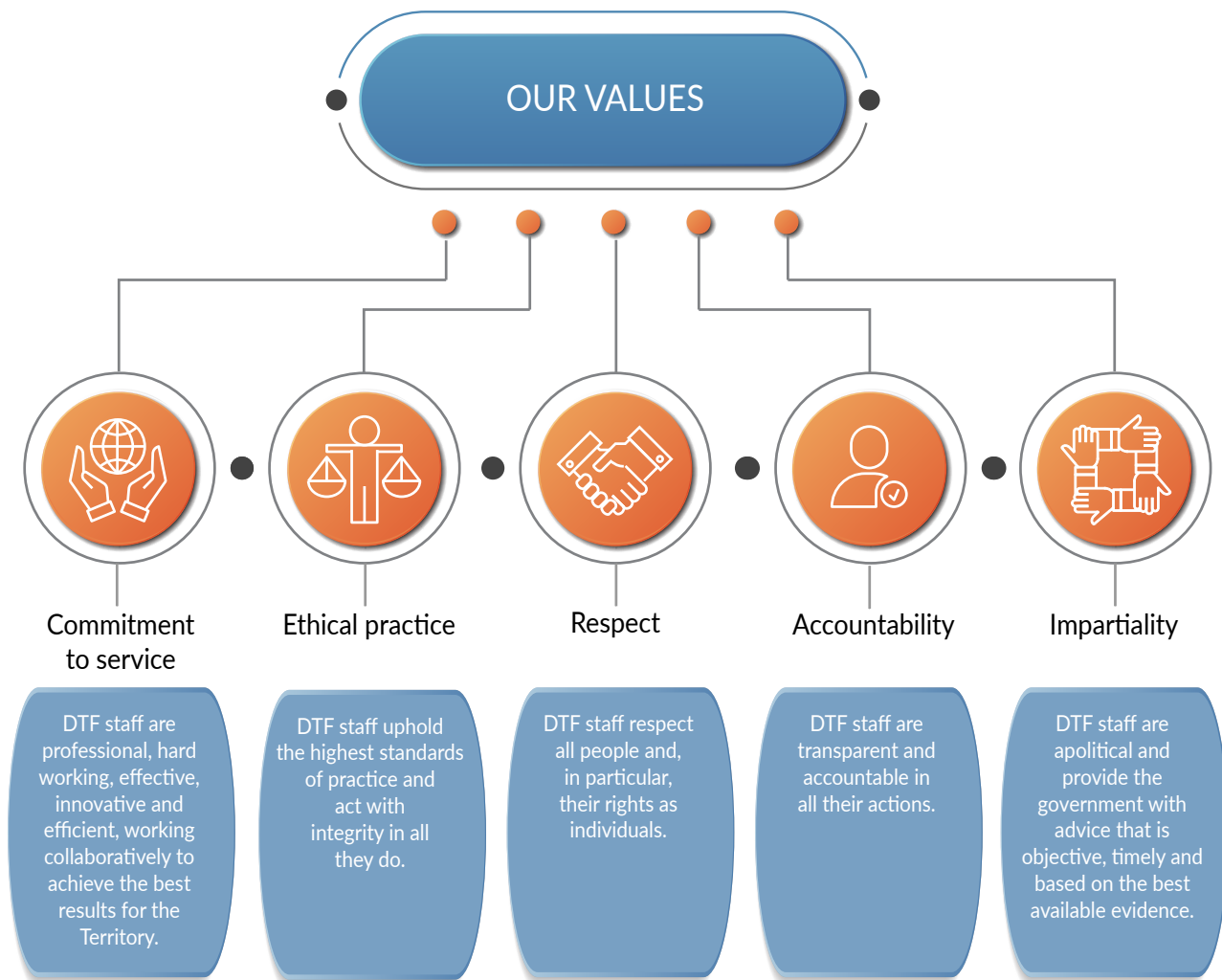
Further details on DTF's performance against the strategic goals are provided in the Our Performance chapter of this report and Appendix 1.

NTPS values

DTF has aligned its corporate values to the NTPS values. They describe the behaviours expected of staff within the workplace and how they are expected to interact with others at work.

The values, as outlined in Figure 7 are embedded into key agency documents, such as the Corporate Plan and employee performance agreements (ROADmaps).

Figure 7: Our values



Standing committees

The Under Treasurer is the agency's Accountable Officer, reporting directly to the Treasurer on DTF's corporate responsibilities and performance. The Under Treasurer is supported by SMG.

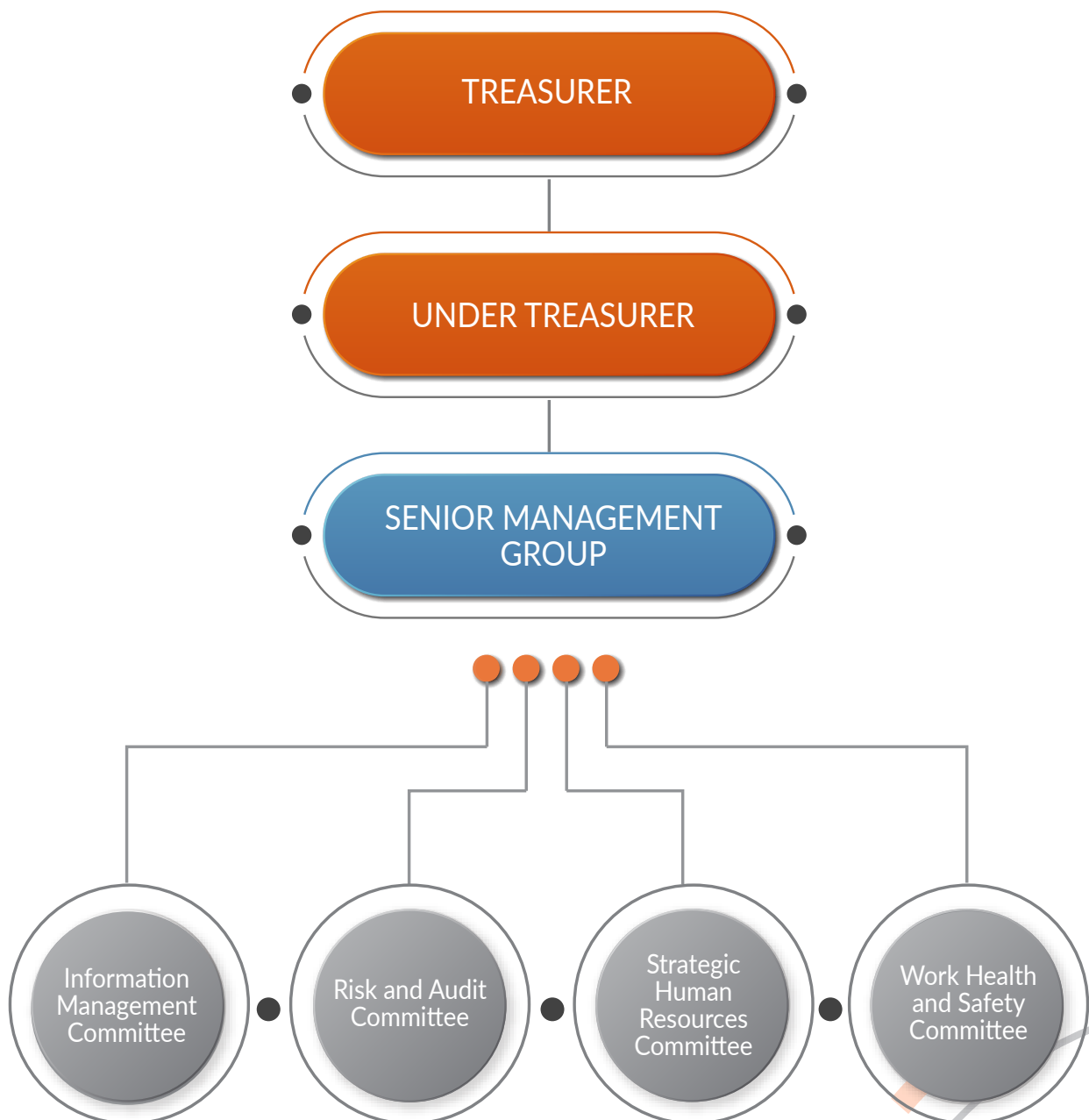
Figure 8 outlines the four standing committees that further support the Under Treasurer and SMG with oversight and advice in relation to risks and issues affecting the agency:

- Information Management Committee (IMC)

- Risk and Audit Committee (RAC)
- Strategic Human Resources Committee (SHRC)
- Work Health and Safety Committee (WHSC).

Each committee's role, membership and performance in 2017-18 are outlined in this section. Membership is as at 30 June 2018.

Figure 8: DTF accountability structure



Senior Management Group

Role

SMG supports the Under Treasurer and provides leadership and strategic direction to DTF. SMG is also responsible for strategic decision-making and policy setting in relation to DTF's operations and internal processes.

Membership

Craig Graham	Under Treasurer (Chair)
David Braines-Mead	Deputy Under Treasurer (Policy)
Catherine Weber	Deputy Under Treasurer (Corporate)
Tim McManus	Assistant Under Treasurer (Finance)
Sarah Rummery	Assistant Under Treasurer (Economic)
Mick Butler	Assistant Under Treasurer (Revenue)
Samantha Byrne	Senior Director Utilities Reform
Katrina Martin	Senior Director Commercial and Economic Policy
Jim Richards	Commissioner of Superannuation
Alex Pollon	General Manager Northern Territory Treasury Corporation
Sanja Hill	Director Corporate Support

Key functions

SMG develops and reviews the Corporate Plan, monitors performance and sets direction on major strategic priorities, policy development and resourcing.

SMG considers reports and briefings from each of its standing committees, and provides direction on and approves corporate policy and DTF projects.

Chaired by the Under Treasurer, SMG generally meets on a fortnightly basis.

2017-18 Achievements

- Provided strategic guidance and direction on a number of major projects and initiatives, including the Fiscal Strategy, Financial Management and Accounting Framework, the workers compensation insurance framework, utilities performance and reform, Economic Development Framework projects and intergovernmental matters.
- Updated the 2017-2020 Corporate Plan, including reviewing performance for 2017-18, determining the 2018-19 key actions.
- Monitored the progress of the organisational capability review that resulted in improved engagement with other agencies as well as a range of improvements related to internal communication, employee development and organisational structure.
- Revised the accountability structure and introduced new standing committees that further support SMG, overseeing their respective areas and advising in relation to specific risks and issues affecting the agency.

Information Management Committee

Role

The IMC provides strategic direction, and review of and advice on DTF's information and communications technology (ICT) investment. It also oversees the department's information management and ICT practices to ensure compliance with the ICT series of Treasurer's Directions, Records and Information Management Standard, *Information Act* and related responsibilities.

Membership

Mick Butler	Assistant Under Treasurer (Revenue) (Chair)
Chris Hosking	Deputy Chief Executive, Department of Corporate and Information Services
Tim McManus	Assistant Under Treasurer (Finance)
Alex Pollon	General Manager Northern Territory Treasury Corporation
Jim Richards	Commissioner of Superannuation
Darren Witham	Director Treasury Systems Services – Chief Information Officer (observer)

Key functions

The key functions of the committee are to:

- oversee the development of technology, information and data management policies
- set technology, information, data management and investment strategic direction
- review and endorse technology, information, data management and system initiatives to ensure alignment with DTF's technology, information, data management, architecture and strategic objectives.

2017-18 Achievements

The IMC was established in June 2018 and the first meeting was held in early 2018-19.

Risk and Audit Committee

Role

The RAC provides independent assurance to the Under Treasurer on DTF's financial and performance reporting responsibilities, risk oversight and management, and system of internal controls.

Membership

Fotis Papadakis	Chief Financial Officer, Department of Infrastructure, Planning and Logistics (External Chair)
Mick Butler	Assistant Under Treasurer (Revenue)
Samantha Byrne	Senior Director Utilities Reform
David Ryan	Project Leader, Department of the Attorney-General and Justice
Jim Richards	Commissioner of Superannuation
Sanja Hill	Director Corporate Support

Key functions

The key functions of the committee are to:

- monitor strategic risk assessments and the adequacy of established internal controls to manage strategic risks, as identified through these assessments
- oversee the risk and audit management function with DTF, including internal risk and audit management programs and their outcomes, terms of reference and the implementation of recommendations
- review the effectiveness of structures and practices that support the key elements of DTF's Corporate Governance Framework
- review the outcomes and monitor responses to recommendations of external auditors.

2017-18 Achievements

- Approved the 2018 Governance Action Plan to ensure the DTF corporate governance system is performing effectively.
- Approved the 2017-18 Internal Audit Work Plan and noted resulting internal audit reports.
- Noted reports provided by the Northern Territory Auditor-General's Office for audits.
- Monitored implementation of responses to audit findings.
- Noted quarterly procurement reports.

Strategic Human Resources Committee

Role

SHRC monitors and oversees strategic human resources (HR) planning and management for DTF in compliance with the *Public Sector Employment and Management Act* and the Northern Territory Public Service Human Capital Plan 2015-2020, as well as in the pursuit of the DTF 2017-2020 Corporate Plan.

Membership

Catherine Weber	Deputy Under Treasurer (Corporate) (Chair)
David Braines-Mead	Deputy Under Treasurer (Policy)
Tim McManus	Assistant Under Treasurer (Finance)
Sarah Rummery	Assistant Under Treasurer (Economics)
Mick Butler	Assistant Under Treasurer (Revenue)
Sanja Hill	Director Corporate Support (observer)

Key functions

The key functions of the committee are to:

- endorse and oversee the strategic direction of DTF HR strategic plans and leadership strategies.
- oversee DTF's recruitment and retention strategy and ensure compliance with the NTPS policy and procedures
- oversee employee mobility and development programs, including the graduate program
- monitor resourcing and performance data.

2017-18 Achievements

- Introduced a program of continued rotation for second-year graduates.
- Designed a middle level mobility program.
- Introduced an exchange program with the South Australian DTF.
- Developed the employee performance planning and review process, coined as ROADmap.
- Revised the HR delegations.

Work Health and Safety Committee

Role

WHSC develops, implements and monitors health and safety measures for DTF employees in compliance with the *Work Health and Safety (National Uniform Legislation) Act 2011*.

Membership

Sanja Hill	Director Corporate Support (Chair)
Rangga Daranindra	Governance Coordinator, Corporate Support
Jane Fuge	Group Coordinator, Corporate Support
Niall Stone	Policy Analyst, Corporate Support
Trifena Tarrant	Group Coordinator, Financial Management Group
Lien Bui	Executive Assistant, Territory Revenue Office
Debbie Lines	Revenue Analyst, Territory Revenue Office

Key functions

WHSC promotes a health and safety ethos for the workplace by developing, implementing and monitoring measures designed to ensure the health and safety of employees at work. The committee facilitates the provision of safe workplaces and systems of work, and advocates acceptable and responsible practices by employees and others.

2017-18 Achievements

Achievements in WHS are summarised in the Our People chapter of this report.

Corporate planning

2017-2020 Corporate Plan

The 2017-2020 Corporate Plan was released in early 2017 and updated in July 2018. It sets three strategic goals, outlines how these goals will be achieved and specifies key actions to be implemented each financial year. These key actions are then translated into and monitored through business plans and staff performance agreements.

The four-year Corporate Plan is reviewed annually to assess performance and set key actions for each upcoming year. This ensures the Corporate Plan continues to be relevant, and addresses government priorities and emerging issues.

DTF's performance against the 2017-2020 Corporate Plan is provided in the Our Performance section of this report and in Appendix 1.

Progress against priorities outlined in the Corporate Plan are reported to SMG every six months.

Accountabilities

DTF has a strong governance culture that places emphasis on sound corporate governance principles and practices, including the involvement of external stakeholders. Through good governance, DTF ensures the agency:

- performs by achieving its intended purpose
- conforms by complying with relevant laws and directions
- meets community expectations of integrity, accountability and transparency.

Managing and mitigating risk

The management and understanding of risk is an underlying consideration in all the agency's work. The risk management process can be applied at all levels and for all activities in the organisation with an emphasis on proactively identifying and managing risks in all work areas, rather than reacting to risks as they emerge. It supports making informed choices, prioritising activities and identifying the most effective and efficient course of action.

DTF's Risk Management Framework is based on the Australian/New Zealand Joint Standard ISO 31000:2009. The Risk Management Framework, Risk Management Policy and other supporting documentation requires information about risk derived from the risk management process to be adequately reported and used as a basis for decision-making and accountability at all levels.

DTF's risk management framework is reviewed regularly to ensure its continued compliance with relevant legislation and standards.

Risk assessment

Operational risk assessment is built into divisions' annual business planning. The resulting risk registers help divisions manage risks by discerning potential areas of exposure, implementing appropriate strategies to address these areas, and monitoring the progress and effectiveness of those strategies.

A strategic risk register is also maintained at the agency level and reviewed by SMG and RAC.

Risk oversight

RAC is responsible for overseeing internal reviews and quality assurance relating to financial management, risk management and fraud control, and considering how these can potentially impact on DTF's ability to achieve its strategic objectives and deliver its services and work plan. The committee ensures the agency has a clear vision of its priority risk areas and recommends review and remedial actions to the Under Treasurer, as required.

Accounting and Property Manual

The *Financial Management Act* requires the Accountable Officer to issue and maintain an Accounting and Property Manual (APM) for use by DTF's employees. The APM outlines DTF's key financial management procedures and associated internal controls. It is reviewed at least annually and updated as required.

Business Continuity Plan

DTF's Business Continuity Plan (BCP) details the actions that DTF, as an agency and a central agency, will take following an unexpected event or disaster in order to maintain continuity of critical business operations in DTF and across government. This includes specific plans for all ICT business systems. The BCP is reviewed at least annually and updated as required.

Confidentiality Agreement

DTF deals with highly sensitive and confidential information on a regular basis. All staff members sign a confidentiality agreement on commencement of employment. The confidentiality agreement reinforces with staff members their obligations as NTPS employees in managing and maintaining the confidentiality of Territory Government information.

Staff are regularly reminded of their confidentiality obligations.

Conflict of interest management

DTF ensures conflicts of interest (potential, perceived or actual) are recognised and managed effectively with a transparent and standard declaration process. All staff members sign a declaration on commencement of employment and are required to update it whenever their circumstances change. Staff members are canvassed periodically to update declarations.

Corporate delegations

Delegations create a clear set of authorities for staff and accountable officers to make decisions on their actions. Financial, HR, procurement and contract delegations are reviewed at least annually, or as required, to ensure they remain contemporary and reflect the organisational structure.

A major review of corporate delegations was conducted in 2017-18, with new information management delegations also introduced.

Induction process

On commencement with DTF, all staff members complete a new starter checklist with their supervisor and a representative from HR, undertake an electronic induction process and receive a reference manual to assist with successful onboarding.

Policies and procedures

DTF has a number of policies and procedures, available to staff in the Corporate Manual on DTF's internal intranet page. These documents describe processes and internal controls embedded into DTF business activities. They are regularly reviewed and updated as required.

Procurement

DTF's procurement policies and procedures, including the Agency Procurement Management Plan, are reviewed annually. Procurement advice and assistance is provided by the Department of Trade, Business and Innovation procurement services, which helps ensure DTF meets its obligations under the Territory Government procurement framework.

Related party disclosures

Not-for-profit public sector entities are subject to the requirements of AASB 124 Related Party Disclosures, which includes government agencies. This standard requires DTF to disclose within the notes to the annual financial statements certain related party information, including the remuneration of key management personnel (KMP) and transactions between them, their close family members and DTF.

A KMP member is a person with authority and responsibility for planning, directing and controlling the activities of DTF directly or indirectly, including a person in a position to influence the strategic direction of DTF. Related party disclosures are included in the Financial Statements section of this report.

Audits and reviews

The audit and review schedule is developed annually and comprises external audits and reviews under the Auditor-General's program, and the internal audit and review plan. All audit and review reports are presented to the Risk and Audit Committee to consider as part of their risk oversight role.

External audits

The Auditor-General schedules audits on a six-monthly basis and notifies the Under Treasurer of findings from each audit.

Audit findings by the Northern Territory Auditor-General for the period 1 July 2017 to 30 June 2018 are summarised in Appendix 4. All audit reports are presented to RAC to consider as part of its risk oversight role.

Internal audits

The internal audit plan is developed annually in consultation with divisions and SMG during the business planning process to review business processes and test selected internal controls. The plan is approved by RAC for implementation.

All resulting internal audit reports are presented to RAC to consider as part of its risk oversight role. Outcomes for the completed internal audits are summarised in Appendix 4.

The internal audit function is based on an in-sourced resourcing model, with employees across the agency trained to conduct internal audits. Eleven additional employees were trained by the Institute of Internal Auditors (Australia) in early 2018-19 to ensure there are sufficient numbers of DTF staff with the appropriate skills necessary to conduct audits and reviews.

Insurance arrangements

Agencies are required under the Treasurer's Directions to detail the mitigation strategies and processes they have in place to reduce the likelihood or severity of their insurable risks. DTF self-insures its insurable risks, which are generally related to assets and inventories, public liability and indemnities. They exclude financial risks and legal costs in action.

Workers compensation

Workers compensation insurance was purchased for one employee working remotely during 2017-18. Further information on workers compensation is provided in the Our People chapter.

Assets and inventories

DTF maintains an electronic asset register for fixed, leased, and portable and attractive items. Regular stocktakes of these assets were conducted during the year.

Public liability

Public liability risk is contained by limiting public access to DTF work areas. Quarterly safety risk assessment updates are also provided to the WHSC.

Indemnities

Risk assessments are completed for all new agreements.

Communication and collaboration

DTF undertakes a range of activities to communicate with our stakeholders, such as providing information and updates on DTF's websites and social media platforms, issuing a range of general and technical publications (for example, reports, budget papers and briefs), and collaborating with a range of stakeholders through participation on various Territory and national boards and committees.

Websites

DTF manages six public websites:

- the main site (treasury.nt.gov.au) provides information about the agency's core business and includes Northern Territory Treasury Corporation
- the Utilities Commission website (utilicom.nt.gov.au) provides information on electricity, water and sewerage, and port regulation and publications
- the Northern Territory Economy website (nteconomy.nt.gov.au) provides analysis and explanation of key economic indicators and DTF's forecasts and allows users to subscribe to our economic briefs mailing list
- the Careers in Treasury website (careers-treasury.nt.gov.au) provides information on DTF as a workplace and advertises current vacancies
- the budget website (budget.nt.gov.au) provides a summary of key elements of the budget as well as access to current and past budget papers
- the Cutting Red Tape website (cuttingredtape.nt.gov.au) informs industry and the broader community of measures being undertaken by government to make it easier to do business in the Territory. It provides a mechanism for stakeholders to submit feedback on the regulatory environment in the Territory.

DTF also created and managed the revenue discussion paper internet site (revenuepaper.nt.gov.au).

In addition, staff are kept informed of agency activities through DTF's internal website and staff newsletters, and have access to the Territory Government's internal intranet for information about other agencies.

Social media

DTF manages pages on Facebook (www.facebook.com/NTDTF) and LinkedIn (www.linkedin.com/company/department-of-treasury-and-finance-northern-territory-government/) that provide information on the agency's core activities, publication releases and engagement activities.

Publications

2017-18 Annual reports

- Department of Treasury and Finance
- Legislative Assembly Members' Superannuation Fund
- Northern Territory Government and Public Authorities' Superannuation Scheme
- Northern Territory Police Supplementary Benefit Scheme
- Northern Territory Treasury Corporation
- Utilities Commission

2018-19 Northern Territory budget papers

The 2018-19 Budget was handed down on 1 May 2018.

Budget Paper No. 1 Speech and Appropriation Bill

The Treasurer's speech to the Legislative Assembly describes the Northern Territory Government's budget strategy and key features of the 2018-19 Budget together with the Bill presented to Parliament outlining appropriations for 2018-19.

Budget Paper No. 2 Budget Strategy and Outlook

Meets the requirements of the *Fiscal Integrity and Transparency Act* (FITA). Includes a discussion of the government's fiscal strategy, the fiscal outlook for 2018-19 and the forward estimates period, and an overview of expenditure and revenue initiatives in the budget.

Budget Paper No. 3 Agency Budget Statements

Provides detailed information about agency budgets, grouped by ministerial portfolio.

Budget Paper No. 4 The Infrastructure Program

Presents a summary of the government's infrastructure program for all budget sector agencies, as well as descriptions of 2018-19 capital projects for each agency.

Budget Overview

Includes key features of the 2018-19 Budget.

Regional Highlights

Outlines government's initiatives, programs and expenditures in the 2018-19 Budget detailed by region.

Northern Territory Economy

Provides a detailed outlook for the Territory economy, including growth prospects, employment, population, trade, Australian and international economic conditions. Also includes a chapter on the performance and outlook for major Territory industries. From 2018-19, a more detailed assessment of the recent performance of the Territory economy has been relocated to the Northern Territory Economy website.

Northern Territory Economy Overview

A summary booklet of the Northern Territory Economy book.

Treasurer's financial statements

Treasurer's Annual Financial Report

The Treasurer's Annual Financial Report (TAFR) provides information about the financial performance and position of the Territory Government. The TAFR reports under the accrual framework and provides information on a sectoral basis (general government, public non financial corporations, non financial public sector, public financial corporations and total public sector) in accordance with FITA and the Uniform Presentation Framework (UPF) Agreement. It also includes notes to the accounts for the total public sector and provides an explanation of key variations on an agency-by-agency basis in an unaudited section.

The 2016-17 TAFR was tabled in the Legislative Assembly on 11 October 2017.

Mid-Year Report

FITA requires the Territory to publish a report before the end of February that revises the current year's budget projections and forward estimates. This interim report on the Territory's budget position also satisfies the Territory's UPF reporting obligations. The report provides updated information to enable an assessment of government's fiscal performance against the current fiscal strategy.

The 2017-18 Mid-Year Report was tabled in the Legislative Assembly on 16 November 2017.

Treasurer's quarterly financial reports

These reports provide statements that summarise the quarterly and year-to-date financial transactions, from a whole of government perspective on a UPF basis.

Reports were published for the quarters to 30 September 2017, 31 December 2017 and 31 March 2018. The June 2018 quarter results are incorporated into the 2017-18 TAFR.

Other publications

Northern Territory economic briefs

Northern Territory economic briefs provide up-to-date analysis of the Territory economy and its performance in relation to the Australian economy. These briefs are prepared on a monthly, quarterly or annual basis for various economic indicators. They are generally available on the day data is released and cover a broad range of economic and social indicators. They draw on various sources of data, including the Australian Bureau of Statistics (ABS), Deloitte Access Economics and other economic commentators.

Social indicator briefs

Released monthly, Northern Territory social indicator briefs provide the most recent key statistics about the Territory. They cover a broad range of social indicators such as population, family and community, health and welfare, education and training, employment, economic resources and other areas of social concern. The briefs draw on various sources of data including the Australian Institute of Health and Welfare, the ABS and the National Centre for Vocational Education Research.

Territory Bonds Prospectus

Aimed at prospective holders of Territory Bonds, this publication provides background on Territory Bonds and outlines the terms and conditions. An application form is attached to the prospectus.

Taxes, royalties and grants

Revenue discussion paper

In November 2017, DTF released a revenue discussion paper. The first of its kind in the Territory, the paper provided a comprehensive outline of the Territory's actual and potential own-source revenue bases. The paper provided a summary of the Territory's current tax and royalty systems, set out policy objectives and existing economic efficiencies or inefficiencies, and provided a range of reforms for discussion in order to stimulate community input into the Territory's revenue reform agenda. Feedback from the public consultation process informed 2018-19 Budget development.

Employers' Guide to Payroll Tax in the Northern Territory

An aid to employers who may have a liability for payroll tax, the guide comprehensively explains the basic provisions of the *Payroll Tax Act* and gives examples of how to calculate payroll tax. The guide was updated to take into account budget changes, with the revised version published in time for the 2017-18 financial year.

Commissioner's guidelines

Commissioner's guidelines are published by the Territory Revenue Office to provide guidance on the Commissioner's interpretation of various provisions of revenue legislation, or details of administrative policies, practices or procedures utilised by the Territory Revenue Office in administering those laws. Six guidelines were issued or revised in 2017-18.

Revenue circulars

Revenue circulars provide timely advice to taxpayers and their advisers on new developments to the revenue laws administered by the Commissioner of Territory Revenue. Revenue circular RC-GEN-020 was released in 2017-18.

Payroll tax rulings

The Commissioner for Territory Revenue issues payroll tax rulings to provide guidance on the Commissioner's interpretation of the *Payroll Tax Act*, which is largely harmonised with the legislation in most other states and the Australian Capital Territory. The rulings adopt a common structure with these jurisdictions and are issued in consultation with them to ensure there is nationally consistent administration of the harmonised provisions.

Home assistance schemes

The household goods grant assists eligible first home owners of new homes by providing a grant of up to \$2000 to purchase household goods for use in that home. New publications were created to administer and promote the grant, in conjunction with other home incentive schemes available to first home buyers.

Other related forms and publications were also updated to reflect changes as a result of the increased stamp duty first home owner discount, home renovation grants and the 2017-18 Budget revenue measures.

More details can be accessed on firsthome.nt.gov.au.

Superannuation

Annual reports

Annual reports are prepared for each of the Northern Territory Government and Public Authorities' Superannuation Scheme (NTGPASS), the Legislative Assembly Members' Superannuation (LAMS) Fund and the Northern Territory Police Supplementary Benefit Scheme (PSBS). These reports provide information on the operations of the schemes to the Treasurer (as the minister responsible for superannuation matters), to members and other interested parties. This includes information on the administration of the schemes as well as the management, financial position and investment performance of the funds attached to the schemes.

Member information statements

The Superannuation Office provides members of NTGPASS, NTSSS, LAMS and PSBS with information statements each year with key information to members about their accumulation account and defined benefit entitlements. For NTGPASS, NTSSS and PSBS members, copies of these statements since 2004 can be accessed from computers within the Territory government network at ntgpass.nt.gov.au.

NTGPASS management and administration reforms

The Superannuation Office website provides detailed information regarding the announced NTGPASS management and administration reforms. This information includes information about the process to select a new fund to manage and invest members' savings as well as details of questions and answers arising from member seminars. In June 2018, 35 information seminars attracting 865 members and their partners (almost one third of all NTGPASS members) were held in Alice Springs, Casuarina, Darwin, Katherine, Nhulunbuy, Palmerston and Tennant Creek. Other topics were also covered in response to member questions.

Member information book

The NTGPASS and Northern Territory Supplementary Superannuation Scheme (NTSSS) Member Information book provides a comprehensive guide to these schemes for members and staff and is available on the Superannuation Office website.

Forms and fact sheets

The Superannuation Office aims to provide informative material to assist members to understand their NTGPASS and NTSSS entitlements, as well as superannuation in general. Information is available through a range of publications including forms, fact sheets and our website pages. Information is kept up to date and new items are developed as required. In the past year, a number of publications were revised in line with legislative changes or updated practices. In addition, information regarding the implications of the Commonwealth's changes to superannuation rules was published for all NTPS employees.

External engagement

DTF collaborates with a range of stakeholders through its participation on various Territory and national boards and committees. The following are the key bodies in 2017-18, presented in alphabetical order.

Northern Territory

- 2017 Northern Australia Infrastructure Fund – Northern Territory Government Working Group
- Aboriginal Affairs Senior Officers Working Group
- Agents Licensing Fidelity Guarantee Fund Investment Board
- ASNEX Steering Committee
- Charles Darwin University Audit and Risk Committee
- Coastal and Marine Management Strategy Inter-agency Working Group
- Children and Families Standing Committee
- Department of the Attorney-General and Justice Budget Management and Planning Review Steering Committee
- Economic Intelligence Sharing Committee
- Economic Standing Committee
- Electricity Reform and Renewable Energy Inter-agency Working Group
- Hydraulic Fracturing Inter-agency Working Group
- Ichthys Industry Participation Plan Steering Committee
- Innovation and Science Senior Officers Working Group
- Menzies School of Health Research Finance Committee
- National Disability Insurance Scheme Steering Committee
- Northern Territory Health Return to Budget Project Steering Committee
- Northern Territory ICT Governance Board
- Northern Territory Legal Aid Commission
- Northern Territory Pensioner and Carers Concession Scheme Working Group
- Northern Territory Police, Fire and Emergency Services (NTPFES) Finance and Strategic Directions Steering Committee
- Palmerston Regional Hospital Executive Program Board
- Population Working Group
- Regulation Impact Committee (Chair)
- Statistical Liaison Network (Chair)
- Superannuation Reform Steering Committee (Chair)
- Superannuation Trustee Board
- Territory Taxation Administration Liaison Committee (Chair)

National

- Australian Statistics Advisory Council
- Australian Taxation Revenue Office Compliance Committee
- Australian Taxation Revenue Office Coordination Forum
- Council of Australian Governments Energy Council Senior Committee of Officials
- GST Administration Subcommittee
- Heads of Treasuries
- Heads of Treasuries Deputies
- National Disability Insurance Scheme Senior Officials Working Group
- National Superannuation Policy Officers Group
- State Statistical Forum
- State Tax Commissioners committees and subcommittees
- Steering Committee for the Review of Government Service Provision

Records and information

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

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

Information requests

Part 3 of the *Information Act* formally sets out the process for accessing government information, and accessing and correcting personal information held by DTF. Details about how to apply for access to information, with links to relevant legislation and related agencies, can also be found on DTF's website. Further assistance can be provided by contacting:

Information Policy Officer
 Department of Treasury and Finance
 GPO Box 1974 DARWIN NT 0801
 Telephone: 08 8999 6764
 Email: foi.dtf@nt.gov.au
 Web: treasury.nt.gov.au/InformationAct

Table 22: *Information Act* requests

Application status	2013-14	2014-15	2015-16	2016-17	2017-18
Applications carried over	1	2	-	-	1
Applications					
Personal information	1	1	1	1	1
Government information	3	2	6	2	6
Correct personal information	2	1	-	-	-
For internal review	1	3	-	1	-
Requests					
Withdrawn	-	-	1	-	1
Transferred to another agency	1	1	1	-	1
Completed within 30-day period	3	6	5	3	4
Completed, exceeding 30-day period	1	1	-	-	-
Applications on hand as at 30 June	2	-	-	1	2

Note: DTF also received requests for information that could be dealt with under normal administrative processes. These requests are not included in this table.

During 2017-18, DTF received seven applications for access to government or personal information under the *Information Act*. These requests were all processed on time in accordance with the requirements of the *Information Act*. Table 22 provides statistical data over the past five years.

Complaints and enquiries

DTF received no privacy complaints or enquiries from the Ombudsman during 2017-18.

Records and information management

Pursuant to section 131(2) of the *Information Act*, the Under Treasurer must report on DTF's compliance with Part 9 Records and Archives Management. In compliance with Part 9 and the Records Management Standards for Public Sector Organisations, DTF continued to improve its record management practices and existing procedures and policies to ensure full and accurate records are created, captured, discoverable, and secure and disposed of in line with approved records disposal schedules.

Corporate social responsibility

This section summarises DTF's performance regarding its corporate social responsibility to the environment and the community.

Environmental reporting

DTF continually seeks innovative approaches to reduce its carbon footprint, and encourages staff members to utilise energy efficient programs and select greener options where possible. These include:

- gifting unwanted assets that are still in good condition such as computer equipment, electronics and furniture to local not-for-profit organisations, encouraging re-use
- purchasing energy-efficient electrical and white goods
- encouraging meetings to be conducted by phone or videoconference to reduce the requirement to travel
- enabling access to electronic documents to replace hard copies, purchasing recycled copy paper, where possible, and ensuring all printers have default settings to utilise double-sided printing to reduce paper usage
- allocating recycle bins for paper/cardboard, confidential and co-mingled waste on all DTF office floors
- restricting lights and airconditioning on all floors to operate between 7 am and 5 pm.

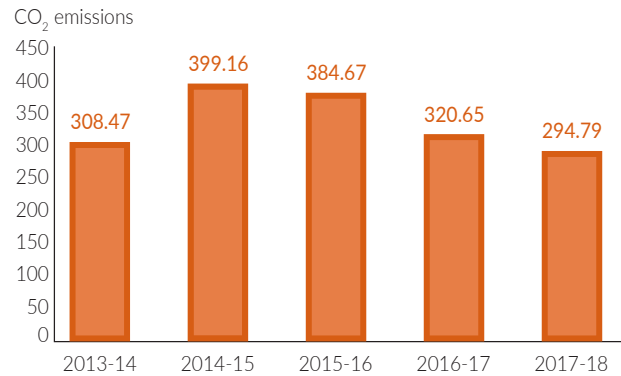
Carbon emissions

Each year, DTF calculates its carbon emissions by type to monitor progress and identify any areas in need of further attention. In 2017-18, DTF's total carbon dioxide emission was 294.79 tonnes compared to 320.65 tonnes in 2016-17, a reduction of 8 per cent.

Fleet vehicles

During 2017-18, DTF fleet vehicles travelled around 163 574 kilometres, creating roughly 30.67 tonnes of carbon dioxide emissions. This was down from 38.40 tonnes of emissions the previous year.

Figure 9: DTF's annual total carbon emissions



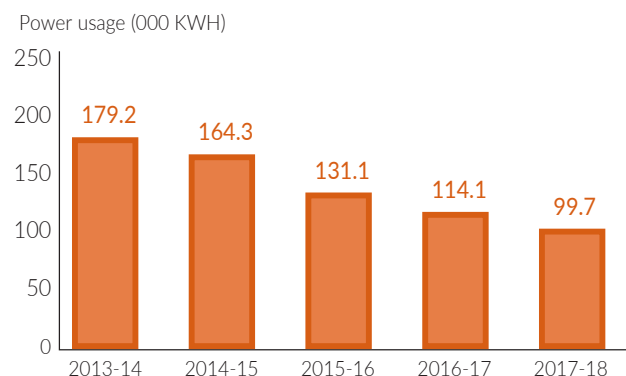
Note: Data is back cast to reflect a change in reporting methodology. Historical data may not match previously published information.

Energy reductions

DTF's energy use continued to reduce over time, as shown in Figure 10, reflecting the Charles Darwin Centre (CDC) building owner's aim to achieve a 5-star energy rating under the National Australian Built Environment Rating System energy scheme. In 2017-18, DTF's energy usage was 99 741 kilowatt hours, compared to 114 120 kilowatt hours in 2016-17, a reduction of 13 per cent.

The reduction has been possible due to the CDC building allowing lights and airconditioning on all floors to be restricted to operate between 7 am and 5 pm. After-hours use of lights and airconditioning operates for every half of each floor with separate controls and a two-hour time limit.

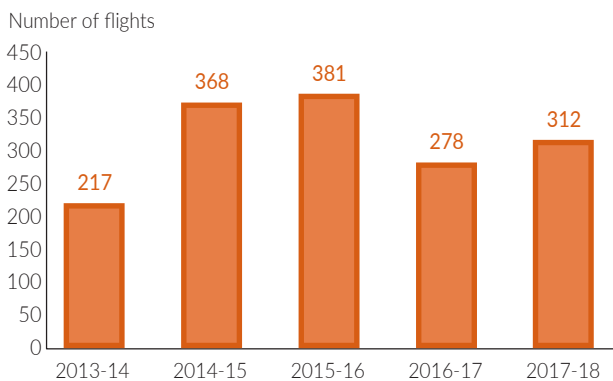
Figure 10: Power meter readings



Air travel

As per the travel policy framework, air travel has been reduced where possible and replaced instead with teleconferencing or videoconferencing in an effort to reduce carbon emissions and save time and cost. Since 2015-16, air travel has reduced by 18 per cent to 312 flights, as shown in Figure 11 below, but remains above the lowest figure of 217 flights in 2013-14.

Figure 11: Air travel



Paper consumption

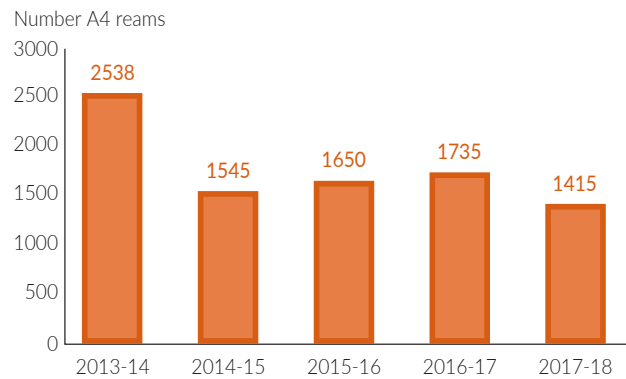
DTF has a number of initiatives to reduce paper waste and consumption, including:

- purchasing 100 per cent recycled paper
- defaulting all printers to double-sided printing
- encouraging staff to use online viewing and document distribution through the internal website
- encouraging online newspaper subscriptions
- no longer posting physical correspondence, but rather scanning and emailing it
- promoting electronic record management to eliminate paper files.

Following an internal campaign to use electronic rather than hard copy documents, paper consumption remained low in 2017-18.

DTF will continue to monitor consumption and consider ways to further reduce paper use.

Figure 12: Total reams of paper purchased



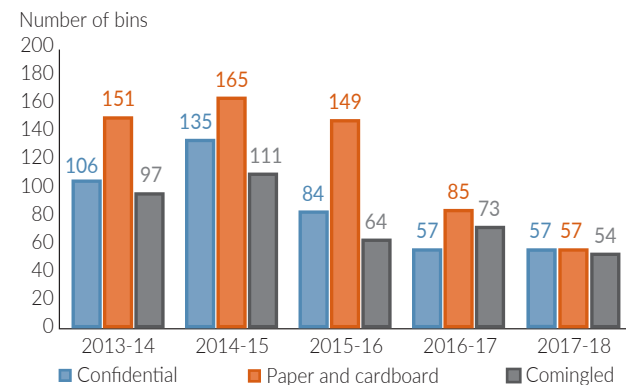
kWh: kilowatt hours

Recycling

Staff are encouraged to recycle whenever possible to minimise the impact on the environment, by providing recycling bins on each floor. A confidential shredding service is used to destroy confidential documents. DTF also recycles printer toners and cartridges, and mobile phones when required.

A decrease in recycling reflects the ongoing migration to electronic records management.

Figure 13: Recycle bins







5 | FINANCIAL STATEMENTS

2017-18 Financial statements	80
Department of Treasury and Finance	81
Central Holding Authority	116

2017-18 Financial statements

Department of Treasury and Finance

The Department of Treasury and Finance (DTF) has a unique role and set of responsibilities in the Territory's financial management framework, which makes the financial statements section of this annual report different from other agencies.

DTF is a central agency, and its primary function is providing advice on issues across government. Like all government agencies, DTF's activities are mainly funded by appropriations, as set out in the annual budget. In addition to its own agency responsibilities, DTF undertakes certain responsibilities on behalf of the Territory, therefore incurring whole of government expenses through its operating statement. These expenses include the Territory's GST administration costs, payment of community service obligations (CSOs) for the utility uniform tariff policy and payment for home incentive schemes on behalf of government.

Around three-quarters of DTF's financial activities are undertaken on behalf of the Territory rather than for the agency's own operations. This contrasts with most other agencies where, aside from CSOs, agency budgets are for the most part devoted to their service delivery responsibilities. It is important in reviewing DTF's financial statements to understand the effect these whole of government expenses have on its financial position. Administered Territory items are detailed in Note 22 of its financial statements.

Additionally, DTF manages two sets of financial statements: one for its own agency activities and one on behalf of the Territory (whole of government) including the Central Holding Authority (CHA). Both sets of financial statements are presented in this section.

Central Holding Authority

CHA is considered the parent body of government and represents government's ownership interest in all government-controlled entities. Given DTF's whole of government focus and responsibilities, it manages CHA on behalf of government.

CHA records, on behalf of the Territory, assets and liabilities that cannot be assigned to specific agencies. These include the Territory's investment portfolio, borrowings and unfunded employee liabilities, including long service leave and superannuation.

CHA's responsibilities further include the collection of Territory own-source revenues such as payroll tax, conveyance stamp duty, mineral royalties and fines, and the administration of significant Commonwealth funding such as GST revenue, and national partnership and specific purpose payments passed on to relevant agencies through appropriations.

CHA's expenses are limited and reflect direct costs associated with borrowings and unfunded employee liabilities.

Audit process

DTF and CHA are subject to annual end-of-year reviews conducted by the Northern Territory Auditor-General. The objective of these reviews is to assess the adequacy of selected controls over reporting and accounting with the purpose of providing support to the audit of the Treasurer's Annual Financial Statements.

Certification of the financial statements

We certify that the attached financial statements for the Department of Treasury and Finance have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018, and the financial position on that date.

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



Catherine Weber
A/Under Treasurer
28 September 2018



Vicky Coleman
A/Chief Financial Officer
28 September 2018

Comprehensive Operating Statement

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
INCOME			
Grants and subsidies revenue			
Current		-	21
Appropriation			
Output		150 691	149 535
Sales of goods and services		385	379
Interest revenue		118	109
Goods and services received free of charge	4	2 728	2 738
Other income		134	-
TOTAL INCOME	3	154 056	152 783
EXPENSES			
Employee expenses		18 451	18 024
Administrative expenses			
Purchases of goods and services	5	6 098	7 431
Repairs and maintenance		11	5
Depreciation and amortisation	11, 12	7	7
Other administrative expenses ¹		9 107	9 748
Grants and subsidies expenses			
Current		12 652	12 088
CSOs		105 470	102 555
Interest expenses		-	25
TOTAL EXPENSES	3	151 796	149 883
NET SURPLUS/(DEFICIT)		2 260	2 900
COMPREHENSIVE RESULT		2 260	2 900

¹ Includes the Department of Corporate and Information Services (DCIS) service charges.

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

Balance Sheet

As at 30 June 2018

	Note	2018 \$000	2017 \$000
ASSETS			
Current assets			
Cash and deposits	7	24 617	22 473
Receivables	8	668	1 089
Prepayments	9	46	5
Total current assets		25 331	23 567
Non-current assets			
Advances and investments	10	25 000	25 000
Property, plant and equipment	11, 12	41	48
Total non-current assets		25 041	25 048
TOTAL ASSETS		50 372	48 615
LIABILITIES			
Current liabilities			
Payables	13	664	1 457
Provisions	14	2 961	2 671
Total current liabilities		3 625	4 128
TOTAL LIABILITIES		3 625	4 128
NET ASSETS		46 747	44 487
EQUITY			
Capital		(21 544)	(21 544)
Accumulated funds		68 291	66 031
TOTAL EQUITY	16	46 747	44 487

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2017-18					
Accumulated funds		66 031	2 260	-	68 291
Capital – transactions with owners					
Equity injections		(21 544)	-	-	(21 544)
		(21 544)	-	-	(21 544)
Total equity at end of financial year	16	44 487	2 260	-	46 747
2016-17					
Accumulated funds		63 132	2 900	-	66 031
Capital – transactions with owners					
Equity injections		(21 471)	-	-	(21 471)
Equity withdrawals		-	-	-	-
Equity transfers out		-	-	(73)	(73)
		(21 471)	-	(73)	(21 544)
Total equity at end of financial year	16	41 661	2 900	(73)	44 487

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Cash Flow Statement

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Grants and subsidies received			
Current		-	21
Appropriation			
Output		150 691	149 535
Receipts from sales of goods and services		1 812	5 801
Total operating receipts		152 503	155 357
Operating payments			
Payments to employees		(18 152)	(17 845)
Payments for goods and services		(14 085)	(14 884)
Grants and subsidies paid			
Current		(12 652)	(12 088)
CSOs		(105 470)	(102 555)
Interest paid		-	(25)
Total operating payments		(150 359)	(147 397)
Net cash from/(used in) operating activities	17	2 144	7 960
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing payments			
Purchases of assets		-	(11)
Total investing payments		-	(11)
Net cash from/(used in) investing activities		-	(11)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing payments			
Equity withdrawals		-	(73)
Total financing payments		-	(73)
Net cash from/(used in) financing activities		-	(73)
Net increase/(decrease) in cash held		2 144	7 876
Cash at beginning of financial year		22 473	14 597
CASH AT END OF FINANCIAL YEAR	7, 17	24 617	22 473

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

Index of notes to the financial statements

1.	Objectives and funding	87
2.	Statement of significant accounting policies	87
3.	Comprehensive Operating Statement by output group	92
4.	Goods and services received free of charge	95
5.	Purchases of goods and services	95
6.	Write-offs, postponements, waivers, gifts and ex gratia payments	96
7.	Cash and deposits	96
8.	Receivables	96
9.	Prepayments	97
10.	Advances and investment	97
11.	Property, plant and equipment	97
12.	Fair value measurement of non-financial assets	98
13.	Payables	99
14.	Provisions	99
15.	Commitments	100
16.	Equity	100
17.	Reconciliation of net surplus/(deficit) to operating activities	101
18.	Financial instruments	101
19.	Related parties	107
20.	Contingent liabilities and contingent assets	108
21.	Events subsequent to balance date	109
22.	Schedule of administered Territory items	110
23.	Budgetary information	111
24.	Budgetary information: administered Territory items	114

1. Objectives and funding

DTF contributes to the achievement of government's economic, fiscal and social policy objectives by providing analysis and advice on sustainable government finances, strategic positioning and effective risk management of government's economic, commercial and revenue activities.

DTF is predominantly funded by, and dependent on, the receipt of parliamentary appropriations. The financial statements encompass all funds through which DTF controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by DTF are summarised into six output groups. Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by output group.

Additional information in relation to DTF and its principal activities are provided in the Our Performance section of this annual report.

2. Statement of significant accounting policies

a) Statement of compliance

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

- (i) a certification of the financial statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

b) Basis of accounting

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

Except where stated, the financial statements are prepared in accordance with the historical cost convention.

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

Standards and interpretations effective from 2017-18

The following new and revised accounting standards and interpretations were effective for the first time in 2017-18.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enables users of financial statements to evaluate changes in liabilities arising from financing activities.

2. Statement of significant accounting policies (continued)

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

Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods.

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the Balance Sheet.

For lessees with operating leases, a right-of-use asset will now be included in the Balance Sheet together with a lease liability for all leases with a term of 12 months or more, unless the underlying assets are of low value. The Comprehensive Operating Statement will no longer report operating lease rental payments, instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

For lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that approximately \$302 000 in operating lease commitments will be required to be recognised in the Balance Sheet through a lease liability and corresponding right-to-use asset from 2019-20 in accordance with AASB 16 Leases. In the Comprehensive Operating Statement, the operating lease expense will be replaced with a depreciation expense relating to the right-to-use asset and interest expense relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the Balance Sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

2. Statement of significant accounting policies (continued)

While the full impacts are yet to be determined, potential impacts identified include:

- grants received to construct or acquire a non-financial asset will be recognised as a liability and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt
- grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt
- grants that have an enforceable agreement and no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation
- grants that are not enforceable or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

AASB 1059 addresses the accounting for arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services.

Where a transaction meets the definition of a service concession arrangement, a service concession asset and liability will be recognised on the Balance Sheet and valued in accordance with the new standard.

The Territory's public-private partnership arrangements are currently under review to determine the applicability of AASB 1059 and the full impact of the new standard.

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

c) Reporting Entity

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

The principal place of business of DTF is 19 The Mall, Darwin.

2. Statement of significant accounting policies (continued)

d) Agency and Territory items

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

Central Holding Authority

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

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

CHA also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities not practical or effective to assign to individual agencies, such as unfunded superannuation and long service leave.

CHA recognises and records all Territory items and therefore these items are not included in DTF's financial statements. However, as DTF is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 22.

e) Comparatives

Where necessary, comparative information for 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

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

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

h) Accounting judgments and estimates

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

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

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

2. Statement of significant accounting policies (continued)

i) Goods and services tax

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

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

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

j) Contributions by and distributions to government

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

The Statement of Changes in Equity provides additional information in relation to contributions by and distributions to government.

3. Comprehensive Operating Statement by output group

	Note	Financial Management		Economic		Territory Revenue	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
INCOME							
Grants and subsidies revenue							
Current		-	1	-	17	-	2
Appropriation output		4 865	4 984	121 145	118 910	15 409	16 621
Sales of goods and services		12	13	310	301	39	42
Interest revenue		-	-	118	109	-	-
Goods and services received free of charge	4	88	91	2 193	2 178	279	305
Other Income		4	-	108	-	14	-
TOTAL INCOME		4 969	5 089	123 874	121 515	15 741	16 970
EXPENSES							
Employee expenses		3 503	3 358	4 626	4 469	4 169	4 642
Administrative expenses							
Purchases of goods and services	5	652	680	2 174	3 388	800	833
Repairs and maintenance		2	1	3	1	3	1
Depreciation and amortisation	11, 12	1	1	2	2	2	2
Other administrative expenses ¹		536	559	7 034	7 690	722	690
Grants and subsidies expenses							
Current		-	-	3 781	1 916	8 871	10 172
Community service obligations		-	-	105 470	102 555	-	-
Interest expenses		-	-	-	-	-	25
TOTAL EXPENSES		4 694	4 599	123 090	120 021	14 567	16 365
NET SURPLUS/(DEFICIT)		275	490	784	1 494	1 174	605
COMPREHENSIVE RESULT		275	490	784	1 494	1 174	605

¹ Includes DCIS service charges.

This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.

3. Comprehensive Operating Statement (continued)

	Note	Superannuation		Economic Regulation		Corporate and Governance		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME									
Grants and subsidies revenue									
Current		-	-	-	-	-	1	-	21
Appropriation output		2 632	2 807	1 290	1 387	5 350	4 827	150 691	149 536
Sales of goods and services		7	7	3	4	14	12	385	379
Interest revenue		-	-	-	-	-	-	118	109
Goods and services received free of charge	4	48	51	23	25	97	88	2 728	2 738
Other Income		2	-	1	-	5	-	134	-
TOTAL INCOME		2 689	2 865	1 317	1 416	5 466	4 928	154 056	152 783
EXPENSES									
Employee expenses		1 554	1 576	487	523	4 112	3 456	18 451	18 024
Administrative expenses									
Purchases of goods and services	5	904	1 003	645	727	923	800	6 098	7 431
Repairs and maintenance		1	1	-	-	2	1	11	5
Depreciation and amortisation	11, 12	1	1	-	-	1	1	7	7
Other administrative expenses ¹		223	231	70	59	522	519	9 107	9 748
Grants and subsidies expenses									
Current		-	-	-	-	-	-	12 652	12 088
Community service obligations		-	-	-	-	-	-	105 470	102 555
Interest expenses		-	-	-	-	-	-	-	25
TOTAL EXPENSES		2 683	2 812	1 202	1 309	5 560	4 777	151 796	149 883
NET SURPLUS/(DEFICIT)		6	53	115	107	(94)	151	2 260	2 900
COMPREHENSIVE RESULT		6	53	115	107	(94)	151	2 260	2 900

¹ Includes DCIS service charges.

This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.

3. Comprehensive Operating Statement (continued)

Income

Income encompasses both revenue and gains.

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

Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when DTF obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Appropriation

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in specific purpose and national partnership payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by DTF on behalf of CHA and then on-passed to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- DTF retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable the economic benefits associated with the transaction will flow to DTF
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable the economic benefits associated with the transaction will flow to the entity.

4. Goods and services received free of charge

	2018	2017
	\$000	\$000
Corporate and information services	2 728	2 738
Total goods and services free of charge	2 728	2 738

5. Purchases of goods and services

The net surplus/(deficit) has been arrived at after charging the following expenses:

	2018	2017
	\$000	\$000
Consultants ¹	1 033	2 060
Advertising ²	16	4
Marketing and promotion ³	105	113
Document production	78	92
Legal expenses ⁴	461	994
Recruitment ⁵	79	60
Training and study	284	245
Official duty fares	83	61
Travel allowance	16	16
Agent service arrangements	1 367	1 421
Information technology charges	1 541	1 620
Communications	135	125
Fees and regulatory charges	155	88
Other	745	532
Total purchases of goods and services	6 098	7 431

1 Includes marketing, promotion and information technology (IT) consultants.

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

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

4 Includes legal fees, claim and settlement costs.

5 Includes recruitment-related advertising costs.

Repairs and maintenance expense

Funding is received for repairs and maintenance works associated with DTF's assets as part of output appropriation. Costs associated with repairs and maintenance works on DTF's assets are expensed as incurred.

Interest expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

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

	Territory items		Territory items	
	2018	No. of trans.	2017	No. of trans.
	\$000		\$000	
Represented by:				
Waiver or postponement of right to receive or recover money or property	282	4	4 570	4
Total written off, postponed and waived by the Treasurer	282	4	4 570	4
Total write-offs, postponements and waivers under the <i>Financial Management Act</i>	282	4	4 570	4
Ex gratia payments under the <i>Financial Management Act</i>	3	1	91	5

7. Cash and deposits

	2018	2017
	\$000	\$000
Cash on hand	24 617	22 473
Total cash and deposits	24 617	22 473

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

8. Receivables

	2018	2017
	\$000	\$000
Current		
Accounts receivable	302	955
Less: Allowance for impairment losses	-	(2)
	302	953
GST receivables	366	136
Total receivables	668	1 089

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables DTF estimates are likely to be uncollectible and considered doubtful. Analysis of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 18. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days.

9. Prepayments

	2018	2017
	\$000	\$000
Total prepayments	46	5

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

10. Advances and investment

	2018	2017
	\$000	\$000
Total advances and investments	25 000	25 000

Advances are carried at amortised cost using the effective interest rate method less allowance for impairment.

11. Property, plant and equipment

	2018	2017
	\$000	\$000
Plant and equipment		
At fair value	60	60
Less: Accumulated depreciation	(19)	(12)
Total property, plant and equipment	41	48
Carrying amount as at 1 July	48	43
Additions	-	12
Depreciation	(7)	(7)
Carrying amount as at 30 June	41	48

Acquisitions

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

Subsequent additional costs

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

11. Property, plant and equipment (continued)

Revaluations and impairment

Revaluation of assets

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

Depreciation and amortisation expense

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

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

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

	2018	2017
Plant and equipment	3 – 10 years	3 – 10 years

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

Operating leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

12. Fair value measurement of non-financial assets

a) Fair value hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

	2018		2017	
	Level 3	Total fair value	Level 3	Total fair value
Plant and equipment recorded at cost approach	\$000	\$000	\$000	\$000
Asset classes				
Plant and equipment (Note 11)	41	41	48	48

There were no transfers between level 1 and levels 2 or 3 during 2017-18.

12. Fair value measurement of non-financial assets (continued)

b) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring level 3 fair value measurements

	Plant and equipment	
	2018	2017
	\$000	\$000
Fair value as at 1 July	48	43
Additions	-	12
Depreciation	(7)	(7)
Fair value as at 30 June	41	48

(ii) Sensitivity analysis

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

13. Payables

	2018	2017
	\$000	\$000
Accounts payable	33	28
Accrued expenses	631	1 429
Total payables	664	1 457

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to DTF accounts payable are normally settled within 30 days.

14. Provisions

	2018	2017
	\$000	\$000
Employee benefits		
Recreation leave	2 361	2 113
Leave loading	230	221
Other employee benefits	6	19
Other current provisions		
Other provisions	364	318
Total provisions	2 961	2 671

DTF employed 143.9 full-time equivalent (FTE) employees as at 30 June 2018 (144.7 FTEs as at 30 June 2017). This excludes the Northern Territory Treasury Corporation 8.3 FTEs (6.4 FTEs as at 30 June 2017).

14. Provisions (continued)

Employee benefits

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

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

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

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

As part of the financial management framework, CHA assumes the long service leave liabilities of government agencies, including DTF, therefore no long service leave liability is recognised in DTF's financial statements.

15. Commitments

Operating lease commitments

DTF leases property under non-cancellable operating leases expiring from one to five years. Leases generally provide DTF with a right of renewal at which time all lease terms are renegotiated. Future operating lease commitments not recognised as liabilities are payable as follows:

	2018		2017	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
Within one year	139	-	159	-
Later than one year and not later than five years	163	-	230	-
Total commitments	302	-	389	-

16. Equity

DTF's equity recorded in the Balance Sheet is consistent with that recorded as equity in the Statement of Changes in Equity.

17. Reconciliation of net surplus/deficit to operating activities

	2018	2017
	\$000	\$000
Reconciliation of cash		
The total of DTF's 'cash and deposits' recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement	24 617	22 473
Reconciliation of net surplus/(deficit) to net cash from operating activities		
Net surplus/(deficit)	2 260	2 900
Non-cash items:		
Depreciation and amortisation	7	7
Changes in assets and liabilities:		
Decrease/(increase) in receivables	421	4 581
Decrease/(increase) in prepayments	(41)	(5)
(Decrease)/increase in payables	(793)	348
(Decrease)/increase in provision for employee benefits	244	95
(Decrease)/increase in other provisions	46	34
Net cash from operating activities	2 144	7 960

18. Financial instruments

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

Financial assets and liabilities are recognised on the Balance Sheet when DTF becomes a party to the contractual provisions of the financial instrument. Financial instruments held by DTF include cash and deposits, receivables, advances and payables. DTF has limited exposure to financial risks as discussed below.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities.

a) Categorisation of financial instruments

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

18. Financial instruments (continued)

2017-18 categorisation of financial instruments	FVTPL	Financial assets	Total
	held for trading	- loans and receivables	
	\$000	\$000	\$000
Cash and deposits	24 617	-	24 617
Receivables	-	302	302
Advances	-	25 000	25 000
Other financial assets	-	46	46
Total financial assets	24 617	25 348	49 965
Payables	-	33	33
Total financial liabilities	-	33	33

FVTPL: fair value through profit and loss

2016-17 categorisation of financial instruments	FVTPL	Financial assets	Total
	held for trading	- loans and receivables	
	\$000	\$000	\$000
Cash and deposits	22 473	-	22 473
Receivables	-	954	954
Advances	-	25 000	25 000
Other financial assets	-	5	5
Total financial assets	22 473	25 959	48 432
Payables	-	28	28
Total financial liabilities	-	28	28

FVTPL: fair value through profit and loss

Classification of financial instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

18. Financial instruments (continued)

Financial liabilities are classified into the following categories:

- financial liabilities at FVTPL
- financial liabilities at amortised cost.

Financial assets or financial liabilities at fair value through profit or loss

Financial instruments are classified as at FVTPL when the instrument is either held for trading or designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit, or
- part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- the instrument forms part of a group of financial instruments managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or
- it forms part of a contract containing one or more embedded derivatives and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL, or
- financial liabilities at FVTPL include deposits held and accounts payable excluding statutory deposits and accrued expenses. Financial assets at FVTPL include short-term securities and bonds.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

b) Credit risk

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

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

18. Financial instruments (continued)

Advances

DTF has granted an advance and issued a financial guarantee to the AustralAsia Railway Corporation (AARC) (disclosed in Note 10).

Receivables

Receivable balances are monitored on an ongoing basis to ensure exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented in the following table.

	Ageing of receivables \$000	Ageing of impaired receivables \$000	Net receivables \$000
Internal receivables			
2017-18			
Not overdue	293	-	293
Total	293	-	293
2016-17			
Not overdue	953	-	953
Total	953	-	953
External receivables			
2017-18			
Not overdue	9	-	9
Total	9	-	9
Reconciliation of the allowance for impairment losses			
Opening	-	2	-
Written off during the year	-	2	-
Total	-	-	-
2016-17			
Overdue for more than 60 days	3	(2)	1
Total	3	(2)	1
Reconciliation of the allowance for impairment losses			
Opening	-	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	2	-
Total	-	2	-

c) Liquidity risk

Liquidity risk is the risk that DTF will not be able to meet its financial obligations as they fall due. DTF's approach to managing liquidity is to ensure it will always have sufficient liquidity to meet its liabilities when they fall due.

18. Financial instruments (continued)

The following tables detail DTF's remaining contractual maturity for its financial assets and liabilities.

	2018		2017	
	Non-interest bearing	Total	Non-interest bearing	Total
	\$000	\$000	\$000	\$000
Assets				
Cash and deposits	24 617	24 617	22 473	22 473
Receivables	302	302	954	954
Advances	25 000	25 000	25 000	25 000
Other financial assets	46	46	5	5
Total financial assets	49 965	49 965	48 432	48 432
Liabilities				
Payables	33	33	28	28
Total financial liabilities	33	33	28	28

d) Market risk

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

(i) Interest rate risk

DTF has limited exposure to interest rate risk as DTF's financial assets and financial liabilities are non-interest bearing.

Market sensitivity analysis

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

	Profit or loss and equity 100 basis points increase/decrease	
	2018	2017
Financial assets – cash at bank	\$000	\$000
	± 246	± 225
Net sensitivity	± 246	± 225

(ii) Price risk

DTF is not exposed to price risk as DTF does not hold units in unit trusts.

(iii) Currency risk

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

18. Financial instruments (continued)

e) Net fair value

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

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

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

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

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

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

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

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

Level 3: inputs are unobservable.

The carrying amount of DTF's financial assets and liabilities recorded in the financial statements approximates their fair values and are consequently level 1 instruments.

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

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

18. Financial instruments (continued)

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	2018		2017	
	Net fair value level 1	Net fair value total	Net fair value level 1	Net fair value total
	\$000	\$000	\$000	\$000
Assets				
Cash and deposits	24 617	24 617	22 473	22 473
Receivables	302	302	954	954
Advances	25 000	25 000	25 000	25 000
Other financial assets	46	46	5	5
Total financial assets	49 965	49 965	48 432	48 432
Liabilities				
Payables	33	33	28	28
Total financial liabilities	33	33	28	28

19. Related parties

a) Related parties

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

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

b) Key management personnel

KMP of DTF are those persons having authority and responsibility for planning, directing and controlling the activities of DTF. These include the Treasurer, Under Treasurer, 11 members of the executive team plus three members of the executive team who ceased employment with DTF before 30 June 2018.

c) Remuneration of key management personnel

The information below excludes the salaries and other benefits of the Treasurer as the Treasurer's remuneration and allowances are payable by the Department of the Legislative Assembly and are consequently disclosed within the Treasurer's Annual Financial Statements.

19. Related parties (continued)

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

	2018	2017
	\$000	\$000
Short-term benefits ¹	2 369	2 129
Long-term benefits	-	-
Post-employee benefits ²	269	223
Termination benefits	-	-
Total remuneration of key management personnel	2 638	2 352

1 Includes salary, annual leave, motor vehicle benefits and parking.

2 Includes superannuation contributions paid by DTF.

d) Related party transactions

Significant transactions with government-related entities includes funding received from CHA in the form of output and capital appropriation and on-passed Commonwealth national partnership and special purpose payments. The department also transacts with other government entities, however these are not individually significant.

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

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

20. Contingent liabilities and contingent assets

a) Contingent liabilities

Unquantifiable contingent liabilities of the Territory, and possibly DTF, are:

Financial guarantee given to the AustralAsia Railway Company

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

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

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

20. Contingent liabilities and contingent assets (continued)

Workers compensation insurance

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

Finance

The Territory financial management framework is underpinned by the centralised banking arrangements. The sole provider of banking-related services has been granted indemnities under the whole of government banking contract. The contingent liability resulting from the indemnities is unquantifiable and not reportable.

b) Contingent assets

DTF had no contingent assets as at 30 June 2017 or 30 June 2018.

21. Events subsequent to balance date

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

22. Schedule of administered Territory items

The following Territory items are managed by DTF on behalf of the government and recorded in CHA (refer Note 2(d)).

	2018	2017
	\$000	\$000
TERRITORY INCOME AND EXPENSES		
Income		
Taxation revenue	687 261	689 664
Grants and subsidies revenue		
Current	277 787	3 228
GST revenue	2 944 958	3 157 478
Specific purpose payment	408 197	393 935
National partnership agreements	216 036	476 373
Fees from regulatory services	493	478
Royalties and rents	335 700	165 378
Other income	5	65
Total income	4 870 437	4 886 599
Expenses		
Other administrative expenses	4 870 437	4 886 599
Total expenses	4 870 437	4 886 599
Territory income less expenses	-	-
TERRITORY ASSETS AND LIABILITIES		
Assets		
Taxes receivable	39 576	78 583
Other receivables	-	-
Total assets	39 576	78 583
Liabilities		
Central Holding Authority income payable	36 637	74 781
Unearned Central Holding Authority income	2 939	3 802
Total liabilities	39 576	78 583
Net assets	-	-

23. Budgetary information

a) Comprehensive Operating Statement

	2017-18			Note
	Actual	Original Budget	Variance	
	\$000	\$000	\$000	
INCOME				
Grants and subsidies revenue				
Current	-	28	(28)	
Appropriation output	150 691	150 694	(3)	
Sales of goods and services	385	439	(54)	
Interest revenue	118	-	118	
Goods and services received free of charge	2 728	2 925	(197)	
Other income	134	50	84	
TOTAL INCOME	154 056	154 136	(80)	
EXPENSES				
Employee expenses	18 451	19 467	(1 016)	1
Administrative expenses				
Purchases of goods and services	6 098	7 083	(985)	2
Repairs and maintenance	11	19	(8)	
Depreciation and amortisation	7	3	4	
Other administrative expenses	9 107	10 020	(913)	3
Grants and subsidies expenses				
Current	12 652	12 937	(285)	
CSOs	105 470	105 470	-	
Interest expenses	-	9	(9)	
TOTAL EXPENSES	151 796	155 008	(3 212)	
NET SURPLUS/(DEFICIT)	2 260	(872)	3 132	
COMPREHENSIVE RESULT	2 260	(872)	3 132	

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

1. Employee expenses were below budget due to lower FTEs and unfilled budgeted positions.
2. Largely due to consultants costs for utilities reform projects that will be incurred in 2018-19.
3. GST administration charges lower than budget.

23. Budgetary information (continued)

b) Balance Sheet

	2017-18		Variance	Note
	Actual	Original budget		
	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	24 617	11 859	12 758	1
Receivables	668	5 669	(5 001)	2
Prepayments	46	-	46	
Total current assets	25 331	17 528	7 803	
Non-current assets				
Advances and investments	25 000	423	24 577	3
Property, plant and equipment	41	38	3	
Total non-current assets	25 041	461	24 580	
TOTAL ASSETS	50 372	17 989	32 383	
LIABILITIES				
Current liabilities				
Payables	664	1 107	(443)	
Provisions	2 961	2 542	419	
Total current liabilities	3 625	3 649	(24)	
TOTAL LIABILITIES	3 625	3 649	(24)	
NET ASSETS	46 747	14 340	32 407	
EQUITY				
Capital	(21 544)	(21 470)	(74)	
Accumulated funds	68 291	35 810	32 481	
TOTAL EQUITY	46 747	14 340	32 407	

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

1. The cash at bank increase of \$12.8 million reflects the improved 2017-18 operating results of \$3.0 million and \$9.8 million increased opening cash balance from 2016-17 resulting from an improved operating result and timing of GST input tax credit. See Note 2.
2. Timing of GST input tax credit. See Note 1.
3. The movement is to correct the accounting treatment of a \$25 million advance DTF has provided the AARC, repayable in 2054. Refer to Note 20.

23. Budgetary information (continued)

c) Cash Flow Statement

	2017-18		Variance	Note
	Actual	Original budget		
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Grants and subsidies received				
Current	-	28	(28)	
Appropriation output	150 691	150 694	(3)	
Receipts from sales of goods and services	1 812	489	1 323	1
Total operating receipts	152 503	151 211	1 292	
Operating payments				
Payments to employees	(18 152)	(19 467)	1 315	2
Payments for goods and services	(14 085)	(14 197)	112	
Grants and subsidies paid				
Current	(12 652)	(12 937)	285	
CSOs	(105 470)	(105 470)	-	
Interest paid	-	(9)	9	
Total operating payments	(150 359)	(152 080)	1 721	
Net cash from/(used in) operating activities	2 144	(869)	3 013	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	-	-	-	
Total investing payments	-	-	-	
Net cash from/(used in) investing activities	-	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Equity withdrawals	-	-	-	
Total financing payments	-	-	-	
Net cash from/(used in) financing activities	-	-	-	
Net increase/(decrease) in cash held	2 144	(869)	3 013	
Cash at beginning of financial year	22 473	12 728	9 745	
CASH AT END OF FINANCIAL YEAR	24 617	11 859	12 758	

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

1. The increase is due to the timing of GST receipts and other accounts receivables.
2. Employee expenses were below budget due to low FTEs and unfilled budgeted positions.

24. Budgetary information: administered Territory items

In addition to the specific departmental operations included in the financial statements, DTF administers or manages other activities and resources on behalf of the Territory such as taxation and royalty revenue, Commonwealth general purpose funding, and statutory fees and charges. DTF does not gain control over assets arising from these collections, consequently no income is recognised in DTF's financial statements. The transactions relating to these activities are reported as administered items in this note.

Administered Territory items

	2017-18		Variance	Note
	Actual	Original Budget		
	\$000	\$000	\$000	
TERRITORY INCOME AND EXPENSES				
Income				
Taxation revenue	687 261	635 498	51 763	1
Grants and subsidies revenue				
Current	277 787	2 614	275 173	2
GST revenue	2 944 958	2 909 000	35 958	3
Specific purpose payments	408 197	374 174	34 023	4
National partnership agreements	216 036	565 803	(349 767)	5
Fees from regulatory services	493	438	55	
Royalties and rents	335 700	225 037	110 663	6
Other income	5	300	(295)	
Total income	4 870 437	4 712 864	157 573	
Expenses				
Other administrative expenses	4 870 437	4 712 864	157 573	
Total expenses	4 870 437	4 712 864	157 573	
Territory income less expenses	-	-	-	
TERRITORY ASSETS AND LIABILITIES				
Assets				
Taxes receivable	39 576	52 120	(12 544)	
Other receivables	-	14 126	(14 126)	
Total assets	39 576	66 246	(26 670)	
Liabilities				
Central Holding Authority income payable	36 637	56 595	(19 958)	
Unearned Central Holding Authority income	2 939	9 651	(6 712)	
Total liabilities	39 576	66 246	(26 670)	
Net assets	-	-	-	

24. Budgetary information: administered Territory items (continued)

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

1. The \$51.8 million increase in taxation revenue from budget reflects:
 - increase in payroll tax of \$83.2 million due to the extension of the construction phase of the LNG project during 2017-18 and the associated higher level of peak workforce for employers associated with the project, offset by
 - decrease of \$1.9 million in other taxes
 - decrease in stamp duties of \$29.5 million reflecting continued softness in the residential and commercial property market, in terms of both transaction volumes and prices.
2. Current grants increased by \$275.2 million relating to the revised timing of the Commonwealth financial assistance payment of \$260 million brought forward from 2018-19 and Natural Disaster Relief and Recovery Arrangement payments of \$15.7 million.
3. GST revenue increased by \$36 million primarily due to national collections being greater than anticipated.
4. Specific purpose payments increased by \$34 million relating to increased funding for the Quality Schools package.
5. National partnership payments were \$349.8 million lower in 2017-18, predominantly due to the revised timing of NT Remote Aboriginal Investment funding of \$125.6 million, capital funding for roads projects of \$154.6 million, and remote housing of \$82 million offset by other funding of \$12.4 million.
6. Royalties, rents and dividends increased by \$110.7 million, predominantly due to higher mining royalties reflecting the increase in the value of mineral production, driven by a combination of price, production and exchange rates, coupled with reasonably stable production costs.

Certification of the financial statements

We certify that the attached financial statements for the Central Holding Authority have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018 and the financial position on that date.

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



Catherine Weber

Acting Under Treasurer

28 September 2018



Tim McManus

Assistant Under Treasurer (Finance)

28 September 2018

Comprehensive Operating Statement

For the year ended 30 June 2018

	Note	2018	2017
		\$000	\$000
INCOME			
Taxation revenue		739 670	735 399
Grants and subsidies revenue			
GST revenue		2 944 959	3 157 478
Specific purpose payments		408 197	393 935
National partnership agreements		216 036	476 372
Current grants		277 787	3 228
Capital grants		19 045	23 371
Fees from regulatory services		63 936	33 190
Interest revenue		86 119	60 596
Unrealised gain/loss on securities marked to market		9 412	34 657
Royalties, rents and dividends		399 624	212 468
Employer superannuation contributions		32 998	33 015
Other income		25 122	23 552
TOTAL INCOME		5 222 905	5 187 262
EXPENSES			
Long service leave expense		51 392	49 545
Superannuation expense	11	141 203	(404 249)
Workers compensation expense		40 176	14 603
Administrative expenses		7 185	873
Interest expense		152 928	133 702
Output appropriation		4 243 873	3 884 526
Commonwealth appropriation		533 358	592 552
TOTAL EXPENSES		5 170 116	4 271 552
NET SURPLUS/(DEFICIT)		52 789	915 710
COMPREHENSIVE RESULT		52 789	915 710

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

Balance Sheet

As at 30 June 2018

	Note	2018 \$000	2017 \$000
ASSETS			
Current assets			
Cash and deposits	3	488 502	221 518
Receivables	5	48 562	86 493
Advances and investments	6	1 516 079	1 349 598
Prepayments		3 400	1 010
Total current assets		2 056 543	1 658 619
Non current assets			
Equity investments		11 271 808	10 747 573
Total non current assets		11 271 808	10 747 573
TOTAL ASSETS		13 328 351	12 406 192
LIABILITIES			
Current liabilities			
Deposits held	7	886 917	1 177 512
Payables	8	1 090	969
Borrowings and advances	9	513 596	503 199
Employee benefits	10	217 432	206 904
Superannuation liability	11	250 457	255 744
Other liabilities	12	41 581	35 190
Total current liabilities		1 911 073	2 179 518
Non current liabilities			
Borrowings and advances	9	3 020 354	1 833 950
Employee benefits	10	107 491	104 322
Superannuation liability	11	3 371 630	3 420 409
Other liabilities	12	116 973	119 952
Total non current liabilities		6 616 448	5 478 633
TOTAL LIABILITIES		8 527 521	7 658 151
NET ASSETS		4 800 830	4 748 041
EQUITY			
Accumulated funds		4 800 830	4 748 041
TOTAL EQUITY		4 800 830	4 748 041

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2017-18					
Accumulated funds		4 748 041	52 789	-	4 800 830
Changes in accounting policy		-	-	-	-
Correction of prior period errors		-	-	-	-
Transfers from reserves		-	-	-	-
Other movements directly to equity		-	-	-	-
Total equity at end of financial ear		4 748 041	52 789	-	4 800 830
2016-17					
Accumulated funds		3 832 332	915 710	-	4 748 041
Changes in accounting policy		-	-	-	-
Correction of prior period errors		-	-	-	-
Transfers from reserves		-	-	-	-
Other movements directly to equity		-	-	-	-
Total equity at end of financial year		3 832 332	915 710	-	4 748 041

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Cash Flow Statement

For the year ended 30 June 2018

Note	2018	2017
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received	770 991	735 455
Grants and subsidies received		
GST received	2 944 959	3 157 478
Specific purpose payments	408 197	393 935
National partnership agreements	216 036	476 372
Current grants	277 787	3 228
Capital grants	19 045	23 371
Royalties, rents and dividends	398 211	212 406
Employer superannuation contributions	32 998	33 015
Other receipts	91 404	59 634
Interest received	85 823	62 318
Total operating receipts	5 245 451	5 157 212
Operating payments		
Long service leave	40 086	33 960
Superannuation benefits	195 269	183 448
Other salary payments	36 449	657
Payments for goods and services	1 431	5 987
Interest paid	152 911	133 659
Output payments	4 243 873	3 884 526
Commonwealth payments	533 358	592 552
Total operating payments	5 203 377	4 834 789
Net cash from/(used in) operating activities	42 074	322 423
	4	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Equity sales or withdrawals	17 271	1 272 431
Total investing receipts	17 271	1 272 431
Investing payments		
Advances and investing payments	168 069	(249 736)
Capital appropriation	357 196	468 645
Commonwealth appropriation	114 720	302 327
Equity injections	58 590	1 334 681
Total investing payments	698 575	1 855 916
Net cash from/(used in) investing activities	(681 304)	(583 486)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	1 200 000	-
Deposits received	(290 595)	77 559
Total financing receipts	909 405	77 559
Financing payments		
Repayment of borrowings	3 191	102 829
Total financing payments	3 191	102 829
Net cash from/(used in) financing activities	906 214	(25 270)
Net increase/(decrease) in cash held	266 984	(286 332)
Cash at beginning of financial year	221 518	507 850
CASH AT END OF FINANCIAL YEAR	488 502	221 518
	3	

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

Index of notes to the financial statements

1.	Objectives and funding	122
2.	Statement of significant accounting policies	122
3.	Cash and deposits	127
4.	Notes to the Cash Flow Statement	127
5.	Receivables	128
6.	Advances and investments	128
7.	Deposits held	128
8.	Payables	129
9.	Borrowings and advances	129
10.	Employee benefits	130
11.	Superannuation liability	130
12.	Other liabilities	138
13.	Financial instruments	139
14.	Budgetary information	145
15.	Related parties	151
16.	Events subsequent to reporting date	151

Notes to the financial statements

For the year ended 30 June 2018

1. Objectives and funding

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

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

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

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

2. Statement of significant accounting policies

a) Statement of compliance

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

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

b) Basis of accounting

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

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

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

2. Statement of significant accounting policies (continued)

Standards and interpretations effective from 2017-18

The following new and revised accounting standards and interpretations were effective for the first time in 2017-18:

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enable users of financial statements to evaluate changes in liabilities arising from financing activities. This disclosure is illustrated in Note 4(b).

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

Standards and interpretations issued but not yet effective

On the date of authorisation of the financial statements, the following standards and interpretations were in issue but not yet effective and are expected to have a potential impact on future reporting periods.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the Balance Sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.

While the full impacts are yet to be determined, potential impacts identified include:

- Grants received to construct or acquire a non-financial asset will be recognised as a liability and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt.
- Grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt.
- Grants that have an enforceable agreement but no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation.
- Grants that are not enforceable or not sufficiently specific will not qualify for deferral, and will continue to be recognised as revenue on receipt.

2. Statement of significant accounting policies (continued)

AASB 9 Financial Instruments

AASB 9 Financial Instruments is effective for annual reporting periods beginning on or after 1 January 2018 and will be reported in these financial statements for the first time in 2018-19.

Currently under AASB 139, there are four categories of financial instruments: FVTPL; held-to-maturity; loans and receivables; and available-for-sale financial assets. Under the new standard there are three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVTOCI) and FVTPL. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (FVTPL) or recognised in other comprehensive income (FVTOCI).

While the full impacts are yet to be determined, potential impacts identified include:

- Debt securities previously classified as held-to-maturity will be classified as financial assets measured at amortised cost as they meet the amortised cost criteria, that is, CHA intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.
- Receivables previously classified as loans and receivables will be classified as financial assets measured at amortised cost.
- Cash and deposits classified as other financial assets will be classified as financial assets measured at amortised cost.
- Advances and investments previously designated as FVTPL will remain at FVTPL.
- Recognition of impairment losses on financial assets are to be measured on an expected basis rather than an incurred basis, as is the current approach.

c) Comparatives

Where necessary, comparative information for the 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

d) Presentation and rounding of amounts

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

e) Changes in accounting policies

There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

2. Statement of significant accounting policies (continued)

f) Accounting judgments and estimates

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

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

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

g) Goods and services tax

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

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

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

h) Income recognition

Income encompasses both revenue and gains.

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

i) Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when CHA obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

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

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

2. Statement of significant accounting policies (continued)

j) Taxation

Territory taxation is recognised when the underlying transaction or event, which gives rise to the right to collect revenue, occurs and can be measured reliably. Government-assessed revenues are recognised at the time the assessments are issued. An example of an assessment-based tax is conveyance duty.

Taxpayer-assessed revenues, for example payroll tax, are recognised when a taxpayer's self-assessment is received. Additional revenues are recognised for assessments subsequently issued following review of returns lodged by taxpayers.

In respect of taxation balances from government trading entities under the National Tax Equivalent Regime, only the current taxation receivable is recognised in these statements.

Revenue from regulatory fees and fines is recognised at the time the fine or regulatory fee is issued.

k) Interest revenue

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

l) Dividends

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

m) Fees from regulatory services

Revenue from regulatory fees and fines is recognised at the time the fine or regulatory fee is issued.

n) Interest expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

o) Advances and investments

Advances include investment in financial assets for policy purposes and are recorded at cost.

Investments include investments in financial assets for liquidity management purposes. Securities and investments are recorded at net market value, after deducting estimated costs of realisation at reporting date.

p) Equity investments

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

q) Equity

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

r) Reporting period

The reporting period is the year ended each 30 June.

3. Cash and deposits

	2018	2017
	\$000	\$000
Cash and deposits	488 502	221 518
Total cash and deposits	488 502	221 518

For the purpose of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

4. Notes to the Cash Flow Statement

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

	2018	2017
	\$000	\$000
Net surplus/(deficit)	52 789	915 710
Changes in assets and liabilities:		
Unrealised (gain)/loss on securities marked to market	(9 412)	(34 657)
Gain on extinguishment	(8)	(18)
Decrease/(increase) in receivables	37 931	11 221
Decrease/(increase) in prepayments	(2 390)	(127)
(Decrease)/increase in payables	121	(4 952)
(Decrease)/increase in employee benefits	13 697	15 712
(Decrease)/increase in superannuation liability	(54 066)	(587 697)
(Decrease)/increase in other liabilities	3 413	7 231
Net cash from operating activities	42 074	322 423

b) Reconciliation of liabilities arising from financing activities

	Cash flows from financing activities					30 June 2018
	1 July 2017	Borrowings and advances received/(repaid)	Deposits held receipts/ (payments)	Total cash flows	Other changes	
	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	1 177 512	-	(290 595)	(290 595)	-	886 917
Payables	969	-	-	-	121	1 090
Borrowings and advances	2 337 149	1 196 809	-	1 196 809	(8)	3 533 950
Employee benefits	311 226	-	-	-	13 697	324 923
Superannuation liability	3 676 153	-	-	-	(54 066)	3 622 087
Other liabilities	155 142	-	-	-	3 413	158 555
Total	7 658 151	1 196 809	(290 595)	906 214	(36 843)	8 527 521

5. Receivables

	2018	2017
	\$000	\$000
Current		
Taxes receivable	27 833	60 370
Royalties, rents and dividends receivable	24 897	22 958
Interest receivable	1 091	803
Other receivables	2 692	4 053
<i>Less: Allowance for impairment losses</i>	<i>(7 952)</i>	<i>(1 690)</i>
Total receivables	48 562	86 493

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables CHA estimates are likely to be uncollectible and considered doubtful.

6. Advances and investments

	2018	2017
	\$000	\$000
Advances and investments	1 516 079	1 349 598
Total advances and investments	1 516 079	1 349 598

Advances include investment in financial assets for policy purposes and are recorded at cost.

Investments include investments in financial assets for liquidity management purposes. Securities and investments are recorded at net market value, after deducting estimated costs of realisation at reporting date.

Advances and investments are managed by the Northern Territory Treasury Corporation on behalf of CHA.

7. Deposits held

	2018	2017
	\$000	\$000
Deposits held	886 917	1 177 512
Total deposits held	886 917	1 177 512

Deposits held are cash balances held by CHA on behalf of government trading entities.

8. Payables

	2018	2017
	\$000	\$000
Other payables	1 090	969
Total payables	1 090	969

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to CHA. Accounts payable are normally settled within 30 days.

9. Borrowings and advances

	2018	2017
	\$000	\$000
Current		
Borrowings and advances	513 596	503 199
	513 596	503 199
Non current		
Borrowings and advances	3 020 354	1 833 950
	3 020 354	1 833 950
Total borrowings and advances	3 533 950	2 337 149

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

Advances reflect loans received for policy purposes. These are primarily the original Commonwealth loans issued at self-government.

10. Employee benefits

	2018	2017
	\$000	\$000
Current		
Long service leave	217 432	206 904
	217 432	206 904
Non current		
Long service leave	107 491	104 322
	107 491	104 322
Total employee benefits	324 923	311 226

Long service leave

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

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

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

Liabilities recognised in respect of employee benefits not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows calculated using the appropriate Government bond rate and taking into consideration expected future salary and wage levels, experience of employee departures and periods of service.

11. Superannuation liability

Employees' superannuation entitlements are provided through either a defined contribution plan or a defined benefits plan. Liability for unfunded superannuation is met directly by CHA. Agencies make superannuation contributions on behalf of their employees to either CHA or the non-government employee-nominated schemes.

Defined contribution plans

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

Defined benefit plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations carried out at each reporting date. The projected unit credit method calculates the accrued liability by discounting the value of the expected future benefit payments, after allowing for future salary increases, future interest and future pension increases where applicable, arising from membership completed prior to the reporting date.

11. Superannuation liability (continued)

The defined superannuation plans include:

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

Scheme information

Commonwealth Superannuation Scheme

The benefits provided by the scheme include an employer-financed defined benefit and the members' accumulation balances.

The amount of retirement benefit is the sum of:

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

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

Northern Territory Government and Public Authorities' Superannuation Scheme

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

- the member's accumulation account
- an accrued employer component.

The accrued employer component is calculated as $2.5\% \times \text{total benefit points} \times \text{benefit salary}$.

Northern Territory Supplementary Superannuation Scheme

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

Northern Territory Government Death and Invalidity Scheme (NTGDIS)

The scheme provides death and disablement cover to all public sector employees under choice of fund arrangements.

The NTPSBS, LAMS and other statutory schemes are all pension-based schemes.

11. Superannuation liability (continued)

	2018	2017
	\$000	\$000
Current	250 457	255 744
Non current	3 371 630	3 420 409
Total superannuation liabilities (a)	3 622 087	3 676 153

The Northern Territory Government superannuation schemes comprise:

LAMS	50 820	62 116
CSS	2 149 300	2 159 200
NTGPASS	934 267	961 860
NTSSS	231 236	240 310
NTPSBS	70 105	68 124
NTGDIS	84 721	82 740
Statutory schemes ¹	101 638	101 803
	3 622 087	3 676 153

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

The values reported above are based on estimates of the size and timing of future benefit payments obtained through actuarial reviews conducted at three-yearly intervals that are updated on an annual basis. NTGPASS, NTSSS, Supreme Court (Judges Pension) Scheme (JPS), NTGDIS, Administrators Pension Scheme and the LAMS Fund are based on triannual reviews conducted 30 June 2016, and updated for 30 June 2018. The NTPSBS and CSS are based on triannual reviews as at 30 June 2018. The movement in the liability between years is predominantly due to movement in the bond rate from 2.7 per cent to 2.6 per cent, combined with a reduction in superannuation creditors and salary rate.

Assumptions are made regarding discount rate, salary rate, expected return on scheme assets, inflation and imputed cost of interest.

Key assumptions

	2018	2017
	%	%
Key assumptions as at balance date and for following year expense		
Discount rate (gross of tax)	2.60	2.70
Salary rate ¹	3.50	3.00
Expected return on scheme assets (net of tax)	6.50	6.50
Inflation (pensions)	1.50	2.00
Imputed cost of interest	2.70	2.00
Tax rate for employer contributions ²	nil	nil

¹ Salary rate (3.5 per cent from 2018-19 to 2020-21 and 3 per cent onwards).

² Tax rate for employer contributions for LAMS is 15 per cent.

11. Superannuation liability (continued)

Amounts in the financial statements

Balance Sheet

	2018	2017
	\$000	\$000
Present value of the defined benefit obligation at end of year	3 664 636	3 703 651
Fair value of plan assets at end of year	(70 073)	(68 408)
Net present value of creditors ¹	27 524	40 910
Net liability/(asset) recognised in balance sheet at end of year	3 622 087	3 676 153

1 NTGPASS, NTSSS and NTGDIS

Operating Statement

Employer service cost	63 042	75 567
Net interest cost	95 756	82 617
Remeasurements	(8 604)	(561 789)
Movement in superannuation creditors	(13 386)	(4 515)
Variations between payments and contributions	4 395	3 871
Total included in employee benefit expense	141 203	(404 249)

Explanation of amounts in the financial statements

Remeasurements

Actual return on fund assets less interest income	(4 626)	(6 466)
Actuarial (gains)/losses on liability	(3 978)	(555 323)
Total remeasurement	(8 604)	(561 789)

Reconciliation of the net defined benefit liability/(asset)

Net defined benefit liability/(asset) at beginning of year	3 635 244	4 218 426
Employer and interest cost	158 798	158 184
Employer contributions	(190 874)	(179 577)
Remeasurements	(8 604)	(561 789)
Net defined benefit liability/(asset) at end of year	3 594 563	3 635 244

Reconciliation from opening to closing balance of the following:

Reconciliation of plan assets

Fair value of the plan assets at the beginning of the year	68 408	65 130
Employer contributions	190 874	179 577
Participant contributions	442	473
Benefit payments	(195 269)	(183 448)
Taxes and expenses paid	(791)	(1 048)
Interest income	1 783	1 258
Actual return on plan assets less interest income	4 626	6 466
Assets at the year end	70 073	68 408

Note: LAMS is the only unfunded scheme that has assets.

11. Superannuation liability (continued)

	2018	2017
	\$000	\$000
Reconciliation of the present value of the defined benefit obligation		
Total defined benefit obligation at the beginning of the year	3 703 651	4 283 555
Employer service cost	63 042	75 567
Interest expense	97 539	83 875
Participant contributions	442	473
Taxes and expenses paid	(791)	(1 048)
Benefit payments	(195 269)	(183 448)
Actuarial (gain)/loss on liabilities due to changes in demographic assumptions	-	-
Actuarial (gain)/loss on liabilities due to changes in financial assumptions	(2 820)	(601 461)
Actuarial (gain)/loss on liabilities due to changes in liability experience	(1 158)	46 138
Total defined benefit obligation at year end	3 664 636	3 703 651

Sensitivity analysis – LAMS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		120 893		
Discount rate	1	102 832	(18 060)	(14.9)
Discount rate	(1)	143 695	22 802	18.9
Salary increase	1	142 599	21 707	18.0
Salary increase	(1)	103 300	(17 593)	(14.6)
Mortality rates	10	117 335	(3 558)	(2.9)
Mortality rates	(10)	124 892	3 999	3.3

Maturity profile of defined benefit obligation – LAMS

The weighted average term of the defined benefit obligation is 16 years.

11. Superannuation liability (continued)

Sensitivity analysis – CSS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		2 149 300		
Discount rate	1	1 879 000	(270 300)	(12.6)
Discount rate	(1)	2 485 200	335 900	15.6
Salary increase	1	2 156 800	7 500	0.3
Salary increase	(1)	2 142 200	(7 100)	(0.3)
Pension increase	1	2 458 300	309 000	14.4
Pension increase	(1)	1 892 800	(256 500)	(11.9)

Maturity profile of defined benefit obligation – CSS

The weighted average term of the defined benefit obligation is 11 years.

Sensitivity analysis – NTGPASS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		927 600		
Discount rate	1	862 500	(65 100)	(7.0)
Discount rate	(1)	1 001 700	74 100	8.0
Salary increase	1	1 015 900	88 300	9.5
Salary increase	(1)	848 900	(78 700)	(8.5)
Pension increase	1	927 600	-	-
Pension increase	(1)	927 600	-	-

Maturity profile of defined benefit obligation – NTGPASS

The weighted average term of the defined benefit obligation is 11 years.

11. Superannuation liability (continued)

Sensitivity analysis – NTSSS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		224 400		
Discount rate	1	208 400	(16 000)	(7.1)
Discount rate	(1)	242 600	18 200	8.1
Salary increase	1	242 400	18 000	8.0
Salary increase	(1)	208 300	(16 100)	(7.2)
Pension increase	1	224 400	-	-
Pension increase	(1)	224 400	-	-

Maturity profile of defined benefit obligation – NTSSS

The weighted average term of the defined benefit obligation is 11 years.

Sensitivity analysis – NTPSBS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		70 105		
Discount rate	1	60 746	(9 358)	(13.3)
Discount rate	(1)	81 853	11 748	16.8
Inflation	1	81 408	11 303	16.1
Inflation	(1)	60 911	(9 193)	(13.1)
Mortality rates	10	68 434	(1 671)	(2.4)
Mortality rates	(10)	71 972	1 867	2.7
Commutation rate	zero	71 578	1 473	2.1
Commutation rate	30	68 631	(1 473)	(2.1)

Maturity profile of defined benefit obligation – NTPSBS

The weighted average term of the defined benefit obligation is 16 years.

11. Superannuation liability (continued)

Sensitivity analysis – NTGDIS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		70 700		
Discount rate	1	64 800	(5 900)	(8.3)
Discount rate	(1)	77 600	6 900	9.8
Salary increase	1	77 500	6 800	9.6
Salary increase	(1)	64 800	(5 900)	(8.3)
Pension increase	1	70 700	-	-
Pension increase	(1)	70 700	-	-

Maturity profile of defined benefit obligation – NTGDIS

The weighted average term of the defined benefit obligation is 11 years.

Sensitivity analysis – Administrator Scheme

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		3 971		
Discount rate	1	3 676	(295)	(7.4)
Discount rate	(1)	4 310	339	8.5
Inflation	1	4 290	319	8.0
Inflation	(1)	3 688	(283)	(7.1)
Mortality rates	10	3 796	(175)	(4.4)
Mortality rates	(10)	4 172	200	5.0

Maturity profile of defined benefit obligation – Administrator Scheme

The weighted average term of the defined benefit obligation is 9 years.

11. Superannuation liability (continued)

Sensitivity analysis – Supreme Court JPS

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		97 667		
Discount rate	1	85 753	(11 914)	(12.2)
Discount rate	(1)	112 320	14 653	15.0
Inflation	1	111 861	14 195	14.5
Inflation	(1)	85 860	(11 806)	(12.1)
Mortality rates	10	94 538	(3 128)	(3.2)
Mortality rates	(10)	101 200	3 533	3.6

Maturity profile of defined benefit obligation – Supreme Court JPS

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

12. Other liabilities

	2018	2017
	\$000	\$000
Current		
Provisions:		
Workers compensation liability	34 655	27 968
Other	71	69
Unearned revenue	6 856	7 153
	41 581	35 190
Non current		
Provisions:		
Workers compensation liability	115 673	118 633
Other	1 300	1 319
	116 973	119 952
Total other liabilities	158 555	155 142
Reconciliations of provisions		
Balance at 1 July	147 989	134 078
Effect of changes in assumptions	2 400	7 700
Increase in claims incurred/recoveries anticipated over the year	37 812	6 879
Reductions arising from payments	(36 502)	(668)
Balance at 30 June	151 699	147 989

Provisions represent outstanding compensation claims that are recorded at net present value.

12. Other liabilities (continued)

Workers compensation

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

The change in liability for the year ended 30 June 2018 is based on an actuarial assessment of the value of outstanding claims at the end of the period and takes into account revisions to earlier years' estimates of the value of outstanding claims.

13. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by CHA include cash and deposits, receivables and payables. CHA has limited exposure to financial risks as discussed below.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 7 Financial Instruments: Disclosures and have been excluded in the following tables. These include statutory receivables arising from tax receivables, GST input tax credits recoverable, and fines and penalties.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risks arise in the normal course of activities. CHA's advances, investments and borrowings are predominantly managed through the Northern Territory Treasury Corporation. Financial assets and liabilities are recognised on the Balance Sheet when CHA becomes a party to the contractual provisions of the financial instrument.

a) Categorisation of financial instruments

AASB 7 Financial Instruments: Disclosures require financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

CHA classifies its financial assets into the following categories:

- financial assets at FVTPL
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets
- financial assets other.

Financial liabilities are classified into the following categories:

- financial liabilities at FVTPL
- financial liabilities at amortised cost.

13. Financial instruments (continued)

Financial assets or financial liabilities at fair value through profit or loss

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit
- part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- or a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial assets determined as held for trading include short-term securities, bonds and other instruments and units in unlisted unit trusts.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- or the instrument forms part of a group of financial instruments, which is managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- or it forms part of a contract containing one or more embedded derivatives.

AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL. Financial assets designated as at FVTPL includes the COSR and medium-term investments. Financial liabilities designated as at FVTPL include deposits held and payables, excluding statutory amounts and accruals.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Receivables exclude statutory receivables and accruals.

Financial liabilities at amortised cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and loans. Amortised cost is calculated using the effective interest method.

Other financial instruments

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual agreement.

13. Financial instruments (continued)

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

	Fair value through profit or loss		Held to maturity investments	Financial assets – loans and receivables	Financial assets – available for sale	Financial assets – other	Financial liabilities – amortised cost	Total
	Held for trading	Designated at fair value						
2017-18	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and deposits	-	-	-	-	-	488 502	-	488 502
Receivables ¹	-	-	-	26 002	-	-	-	26 002
Advances and investments	-	1 087 744	428 335	-	-	-	-	1 516 079
Total financial assets	-	1 087 744	428 335	26 002	-	488 502	-	2 030 582
Deposits held	-	886 917	-	-	-	-	-	886 917
Payables ¹	-	871	-	-	-	-	-	871
Borrowings and advances	-	-	-	-	-	-	3 533 950	3 533 950
Total financial liabilities	-	887 788	-	-	-	-	3 533 950	4 421 738
2016-17								
Cash and deposits	-	-	-	-	-	221 518	-	221 518
Receivables ¹	-	-	-	27 734	-	-	-	27 734
Advances and investments	-	1 011 756	337 842	-	-	-	-	1 349 598
Total financial assets	-	1 011 756	337 842	27 734	-	221 518	-	1 598 850
Deposits held	-	1 177 512	-	-	-	-	-	1 177 512
Payables ¹	-	969	-	-	-	-	-	969
Borrowings and advances	-	-	-	-	-	-	2 337 149	2 337 149
Total financial liabilities	-	1 178 481	-	-	-	-	2 337 149	3 515 629

1 Total amounts disclosed here exclude statutory amounts and accruals, as these are not in the scope of AASB 7. Therefore, the total will not reconcile to the amounts as per the Balance Sheet.

b) Credit risk

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

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

13. Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk CHA will not be able to meet its financial obligations as they fall due. CHA's approach to managing liquidity is to ensure it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail CHA's remaining contractual maturity for its financial assets and liabilities.

2017-18 Maturity analysis for financial assets and liabilities

	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Weighted average
	Less than a year	1 to 5 years	More than 5 years	Less than a year	1 to 5 years	More than 5 years			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Cash and deposits	488 502	-	-	-	-	-	-	488 502	1.50
Receivables ¹	-	-	-	-	-	-	26 002	26 002	
Advances and investments	206 635	-	-	635 199	-	-	675 910	1 517 744	2.33
Total financial assets	695 137	-	-	635 199	-	-	701 912	2 032 248	
Deposits held	-	-	-	-	-	-	886 917	886 917	
Payables ¹	-	-	-	-	-	-	871	871	
Borrowings and advances	-	-	-	510 000	1 190 000	1 833 950	-	3 533 950	4.74
Total financial liabilities	-	-	-	510 000	1 190 000	1 833 950	887 788	4 421 738	

2016-17 Maturity analysis for financial assets and liabilities

Cash and deposits	221 518	-	-	-	-	-	-	221 518	1.50
Receivables ¹	-	-	-	-	-	-	27 734	27 734	
Advances and investments	268 742	-	-	520 336	-	-	561 679	1 350 756	2.16
Total financial assets	490 260	-	-	520 336	-	-	589 413	1 600 008	
Deposits held	-	-	-	-	-	-	1 177 512	1 177 512	
Payables ¹	-	-	-	-	-	-	969	969	
Borrowings and advances	-	-	-	500 000	515 000	1 322 149	-	2 337 149	5.31
Total financial liabilities	-	-	-	500 000	515 000	1 322 149	1 178 481	3 515 629	

1 Total amounts disclosed here exclude statutory amounts and accruals, as these are not in the scope of AASB 7. Therefore, the total will not reconcile to the amounts as per the Balance Sheet.

13. Financial instruments (continued)

d) Market risk

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

(i) Interest rate risk

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

Assuming the financial assets and liabilities at 30 June 2018 were to remain until maturity or settlement without any action by CHA to alter the resulting interest rate exposure, changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on CHA's profit or loss and equity.

Sensitivity analysis

	Profit or loss and equity 100 basis points increase/decrease	
	2017-18	2016-17
	\$000	\$000
Financial assets – cash at bank	± 4 885	± 2 215
Financial assets – advances and investments	± 2 066	± 2 687
Net sensitivity	± 6 951	± 4 902

(ii) Price risk

CHA is exposed to price risk as CHA holds units in unit trusts.

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

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

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

Sensitivity analysis

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

	Change in unit price	Impact on profit or loss and equity	
		2017-18	2016-17
	%	\$000	\$000
Equities	± 10	± 54 823	± 43 090
Property securities	± 10	± 11 468	± 12 878

13. Financial instruments (continued)

e) Net fair value

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

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

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

	Total carrying	Net fair value			Total
	amount	Level 1	Level 2	Level 3	
	\$000	\$000	\$000	\$000	\$000
2017-18					
Advances and investments	648 499	-	648 196	-	648 196
Total financial assets	648 499	-	648 196	-	648 196
Borrowings and advances	3 533 950	-	3 833 824	-	3 833 824
Total financial liabilities	3 533 950	-	3 833 824	-	3 833 824
2016-17					
Advances and investments	497 414	-	497 537	-	497 537
Total financial assets	497 414	-	497 537	-	497 537
Borrowings and advances	2 337 149	-	2 560 810	-	2 560 810
Total financial liabilities	2 337 149	-	2 560 810	-	2 560 810

There were no changes in valuation techniques during the period.

14. Budgetary information

a) Comprehensive Operating Statement

	2017-18 ¹			Note
	Actual	Original Budget	Variance	
	\$000	\$000	\$000	
INCOME				
Taxation revenue	739 670	685 289	54 381	1
Commonwealth revenue				
GST revenue	2 944 959	2 909 000	35 959	2
Specific purpose payments	408 197	374 174	34 023	3
National partnership agreements	216 036	565 803	(349 767)	4
Current grants	277 787	2 614	275 173	5
Capital grants	19 045	15 268	3 777	
Fees from regulatory services	63 936	28 411	35 525	6
Interest revenue	95 532	63 838	31 694	7
Royalties, rents and dividends	399 624	286 179	113 445	8
Employer superannuation contributions	32 998	32 686	312	
Other revenue	25 122	17 534	7 588	9
TOTAL INCOME	5 222 905	4 980 796	242 109	
EXPENSES				
Long service leave expense	51 392	44 155	7 237	10
Superannuation expense	141 203	(6 296)	147 499	11
Other salary expense	40 176	1 500	38 676	12
Administrative expense	7 185	835	6 350	13
Interest expense	152 928	148 145	4 783	
Appropriation expense	4 777 231	4 650 534	126 697	14
TOTAL EXPENSES	5 170 116	4 838 873	331 243	
NET SURPLUS/(DEFICIT)	52 789	141 923	(89 134)	
COMPREHENSIVE RESULT	52 789	141 923	(89 134)	

1 Amounts exclude the gross-up effect of payroll tax revenue and expenses on employee benefits.

14. Budgetary information (a) (continued)

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

1. The \$54.4 million increase in taxation revenue from 2017-18 Budget reflects:
 - increase in payroll tax of \$83.2 million due to the extension of the construction phase of the Ichthys LNG project during 2017-18 and the associated higher level of peak workforce for employers associated with the project
 - increased taxes on gambling of \$4.7 million and insurance of \$6.4 million, offset by
 - decrease in conveyance duties of \$29.5 million largely reflecting continued softness in the residential and commercial property market.
2. GST revenue increased by \$36 million primarily due to national collections being greater than anticipated.
3. Specific purpose payments increased by \$34 million relating to Quality Schools funding.
4. National partnerships payments decreased by \$349.8 million predominantly due to the revised timing of NT Remote Aboriginal Investment funding of \$125.6 million, capital funding for roads projects of \$154.6 million and remote housing of \$82 million, less other funding of \$12.4 million.
5. Current grants increased by \$275.2 million primary related to the early receipt of the Commonwealth's financial assistance payment of \$259.6 million combined with natural disaster relief and recovery arrangements payments of \$15.7 million.
6. Fees from regulatory services increased by \$35.5 million reflecting agency premiums for workers compensation as part of the new Northern Territory Public Service Workers Compensation Scheme framework administered by the CHA that commenced on 1 July 2017.
7. Interest revenue increased by \$31.7 million predominantly due to the realisation of gains within the Conditions of Service Reserve investments.
8. Royalties, rents and dividends increased by \$113.4 million predominantly due to higher mining royalties reflecting the increase in the value of mineral production, driven by a combination of price, production and exchange rates, coupled with reasonably stable production costs.
9. Other income increased by \$7.6 million reflecting greater than anticipated receipts of unclaimed monies and fines revenue.
10. Long service leave payments increased by \$7.2 million largely due to wages growth, timing of entitlement payments and changes in bond rates and staffing numbers.
11. Superannuation expenses increased by \$147.5 million predominantly as a result of the decrease in the bond rate used in valuing the Territory's superannuation liabilities as required by accounting standards.
12. Other salary expenses increased by \$38.7 million reflecting changes to workers compensation expenses as part of the new arrangements under the Northern Territory Public Service Workers Compensation Scheme framework.
13. Administrative expenses increased by \$6.4 million reflecting an impairment to taxes receivable.
14. Appropriation increased by \$126.7 million as a result of new approved funding across various agencies.

14. Budgetary information (continued)

b) Balance Sheet

	2017-18 ¹		Variance	Note
	Actual	Original Budget		
ASSETS				
Cash and deposits	488 502	70 317	418 185	1
Receivables	48 562	89 849	(41 287)	2
Advances and investments	1 516 079	1 130 677	385 402	3
Prepayments	3 400	883	2 517	
Equity investments	11 271 808	11 700 070	(428 262)	4
TOTAL ASSETS	13 328 351	12 991 796	336 555	
LIABILITIES				
Deposits held	886 917	822 126	64 791	5
Payables	1 090	7 505	(6 415)	6
Borrowings and advances	3 533 950	3 283 949	250 001	7
Employee benefits	324 923	304 609	20 314	8
Superannuation liability	3 622 087	3 852 410	(230 323)	9
Other liabilities	158 555	147 911	10 644	10
TOTAL LIABILITIES	8 527 521	8 418 510	109 011	
NET ASSETS	4 800 830	4 573 286	227 544	
EQUITY				
Accumulated funds	4 800 830	4 573 286	227 544	
TOTAL EQUITY	4 800 830	4 573 286	227 544	

1 Budget amounts exclude the gross-up effect of payroll tax revenue and expenses on employee benefits.

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

- Cash and deposits increased by \$418.2 million largely reflecting prefunding a portion of the 2018-19 borrowing program to take advantage of improved market conditions, combined with lower operating and capital expenditure across government agencies.
- Receivables decreased by \$41.3 million reflecting lower than anticipated income tax and dividend receivables from government owned corporations.
- Advances and investments increased by \$385.4 million largely due to higher than anticipated investments, combined with higher than expected growth on investments.
- Equity investment decreased by \$428.3 million reflecting lower capital appropriation paid to agencies due to the revised timing of capital projects, combined with decreased tied Commonwealth revenue.
- Deposits held increased by \$64.8 million due to higher than anticipated cash balances held by CHA on behalf of government trading entities.
- Payables decreased by \$6.4 million reflecting a decrease in accrued expenses and interest payable.

14. Budgetary information (b) (continued)

7. The increase in borrowings reflects prefunding a portion of the 2018-19 borrowing program to take advantage of improved market conditions.
8. Employee benefits increased by \$20.3 million largely reflecting an increase in long service leave liabilities due to wages growth, timing of entitlement payments and changes in bond rates and staffing numbers used in valuing the liability.
9. The \$230.3 million decrease in superannuation liabilities was predominantly due to the movement in the bond rate used in valuing the Territory's superannuation liabilities as required by accounting standards, combined with a reduction in superannuation creditors and a 0.5 per cent reduction in the future salary rate, consistent with the Territory Government's public services wages policy.
10. Other liabilities increased by \$10.6 million as a result of increased provisions for workers compensation of \$17.7 million reflecting change in assumptions and increase in number of claims, offset by a decrease in unearned taxation revenue of \$7.2 million.

14. Budgetary information (continued)

c) Cash Flow Statement

	2017-18 ¹		Variance	Note
	Actual	Original Budget		
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Taxes received	770 991	677 068	93 923	1
Grants and subsidies received				
GST received	2 944 959	2 909 000	35 959	2
Specific purpose payments	408 197	374 174	34 023	3
National partnership agreements	216 036	565 803	(349 767)	4
Current grants	277 787	2 614	275 173	5
Capital grants	19 045	15 268	3 777	
Royalties, rents and dividends	398 211	278 336	119 875	6
Employer superannuation contributions	32 998	32 686	312	
Other receipts	91 404	46 392	45 012	7
Interest received	85 823	36 784	49 039	8
Total operating receipts	5 245 451	4 938 125	307 326	
Operating payments				
Long service leave	40 086	44 155	(4 069)	
Superannuation benefits paid	195 269	199 424	(4 155)	
Other salary payments	36 449	1 500	34 949	9
Payments for goods and services	1 431	820	611	
Interest paid	152 911	146 462	6 449	10
Appropriation payments	4 777 231	4 650 534	126 697	11
Total operating payments	5 203 377	5 042 895	160 482	
Net cash from/(used in) operating activities	42 075	(104 770)	146 844	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Equity sales or withdrawals	17 271	20 000	(2 729)	
Total investing receipts	17 271	20 000	(2 729)	
Investing payments				
Advance and investing payments	168 069	(112 946)	281 015	12
Appropriation payments	471 916	961 156	(489 240)	13
Equity injections	58 590	7 000	51 590	14
Total investing payments	698 575	855 210	(156 635)	
Net cash from/(used in) investing activities	(681 304)	(835 210)	153 906	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Proceeds of borrowings	1 200 000	950 000	250 000	15
Deposits received	(290 595)	(253 481)	(37 114)	16
Total financing receipts	909 405	696 519	212 886	
Financing payments				
Repayment of borrowings	3 191	3 199	(8)	
Total financing payments	3 191	3 199	(8)	
Net cash from/(used in) financing activities	906 214	693 320	212 894	
Net increase/(decrease) in cash held	266 984	(246 660)	513 644	
Cash at beginning of financial year	221 518	316 977	(95 459)	
CASH AT END OF FINANCIAL YEAR	488 502	70 317	418 184	

1 Budget amounts exclude the gross-up effect of payroll tax revenue and expenses on employee benefits.

14. Budgetary information (c) (continued)

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

1. Taxes received increased by \$93.9 million due predominantly to higher payroll taxes collections as a result of the extension of the construction phase of the LNG project during 2017-18 and the associated higher level of peak workforce for employers associated with the project.
2. GST received increased by \$36 million primarily due to national collections being greater than anticipated.
3. Specific purpose payments increased by \$34 million relating to Quality Schools funding.
4. National partnerships payments decreased by \$349.8 million predominantly due to the revised timing of NT Remote Aboriginal Investment funding of \$125.6 million, capital funding for roads projects of \$154.6 million and remote housing of \$82 million, less other funding of \$12.4 million.
5. Current grants increased by \$275.2 million primary related to the early receipt of the Commonwealth's financial assistance payment of \$259.6 million combined with natural disaster relief and recovery arrangements payments of \$15.7 million.
6. Royalties, rents and dividends increased by \$119.9 million predominantly due to higher mining royalties reflecting the increase in the value of mineral production, driven by a combination of price, production and exchange rates, coupled with reasonably stable production costs.
7. Other receipts increased by \$45 million reflecting agency premiums for workers compensation as part of the new Northern Territory Public Service Workers Compensation Scheme framework administered by the CHA that commenced on 1 July 2017.
8. Interest received increased by \$49 million predominantly due to the realisation of gains within the Conditions of Service Reserve investments.
9. Other salary payments increased by \$34.9 million reflecting changes to workers compensation expenses as part of the new arrangements.
10. Interest paid increased by \$6.4 million due to increased borrowing requirements.
11. Appropriation payments increased by \$126.7 million as a result of new approved funding across various agencies.
12. Advances and investments payments increased by \$281 million reflecting higher investments held in the CHA.
13. Appropriation payments from investing activities decreased by \$489.2 million due to the revised timing of large capital projects (\$245.3 million) combined with reduced Commonwealth appropriation (\$243.9 million) predominantly due to the revised timing of capital funding for roads, remote housing and NT Remote Aboriginal Investment.
14. The movement represents the net growth in government entities.
15. The increase in borrowings reflects prefunding a portion of the 2018-19 borrowing program to take advantage of improved market conditions.
16. Deposits received decreased by \$37.1 million due to lower than anticipated cash balances held by CHA on behalf of government entities.

15. Related parties

(i) Related parties

CHA is a government administrative entity and is wholly owned and controlled by the Territory Government.

Related parties of CHA include:

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

(ii) Key management personnel (KMP)

KMP of CHA are those persons having authority and responsibility for planning, directing and controlling the activities of CHA. The KMP of CHA for 2017-18 were:

- the Treasurer
- the Under Treasurer.

(iii) Remuneration of KMP

CHA does not make any direct payments to its KMP. The Treasurer's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently are disclosed within the Treasurer's Annual Financial Statements. The Under Treasurer's remuneration and allowances are payable by the Department of Treasury and Finance.

(iv) Related party transactions

Transactions with Northern Territory government-controlled entities

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

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

16. Events subsequent to reporting date

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





6 | APPENDICES

1 - Corporate Plan achievements	154
2 - Competitive neutrality	160
3 - Reporting against Employment Instructions	161
4 - Audit findings	165
5 - Legislation administered	169
6 - Legislative changes 2017-18	170
7 - Abbreviations	171
8 - Glossary	173
9 - Directory	176

Appendix 1

Corporate Plan achievements

Corporate report for the period July 2017 to June 2018

The Department of Treasury and Finance's (DTF) progress against the 2017-18 key actions from the 2017-2020 Corporate Plan for the period July 2017 to June 2018 is outlined below. Based on information provided from relevant business divisions, a number of actions have been completed and the remaining actions mainly relate to DTF's ongoing activities. Note, actions here are reported against the strategic goals and key actions articulated in 2017-18, not against the goals revised in 2018, as described in The Agency chapter.

Our performance symbols:



Completed, actions finalised in 2017-18



Business as usual, actions established, now normal business practice



Ongoing, actions progressed in 2017-18, not yet finalised

Strategic goal 1: Support economic growth, job creation and fiscal sustainability by providing timely and reliable policy advice to inform the government's strategic priorities.

Review and improve context and format of advice to the Treasurer and Cabinet.



New enhanced dashboard-style reports implemented for Budget Review Subcommittee meetings that provide a visual assessment of monthly financial performance against budget for both agencies and whole of government.



Revised Under Treasurer's Minute template trialled to improve the context and format of advice to the Treasurer and Cabinet.



Engaging earlier with agencies on Cabinet submissions, with stronger emphasis on communicating and collaborating with agencies, to improve the quality of DTF advice in Cabinet comments.

Ensure Territory Budget processes support government's strategic priorities.



Coordinated advice from agencies and provided a range of options for Cabinet to determine the Budget Cabinet business list.



An initial business list and process for adding further items was communicated to agencies. A template was also developed to assist agencies to align funding initiatives to government's strategic priorities.



Published a new Northern Territory economy website in May 2018 to supplement the Northern Territory Economy book and provide comprehensive and up-to-date analysis of the Territory economy, including key economic indicators and industries. Work is ongoing to optimise accessibility and functionality.



The GST revenue forecast model is being updated with latest GST parameters assumptions to provide an indication of the Territory's fiscal position using current forecasting methodology, although this will be affected by any decision on the Productivity Commission's report on Horizontal Fiscal Equalisation.



Support rigorous analysis of government programs and expenditure, including improved capital project assessments.

- ✓ Developed a template to encourage agencies to provide the necessary level of information to enable adequate consideration of new proposals for inclusion on the 2018 Budget Cabinet business list.
- ✓ Participated in external reviews of agencies with known budget pressures to support a rigorous analysis of expenditure pressures and develop advice on better program alignment with government priorities.
- ✓ Reviewed and advised on proposed government owned corporation forecasts as part of the 2018-19 Statement of Corporate Intent process.
- ✓ Managed the Unsolicited Proposal Policy process until the new Market-Led Proposals Policy process was implemented (in the Department of Trade, Business and Innovation).
- ✓ Provided training to staff to build greater analytical and project assessment skills.
- ✓ Implemented the new workers compensation self-insurance framework and transitioned to a new claims manager and contractual arrangements.
- ⚙ Providing economic advice and support to agencies as required.
- ⚙ Ongoing oversight of government owned corporation compliance with the Corporate Governance and Reporting Framework.
- ⚙ Providing analysis and advice as part of various major procurement assessment panels.
- ↻ Establishing a program evaluation function within DTF and progressing development of whole of government evaluation frameworks.
- ↻ Commenced review of the contestable uniform electricity tariff community service obligation (CSO) and development of an associated CSO management system.
- ↻ Establishing a register of commercial insurance policies held by agencies to better identify and monitor commercial insurance arrangements across government consistent with the Treasurer's Directions.

Actively engage with emerging issues in Commonwealth-state financial relations.












- ✓ Prepared the Territory's submissions to the Productivity Commission's Draft Report into Horizontal Fiscal Equalisation.
- ✓ Collaborated with external organisations to represent whole of Territory interests at the Productivity Commission's public hearings in Darwin.
- ✓ Provided advice to the Department of the Chief Minister and the Department of Health on the National Disability Insurance Scheme and assisted with providing advice on the negotiation strategy as part of the full scheme negotiations.
- ⚙ Providing briefings and support to the Treasurer and DTF executives at intergovernmental meetings.
- ⚙ Engaging with and supporting agencies through various national partnership agreement negotiations.

Provide forward-looking and solutions-focused advice to government.

-  Providing high quality and timely financial, economic, commercial and policy advice through ministerial briefings and the Cabinet submission comment processes.
-  Conducting regular internal economic meetings to report on and discuss potential and emerging issues.

Strategic goal 2: Strengthen our policy leadership role within the public sector and the community to assist government in delivering its objectives.

Build more effective relationships across the public sector.

-  Established the Gas Governance Group to share information and facilitate better planning and coordination of policy development between government agencies on all issues related to natural gas in the Territory.
-  Established a number of working groups with the Department of the Chief Minister and other government agencies to assist in implementing government's decisions on electricity market reform and renewables.
-  Existing forums have been reviewed and strengthened, including the Chief Financial Officer (CFO) Forum and the Statistical Liaison Network, to address strategic issues and build relationships.
-  Provided regular presentations to agency CFOs and finance staff regarding new and revised accounting standards. Additional presentations on the draft Treasurer's Directions and financial management framework will be provided as work progresses.
-  Meeting regularly with agencies (departments of Health, Education, Territory Families, Northern Territory Police, Fire and Emergency Services and the Attorney-General and Justice) to discuss emerging and current budget and financial pressures.
-  Engaging with agencies to gather information to support submissions to the Commonwealth Grants Commission (CGC) on the Territory's expenditure and revenue needs.
-  Meeting regularly with agencies (departments of Health, Education, Housing and Community Development, the Chief Minister, and Northern Territory Police, Fire and Emergency Services) to develop presentations and briefing materials for visits by Commissioners of the CGC.
-  Meeting regularly with the departments of Infrastructure, Planning and Logistics, and Housing and Community Development to discuss the delivery of government's infrastructure priorities.
-  Engaging with all agencies to discuss draft Cabinet submissions to clarify information provided and ensure sponsor agencies are fully aware and understand DTF's advice.
-  Engaging with the departments of Infrastructure, Planning and Logistics, and Trade, Business and Innovation on major projects and other matters as they arise to clarify issues, proactively communicate DTF's expert advice, and provide input.
-  Increasing engagement with and contribution to jurisdictional work teams supporting the Council of Australian Governments' Energy Council through providing economic advice to, among other things, ensure the Territory's circumstances are considered and addressed as appropriate in relation to national energy policy and associated regulatory frameworks.

Create a communications strategy to discuss key fiscal and economic issues with all stakeholders.

- ✔ Created communications strategies and plans for initiatives such as the 2018-19 Budget, revenue discussion paper and superannuation management reforms.
- ✔ Provided a range of presentations to agencies, including at the executive level, to discuss key fiscal and economic issues, and consultation opportunities for agency staff.
- ✔ Established the Economic Standing Committee to create linkages and improve collaboration between the economic teams within the Department of Business, Trade and Innovation, the Department of the Chief Minister and DTF.
- ✔ Released a revenue discussion paper on the Territory's revenue schemes, including options for reform and modernisation, and undertook public consultation through a number of channels seeking feedback.
- ⚙️ Maintain regular communications with key agencies to enable timely identification of emerging budget pressures.
- ⚙️ Providing regular briefings to the Budget Review Subcommittee of Cabinet regarding the fiscal position and emerging risks. The fiscal position is a standing item of discussion at the Chief Executives' Coordination Committee.
- ⚙️ Updated the Cutting Red Tape website to reflect that DTF has carriage of the function and manages the government agenda in this area. Ongoing updates will be released as new initiatives and reforms are implemented.

Develop and implement a pilot program to enhance capability in CFOs across the Northern Territory Public Sector.



- 🔄 The pilot program has been designed and split into three stages. Stage one, the design of the finance capability framework, has commenced with the development of a CFO-specific Capability and Leadership Framework and job description, to be implemented in 2018-19. Stage two, identification of requirements through a gap analysis, and stage three, the development of a CFO program, will be progressed in 2019.

Develop and implement a strategic policy framework.


- ✔ Developed a joint implementation plan for the regulatory reform action item as a part of the Economic Development Framework.
- ✔ Formed a global view on strategic infrastructure investments needed to accelerate economic activity in key industries.
- ✔ Reviewed and updated the Regulation Making Framework and associated documents, incorporating some best practice principles identified by the Productivity Commission.
- 🔄 Developing a program evaluation framework as an essential part of strategic policy development.

Additional actions:


Review of the Financial Management and Accountability Framework.

-  A Treasurer's Direction on fraud control was developed in consultation with agencies and issued in early 2018.
-  Continuing the review of the Financial Management and Accountability Framework to modernise the content and format, with a focus on reviewing the Treasurer's Directions and associated reference material in close collaboration with agencies.

Implementation of AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.


-  Continuing the accounting policy project to review the impact of AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities from an agency and whole of government perspective. Ongoing liaison is underway with jurisdictional counterparts in the development of appropriate Treasurer's Directions and detailed guidance documents on the implementation of these key accounting standards across government.

Engage with the community on Territory taxes and royalties.

-  The Revenue Discussion Paper was released in November 2017 and provided a summary of the Territory's tax and royalty systems, and policy objectives, along with outlines of economic efficiencies and inefficiencies of the current system. Territorians were invited to make written submissions and take part in engagement and information sessions across the Territory about taxes and royalties. Consultation on the paper, along with further specific industry-based consultation, informed some of the own-source revenue initiatives in the 2018-19 Budget.

Strategic goal 3: Empower our people and create an agile, skilled and resilient workforce by continuing to build, grow and maintain organisational capability.

Commence succession planning and development of a corporate knowledge management strategy.

-  An Organisational Development Strategy is currently being finalised, which includes succession planning and associated capturing of corporate knowledge. Several policies have also been established that fall under this strategy, such as the employee development and performance planning policy and middle level career development policy.

Ensure organisational structure is aligned with agency functions to meet current and future demands.

-  Following the Capability Review, the organisational structure was realigned with changes to reporting lines for Financial Management Group, Northern Territory Treasury Corporation (NTTC) and the Intergovernmental Relations Unit within the Economic Group.
-  Formed Treasury Financial Services, amalgamating financial services functions from the Treasury Services Group, NTTC and Northern Territory Superannuation Office.
-  Formed Treasury Systems Services to service DTF's Information and Communications Technology (ICT) requirements and provide systems support across the agency, amalgamating functions from the Territory Revenue Office, the Northern Territory Superannuation Office, Financial Management Group and Treasury Services Group.

Review and refine Finance Officer in Training (FOIT) and emerging leaders programs.

- ✓ The FOIT program was reviewed and now incorporates a rotation program for second-year graduates to further extend their knowledge and experience.
- ✓ The emerging leaders program was superseded by the middle level career development program. Employees expressed interest in the program through the performance planning process in July 2018.

Develop a senior leaders program.

- ✓ Professional development opportunities were identified for selected directors and senior executives and undertaken throughout 2017-18.
- ✓ A middle level career development policy was approved in June 2018, as mentioned above.

Review the Employee Development Framework (EDF) process.

- ✓ The EDF process was reviewed using surveys, focus groups and research on best practice. A new performance planning and review process (ROADmap) and forms have been developed. Use of the new framework commenced in the first quarter of 2018.

Review job descriptions, selection criteria and recruitment process.

- ⚙ The review of job descriptions, selection criteria and recruitment processes is part of all recruitment actions undertaken.
- ✓ The recruitment advertising process was reviewed and alternative media channels such as social media and digital advertising were successfully used.

Develop a secondment strategy for internal and external staff development.

- ⚙ An exchange program between the South Australian DTF and the Northern Territory DTF was agreed. Three staff from South Australia commenced mid-2018 in Darwin for three to four-month placements. Expressions of interest for placements in South Australia were sought from Northern Territory DTF employees.
- ✓ DTF staff were temporarily transferred to the Royal Commission in the Department of the Attorney-General and Justice and the Reform Management Office in Territory Families.

Additional actions:

Undertake high level organisational capability review.

- 🔄 A high level capability organisational review was undertaken to identify strengths, areas that require further development and areas for potential improvement. The review was conducted independently with input from the Senior Management Group (SMG), a cross-section of staff and several external stakeholders. The implementation plan for the recommendations has been under way with responses to the majority of recommendations already completed. Remaining actions will be completed in 2018-19. Regular updates are provided to staff.

Review and release the Corporate Governance Framework.

- ✓ The Corporate Governance Framework was revised to reflect relevant recommendations from the Capability Review and provide further information on the agency's corporate governance practices. As part of this, a revised accountability structure was introduced with four standing committees to provide further support to the Under Treasurer and SMG with oversight and advice in relation to specific risks and issues affecting the agency. All governance committees have since been established.

Appendix 2

Competitive neutrality

The following is a reporting requirement of the Northern Territory's Policy Statement on Competitive Neutrality – to disclose all allegations of non-compliance with the Territory's Policy Statement on Competitive Neutrality and report findings of the investigations. During 2017-18, there was one complaint received.

In December 2017, a competitive neutrality complaint was received from Wildlife Management International Pty Ltd (WMI) in relation to Territory Wildlife Parks' compliance with the Territory's Policy Statement on Competitive Neutrality. WMI owns and operates Crocodylus Park. TWP is a government business division that operates the Territory Wildlife Park (TWP) and the Alice Springs Desert Park. The complaint was focused only on the TWP, managed by Territory Wildlife Parks, at Berry Springs.

WMI's complaint allegations were:

- TWP and Crocodylus Park are in direct competition with each other, both in terms of commercial tourism operations and non-commercial (public good) activities.
- TWP engages in extreme discounting with reduced income topped up from community service obligation (CSO) funding.
- Fees at the TWP are not reflective of the costs of production and are set specifically to discount relative to Crocodylus Park.
- CSO funds are not allocated in accordance with the principles and practices of competitive neutrality.
- There is a lack of data availability and transparency with regard to the TWP CSO funding.

In accordance with the Policy Statement, DTF investigated the complaint and the findings are summarised as follows.

- The investigation did not find that TWP and Crocodylus Park were direct competitors in terms of commercial tourism operations. The competitive neutrality principles did not apply to non-commercial (public good) activities by their very nature.

- The investigation did not find that TWP had deliberately engaged in extreme discounting with the knowledge that any loss in revenue would be topped up from the CSO subsidy.
- The investigation did find that fees at TWP were not set to reflect costs of production and therefore fees were found to be non-compliant with the Competitive Neutrality Policy. However there was no evidence to suggest that the TWP fees had been intentionally set relative to Crocodylus Park.
- The investigation did find that CSO funds were not allocated in accordance with competitive neutrality principles and TWP was therefore non-compliant with the policy.
- The investigation did find that the lack of data availability and transparency with regard to TWP's CSO funding was non-compliant with the policy.

Government made the following decisions to resolve the areas of non-compliance.

TWP, in conjunction with the Department of Tourism and Culture and DTF, are to:

- Develop and make publicly available a pricing policy that complies with competitive neutrality principles.
- Undertake a review of TWP's pricing of commercial activities consistent with the pricing policy.
- Quarantine and differentiate commercial from non-commercial activities and implement a robust performance reporting framework.

Government requested the DTF report findings of the complaint investigation in its 2017-18 Annual Report and also directed the Department of Tourism and Culture to incorporate enhanced reporting and respond to areas of non-compliance with findings in the Department of Tourism and Culture's 2017-18 Annual Report.

This work is to be completed in late 2018 and actions reported to government.

Appendix
3

Reporting against Employment Instructions

Under the *Public Sector Employment and Management Act* (PSEMA), Employment Instructions provide direction to agencies on human resource matters. DTF's performance against the instructions are reported in Table 24.

Table 24: Employment Instruction reporting

Employment Instruction	Performance
<p>Number 1 – Filling vacancies</p> <p>Chief Executive Officer (CEO) must develop a procedure for the filling of vacancies consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>Vacancies were filled in line with PSEMA and Northern Territory Public Sector Recruitment and Selection Policy. In 2017-18, 45 positions were advertised, attracting 868 applicants. No appeals or grievances were lodged against any of the 45 recruitment processes.</p>
<p>Number 2 – Probation</p> <p>CEO must develop a probation procedure consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>Ongoing employment was confirmed for all staff on probation.</p>
<p>Number 3 – Natural justice</p> <p>The principles of natural justice are to be observed in all dealings with employees.</p>	<p>All recruitment processes are monitored and quality assured to ensure natural justice is correctly and adequately observed. All new staff are inducted in appropriate workplace behaviour, and provided with information on lodging complaints or accessing assistance. DTF requires all staff to undertake disability confidence training and unconscious bias training.</p>
<p>Number 4 – Employee performance management and development systems</p> <p>CEO must develop and implement an employee performance management and development procedure consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>In 2017 a full review of our processes resulted in a new employee performance planning and review policy for all staff, as well as a guideline and new tool for staff from AO1 to SAO2 levels. The new tool was launched as 'ROADmap' (reflection, objective, action and development).</p> <p>To support the roll out, The Art of Giving and Receiving Feedback training was provided to staff with a more detailed session delivered to managers.</p> <p>In July 2017 and February 2018, training was provided to staff in challenging unconscious bias.</p>

Employment Instruction	Performance
<p>Number 5 – Medical examinations</p> <p>CEO may engage a health practitioner to undertake an examination of an employee in accordance with section 45 and 49B of PSEMA. The principles of natural justice must be applied.</p>	<p>No medical examinations were undertaken in 2017-18.</p>
<p>Number 6 – Employee performance and inability</p> <p>Agency to provide Office of the Commissioner for Public Employment (OCPE) with information relating to performance and inability.</p> <p>The agency has procedures in place for undertaking performance management and inability consistent with PSEMA and its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>No employee was retired on inability grounds at the employee's request during 2017-18.</p> <p>Appropriate performance management procedures are in place, and no staff were placed on performance improvement plans during 2017-18.</p>
<p>Number 7 – Discipline</p> <p>Agency to provide OCPE with information on the extent to which this employment instruction has been used by the agency.</p> <p>CEO may establish procedures regarding discipline within his or her agency consistent with the PSEMA, its subordinate legislation and any relevant award of enterprise agreement.</p>	<p>There were no disciplinary processes undertaken in 2017-18.</p>
<p>Number 8 – Internal agency complaints and section 59 grievance reviews</p> <p>CEO must develop an internal employee grievance handling policy and procedure consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>There were two section 59 grievance reviews in 2017-18, both of which found in favour of the agency's original decisions.</p>
<p>Number 9 – Employment records</p> <p>Agency has responsibility for keeping employee's employment records. The agency must comply with the requirements of PSEMA and its subordinate legislation, the <i>Information Act (NT)</i> regarding correction, collection and handling of personal information contained on an employee's employment record.</p>	<p>Personnel records for DTF are maintained by the Department of Corporate and Information Services (DCIS) payroll unit.</p> <p>All human resources-related documents are stored electronically through HP TRM using secure human resources files and security caveats to restrict access. Security and access reviews are undertaken quarterly.</p>

Employment Instruction	Performance
<p>Number 10 – Equality of employment opportunity (EEO) programs</p> <p>CEO must develop an EEO program consistent with PSEMA, its subordinate legislation, the <i>Anti-Discrimination Act</i> and any relevant award or enterprise agreement. EEO programs must be integrated with corporate, strategic and other agency planning processes. CEO is to report annually on programs and initiatives the agency has developed. Report should also include reports detailing specific action relating to Indigenous Employment and Career Development.</p>	<p>DTF has the required policies and processes in place, and reports annually as part of the State of the Service reporting process. Initiatives in 2017-18 focused on raising awareness in relation to bullying and inappropriate workplace behaviour, and providing training on challenging unconscious bias.</p>
<p>Number 11 – Occupational health and safety standards programs</p> <p>A CEO must ensure the application of appropriate occupational health and safety (OHS) standards and programs.</p> <p>Agency to report annually on OHS programs.</p>	<p>DTF has a complete work health and safety (WHS) management system with associated procedural documentation, reporting and governance. The WHS action plans for 2017 and 2018 were individually approved at the start of each calendar year by the WHS Committee, a standing committee of SMG. Quarterly WHS reports are provided to SMG and external boards.</p>
<p>Number 12 – Code of Conduct</p> <p>The Code of Conduct stipulates the minimum standard of conduct expected of public sector officers as defined in PSEMA.</p> <p>CEO may issue an agency-specific Code of Conduct consistent with PSEMA, its associated subordinate legislation, this code and any other relevant legislation.</p>	<p>Clearly defined expectations on acceptable behaviour in the workplace and obligations for DTF employees are outlined in policy and provided as part of the face-to-face induction process for new staff.</p> <p>Undertaking bullying awareness, disability confidence and unconscious bias training is a requirement for all staff.</p>
<p>Number 13 – Appropriate workplace behaviour</p> <p>CEO must develop and implement an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect, and to deal effectively with inappropriate workplace behaviour and bullying. The policy and procedure are to be consistent with the PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>Clearly defined expectations on acceptable behaviour in the workplace and obligations for DTF employees are outlined in policy, and provided as part of the face-to-face induction process for new staff.</p> <p>Appropriate workplace behaviour training is required of all staff and provided by DTF.</p>
<p>Number 14 – Redeployment and redundancy procedures</p> <p>Agency to ensure an ongoing employee who may be surplus to requirement is afforded the opportunities as outlined in sections 41-43 of PSEMA and the CEO must give a copy of the written notice issued to the employee stating the reasons for a declaration of surplus status to both the commissioner and any employee organisation prescribed by regulation for the employee.</p>	<p>There were no surplus officers in 2017-18.</p>

Employment Instruction

Performance

Number 15 – Special measures

Sets out the requirements and conditions for approval of agency special measure plans, programs or arrangements.

DTF's Indigenous Employment and Career Development Strategy aims to increase the Aboriginal workforce to 6.6 per cent by December 2021, with all participating in career development, training pathways and employment programs.

Aboriginal recruitment is mainly through the Aboriginal employment programs.

Appendix 4

Audit findings

Audits by the Auditor-General for the period 1 July 2017 to 30 June 2018

Department of Treasury and Finance

End-of-year review – 30 June 2017

Audit objective: To assess the adequacy of selected aspects of end-of-year controls over reporting, accounting and material financial transactions and balances, with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statement (TAFS).

Audit outcome: DTF's accounting and control procedures were found to be generally satisfactory. There were no matters arising.

Action: No action required.

Treasurer's Annual Financial Statement for the year ended 30 June 2017

Audit objective: To complete the audit of the accounts and records and form an opinion on the financial statements of TAFS for the year ended 30 June 2017.

Audit outcome: An unmodified opinion was provided in respect to all sectors.

Action: No action required.

Revenue systems for the year ended 30 June 2017

Audit objective: To perform an assessment of the effectiveness of general computer controls associated with DTF Territory revenue systems.

Audit outcome: DTF's general controls associated with the Territory revenue systems in scope were found to be satisfactory. There were no significant matters arising from this audit, however a schedule of minor matters was provided.

Action: Minor matters have been addressed.

APEX system internal control

Audit objective: APEX is the Government's primary budgeting, consolidation and reporting system, supporting the delivery of whole of government budgeting and financial reporting obligations. The objective of the audit was to understand, risk assess and test the internal controls of the APEX application system, relating to financial audit requirements. The following areas of general computer controls relating to the APEX application system were tested for the period 1 July 2017 to 7 March 2018:

- application security
- database security
- operating system security
- user access management (security)
- change management.

The scope was focused on meeting systems assurance requirements supporting the audit of the TAFS.

Audit outcome: Information and changes to the information security and change management for the APEX environment were summarised in the key findings. There were no significant matters arising from this audit, however a schedule of minor matters was provided.

Action: Minor matters have been addressed.

Agency compliance audit for the year ending 30 June 2018

Audit objective: To examine selected aspects of systems in use in DTF as required, in particular by Treasurer's Direction part 3, section 1 and the procurement regulations and guidelines, with the objective of obtaining reasonable assurance those selected requirements were being achieved.

Audit outcome: In general, the accounting and control procedures provide reasonable assurance the responsibilities of the Accountable Officer will be met. A finding was raised in relation to updating the contingent liabilities register and a schedule of minor matters was also provided.

Action: Actions to address the audit recommendation are under way.

Natural Disaster Relief and Recovery Arrangements claim acquittal for the year ended 30 June 2017

Audit objective: To complete sufficient audit verification to enable an opinion to be expressed upon the Audited Financial Statement Claim Form by the Territory for assistance from the Commonwealth relating to natural disasters in respect of its budget outlay during the financial year.

Audit outcome: An unmodified audit opinion on the claim was issued. A claims analysis was provided in the key findings. There were no significant matters arising from this audit.

Action: No action required.

Salary overpayments assessment

Assessment objective: To provide information about salary overpayments made by DTF to the agency's management for review and follow up.

Assessment outcome: Three overpayments were identified during the period under review. As with all agencies selected for the assessment, the report recommended vigilance at all times and to ensure all salary amendments are notified to DCIS in a timely manner. It was also recommended that financial losses be recovered in a timely manner, and the agency should work with DCIS to analyse trends and identify strategies to reduce overpayments.

Action: DTF used the assessment results and recommendations to improve its internal controls. DTF also met with DCIS representatives to discuss additional process improvements that could be implemented.

Governance framework – Lighthouse Review

Audit objective: To gain an understanding of the systems and processes DTF has available to manage governance arrangements and demonstrate effective governance controls are in place and operational.

Audit outcome: DTF has a variety of robust systems and processes in progress in place to manage its governance arrangements and has demonstrated effective governance controls are in place and operational. The review also highlighted a number of opportunities to improve the agency's governance systems and processes.

Action: Actions to address review recommendations are under way.

Financial statements audit – Legislative Assembly Members’ Superannuation Fund for the year ended 30 June 2017

Audit objective: To audit the accounts and records and financial statements of the Legislative Assembly Members’ Superannuation (LAMS) Fund pursuant to Section 7(2) of the *Legislative Assembly Members’ Superannuation Fund Act*.

Audit outcome: An unmodified audit opinion on the financial statements of LAMS was issued to the Superannuation Trustee Board.

Action: No action required.

Financial statements audit – Northern Territory Government and Public Authorities’ Employees Superannuation Fund for the year ended 30 June 2017

Audit objective: To audit the accounts and records and form an opinion of the financial statements of the Northern Territory Government and Public Authorities’ Employees Superannuation (NTGPAES) Fund pursuant to Section 43(2) of the *Superannuation Act*.

Audit outcome: An unmodified audit opinion on the financial statements of NTGPAES was issued to the Superannuation Trustee Board.

Action: No action required.

Financial statements audit – Northern Territory Police Supplementary Benefit Scheme for the year ended 30 June 2017

Audit objective: To audit the accounts and records and form an opinion of the financial statements of the Northern Territory Police Supplementary Benefit Scheme (NTPSBS) for the year ended 30 June 2017, which is required to be prepared pursuant to clause 11 (g) of the Trust Deed established for the scheme.

Audit outcome: An unmodified audit opinion on the financial statements of NTPSBS was issued to the Superannuation Trustee Board.

Action: No action required.

Northern Territory Treasury Corporation

Financial statements of the Northern Territory Treasury Corporation for the year ended 30 June 2017

Audit objective: To audit the accounts and records and form an opinion on the financial statements of NTTC for the year ended 30 June 2017.

Audit outcome: An unmodified audit opinion on the financial statements of NTTC was issued.

There were no significant matters identified during the audit, and relevant information was provided in the key findings. A schedule of minor matters was also provided.

Action: Minor matters are being addressed.

Internal audits and reviews

Department of Treasury and Finance

All internal audits included testing both DTF and NTTC transactions.

Travel internal audit

Audit objective: As per the Northern Territory Government Travel Policy Framework, agencies must undertake annual audits of official travel to test compliance with the travel policy framework, and respond to audit findings.

Audit outcome: No material issues were identified as a result of the review of travel for the period from 1 January to 30 June 2017.

Action: Minor updates to administrative processes were implemented to further strengthen internal controls. An audit of travel undertaken in 2017-18 will be conducted in 2018-19, in line with the revised whole of government audit requirements.

Procurement internal audit

Audit objective: To review procurement transactions for the period 1 July 2017 to 28 February 2018 to assess agency compliance against the procurement rules, relevant legislation, policy and procedures, with the audit report provided to the Buy Local industry advocate.

Audit outcome: Improvements were suggested in relation to Tier 1 (below \$15 000) procurement processes, most of which have since been rectified through the updated procurement and contract delegations.

Action: Implemented improved awareness of procurement requirements and made minor updates to administrative processes to improve process efficiency.

Credit card internal audit

Audit objective: To review a sample of credit card transactions for the period 1 July 2017 to 30 April 2018, to assess compliance with relevant legislation, policy and procedures.

Audit outcome: In addition to minor suggestions related to process efficiency, an issue was identified with the practicality of purchasing pre-approvals.

Action: Implemented improved pre-approval processes for purchasing and made minor updates to administrative processes to improve process efficiency, through updated procurement and contract delegations.

Hospitality and entertainment internal audit

Audit objective: To review a sample of hospitality and entertainment transactions for the period from 1 April 2017 to 31 March 2018 to assess agency compliance with relevant legislation, policy and procedures.

Audit outcome: No material issues were identified as a result of the review.

Action: Minor updates to administrative processes were made to improve process efficiency.

Appendix
5

Legislation administered

<i>Advance Bank Integration Act</i>	<i>Motor Accidents (Compensation) Act</i>
<i>Appropriation (2018-19) Act</i>	<i>Motor Accidents (Compensation) Commission Act</i>
<i>Bank of South Australia (Merger with Advance Bank) Act</i>	<i>Motor Vehicles Act (Part V)</i>
<i>Competition Policy Reform (Northern Territory) Act</i>	<i>National Electricity (Northern Territory) (National Uniform Legislation) Act</i>
<i>Electricity Networks (Third Party Access) Act</i>	<i>Northern Territory Treasury Corporation Act</i>
<i>Electricity Reform Act (provisions about economic regulation)</i>	<i>Occupational Licensing (National Uniform Legislation) Act</i>
<i>Financial Agreement between the Commonwealth, States and Territories (Approval) Act</i>	<i>Payroll Tax Act</i>
<i>Financial Management Act</i>	<i>Petroleum Act (provisions about royalties)</i>
<i>Financial Relations Agreement (Consequential Provisions) Act</i>	<i>Racing and Betting Act (Part IV, Division 5)</i>
<i>First Home Owner Grant Act</i>	<i>Revenue Units Act</i>
<i>Fiscal Integrity and Transparency Act</i>	<i>Soccer Football Pools Act (provisions about duties)</i>
<i>Gaming Control Act (provisions about taxes and levies)</i>	<i>Stamp Duty Act</i>
<i>Gaming Machine Act (Part 8)</i>	<i>Superannuation Act</i>
<i>Government Owned Corporations Act</i>	<i>Superannuation Guarantee (Safety Net) Act</i>
<i>McArthur River Project Agreement Ratification Act (provisions about royalties)</i>	<i>Taxation Administration Act</i>
<i>Merlin Project Agreement Ratification Act (provisions about royalties)</i>	<i>Territory Insurance Office (Sale) Act</i>
<i>Mineral Royalty Act</i>	<i>Totalisator Licensing and Regulation Act (provisions about wagering tax)</i>
<i>Mining (Gove Peninsula Nabalco Agreement) Act (provisions about royalties)</i>	<i>Unclaimed Superannuation Benefits Act</i>
	<i>Utilities Commission Act</i>
	<i>Water Supply and Sewerage Services Act (provisions about economic regulation)</i>



Appendix
6

Legislative changes 2017-18

2018-19 Budget

Mineral Royalty Act

As part of a local employment package, the *Mineral Royalty Act* was amended to allow royalty payers to claim a deduction for the cost of buying, renting or building accommodation in the Territory for employees whose principal place of residence is in the Territory.

On or after 1 July 2018, royalty payers will no longer be able to claim a deduction for fly-in fly-out travel and associated costs for employees whose principal place of residence is not in the Territory.

The mineral royalty regime is to be amended to introduce a minimum royalty and will apply in the first royalty year commencing on or after 1 July 2019.

The rate will be 1 per cent for the first royalty year, increasing to 2 per cent in the second year, and 2.5 per cent for the third year and each royalty year thereafter.

Revenue Units Act

The *Revenue Units Act* was amended such that, from 1 July 2018, the monetary value of a revenue unit will be set at \$1.18. This applies to government fees and charges prescribed by agencies and expressed as revenue units until 30 June 2019. From 1 July 2019, the value of the revenue unit will increase by the greater of the annual percentage change in Darwin's consumer price index, or 3 per cent.

Stamp Duty Act

The *Stamp Duty Act* was amended to remove the exemption on transfers of onshore and coastal petroleum, and pipeline interests for transactions entered into on or after 1 May 2018.

Minor amendments were also made to provide a stamp duty exemption for heavy vehicles registered in the Territory as a result of the closure of the Commonwealth Federal Interstate Registration Scheme, and ensure holders of the new Northern Territory Concession Scheme card are eligible for the senior, pensioner and carer stamp duty concession.

Gaming machine Regulations

The Gaming Machine Regulations were amended to delay the implementation of increases to community gaming machine taxes, previously scheduled to take effect from 1 July 2018.

Payroll Tax Act

With effect from 1 May 2018, the *Payroll Tax Act* was amended to provide an exemption for up to two years in relation to wages paid to:

- a Territory resident who, when hired, increases the total number of Territory residents employed by a Territory business
- an existing employee of a Territory business who relocates from living interstate or overseas to reside in the Territory as their principal place of residence
- or a Territory resident hired by a Territory business to replace a former employee who resides interstate or overseas.

Appendix 7

Abbreviations

AARC	AustralAsia Railway Corporation	FMG	Financial Management Group
AASB	Australian Accounting Standards Board	FOI	Freedom of Information
ABS	Australian Bureau of Statistics	FOIT	Finance Officer in Training
AEP	Aboriginal employment program	FTE	full-time equivalent
ANZSOG	Australian and New Zealand School of Government	FVTPL	fair value through profit or loss
AO	administrative officer	GST	goods and services tax
APM	accounting and property manual	HFE	horizontal fiscal equalisation
ATO	Australian Taxation Office	HR	human resources
AUSfund	Australia's Unclaimed Super Fund	ICS	Indigenous Cadetship Support program
BCP	business continuity plan	ICT	information and communications technology
CDU	Charles Darwin University	IMC	Information Management Committee
CEO	chief executive officer	IT	information technology
CFA	Chartered Financial Analyst	JPS	Supreme Court Judges' Pension Scheme
CFO	chief finance officer	KMP	key management personnel
CGC	Commonwealth Grants Commission	LAMS	Legislative Assembly Members' Superannuation Scheme
CHA	Central Holding Authority	LNG	liquefied natural gas
CP	Crocodylus Park	MAAS	Member Account Attribute Service
CPA	Certified Practising Accountant	NAIF	Northern Australia Infrastructure Facility
CSO	community service obligation	NDIS	National Disability Insurance Scheme
CSS	Commonwealth Superannuation Scheme	NP	national partnership
DCIS	Department of Corporate and Information Services	NTGDIS	Northern Territory Government Death and Invalidity Scheme
DTF	Department of Treasury and Finance	NTGPAES	Northern Territory Government and Public Authorities' Employees Superannuation Fund
EAP	employee assistance program	NTGPASS	Northern Territory Government and Public Authorities' Superannuation Scheme
EDF	employee development framework	NTPS	Northern Territory Public Sector
EEO	equal employment opportunity	NTPSBS	Northern Territory Police Supplementary Benefit Scheme
ECO	executive contract officer		
ESC	Economic Standing Committee		
FHOG	first home owner grant		
FITA	<i>Fiscal Integrity and Transparency Act</i>		
FMA	<i>Financial Management Act</i>		

NTSSS	Northern Territory Supplementary Superannuation Scheme	SAO	senior administrative officer
NTTC	Northern Territory Treasury Corporation	SHRC	Strategic Human Resources Committee
OCI	other comprehensive income	SMG	Senior Management Group
OCPE	Office of the Commissioner for Public Employment	SPP	specific purpose payment
PC	Productivity Commission	TAFR	Treasurer's Annual Financial Report
PEEPs	Personal Emergency Evacuation Plans	TAFS	Treasurer's Annual Financial Statement
PEFO	Pre-Election Fiscal Outlook Report	TRO	Territory Revenue Office
PSEMA	<i>Public Sector Employment and Management Act</i>	TWP	Territory Wildlife Park
RAC	Risk and Audit Committee	UPF	Uniform Presentation Framework
SA DTF	South Australian Department of Treasury and Finance	WHS	work health and safety
		WHSC	Work Health and Safety Committee
		WILS	Work Integrated Learning Scholarship
		WMI	Wildlife Management International

Appendix 8

Glossary

Accountable Officer's Trust Account

Established under section 7(1) of the *Financial Management Act* (FMA) to enable agencies to hold money in trust for another person or entity. Transactions in these accounts are excluded from the Public Account.

Accounts payable

Refers to the value of short and long-term trade debt and accounts payable, interest payable and prepayments received.

Accounts receivable

Refers to the value of short and long-term trade credit and accounts receivable, interest receivable and prepayments made.

Administrative officer

One of the Northern Territory Public Sector (NTPS) employee classification streams. Occupations in this stream include assistant directors, managers, analysts and officers.

Advances

Amounts paid or received for policy purposes rather than for liquidity management purposes.

Agency

A unit of government administration, office or statutory corporation, nominated in an Administrative Arrangements Order for the purposes of the *Financial Management Act* and includes a part or division of an agency.

Appropriation

An authority given by the Legislative Assembly to make payments, now or in the future, for the purposes stated, up to the limit of the amount in an *Appropriation Act*.

Australian Accounting Standards

Statements of accounting standards that can be applied in preparing and presenting financial statements.

Australian Bureau of Statistics

Australia's official national statistical agency, providing statistics on economic and social matters covering government, business and population.

Capital appropriation

Represents an increase in government's investment in an agency for asset purchases and capital works projects and is provided to agencies by the Central Holding Authority (CHA) for capital items.

Central Holding Authority

Established under section 5 of the FMA, CHA is a representation of the revenue, expenses, assets and liabilities of the Territory. Credited to this account is all money received by or on behalf of the Territory or an agency, except that required or permitted by or under the FMA or any other Act to be credited to an Operating Account or Accountable Officer's Trust Account.

Commonwealth appropriation

A form of appropriation that commenced in 2008-09 as a result of the Intergovernmental Agreement on Federal Financial Relations agreed by the Council of Australian Governments in late 2008 and effective from 1 January 2009. The arrangements result in specific purpose payments (SPPs) and national partnership (NP) payments from the Commonwealth being received by DTF, on behalf of CHA. To pass these on to relevant agencies, a new form of appropriation was required and the FMA was amended accordingly in June 2009.

Commonwealth Grants Commission

The body that advises on per capita relativities for distributing, among the states and territories, a pool of revenue from the Commonwealth.

Community service obligation (CSO)

A CSO arises when the government requires a government business division or government owned corporation to carry out activities it would not choose to do on a commercial basis, or would only do at higher commercial prices. CSO payments allow government to achieve identifiable community or social objectives that would not be achieved if left to commercial considerations.

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.

Corporate governance

A structured framework by which DTF directs and controls its business, and which guides how decisions are made, risks managed and the agency's future is planned. These decisions in turn guide the necessary planning, budgeting and management of performance, and support DTF's SMG in its leadership of DTF.

Council of Australian Governments

The peak intergovernmental forum comprising the Prime Minister, premiers, chief ministers and President of the Australian Local Government Association.

Executive contract officer

Executive contract officers, other than a chief executive, are employees of the NTPS employed on an executive contract, with terms and conditions as set out in Determination 13 of 2011.

Expense

A cost or outflow of financial resources from an agency.

Full-time equivalent (FTE)

Used in reference to staffing numbers where one FTE is equivalent to one employee working full-time hours of 36.75 hours per week. Employees working part-time or casual hours are represented as a fraction of this. For example, part-time hours of 29.40 hours (or four days) a week equates to 0.8 FTE.

Goods and services tax (GST)

GST is a Commonwealth tax on consumption of most goods and services. Total GST collected is distributed to states and territories, in the form of untied GST revenue grants.

Indemnity

A written undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.

Intergovernmental Agreement on Federal Financial Relations

A funding agreement signed by all states and the Commonwealth in December 2008 defining the framework for federal financial relations, encompassing Commonwealth funding to states through general revenue assistance, SPPs and NP payments.

National partnership

An agreement between one or more jurisdictions and the Commonwealth, defining the objectives, outputs and performance benchmarks related to the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.

Office of the Commissioner for Public Employment (OCPE)

Under section 12 of the *Public Sector Employment and Management Act* (PSEMA), the Commissioner for Public Employment is deemed to be the employer of all employees in the NTPS, and is responsible for establishing policy and practice frameworks for the management of all Northern Territory public servants. OCPE supports the Commissioner for Public Employment's statutory employer role, as defined in section 13 of the PSEMA.

Outcomes

Outcomes are expressions of the intended results, impacts or consequences on the Territory community of outputs provided by agencies. Outcomes represent the objectives government is seeking to achieve.

Output appropriation

The appropriation provided to fund the delivery of outputs and is determined at the whole of agency level. Output appropriation provides the government's funding for agency operations after taking into account funding from agency revenue. Although output appropriation is based on accrual costs, it does not encompass non-cash accrual costs, such as depreciation. This will result in agencies generally reporting deficits.

Outputs/output groups

Outputs/output groups are the services provided or the goods produced by an agency for users external to the agency. Government purchases outputs in order to achieve policy objectives or outcomes. Output groups aggregate similar or related agency outputs and are applied primarily for reporting purposes.

Provisions

Amounts set aside by entities from current revenue or income for future payments.

Revenue

An inflow of financial resources into an agency related to its operations.

Risk assessment

Determining the nature and level of business risk to the agency and divisions.

Risk management

The steps taken to manage risks, including identifying (both actual and potential), assessing, eliminating or controlling risks.

Specific purpose payments

SPPs are tied grants received from the Commonwealth earmarked for specific purposes.

Uniform Presentation Framework (UPF)

Under the UPF, Commonwealth, state and territory governments have agreed to publish information in a standard format in budget papers. The UPF is based on accounting standard AASB 1049 Whole of Government and General Government Sector Financial Reporting, which harmonises Government Finance Statistics and generally accepted accounting principles with the objective of improving the clarity and transparency of government financial statistics.



Directory

Department of Treasury and Finance

www.treasury.nt.gov.au

Charles Darwin Centre
19 The Mall, Darwin NT 0800
GPO Box 1974, Darwin NT 0801
(unless stated otherwise, please use the above postal address)

Telephone: +61 8 8999 7406
Email: enquiries.dtf@nt.gov.au
Business hours: 8:00 am to 4:30 pm

Information Policy Officer

www.treasury.nt.gov.au/informationact

Telephone: +61 8 8999 6982
Email: foi.dtf@nt.gov.au

Executive

Telephone: +61 8 8999 7425

Craig Graham
Under Treasurer

David Braines-Mead
Deputy Under Treasurer (Policy)

Catherine Weber
Deputy Under Treasurer (Corporate)

Financial Management Group

www.treasury.nt.gov.au/budgetandfinance

Telephone: +61 8 8999 6087
Email: financialmanagementgroup.dtf@nt.gov.au

Tim McManus
Assistant Under Treasurer (Finance)

Tiziana Hucent
Director Financial Reporting

Tarrant Moore
Director Budget Development

Economic Group

www.treasury.nt.gov.au/economy

Telephone: +61 8 8999 6801
Email: economics.dtf@nt.gov.au

Sarah Rummery
Assistant Under Treasurer (Economic)

Katrina Martin
Senior Director Commercial and Economic Policy

Samantha Byrne
Senior Director Utilities Reform

Vanessa Sutcliffe
Director Commercial and Contracts

Rodney McComiskie
Director Economic Policy

Andrew Baylis
Director Economic Analysis

Kimberlee McKay
Director Utilities Reform

Nardia Harris
Director Intergovernmental Relations

Territory Revenue Office

www.revenue.nt.gov.au

GPO Box 154, Darwin NT 0801

Telephone: 1300 305 353

Email: ntrevenue@nt.gov.au

Mick Butler

Assistant Under Treasurer (Revenue)

Commissioner of Territory Revenue

Mineral Royalty Secretary

Jayne Balding

Director Revenue Collections

Deputy Commissioner of Territory Revenue

Kevin Phang

Director Legislation, Advisory and Review

Deputy Commissioner of Territory Revenue

Eddie The

Director Royalties and Assurance

Deputy Commissioner of Territory Revenue

Northern Territory Superannuation Office

www.super.nt.gov.au

GPO Box 4675, Darwin NT 0801

Telephone: +61 8 8901 4200 or 1800 631 630

Facsimile: +61 8 8901 4222

Email: ntsuperannuation@nt.gov.au

Jim Richards

Commissioner of Superannuation

Northern Territory Treasury Corporation

www.nttcorp.nt.gov.au

GPO Box 2035, Darwin NT 0801

Telephone: +61 8 8999 7745

Facsimile: +61 8 8999 7449

Email: nttc@nt.gov.au

Alex Pollon

General Manager

Treasury Services Group

Telephone: +61 8 8999 6168

Sanja Hill

Director Corporate Support

Vicky Coleman

Director Treasury Financial Services

Darren Witham

Director Treasury System Services

Utilities Commission

www.utilicom.nt.gov.au

GPO Box 915, Darwin NT 0801

Telephone: +61 8 8999 5480

Email: utilities.commission@nt.gov.au

Patrick Walsh

Utilities Commissioner

Justin Martyn

Director Utilities Commission

Photographs:

Cover: Ashley Hanlon, Irene Sfouggaristos and Matthew Westhoff

The Agency, page 3: Daniel Susantio, Donna Moore, Trifena Tarrant and Andrew Baylis

Our Performance, page 15: Steny Bartlett, Irene Sfouggaristos, Brion Foley and Tuuli Haapasalo

Our People, page 41: Teresa Miel, Alison Lemcke, Liana Jongue, Tiziana Hucent and Ryan Churchman

Corporate Governance, page 57: Tuuli Haapasalo and Rangga Daranindra

Financial Statements, page 79: Vicky Coleman, Hussain Rakka, Kay Anderson and Willard Mutengwa

Appendices, page 153: Sarah Skopellos

