

Department of
TREASURY
AND FINANCE

ANNUAL REPORT 2021-22



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

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

Dear Treasurer

In accordance with the provisions of the *Public Sector Employment and Management Act 1993* (PSEMA), I am pleased to submit the 2021-22 Annual Report on the activities and achievements of the Department of Treasury and Finance (DTF).

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

- a) proper records of all transactions affecting DTF are kept and the employees under my control observe the provisions of the FMA, the Financial Management Regulations and Treasurer's Directions
- b) procedures within DTF afford proper internal control, and these procedures are recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the FMA
- c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records
- d) the internal audit capacity available to DTF is adequate and the results of internal audits have been reported to me
- e) the financial statements included in the annual report have been prepared from proper accounts and records, and are in accordance with Treasurer's Directions
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied.

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

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

Yours sincerely

A handwritten signature in blue ink, appearing to read "Craig Graham".

Craig Graham
Under Treasurer

30 September 2022



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Purpose of the report

The Department of Treasury and Finance (DTF) 2021-22 Annual Report has been prepared in accordance with the annual reporting requirements specified in section 28 of the *Public Sector Employment and Management Act 1993* (PSEMA), and sections 11 and 13 of the *Financial Management Act 1995* (FMA). Its primary purpose is to report to the Treasurer on DTF's performance in 2021-22 against approved budget outputs and performance measures. Other stakeholders include government, the community, government agencies and DTF staff.

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

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

Related annual reporting

The Northern Territory Treasury Corporation (NTTC) and Utilities Commission of the Northern Territory (Utilities Commission) produce their own annual reports in accordance with their governing legislation. Each associated entity forms part of DTF for administrative purposes and summary information of their functions is provided in *The agency* section of this report. Staffing data provided in this report includes staff working in NTTC and the Utilities Commission, unless otherwise noted.

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

THE AGENCY



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



Under Treasurer's review

I am pleased to present the Department of Treasury and Finance's Annual Report for the year ended 30 June 2022.

Economic overview

The Territory's successful response to COVID-19 has enabled economic activity to continue largely unabated, with minimal lockdowns and trading restrictions. In 2021-22, the Territory saw a large increase in private investment, influenced by the significant works involved with the Barossa offshore gas project, but also including numerous smaller projects, notably in the minerals sector. Such investments demonstrate the return of investor confidence and a transition away from COVID-19-related uncertainty. By the June quarter 2022, business confidence in the Territory was high and well above pre-COVID levels.

Latest economic data also reports encouraging results, with state final demand, a measure of total consumption and investment activity, increasing by 8.2% in 2021-22, the largest increase of the jurisdictions. The weekly payroll jobs administrative dataset reports that jobs growth in the Territory from March 2020 to June 2022 was 9.2%, also the strongest result in the nation.

The strength in the Territory economy in 2021-22 was also reflected in own-source revenue exceeding estimates, driven by stronger than expected growth in volume and value of residential property sales, as well as some key commodity prices responding to global uncertainties.

Challenges remain however and, while unemployment remains low, the impact of skills and labour shortages are being felt, particularly in the agriculture, construction and hospitality industries. In addition, growing global demand for goods combined with supply disruptions are contributing to a high inflation environment and, after many years of subdued price levels, annual growth in the consumer price index surpassed 6% in 2021-22 in the Territory and nationally. The Reserve Bank of Australia has responded with repeated increases to the cash rate, with its main focus to bring inflation back to within the target band of 2% to 3%.

Fiscal overview

2021-22 represented a turning point for the Territory's fiscal position, with the 2021-22 Treasurer's Annual Financial Report presenting a significant improvement in the 2021-22 actual outcome, and budget surpluses projected in future years for the first time since 2016, in the 2022-23 Budget.

These improvements were predominantly driven by stronger than expected national GST collections combined with improved taxation and mining royalty revenue collections. The Territory's operating expenses for 2021-22 continued to be influenced by the effects of COVID-19, with elevated expenses due to additional resources to support the Territory's public health and community safety response to COVID-19, combined with the provision of quarantine facilities for repatriated Australians and permanent residents on behalf of the Commonwealth on a reimbursement basis.

Agency overview

In 2021-22, DTF continued to lead the implementation of government's budget repair strategy, working closely with government and agencies to implement A plan to fix the budget. Additionally, DTF provided policy advice on major projects, fiscal management, Commonwealth funding, own-source revenue, the economy, statistical reporting, economic initiatives and superannuation policy. We assisted the government with resource allocation decisions and financial management strategies.

During 2021-22, DTF consistently highlighted the unique fiscal and service delivery challenges faced in the Territory to maximise funding outcomes for the Territory, through submissions to the Council on Federal Financial Relations, Board of Treasurers and ongoing negotiations with funding agreements.

The Territory Revenue Office (TRO) administered payroll tax relief for businesses experiencing hardship due to COVID-19, along with the Commonwealth HomeBuilder grant in addition to BuildBonus and first home owner grants that were designed to stimulate residential construction and broader economic activity, while assisting Territorians building a new home.

DTF managed the 2022-23 Budget and delivery of the Treasurer's Annual Financial Report.

DTF continued taking a broader role, in collaboration with other agencies, in ensuring the government meets all its superannuation obligations, and managed the defined benefit pension schemes.

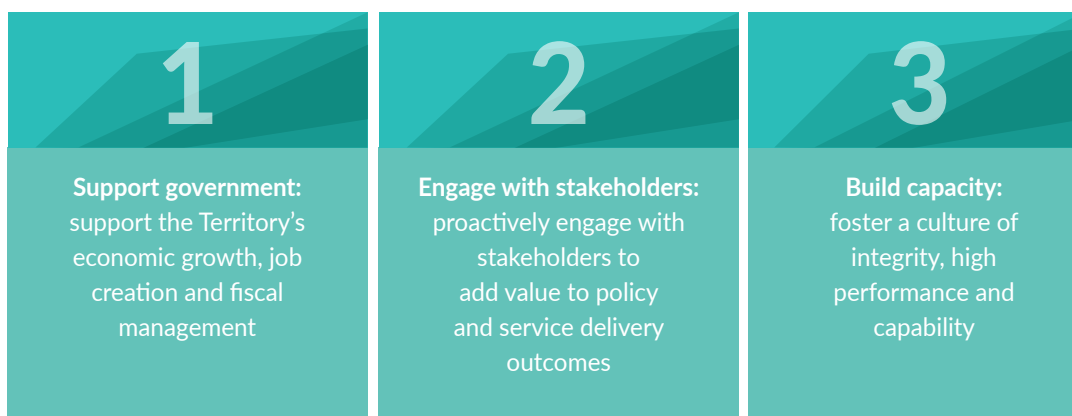
I would like to thank DTF's hard working staff who continue to contribute to the important work DTF does to support government's priorities.

Craig Graham
Under Treasurer

Our strategy

The agency's 2020–2023 Corporate Plan commenced in 2020-21, and was updated for 2021-22.

Strategic goals:



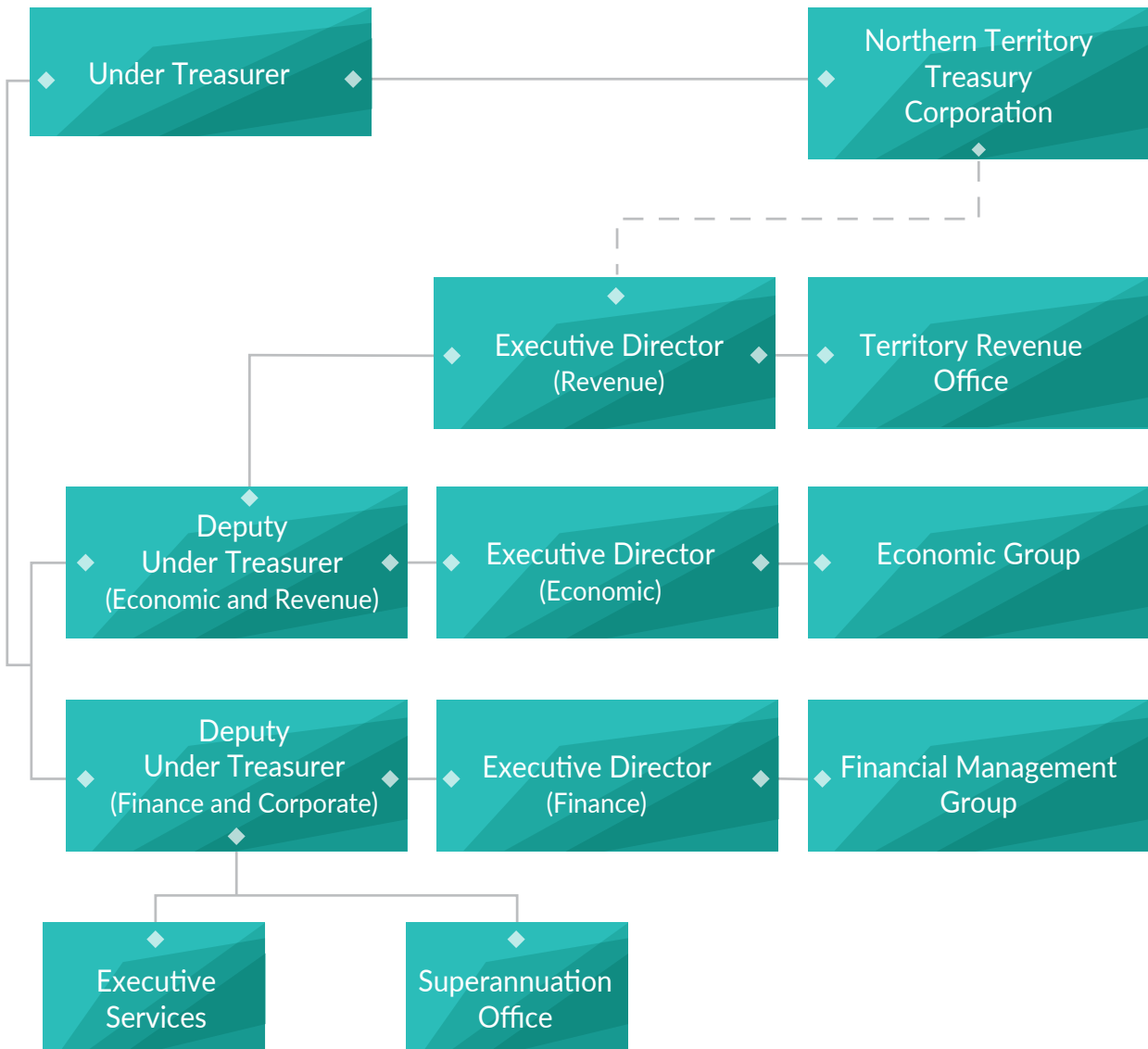
Key actions for 2021-22 were implemented throughout the year, with six-monthly performance monitoring undertaken by the Senior Management Group (SMG) and reported to staff.

Key actions for the 2022-23 year have been determined based on the achievements in 2021-22 outlined later in this report.

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

Organisation

as at 30 June 2022



Functions of the agency

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

Financial Management Group

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

Economic Group

- Provides comprehensive economic and commercial advice on major projects and initiatives and policies to government and other government agencies.
- Undertakes economic analysis and provides economic policy advice to government and other government agencies.
- Publishes information on economic and demographic trends that affect the Territory economy.
- Advises on the performance and governance of the Territory's government owned corporations.
- Conducts research and statistical coordination across government.
- Provides strategic advice and coordinates the Territory's participation in various intergovernmental forums.
- Undertakes GST revenue modelling and forecasting.
- Manages submissions and data returns to the Commonwealth Grants Commission (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, provides advice on and develops policy initiatives for grant, tax and royalty legislation.
- Provides information and guidance to assist tax and royalty payers with compliance.
- Reduces risk to revenue and promotes compliance through monitoring, data matching and audit activity.
- Promotes first home ownership through the provision of grants.
- Undertakes revenue modelling and forecasting.
- Independently reviews and determines tax and royalty payer objections, and manages any appeal process.

Northern Territory Superannuation Office

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

Executive Services

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

Associated entities

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

Northern Territory Treasury Corporation

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

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

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

Utilities Commission

The Utilities Commission regulates prices charged by government and other businesses for providing certain monopoly services (power, water, sewerage and ports). It also:

- regulates access for designated ports in the Territory (currently limited to Port of Darwin)
- 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 and potential market participants, and other stakeholders with information
- advises the minister on any matter referred by the minister.

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

OUR PERFORMANCE



This chapter reports our department's achievements in 2021-22 and priorities for 2022-23 in relation to our strategic goals, as well as output performance against planned outcomes for 2021-22.

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

Achievements in 2021-22

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

Achievements:

- Continued to coordinate implementation of recommendations from *A plan to fix the budget*.
- Amended bookmaker legislation to bring sports betting into the tax base.
- Delivered the 2020-21 Treasurer's Annual Financial Report and the 2022-23 Budget and coordinated whole of government organisational reviews for 2021-22.
- Monitored and reported against agency and chief executive financial performance in accordance with the strengthened budget accountability framework.
- Finalised and released the Northern Territory Government Pricing Framework.
- Conducted a merit-based board selection and appointment process for each of the government owned corporations.
- Shaped policy to inform Territory Government investment decisions and support key fiscal targets, and continued to monitor, report and advise on government's fiscal strategy.
- Provided financial, commercial and economic advice to government and agencies on resource allocation, major infrastructure projects, initiatives and policies.
- Contributed to Territory water policy reform with respect to economic regulation of water and sewerage services.
- Undertook public and targeted consultation regarding opportunities to improve the management and investment of statutory funds.
- Made submissions to the CGC's GST Revenue Sharing Relativities 2022 Update on behalf of the Territory.
- Supported the Treasurer and senior officials to participate in intergovernmental responsibilities as part of the Council on Federal Financial Relations, the Board of Treasurers and a range of other interjurisdictional forums.
- Advocated the Territory's interests in its fiscal relations with the Commonwealth.
- Collaborated with the Department of Corporate and Digital Development (DCDD) to commence development of a new revenue management system that meets contemporary business needs and reduces red tape for taxpayers.
- Implemented the annual borrowing strategy to satisfy the Territory's borrowing requirement. Invested government surplus cash balances on behalf of CHA, with the aim of optimising returns within approved guidelines and cash flow requirements. This is reported separately in the NTTC Annual Report.
- Administered government's defined benefits schemes, including paying \$107 million in lump sum superannuation and invalidity benefits to 740 former employees, and assisted in ensuring government meets its superannuation guarantee obligations.
- Continued to administer the BuildBonus scheme, approving a further 190 grant applications.
- Continued to administer the extended Commonwealth-funded HomeBuilder grant in accordance with the national partnership agreement, approving a further 170 grant applications.

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

Achievements:

- Continued to improve the current suite of economic data and analysis outputs with input from key economic stakeholders.
- Coordinated the Territory Government contribution to the 2021 Census of Population and Housing in Australia, and liaised with the ABS and agencies to improve the quality of Census 2021 data for the Territory.
- Continued engagement with the Commonwealth and agencies to optimise funding arrangements and submissions for the Territory.
- Engaged with and provided advice and assistance to other government agencies on major investment projects and government contracts.
- Assisted government, agencies and stakeholders in developing policies, proposals and budget strategies, providing expert economic and financial advice.
- Progressed consultation on a contemporary onshore petroleum royalty regime to improve investment certainty.
- Collaborated with DCDD and agencies to continue developing and testing 'Sage', a single, consolidated budget management system that will be used by all agencies.
- Issued new and revised Treasurer's Directions and guidance documents regarding grants and subsidies, infrastructure, loans and advances, and equity investments to contemporise and streamline financial management policy and guidance for agencies.
- Collaborated with DCDD to develop a whole of government professional services panel contract to support agency program evaluations and organisational reviews.
- Coordinated the rolling schedule of program evaluations and organisational reviews, provided feedback to agencies on evaluation plans and provided advice to government on the evidence base of policy proposals.
- Delivered whole of government presentations and workshops on program evaluation, new Treasurer's Directions and accounting policy.
- Provided advice to DCDD and OCPE to ensure government meets its superannuation obligations, including undertaking a review of more than 1,000 different allowances currently being paid.
- Using DTF's collaboration principles, actively engaged with agencies and worked closely with relevant stakeholders to identify and assess economic policy options and regulatory reform priorities that achieve the best value for Territory outcomes.
- Collaborated with Licensing NT to negotiate appropriate tax settings with new gambling operators.
- Strengthened relationships with agencies to ensure advice is clear, concise and meets government and agency needs.
- Launched DTF's Customer Service Charter outlining our commitment to how we engage with all stakeholders and customers.
- Worked with agencies to enhance data-sharing opportunities to improve tax and royalty compliance, as well as analysis and forecasting integrity.
- Engaged with prospective mineral and petroleum producers to educate and assist them to prepare for their future royalty obligations.
- Continued to review and update publications and website content to provide greater transparency, support tax and royalty payer education and engagement with their responsibilities, and improve voluntary compliance.
- Provided timely advice to tax and royalty clients and their representatives to assist in understanding their rights and obligations.

- Supported taxpayers affected by COVID-19 by prioritising refunds and facilitating instalment payment arrangements where appropriate, and administered the extended hiring resident employees payroll tax exemption.
- Continued to collaborate with the Department of Industry, Tourism and Trade to administer applications under COVID-19 business hardship programs, including tax relief by providing payroll tax waivers.
- Conducted a review of the Property Activation Levy in consultation with relevant stakeholders, which resulted in the cessation of the levy from the 2022-23 financial year due to increased activation in the Darwin central business district.
- Continued to enhance existing and developed new relationships with financial market participants.
- Considered opportunities for improved funds management and investment outcomes across government.

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

Achievements:

- Commenced succession planning and improved cross-training offerings and staff rotation opportunities at all levels across DTF to manage key person risk.
- Continued work on developing innovative recruitment activities and promotion of DTF as an employer of choice to attract talented staff.
- Implemented the DTF People Matter Response Plan and tracked progress through biannual reports to staff.
- Ensured all staff had a ROADmap and career plan in place, encouraged staff to identify development needs and opportunities with their managers, and provided study assistance and training to staff to build their skills and capabilities.
- Developed an Ethics and Integrity Every Day program to ensure staff understand their ethical responsibilities, generate a culture of integrity and accountability, and embed the right practices and attitudes in everyday processes and activities.
- Updated the *Business continuity plan* and rolled out portable devices across the department to enable remote access for all staff, and facilitated flexible work arrangements.
- Worked with DCDD to deliver human resources (HR), digital governance and information technology priorities to ensure DTF has the right technology, systems and processes to meet its strategic objectives.
- Reviewed and improved the operation and effectiveness of SMG subcommittees in line with our strong corporate governance, internal audit, risk management and control and reporting processes.
- Monitored and regularly reported on the Corporate Plan and corporate governance strategies.



Future priorities

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

Priorities:

- Continue to coordinate the implementation of remaining recommendations from *A plan to fix the budget*.
- Coordinate the whole of government organisational reviews for 2022-23.
- Promote strong financial management through the Territory's 2023-24 budget development process and 2021-22 Treasurer's Annual Financial Report, and meet other whole of government financial reporting obligations in accordance with FITA, the FMA and external reporting obligations.
- Finalise and implement cost recovery frameworks as part of responding to the Hydraulic Fracturing Inquiry recommendations.
- Advise Budget Review Subcommittee of Cabinet on agency financial performance and the Charter of Budget Discipline.
- Assess and report agency and chief executive financial performance in accordance with the strengthened budget accountability framework.
- Develop and issue a new performance reporting Treasurer's Direction to support the strengthened budget accountability framework.
- Assist government to achieve its fiscal strategy and targets by administering and monitoring a framework that supports good financial management and discipline across government, and provide analysis and advice on resourcing matters.
- Lead reforms to government's investment management framework for statutory funds.
- Lead the development of sound economic policy settings that will facilitate growth and development of the economy.
- Consult on and finalise changes to strengthen the accountability and corporate governance framework for government owned corporations.
- Contribute to National Cabinet and Council on Federal Financial Relations policy reform to increase productivity and efficiency.
- On behalf of the Territory, make submissions to the CGC's GST Revenue Sharing Relativities – 2023 Update, coordinate GST submissions for the Territory and advocate on GST-related and other financial issues.

- Provide advice to assist agencies in establishing funding agreements with the Commonwealth that maximise benefits and mitigate risks for the Territory.
- Continue to support the Treasurer and senior officials in their performance of intergovernmental responsibilities as part of the Council on Federal Financial Relations, the Board of Treasurers and a range of other inter-jurisdictional forums, and advocate the Territory's interests in its fiscal relations with the Commonwealth.
- In collaboration with DCDD, progress development of RevConnect, a new revenue management system with contemporary reporting capability, to replace various internal systems and provide efficiencies for 3,500 clients.
- Collaborate with DCDD to ensure business-as-usual support services for current TRO systems continue while developing a transition plan to the new RevConnect system.
- Efficiently administer contemporary tax and royalty arrangements.
- Pursue an appropriate balance between a competitive tax environment and the Territory's own-source revenue requirements.
- Continue to review and identify reform opportunities for revenue laws, systems and educational tools to enhance taxpayer engagement and understanding, and modernise the administration of the Territory's royalty regimes.
- Finalise the new contemporary petroleum royalty regime to improve investment certainty, to commence by July 2023.
- Implement the annual borrowing strategy to satisfy the Territory's borrowing requirement.

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

Priorities:

- Provide expert economic, commercial and financial advice to assist agencies and other stakeholders to develop policies, major projects, initiatives and proposals, and budget strategies.
- Provide analysis and advice that supports implementation of actions for economic growth.
- Continue to engage with the Commonwealth and agencies to optimise funding arrangements and submissions for the Territory.
- In conjunction with DCDD and all agencies, progress the rollout and implementation of Sage.
- In conjunction with DCDD, oversee the implementation of a new whole of government banking platform for funded agency bank accounts, and develop and implement new associated financial management practices, governance arrangements and reporting tools across government.
- As part of the continuing review of the Financial Management and Accountability Framework, continue to contemporise Treasurer's Directions, associated legislation, policies and procedures to ensure best practice, in consultation with agencies.
- Review and redesign Treasurer's Quarterly Financial Reports to improve public sector accountability.
- Coordinate the rolling schedule of program evaluations and organisational reviews, provide feedback to other government agencies on evaluation plans and provide advice to government on the evidence base of policy proposals.
- In collaboration with agencies, refresh agency performance information in Budget Paper No. 3.
- Continue to advise and work with agencies, such as DCDD, OCPE and the Department of the Attorney-General and Justice, to ensure government meets its superannuation obligations.
- Work with agency stakeholders to build their superannuation knowledge and assist them with compliance.
- Continue to strengthen relationships with agencies and key stakeholders through regular engagement and capability building, based on DTF collaboration principles and Customer Service Charter.

- Provide information and education materials to support tax and royalty payers and their representatives with compliance.
- Collaborate with the Department of Industry, Tourism and Trade on the recommendations of the Mineral Development Taskforce as they relate to the Territory's royalty regime.
- Engage early with potential taxpayers to educate and assist them to prepare for their future payroll tax obligations.
- Enhance existing and develop new relationships with financial market participants.

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

Priorities:

- Identify priority workforce capability and future planning needs through developing and implementing a strategic workforce plan.
- Implement workforce development strategies to build capacity, capability and succession planning through higher duties, secondment, exchange opportunities, participation in working groups, mobility, training and other career development approaches.
- Attract talented staff through innovative recruitment activities and promotion of DTF as an employer of choice on the web and other channels.
- Maintain a high calibre and highly recognised graduate program.
- Complete the implementation of DTF's People Matter Response Plan and prepare for the 2023 survey.
- Develop and implement a wellbeing and resilience strategy.
- Work closely with our shared services providers, CMC and DCDD, to achieve agency objectives.
- Ensure all staff have a ROADmap and career plan in place, and encourage staff to identify development needs and opportunities with their managers.
- Maintain a contemporary, fit-for-purpose business continuity plan that meets the agency's needs, and ensures business capability to respond.
- Continue to facilitate flexible work arrangements that suit business needs and ensure preparedness for pandemic lockdowns and other potential business interruptions.
- Maintain strong corporate governance, internal audit, risk management and control and reporting processes, including ongoing review of internal policies and frameworks.
- Implement a comprehensive Ethics and Integrity Every Day program.
- Develop and implement a diversity and inclusion policy, including DTF's 2023–2027 Aboriginal Employment and Career Development Strategy.

Output performance

This section reports the agency's performance against planned outcomes for 2021-22, as presented in Budget Paper No. 3.

Output group	2021-22 Budget	2021-22 Actual	KPI met/ not met	Note
Financial management				
Compliance with financial reporting and disclosure obligations, as specified in FITA	100%	100%	Met	
Ministerial advice provided within allotted timeframes	80%	81%	Met	1
Economic				
Variation between key economic forecasts and actual outcomes	≤ 1ppt	≥ 1ppt	Not met	2
Variation between GSP growth rate forecast and the actual outcome	≤ 2ppt	≥ 2ppt	Not met	3, 4
Ministerial advice provided within allotted timeframes	80%	76%	Not met	1
Territory revenue				
Variation between revenue forecast and actual outcome	≤ 5%	19.6%	Not met	5
Ministerial advice provided within allotted timeframes	≥ 80%	90%	Met	1
Assessments, audits and objections completed within timeframes set out in the Territory Revenue Office Service Charter	≥ 90%	88.4%	Not met	
Grant application decisions and payments made within timeframes set out in the Territory Revenue Office Service Charter	≥ 95%	100%	Met	6
Superannuation				
Member statements issued within approved timeframes	100%	100%	Met	
Economic regulation				
Determinations and approvals issued within statutory timeframes	100%	100%	Met	7
Codes, guidelines and licences reviewed for currency and relevance, as planned for the financial year	100%	100%	Met	7

FITA: *Fiscal Integrity and Transparency Act 2001*; GSP: gross state product; KPI: key performance indicator; ppt: percentage point

1 Refers to advice sought on correspondence to the Treasurer. The variations reflect delays where further information is required from external parties to finalise advice.

2 Key economic forecasts include: population, employment, unemployment, consumer price index (CPI) and wage price index. The variation primarily reflects the actual outcome for the consumer price index in 2021-22 being higher than anticipated, driven by increased automotive fuel prices and housing construction costs.

3 Reference period is 2020-21 actual.

4 The variation is due to net exports being weaker than anticipated and revisions to the 2019-20 balancing item.

5 The variation in 2021-22 is primarily due to significantly stronger stamp duty receipts from residential and commercial conveyances particularly reflecting growth in both residential property transaction volumes and prices in the year. An increase in royalty receipts, largely driven by higher than estimated commodity prices, also contributed to the stronger own-source revenue outcome.

6 Includes first home owner grant.

7 Performed independently by the Utilities Commission.

Financial performance

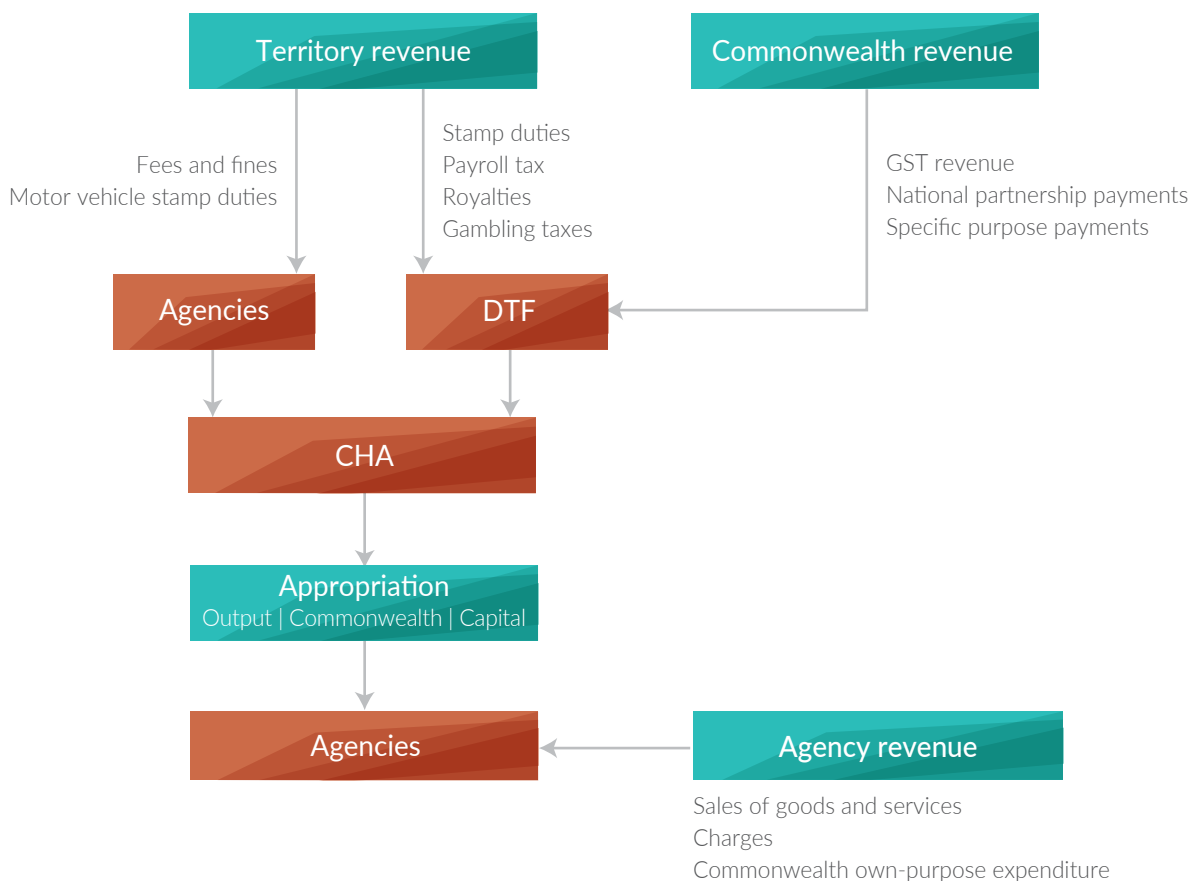
DTF manages two sets of financial statements: one for its own agency activities and one on behalf of the Territory (whole of government) including CHA. The two sets of accounts are closely inter-related, reflecting DTF's whole of government responsibilities.

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

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

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

Figure 1: Relationship between DTF and CHA, and agencies



NTTC is part of DTF for organisational purposes but is also a government business division with separate financial reporting requirements. Its financial statements are presented in its own annual report.

Department of Treasury and Finance

Overview

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

This section summarises DTF's 2021-22 financial result and provides an assessment of actual performance compared to the final budget for 2021-22 and the 2020-21 result.

Key 2021-22 financial results include:

- total revenue of \$169.4 million, largely in line with budget (2020-21: \$161 million)
- total expenses of \$157.8 million, \$4.1 million lower than budget (2020-21: \$170.3 million)
- net surplus of \$11.6 million directly resulting from the revenue and expenses variations outlined above (2020-21: \$9.4 million deficit).

Comprehensive operating statement

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

Table 1: Comprehensive operating statement overview

	2020-21 Actual	2021-22 Final budget	2021-22 Actual	Variation from final budget	Variation from 2020-21 actual
	\$000	\$000	\$000	\$000	\$000
Revenue					
Output appropriation	147 865	159 343	159 343		11 478
Commonwealth appropriation	6 770	3 840	3 570	- 270	- 3 200
Goods and services received free of charge	5 792	6 356	6 202	- 154	410
Other income	523	152	295	143	- 228
	160 950	169 691	169 410	- 281	8 460
Expenses					
Employee expenses	16 376	17 510	16 156	- 1 354	- 220
Administrative expenses	15 538	18 953	15 874	- 3 079	336
Grants and subsidies	138 387	125 489	125 790	301	- 12 597
Interest expenses	7	9		- 9	- 7
Total expenses	170 308	161 961	157 820	- 4 141	- 12 488
Net surplus/(deficit)	- 9 358	7 730	11 590	3 860	20 948



Operating revenue

DTF's revenue consists mainly of output appropriation that relates to non-discretionary expenses such as home owner assistance programs and CSOs paid on behalf of government. In 2021-22, DTF received \$159.3 million in output appropriation, representing 94% of total operating income (\$169.4 million), in line with the budget.

Output appropriation was \$11.5 million higher than \$147.9 million received in 2020-21, mainly due to additional CSO payments to utility retailers.

DTF recognised Commonwealth appropriation in 2021-22 of \$3.6 million for the HomeBuilder grants program. The other major item is notional revenue for goods and services received free of charge from DCDD, which was largely in line with the budget in 2021-22 and \$0.4 million higher than in 2020-21.

Operating expenses

DTF's expenditure on CSO payments and grants makes up 80% of expenditure as detailed in Figure 2. These are payments made on behalf of government and are non-discretionary in nature.

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

Key variations in operating expenses compared to the 2021-22 final budget include:

- lower employee expenses of \$1.4 million, mainly due to vacant positions across the agency
- lower administrative expenses of \$3.1 million, mainly due to lower Commonwealth administration charges and revised timing of consultancy expenditure.

When compared to 2020-21, total expenses of \$157.8 million were \$12.5 million lower in 2021-22, mainly relating to non-discretionary payments on behalf of government.

Figure 2: 2021-22 Expenditure by type

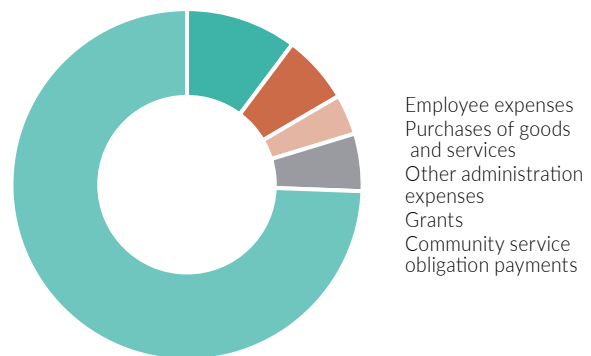
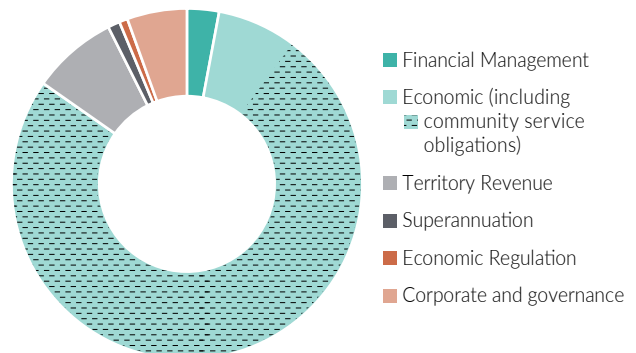


Figure 3: 2021-22 Expenditure by output group



Balance sheet

The balance sheet represents the stock of assets and liabilities of the agency. Table 2 compares the net asset position for 2021-22 with 2020-21.

Cash and deposits increased from 2020-21 by \$7.6 million to \$62.6 million in 2021-22, reflecting lower operating payments compared to operating receipts.

The decrease in receivables of \$0.9 million in 2021-22 was mainly due to accrued revenue relating to grants paid under the HomeBuilder grants initiative for which cash has yet to be received.

Payables and provisions were \$4.9 million lower than in 2020-21 due to the timing of CSO payments.

Table 2: Balance sheet overview

	2020-21 Actual	2021-22 Actual	Variation from 2020-21 actual
	\$000	\$000	\$000
Assets			
Cash and deposits	55 008	62 633	7 625
Receivables	2 110	1 196	- 914
Advances and investments	25 000	25 000	
Property, plant and equipment	73	47	- 26
	82 191	88 876	6 685
<i>Less</i>			
Liabilities			
Payables and provisions	24 814	19 922	- 4 892
Net assets/equity	57 377	68 954	11 577

Central Holding Authority

Overview

As the parent financial entity of government, CHA does not transact directly with the public as do other government agencies. In contrast, it receives Commonwealth income, including GST revenue, national partnership and specific purpose payments, and Territory own-source revenue collected by other agencies on behalf of CHA. It then distributes this funding to agencies in the form of appropriations (see Figure 1 on page 21).

Its key deliverables include:

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

This section summarises the 2021-22 results and provides an assessment of actual performance compared to the final budget for 2021-22 and the 2020-21 results. The final budget comprises the 2021-22 revised budget as published in the 2022-23 Budget in May 2022, plus all approved budget adjustments affecting 2021-22 since that publication.

Key fiscal results include:

- a net operating surplus of \$243 million in 2021-22, a \$27 million improvement compared to the 2021-22 final budget
- a comprehensive result of \$934 million, a \$286 million improvement compared to the 2021-22 final budget.

Comprehensive operating statement

Table 3: Comprehensive operating statement overview

	2020-21 Actual	2021-22 Final budget	2021-22 Actual	Variation from final budget	Variation from actuals
	\$M	\$M	\$M	\$M	\$M
Revenue	5 377	6 410	6 178	- 232	801
Expenses	5 809	6 194	5 935	- 259	126
Net surplus/(deficit)	- 432	216	243	27	675
Other comprehensive income	323	432	691	259	368
Comprehensive result	- 109	648	934	286	1 043

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

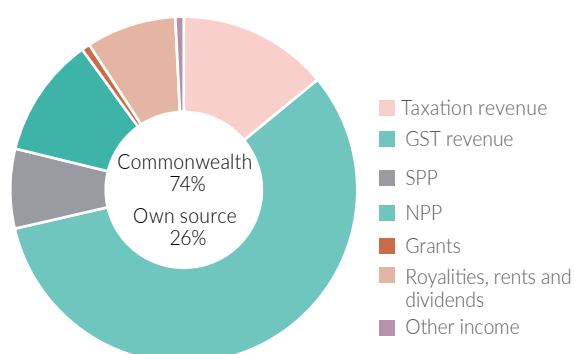
Operating revenue

The Territory continues to be heavily reliant on Commonwealth revenue, with GST revenue being the largest single transfer from the Commonwealth. GST revenue represented 57% of total CHA revenue, followed by general purpose and tied Commonwealth revenue of 19%. The remaining 24% was Territory own-source revenue.

For 2021-22, CHA recorded total operating revenue of \$6.2 billion, \$232 million lower than projected in the 2021-22 final budget. Key variations include:

- lower national partnership payments of \$226 million largely relating to lower funding of \$117 million for reimbursements under the agreement for COVID-19 quarantine arrangements for repatriated Australians, following the easing of COVID-19 related travel restrictions and reduced use of the Centre for National Resilience, combined with the revised delivery of Commonwealth-funded capital projects for roads and community safety infrastructure
- unrealised losses for the Conditions of Service Reserve investments in 2021-22 of \$172 million reflecting lower than expected market conditions, partially offset by
- increased mining royalties of \$79 million due to increased production and higher than expected commodity prices
- increased taxation revenue of \$77 million, largely as a result of increased stamp duty receipts of \$63 million reflecting an improvement in housing values and market activity, combined with additional income tax of \$10 million reflecting greater profitability in government owned corporations.

Figure 4: CHA – revenue by source for 2021-22



When compared to the 2020-21 actual result, total operating revenue increased by \$801 million. Key variations include:

- an increase in GST revenue of \$584 million due to a significant improvement in the national GST pool following improved economic conditions
- higher taxation revenue of \$236 million primarily due to increased stamp duties on conveyances as a result of an improvement in housing sales values and volumes combined with a greater number of commercial transactions; and additional payroll tax reflecting continued economic recovery following the impact of COVID-19, combined with improved employment activity

Operating expenses

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

For 2021-22, CHA recorded total operating expenses of \$5.9 billion, a \$259 million decrease compared to the 2021-22 final budget. Key variations include:

- lower superannuation expenses of \$112 million, largely as a result of the flow-on effect of revised actuary assumptions and lower accruing costs as more members exited schemes in 2021-22 than in prior years
- lower Commonwealth appropriation passed on to agencies of \$152 million in line with lower national partnership and specific purpose payments revenue combined with the revised delivery of project milestones.

When compared to the 2020-21 actual result, total operating expenses increased by \$126 million. Key variations include:

- an increase in Commonwealth appropriation passed on to agencies of \$96 million in line with various funding agreements
- an increase in superannuation expenses of \$34 million reflecting more members exiting schemes in 2021-22.

Other comprehensive income

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

For 2021-22, CHA recorded a surplus of \$691 million in total other comprehensive income compared to a \$432 million surplus projected in the 2021-22 final budget, predominantly due to the movement in the 10-year bond rate used in valuing the Territory's superannuation liabilities as required by accounting standards.

Balance sheet

Table 4: Balance sheet overview

	2020-21 Actual	2021-22 Actual	Variation from 2020-21
	\$M	\$M	\$M
Assets			
Cash and deposits	2 477	720	- 1 757
Receivables	325	447	122
Advances and investments	1 347	2 115	768
Prepayments	218	176	- 43
Equity investments	13 470	14 204	734
	17 838	17 662	- 175
<i>Less:</i>			
Liabilities			
Deposits held	2 422	1 338	- 1 084
Payables	109	104	- 5
Borrowings and advances	7 254	8 064	810
Employee benefits	369	366	- 4
Superannuation liability	3 873	3 104	- 769
Other liabilities	411	354	- 57
	14 439	13 330	- 1 109
Net assets/equity	3 399	4 333	934

Table 4 compares the net asset position for 2021-22 with 2020-21. Net assets in CHA, being total assets less total liabilities, increased by \$934 million from \$3.4 billion in 2020-21 to \$4.3 billion in 2021-22. This increase was driven by a \$1.1 billion decrease in total liabilities, partially offset by a \$175 million decrease in assets.

The decrease in total liabilities since 2020-21 predominantly reflects a decrease in deposits held of \$1.1 billion as a result of decreased cash balances held on behalf of NTTCC, combined with a decrease of \$769 million in the Territory's superannuation liability due to the movements in the 10-year bond

rate used to value the superannuation liability. This is partially offset by a net increase in Territory borrowings of \$810 million, in line with the Territory's 2021-22 borrowing requirements.

The underlying decrease in total assets since 2020-21 of \$175 million reflects higher cash balances held by the CHA in 2020-21 due pre-funding part of the 2021-22 borrowing program in 2020-21, subsequently invested in short-term deposits and fixed interest investments and utilised by agencies in 2021-22, partially offset by improved equity investments in government trading entities.

OUR PEOPLE



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

Our workforce

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

At 30 June 2022, DTF (including NTTC and the Utilities Commission) paid 126 staff, or 116.5 full-time equivalents (FTE) compared with 131 staff, or 124.1 FTE on 30 June 2021.

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

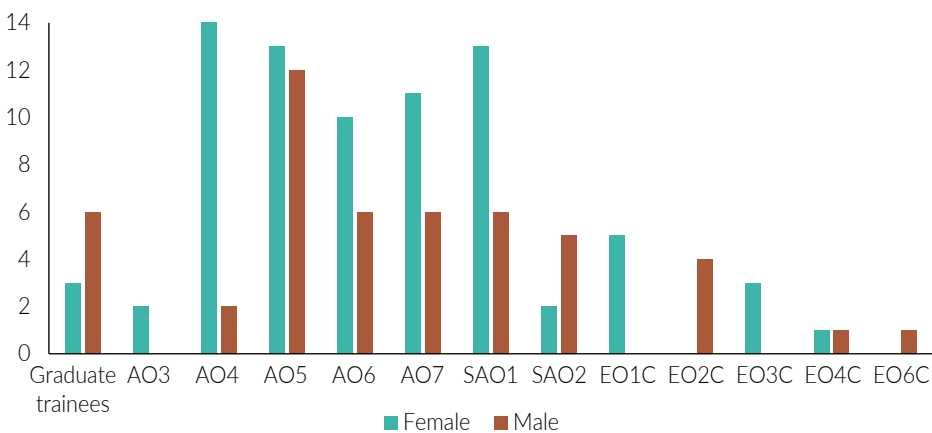
All data presented in graphical form in this section relates to headcount as at 30 June 2022.

Full-time equivalent staff by designation

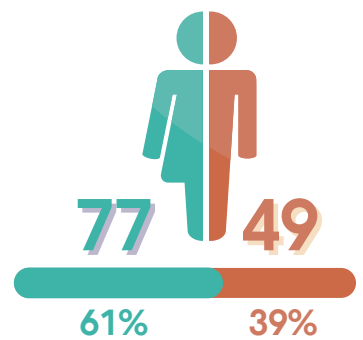
	2020-21	2021-22
ECO6	1.0	1.0
ECO4	2.0	2.0
ECO3	3.0	3.0
ECO2	5.5	4.0
ECO1	6.0	5.0
SAO2	4.8	7.0
SAO1	17.8	18.6
AO7	15.3	15.0
AO6	18.3	13.1
AO5	15.0	22.9
AO4	24.6	14.1
AO3	1.9	1.9
Graduate trainees	9.0	9.0
Total	124.1	116.5

Staff by gender and designation as at 30 June 2022

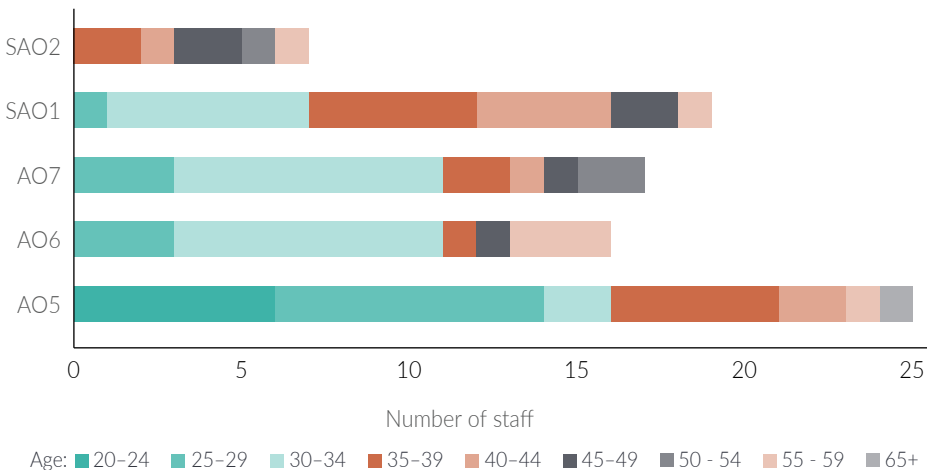
Number of staff



Female to male ratio

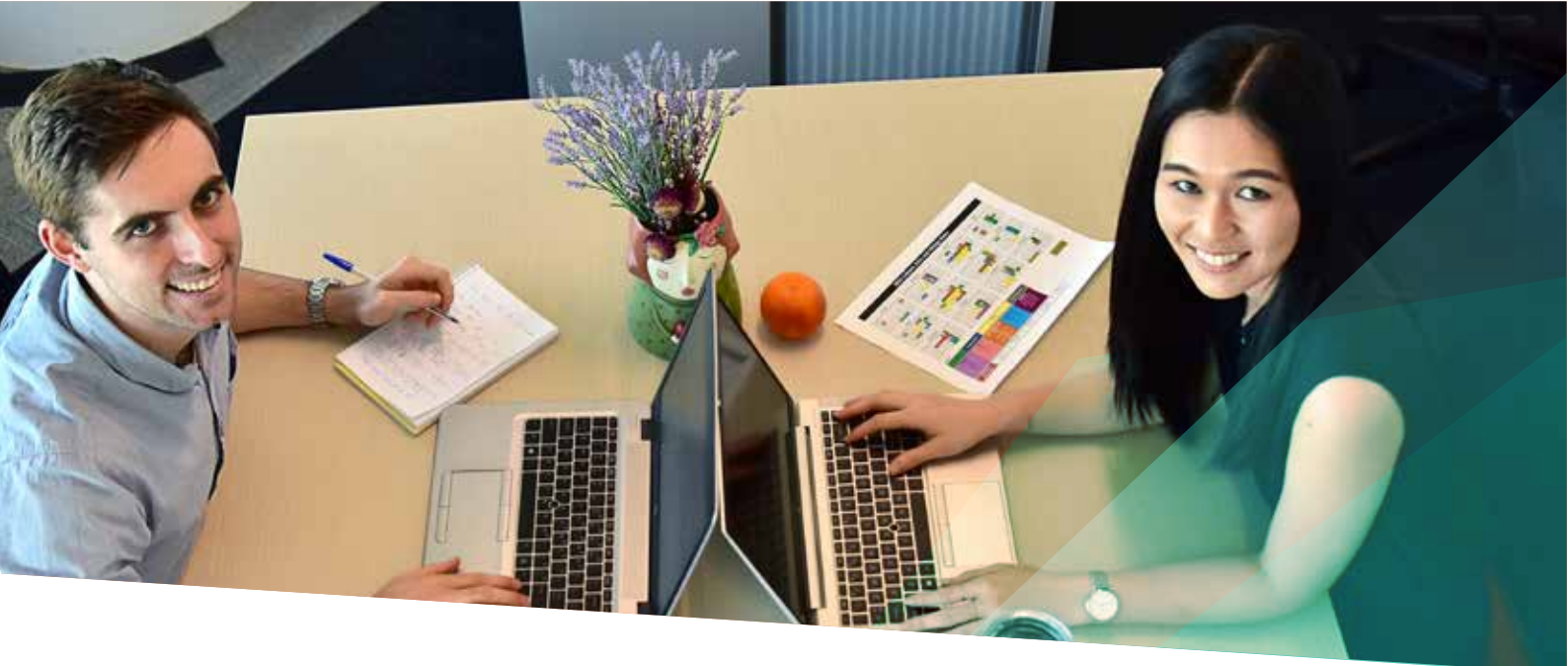


Staff in mid-career levels by age as at 30 June 2022

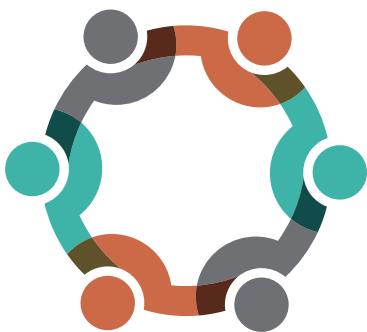


Average age (years)





Culturally diverse background



24

19%

Aboriginal staff

1

0.8%

People with a disability



1

0.8%

Female to male executive ratio



11

50%

11

50%

Diversity and inclusion

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

Of the 126 staff paid at 30 June 2022, 61% were women and 39% were men. This compares to the NTPS ratio of 64% women to 36% men.

This ratio is slightly reduced at our more senior levels, with 50% of our executive staff (SAO2 and above) being female, out of a total of 22 people. This compares with the across-NTPS average of 54% of executives being female.

Our workforce diversity of 19% is higher than the NTPS as a whole (16%). We also have one staff member who identifies as having a disability.

The average age of our staff is 37.4 years, younger than the NTPS average age of 42.5 years.

More than half DTF's workforce is under 40 years of age, while 20% are over 50 years of age. This relatively young demographic reflects our proven approach to providing early career pathways through our cadet, vacation and graduate programs, with ongoing mentoring and development enabling staff to succeed in professional goals and career advancement.

Career pathways

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

Career pathways

	2020-21	2021-22
Cadets	3	2
Graduate trainees	9	9
Total	12	10

Professional development

Through our ROADmap performance development agreements, we encourage our staff to take a self-driven approach to identifying and achieving their professional goals. During 2021-22, eight staff were supported to undertake mobility opportunities within the department.

Training and development expenses

	2018-19	2019-20	2020-21	2021-22
Headcount as at 30 June	156	138	131	126
Total training and development expenses (\$) ¹	249 274	190 648	85 303 ²	171 680

¹ Figures do not include the value of training sessions provided to staff by in-house experts and specialists.

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

Study assistance and training

As part of our Corporate Plan objective to build capability across our agency, we encourage all staff to engage in professional development opportunities. We also continued to support work related tertiary study, providing financial assistance and study time for 12 staff who undertook approved courses such as Master of Information Technology, Bachelor of Laws, and Certified Practising Accountant qualifications.

Further, in 2021-22 we continued our internal LinkedIn Learning Launchpad series, providing staff with the opportunity to participate in group and individual training using the LinkedIn Learning platform. Over the course of 2021-22, 31 LinkedIn Learning Launchpad sessions were conducted, with an average attendance of 6 people at each session. A further 64 LinkedIn Learning courses were completed independently.

Staff are also required to undertake essential training online, provided by DCDD in:

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

Leadership programs

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

- one DTF executive completed the Australia and New Zealand School of Government (ANZSOG) Deputies Leadership Program
- another executive is undertaking the ANZSOG Executive Masters Program, with the aim of developing and strengthening the quality of public sector leadership
- one staff member commenced the Public Sector Management Program through the Queensland University of Technology
- further staff members were supported to complete short courses through the Australian Institute of Management, such as 'Leadership for new managers', and ANZSOG, such as the 'Future public sector leaders series'.

People Matter

During 2021-22, we continued to implement our agency response plan to the 2021 People Matter survey. Key actions this year have included:

- the rollout of portable personal devices, such as laptops and tablets, across the agency, meaning every staff member can now access the Territory Government network remotely
- reinstating full agency quarterly meetings, providing an opportunity for staff to learn about work and projects being carried out by other teams, and network with their colleagues
- launching quarterly suggestion boxes, providing staff with an additional channel to provide feedback to senior management, and involving them in decision-making across the agency
- rollout of induction packs, providing all new starters with a consistent induction to the agency.



Employment instructions

Under PSEMA, OCPE issues employment instructions that provide direction to agencies on HR matters. DTF met all obligations as required under each of the 15 employment instructions in 2021-22.

Public sector principles

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

In 2021-22, DTF complied with all the prescribed principles.

Administration Management Principle (PSEMA section 5B)

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

Human Resource Management Principle (PSEMA section 5C)

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

Merit Principle

(PSEMA section 5D)

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

Equality of Employment Opportunity Principle

(PSEMA section 5E)

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

Performance and Conduct Principle

(PSEMA section 5F)

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

GOVERNANCE



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

Committees

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

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

Senior Management Group

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

SMG membership at 30 June 2022:

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

During 2021-22, all SMG subcommittees were assessed and terms of reference were reviewed to improve the operation and effectiveness of each committee.

Audit and Risk Management Committee

Together with CMC (including OCPE), DTF has a combined Audit and Risk Management Committee (ARMC), established under the shared services arrangements for the agencies.

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

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

ARMC membership at 30 June 2022:

- Lorraine Hardy – Chair (independent)
- Karen Vohland – Executive Director, Corporate Services, Strategic Communications, Engagement and Protocol, CMC
- Catherine Weber – Deputy Under Treasurer (Finance and Corporate), DTF
- Cheryl Winstanley – Director, Employee Relations, Office of the Commissioner for Public Employment
- Fotis Papadakis – Chief Financial Officer, Department of Infrastructure, Planning and Logistics (DIPL) (independent).

ARMC has a formal charter through which it is responsible for undertaking these functions on behalf of the agency heads:

- monitor and advise on strategic risk management frameworks
- through internal audit and other reporting, review the adequacy of the internal controls which may include requesting specific reviews from time to time
- review the adequacy of, and make recommendations on, the corporate governance framework
- monitor key financial risks and trends of the agencies and provide advice to agency heads, as and when required
- monitor the internal audit function, including review and endorsement of the shared services annual internal audit plan, and agency specific internal audit plans (if applicable), and review of the audit follow up logs at each meeting
- monitor the Northern Territory Auditor-General's audit program for the agencies, including follow up logs, at each meeting
- review assurance activities related to procurement governance practices, and
- within the context of the committee's purpose, undertake any other functions determined from time to time by the agency heads.

The committee met four times during 2021-22.

Internal and external audit

The following internal audits and reviews were completed and reported in 2021-22.

Audit or review	Objective	Outcome
Value for Territory annual assurance program for the 2021 calendar year	To test DTF's compliance with the obligations set out under the Value for Territory assurance program, which arise from the <i>Procurement Act 1995</i> , <i>Procurement Regulations</i> , <i>Procurement Governance Policy and Rules</i> , and the <i>Buy Local plan</i> .	One instance (of 12) was identified where a tier 2 transaction was non-compliant in relation to procurement approvals and delegation requirements. Across tiers 1 to 3, there were deficiencies in recordkeeping practices and contract management. All matters of non-compliance are being addressed by an ongoing program of work to improve procurement and contract controls.
Cabinet information security measures – annual compliance check	To review breaches of information involving Cabinet material, performance compliance and security measures.	One matter was identified. DTF implemented changes to address this.
Northern Territory Superannuation Office anti-money laundering and counter-terrorism financing program review	To test compliance of the anti-money laundering and counter-terrorism program and the risk assessments of key superannuation schemes against the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> .	No adverse findings. All recommended actions to further strengthen the program were implemented in March 2022.

Audit or review	Objective	Outcome
Security of information, data and records	Review policies, processes and systems around security of information and data, and consider communications to staff on best practice information security to identify opportunities to raise awareness and improve controls.	A minor matter concerning information available to staff was identified, and subsequently addressed through a review of internal procedures and communications.
Procurement framework	Test compliance with procurement framework. Confirm that previously identified non-compliances have been adequately addressed. Identify opportunities to improve compliance with agency-specific procurement controls.	Minor non-compliances with the Territory procurement rules were identified. All matters of non-compliance are being addressed by an ongoing program of work to improve procurement and contract controls.
Anti-fraud and corruption framework	Identify policies, procedures and systems that govern management of fraud and corruption, consider the effectiveness and adequacy of the policies and procedures including controls described in the policies and procedures, and identify opportunities for improvement.	Minor recommendations for improvement to policies and procedures were identified and have been addressed through a review and subsequent update of the policy and procedure documents.
Budget management internal review	Review budget management controls within DTF as an agency, and compliance with relevant legislation, policies and procedures relating to budget management.	The review found no breaches in policies and procedures nor were any weaknesses in controls identified. Recommendations to further strengthen agency controls were provided.
Payment of overtime and allowances internal review	Review overtime and allowance policies, procedures and controls related to such payments to employees.	The review found no breaches in policies and procedures nor were any weaknesses in controls identified.
Management of excess leave internal review	Review management reporting and responses to identified excess leave balances, and control improvements, including management reporting processes and outcomes.	The review identified opportunities to improve management's monitoring of excess leave reports against excess leave plans agreed with affected staff, to reduce those leave balances and the associated risk exposure.



DTF is subject to the Northern Territory Auditor-General's audit program under the powers and responsibilities established by the *Audit Act 1995*. The Auditor-General's audits and reviews in 2021-22 are provided below.

Audit/review	Objective	Outcome
Audit of DTF's closedown leave for 2020-21	Identify instances in which staff were overpaid as a result of leave being entered incorrectly into the payroll system.	The audit did not make any recommendations. DTF addressed identified issues.
Performance audit of actions taken to deliver <i>Root and branch review</i> savings	Identify whether sufficiently specific reporting is completed at an Territory Government level for agency savings.	One matter was identified. DTF implemented changes to address this.
Review of annual leave entitlements for the period ending 30 June 2021	Examine leave accruals for NTPS employees as at 30 June 2021 to identify employees who had accumulated annual recreation leave entitlements greater than 12 weeks for management review and follow up.	One matter was identified. DTF's existing processes were sufficient to monitor and address such issues.
Review of data regarding salary overpayments	Identify instances of salary overpayments made to DTF staff. One outstanding overpayment had been identified at 31 August 2021, with three overpayments for 2020-21 fully recovered.	No action required.
Treasurer's Annual Financial Statements audit	To undertake sufficient audit procedures relating to the accounts and records of the Treasurer's Annual Financial Statements to enable the Auditor-General to form an opinion on the financial statements for the year ended 30 June 2021.	Three matters were identified relating to transactions within various agencies. DTF committed to liaising with relevant agencies to address all issues.
DTF status of action taken to deliver <i>A plan for budget repair</i>	Examine actions taken by the Territory Government and monitored by DTF to address the recommendations contained within the report <i>A plan for budget repair</i> .	DTF is addressing various issues identified.
Agency compliance audit for the year ending 30 June 2022	Test compliance against the FMA, Treasurer's Directions, <i>Procurement Act 1994</i> and whole of government policies, for example, information management.	There were no significant matters arising from this audit.
2021-22 Treasurer's Annual Financial Statements interim audit	To determine whether internal controls in place provide reasonable assurance that all revenue due to the Territory are being received on a timely basis; and to ensure the adequacy of controls over reporting of accounting and financial transactions and to prevent or detect errors or irregularities.	Three recommendations were made. DTF committed to addressing all issues.



Strategic Human Resources Committee

The Strategic Human Resources Committee (SHRC) monitors and oversees strategic HR planning and management for DTF in compliance with PSEMA and associated employment frameworks, and consistent with the DTF 2020–2023 Corporate Plan.

The role of the committee is to:

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

The committee met fortnightly throughout 2021-22.

Key outcomes of SHRC during 2021-22 included:

- oversaw the 2021 and 2022 graduate programs, vacation student and cadet placements
- continued to implement DTF's People Matter response plan
- considered requests for flexible work arrangements and study assistance
- monitored excess leave, ensuring plans are in place with staff to use that leave
- monitored DTF's performance on all staffing matters
- ensured all DTF staff had a ROADmap or performance agreement in place, and supported training and mobility opportunities identified therein.



Digital Governance Committee

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

The committee's key responsibilities include:

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

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

Key outcomes of DGC during 2021-22 included:

- supported the system development of Sage, a whole of government budget system, with testing commencing in 2022
- commenced work, in conjunction with DCDD, to implement a new revenue system that meets contemporary business needs and reduces red tape for taxpayers – significant milestones included procurement of resources to commence system development
- all DTF staff were provided with mobile devices to facilitate remote working.

The committee met four times during 2021-22.



Work Health and Safety Committee

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

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

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

The committee met four times during 2021-22. Key achievements include:

- COVID-19 safety supervisor training was undertaken by all committee members

- COVID-19 in the workplace policy was developed, including information on working from home
- further updates to the committee's terms of reference, aligning it more closely with the *Work Health and Safety (National Uniform Legislation) Act 2011*, and improved members' understanding of their roles and responsibilities
- reviewing and updating workplace inspection checklists to ensure they are fit for purpose and conducted at a frequency that reflects a workplace's risk profile
- developing an annual communications strategy, including web-based communications and updates aimed at educating, informing and empowering DTF and CMC staff on WHS matters
- regular, appropriate and documented risk and incident notification, reporting and management across the agencies, with escalation of identified WHS notifications to the relevant management body where required
- capability development of the committee with respect to the legislative and operational context of WHS in the NTPS.

As part of its annual wellbeing program, DTF:

- offered free flu vaccinations to all staff in April 2022
- held personal development sessions through the LinkedIn Learning Launchpad series
- shared regular WHS posts on the agency's intranet encouraging a proactive approach to wellness.

Three workplace assessments assisted staff in 2021-22 with their work station setup.

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

Employee assistance program uptake

	2020-21	2021-22
Expenditure for financial year	\$13 356	\$7 119
Number of sessions	64	34

Records and information

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

Information requests

Part 3 of the *Information Act 2002* formally sets out the process for accessing government information, and accessing and correcting personal information held by DTF. In 2021-22, CMC managed freedom of information (FOI) and privacy on behalf of DTF. From 1 July 2022, DCDD will manage processing and advice on FOI applications for DTF and other Territory Government agencies under a centralised model. Details about how to apply for access to information, with links to relevant legislation and related agencies, can be found on DTF's website. Further assistance can be provided by contacting:

Freedom of Information Services
GPO Box 2391 DARWIN NT 0800

Telephone: 08 8999 1793

Email: FOI@nt.gov.au

Web: treasury.nt.gov.au/InformationAct

During 2021-22, DTF received one application. This request was processed on time in accordance with the requirements of the *Information Act 2002*. There were no outstanding applications at 30 June 2022.

Privacy complaints and enquiries

DTF received no privacy complaints or enquiries from the Ombudsman during 2021-22.

Records and information management

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

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

Competitive neutrality

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

One complaint against the Land Development Corporation (LDC) and CMC was received and investigated in 2021-22.

The complaint alleged that:

- LDC operates in a non-competitively neutral manner through the terms on which it acquires land, its funding support from the Territory Government, more favourable financing arrangements and materially quicker land use approvals with fewer conditions
- private sector developers were denied the opportunity to bid on land components of major projects where the Territory is the proponent and utilises land offered and nominated by LDC.

In accordance with the policy statement, the complaint was investigated by DTF and findings are summarised as follows.

- LDC was not found to have operated in a non-competitively neutral manner, or to have sold land at a discount, or to be able to generate losses and enable unfair competition with the private sector.
- LDC's land use approvals are not materially quicker or with fewer conditions than the private sector.
- LDC's capital structure was lower than a comparable business.
- In one instance, CMC provided LDC a competitive advantage by pre-selecting LDC's site for a facilitated commercial project.

Government considered the report findings and made decisions to improve compliance with competitive neutrality through publishing LDC's pricing and cost allocation policies, capital structure and an annual competitive neutrality statement, as well as CMC's process of identifying and selecting land for strategic investment facilitation, to ensure transparency in this decision making process.

This work is scheduled to be completed in 2022.

Legislation administered

Administrators Pensions Act 1981

Advance Bank Integration Act 1998

Appropriation (2021-2022) Act 2021

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

Companies (Unclaimed Assets and Moneys) Act 1963

Competition Policy Reform (Northern Territory) Act 1996

Electricity Reform Act 2000 (provisions about price regulation)

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

Financial Management Act 1995

Financial Relations Agreement (Consequential Provisions) Act 2000

First Home Owner Grant Act 2000

Fiscal Integrity and Transparency Act 2001

Gaming Control Act 1993 (provisions about taxes and levies)

Gaming Machine Act 1995 (Part 8)

Government Owned Corporations Act 2001

Legislative Assembly Members' Pensions Act 1979

Legislative Assembly Members' Superannuation Contributions Act 2004

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

Merlin Project Agreement Ratification Act 1998 (provisions about royalties)

Mineral Royalty Act 1982

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

Motor Accidents (Compensation) Act 1979

Motor Accidents (Compensation) Commission Act 2014

Motor Vehicles Act 1949 (Part V)

Payroll Tax Act 2009

Petroleum Act 1984 (provisions about royalties)

Property Activation Act 2019

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

Revenue Units Act 2009

Soccer Football Pools Act 1978 (provisions about duties)

Stamp Duty Act 1978

Superannuation Act 1986

Superannuation Guarantee (Safety Net) Act 1993

Taxation Administration Act 2007

Territory Insurance Office (Sale) Act 2014

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

Unclaimed Superannuation Benefits Act 1998

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

FINANCIAL STATEMENTS



Department of Treasury and Finance

Certification of the financial statements

We certify that the attached financial statements for the Department of Treasury and Finance have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements presents fairly the financial performance and cash flows for the year ended 30 June 2022 and the financial position on that date.

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



Craig Graham
Under Treasurer

30 September 2022



Robert Csar
Chief Financial Officer

30 September 2022

Comprehensive operating statement

For the year ended 30 June 2022

	Note	2021-22 \$000	2020-21 \$000
INCOME			
Appropriation	4b		
Output		159 343	147 865
Commonwealth		3 570	6 770
Sales of goods and services	4c	128	306
Interest revenue		161	149
Goods and services received free of charge	5	6 202	5 792
Other income	4d	6	68
TOTAL INCOME	3	169 410	160 950
EXPENSES			
Employee expenses		16 156	16 376
Administrative expenses			
Purchases of goods and services	6	3 774	3 661
Depreciation and amortisation	13, 20	15	11
Other administrative expenses ¹		12 085	11 866
Grant and subsidy expenses			
Current	7a	8 366	19 016
Community service obligations	7b	117 424	119 371
Interest expenses			7
TOTAL EXPENSES	3	157 820	170 308
NET SURPLUS/(DEFICIT)		11 590	- 9 358
OTHER COMPREHENSIVE INCOME			
TOTAL OTHER COMPREHENSIVE INCOME			
COMPREHENSIVE RESULT			
		11 590	- 9 358

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

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

Balance sheet

As at 30 June 2022

	Note	2021-22 \$000	2020-21 \$000
ASSETS			
Current assets			
Cash and deposits	9	62 633	55 008
Receivables	11	1 196	2 110
Total current assets		63 829	57 118
Non current assets			
Advances and investments	12	25 000	25 000
Property, plant and equipment	13	47	73
Total non current assets		25 047	25 073
TOTAL ASSETS		88 876	82 191
LIABILITIES			
Current liabilities			
Payables	15	17 100	22 000
Provisions	17	2 821	2 814
Total current liabilities		19 921	24 814
TOTAL LIABILITIES		19 921	24 814
NET ASSETS		68 955	57 377
EQUITY			
Capital		- 21 470	- 21 459
Accumulated funds		90 424	78 836
TOTAL EQUITY		68 955	57 377

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 2022

	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	\$000	\$000	\$000	\$000
2021-22				
Accumulated funds	78 836	11 590		90 424
Total accumulated funds	78 836	11 590		90 424
Capital – transactions with owners				
Equity injections				
Capital appropriation	3 677			3 677
Equity transfers in	210 632			210 632
Other equity injections	1 126			1 126
Equity withdrawals				
Capital withdrawal	- 220 399			- 220 399
Equity transfers out	- 16 495		- 11	- 16 506
Total capital – transactions with owners	- 21 459		- 11	- 21 470
Total equity at end of financial year	57 376	11 590	- 11	68 955
2020-21				
Accumulated funds	88 194	- 9 358		78 836
Total accumulated funds	88 194	- 9 358		78 836
Capital – transactions with owners				
Equity injections				
Capital appropriation	3 617		60	3 677
Equity transfers in	210 632			210 632
Other equity injections	1 126			1 126
Equity withdrawals				
Capital withdrawal	- 220 399			- 220 399
Equity transfers out	- 16 495			- 16 495
Total capital – transactions with owners	- 21 519		60	- 21 459
Total equity at end of financial year	66 675	- 9 358	60	57 377

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 2022

	Note	2021-22 \$000	2020-21 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Appropriation			
Output		159 343	147 865
Commonwealth		4 500	4 825
Receipts from sales of goods and services		364	650
Total operating receipts		164 207	153 340
Operating payments			
Payments to employees		- 16 145	- 16 063
Payments for goods and services		- 9 709	- 9 802
Grants and subsidies paid			
Current		- 8 366	- 19 016
Community service obligations		- 122 362	- 98 321
Interest paid			- 7
Total operating payments		- 156 582	- 143 209
Net cash from/(used in) operating activities	10	7 625	10 131
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing payments			
Purchases of assets			- 57
Total investing payments			- 57
Net cash from/(used in) investing activities			- 57
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Equity injections			
Capital appropriation			60
Total financing receipts			60
Net cash from/(used in) financing activities	10		60
Net increase/(decrease) in cash held		7 625	10 134
Cash at beginning of financial year		55 008	44 874
CASH AT END OF FINANCIAL YEAR	9	62 633	55 008

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

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Notes to the financial statements

For the year ended 30 June 2022

1. Objectives and funding

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

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

2. Statement of significant accounting policies

a) Statement of compliance

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

- (i) a certification of the financial statements
- (ii) a comprehensive operating statement
- (iii) a balance sheet
- (iv) a statement of changes in equity
- (v) a cash flow statement
- (vi) applicable explanatory notes to the financial statements.

b) Basis of accounting

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

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

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

Standards and interpretations effective from 2021-22

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

Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for 2021-22.

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

Notes to the financial statements

For the year ended 30 June 2022

2. Statement of significant accounting policies (continued)

c) Reporting entity

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

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

d) Agency and Territory items

The financial statements of DTF include income, expenses, assets, liabilities and equity over which DTF has control (agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (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 that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

CHA recognises and records all Territory items and therefore, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 25 – Schedule of administered Territory items.

e) Comparatives

Where necessary, comparative information for the 2020-21 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

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

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2021-22 as a result of management decisions.

Notes to the financial statements

For the year ended 30 June 2022

2. Statement of significant accounting policies (continued)

h) Accounting judgments and estimates

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

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

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

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 Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

j) Contributions by and distributions to government

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

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

Notes to the financial statements

For the year ended 30 June 2022

3. Comprehensive operating statement by output group

	Note	Financial Management		Economic		Territory Revenue		Superannuation	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME									
Appropriation	4b								
Output		4 529	4 279	137 960	121 539	10 897	15 841	1 882	1 969
Commonwealth						3 570	6 770		
Sales of goods and services	4c								
Interest revenue				161	149				
Goods and services received free of charge ¹	5								
Other income	4d				36				
TOTAL INCOME		4 529	4 279	138 121	121 724	14 467	22 611	1 882	1 969
EXPENSES									
Employee expenses		4 153	4 125	4 481	3 904	3 578	3 749	1 075	1 369
Administrative expenses									
Purchases of goods and services	6	507	276	1 256	936	501	662	673	657
Depreciation and amortisation	13, 20								
Other administrative expenses				5 883	6 074				
Grant and subsidy expenses									
Current	7a				360	8 366	18 656		
Community service obligations	7b			117 424	119 371				
Interest expense							7		
TOTAL EXPENSES		4 660	4 401	129 044	130 645	12 445	23 074	1 748	2 026
NET (DEFICIT)/SURPLUS		- 131	- 122	9 077	- 8 921	2 022	- 463	134	- 57
TOTAL OTHER COMPREHENSIVE INCOME									
COMPREHENSIVE RESULT		- 131	- 122	9 077	- 8 921	2 022	- 463	134	- 57

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

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

Notes to the financial statements

For the year ended 30 June 2022

3. Comprehensive operating statement by output group (continued)

Note	Economic Regulation		Corporate and Governance		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	\$000	\$000	\$000	\$000	\$000	\$000
INCOME						
Appropriation	4b					
Output		1 307	2 768	2 881	159 343	147 865
Commonwealth					3 570	6 770
Sales of goods and services	4c		128	306	128	306
Interest revenue					161	149
Goods and services received free of charge ¹	5		6 202	5 792	6 202	5 792
Other income	4d		6	32	6	68
TOTAL INCOME		1 307	9 104	9 011	169 410	160 950
EXPENSES						
Employee expenses		690	2 179	2 593	16 156	16 376
Administrative expenses						
Purchases of goods and services	6	525	312	371	3 774	3 661
Depreciation and amortisation	13, 20		15	11	15	11
Other administrative expenses			6 202	5 792	12 085	11 866
Grant and subsidy expenses						
Current	7a				8 366	19 016
Community service obligations	7b				117 424	119 371
Interest expense						7
TOTAL EXPENSES		1 215	8 708	8 767	157 820	170 308
NET (DEFICIT)/SURPLUS		92	396	244	11 590	- 9 358
TOTAL OTHER COMPREHENSIVE INCOME						
COMPREHENSIVE RESULT		92	396	244	11 590	- 9 358

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

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

Notes to the financial statements

For the year ended 30 June 2022

4. Revenue

a) Grant and subsidy revenue

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

Where a grant agreement is enforceable and has sufficiently specific performance obligations for the agency to transfer goods or services to the grantor or a third party beneficiary, the transaction is accounted for under AASB 15. In this case, revenue is initially deferred as a contract liability when received in advance and recognised as or when the performance obligations are satisfied. The agency has adopted a low value contract threshold of \$50,000 excluding GST and recognises revenue from contracts with a low value, upfront on receipt of income.

A financing component for consideration is only recognised if it is significant to the contract and the period between the transfer of goods and services and receipt of consideration is more than one year. For the 2021-22 and 2020-21 reporting periods, there were no adjustments for the effects of a significant financing component.

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

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

DTF does not have grant and subsidy revenue.

b) Appropriation

	2021-22			2020-21		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Output		159 343	159 343		147 865	147 865
Commonwealth	3 570		3 570	6 770		6 770
Total appropriation	3 570	159 343	162 913	6 770	147 865	154 635

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

Commonwealth appropriation follows from the intergovernmental agreement on federal financial relations, resulting in specific purpose payments 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 passed on to the relevant agencies as Commonwealth appropriation.

Notes to the financial statements

For the year ended 30 June 2022

4. Revenue (continued)

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

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

	2021-22	2020-21
	\$000	\$000
Type of good and service		
Service delivery	3 570	6 770
Total revenue from contracts with customers	3 570	6 770
Type of customer		
Commonwealth	3 570	6 770
Total revenue from contracts with customers	3 570	6 770
Timing of transfer of goods and services		
Point in time	3 570	6 770
Total revenue from contracts with customers	3 570	6 770

c) Sales of goods and services

	2021-22			2020-21		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Sales of goods and services		128	128		306	306
Total sales of goods and services		128	128		306	306

Rendering of services

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

Notes to the financial statements

For the year ended 30 June 2022

4. Revenue (continued)

d) Other income

	2021-22			2020-21		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Other income		6	6		68	68
Total other income		6	6		68	68

5. Goods and services received free of charge

	2021-22	2020-21
	\$000	\$000
Corporate and information services ¹	5 235	4 828
Shared corporate services ²	934	936
Repairs and maintenance ³	33	28
Total goods and services received free of charge	6 202	5 792

1 DCDD service charges.

2 CMC shared services.

3 DIPL repairs and maintenance service charges.

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Repairs and maintenance expenses and associated employee costs are centralised and provided by DIPL and forms part of goods and services free of charge of the agency.

In addition, corporate services staff and functions are centralised and provided by DCDD, and forms part of goods and services free of charge of the agency.

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

Notes to the financial statements

For the year ended 30 June 2022

6. Purchases of goods and services

	2021-22	2020-21
	\$000	\$000
Consultants ¹	1 265	1 220
Other	621	650
Information technology charges and communications	557	551
Agent service arrangement	512	730
Legal expenses ²	221	167
Recruitment ³	179	74
Training and study	176	85
Communications	105	101
Document production	64	63
Advertising ⁴	46	5
Marketing and promotion ⁵	18	1
Fees and regulatory charges	8	13
Official duty fares	1	1
Travelling allowance	1	
Total purchases of goods and services	3 774	3 661

1 Includes marketing, promotion and ICT consultants.

2 Includes legal fees, claim and settlement costs.

3 Includes recruitment-related advertising costs.

4 Does not include recruitment-related advertising or advertising for marketing and promotion.

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

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

Notes to the financial statements

For the year ended 30 June 2022

7. Grant and subsidy expenses

a) Current grant and subsidy expenses

	Economic		Territory Revenue		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	\$000	\$000	\$000	\$000	\$000	\$000
Current grants		360	8 366	18 656	8 366	19 016
Total		360	8 366	18 656	8 366	19 016

Current grant expenses are intended to finance the current activities of the recipient for which no economic benefits of equal value are receivable in return.

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

b) Community service obligations

	Economic		Total	
	2021-22	2020-21	2021-22	2020-21
	\$000	\$000	\$000	\$000
Community service obligations	117 424	119 371	117 424	119 371
Total	117 424	119 371	117 424	119 371

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

Notes to the financial statements

For the year ended 30 June 2022

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

	Agency		Territory items					
	2021-22 \$000	No. of trans.	2020-21 \$000	No. of trans.	2021-22 \$000	No. of trans.	2020-21 \$000	No. of trans.
Amounts written off, postponed and waived by the Treasurer								
Write-offs, postponements and waivers due to COVID-19 ¹					2 834	477	2 770	488
Irrecoverable amounts payable to the Territory or an agency written off ²					2 399	29	5 826	46
Losses or deficiencies of money written off								
Public property written off								
Waiver or postponement of right to receive or recover money or property							87	4
Total written off, postponed and waived by the Treasurer					5 233	506	8 683	538
Write-offs, postponements and waivers authorised under other legislation								
Gifts under the <i>Financial Management Act 1995</i>								
Gifts by Treasurer								
Gifts authorised under other legislation								
Ex gratia payments under the <i>Financial Management Act 1995</i>								

1 Mainly relates to waivers associated with payroll tax business hardship relief under the Territory Government economic response to COVID-19.

2 Write-offs mainly associated with payroll tax approved by the Treasurer.

Notes to the financial statements

For the year ended 30 June 2022

9. Cash and deposits

	2021-22	2020-21
	\$000	\$000
Cash at bank	62 633	55 008
Total cash and deposits	62 633	55 008

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

10. Cash flow reconciliation

a) Reconciliation of cash

The total of DTF 'Cash and deposits' of \$62.633 million recorded in the balance sheet is consistent with that recorded as 'Cash' in the cash flow statement.

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

	2021-22	2020-21
	\$000	\$000
Net surplus/deficit	11 590	- 9 358
Non-cash items:		
Depreciation and amortisation	15	11
Changes in assets and liabilities:		
Decrease/(increase) in receivables	914	- 1 940
(Decrease)/increase in payables	- 4 900	21 172
(Decrease)/increase in provision for employee benefits	- 1	186
(Decrease)/increase in other provisions	7	60
Net cash from/(used in) operating activities	7 625	10 131

b) Reconciliation of liabilities arising from financing activities

DTF did not have any liabilities arising from financing activities during 2021-22.

c) Non-cash financing and investing activities

During the financial year, the agency recognised \$0.16 million (2021: \$0.15 million) as interest expense related to the deferred loss amortisation and interest income on advances paid of \$0.16 million (2021: \$0.15 million) in the comprehensive operating statements. Refer to Note 12 for more information.

Notes to the financial statements

For the year ended 30 June 2022

11. Receivables

	2021-22	2020-21
	\$000	\$000
Current		
Accounts receivable	3	37
Less: loss allowance		
	3	37
Accrued contract revenue	1 015	1 945
Less: loss allowance		
	1 015	1 945
Interest receivables		
GST receivables	40	29
Prepayments	61	96
Other receivables	78	3
Total receivables	1 196	2 110

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

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

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. DTF did not recognise any loss allowance on receivables in 2021-22 or 2020-21.

a) Accrued contract revenue

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

As at 30 June 2022, DTF recognised accrued contract revenue of \$1.015 million for the HomeBuilder grant initiative.

b) Credit risk exposure of receivables

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

Notes to the financial statements

For the year ended 30 June 2022

11. Receivables (continued)

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information. DTF did not have any lifetime expected credit losses in 2021-22 or 2020-21.

In accordance with the provisions of the FMA, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include a failure to make contractual payments for a period greater than 90 days past due.

The loss allowance for receivables and reconciliation as at the reporting date is disclosed below.

c) Loss allowance for receivables

	2021-22				2020-21			
	Gross Receivables	Loss rate	ECL	Net receivables	Gross receivables	Loss rate	ECL	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
Internal receivables								
Not overdue	3			3	33			33
Overdue for less than 30 days								
Overdue for 30 to 60 days								
Overdue for more than 60 days					4			4
Total internal receivables	3			3	37			37
External receivables								
Not overdue	1 015			1 015	1 945			1 945
Overdue for less than 30 days								
Overdue for 30 to 60 days								
Overdue for more than 60 days								
Total external receivables	1 015			1 015	1 945			1 945

ECL: expected credit loss

Total amounts disclosed exclude statutory amounts and prepayments, and include contract receivables and accrued contract revenue.

d) Reconciliation of loss allowance for receivables

DTF did not have any loss allowance for receivables in 2021-22 or 2020-21.

e) Prepayments

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.

Notes to the financial statements

For the year ended 30 June 2022

12. Advances and investments

	2021-22	2020-21
	\$000	\$000
Non current		
Advances paid	33 805	33 805
Less: loss allowance	- 8 805	- 8 805
Total advances and investments	25 000	25 000

Advances paid

Advances paid are recognised initially at fair value plus or minus relevant transaction costs and are recognised in the balance sheet when the agency becomes party to the contractual provisions of the financial instruments. Where the advances are provided with interest-free periods or at concessional interest rates, they are considered to have a fair value that is less than the amount lent. This fair value is calculated in accordance with Note 20. The difference between the amount lent and the fair value is recognised as an expense in the comprehensive income statement.

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

Included with the advances paid is a deferred loss of \$22.8 million (2021: \$23 million). During the year, \$0.16 million (2021: \$0.15 million) was recognised as interest expense related to the deferred loss amortisation and interest income on advances paid of \$0.16 million (2021: \$0.15 million) in the comprehensive operating statement.

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

Credit risk exposure of advances paid

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

Notes to the financial statements

For the year ended 30 June 2022

12. Advances and investments (continued)

The loss allowance for advances paid and reconciliation as at the reporting date is disclosed below.

	2021-22				2020-21			
	Gross advances paid	Loss rate	ECL	Net advances paid	Gross advances paid	Loss rate	ECL	Net advances paid
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
External advances paid								
Not overdue	25 000			25 000	25 000			25 000
Overdue for less than 30 days								
Overdue for 30 to 60 days								
Overdue for more than 60 days ¹	8 805	100	- 8 805		8 805	100	- 8 805	
Total external advances paid	33 805		- 8 805	25 000	33 805		- 8 805	25 000

ECL: expected credit loss

¹ Reflects loan to Jabiru Township Development Authority.

Reconciliation of loss allowance for advances paid

	2021-22	2020-21
	\$000	\$000
Opening balance	- 8 805	- 8 805
Written off during the year		
Recovered during the year		
Increase/decrease in allowance recognised in profit or loss		
Total loss allowance for advances paid	- 8 805	- 8 805

DTF did not have any internal advances paid in 2021-22 or 2020-21.

Notes to the financial statements

For the year ended 30 June 2022

13. Property, plant and equipment

a) Total property, plant and equipment

	2021-22	2020-21
	\$000	\$000
Plant and equipment		
At fair value	68	117
Less: accumulated depreciation	- 21	- 44
Total property, plant and equipment	47	73

Property, plant and equipment reconciliations

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

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

	Plant and equipment	
	2021-22	2020-21
	\$000	\$000
Carrying amount as at 1 July	73	27
Additions		57
Disposals		
Depreciation/amortisation expense	- 15	- 11
Additions/disposals from asset transfers	- 11	
Carrying amount as at 30 June	47	73

Acquisitions

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

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

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

Subsequent additional costs

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

Notes to the financial statements

For the year ended 30 June 2022

13. Property, plant and equipment (continued)

b) Revaluations and impairment

Revaluation of assets

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

The agency does not have any right-of-use assets.

Impairment of assets

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

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

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

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the comprehensive operating statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus.

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2022. No impairment adjustments were required as a result of this review.

Depreciation and amortisation expense

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

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

	2021-22	2020-21
Plant and equipment	3 to 10 years	3 to 10 years

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

Notes to the financial statements

For the year ended 30 June 2022

14. Agency as a lessee

Inter-governmental leases

DTF applies the intergovernmental leases recognition exemption as per the Treasurer's Direction – Leases and recognises these as an expense on a straight-line basis over the lease term. These largely relate to the lease of motor vehicles from NT Fleet. Leases of commercial properties for office accommodation are centralised with DCDD. Consequently all lease liabilities and right-of-use assets relating to these arrangements are recognised by DCDD and not disclosed within these financial statements.

15. Payables

	2021-22	2020-21
	\$000	\$000
Accounts payable	1	
Accrued expenses	17 099	22 000
Total payables	17 100	22 000

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

16. Borrowings and advances

DTF had no borrowings and advances during 2021-22 or 2020-21.

Lease liabilities

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

	2021-22		2020-21	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
Within one year	85		85	
Later than one year and not later than five years	128		130	
Later than five years				
	213		215	

Notes to the financial statements

For the year ended 30 June 2022

17. Provisions

	2021-22	2020-21
	\$000	\$000
Current		
Employee benefits		
Recreation leave	2 221	2 204
Leave loading	183	194
Other employee benefits	7	13
Other current provisions	411	403
Total provisions	2 821	2 814
Reconciliations of provisions		
Balance as at 1 July	403	344
Additional provisions recognised	607	629
Reductions arising from payments	- 599	- 570
Balance as at 30 June	411	403

DTF employed 116.5 employees as at 30 June 2022 (124.1 employees as at 30 June 2021), including NTTC.

Employee benefits

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

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

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

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

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

Notes to the financial statements

For the year ended 30 June 2022

18. Other liabilities

a) Financial guarantee contracts

A financial guarantee contract is recognised as a financial liability at the time the guarantee is issued where the total value being guaranteed is greater than \$1 million.

DTF had no quantifiable financial guarantee contracts at 30 June 2022 or 30 June 2021.

b) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

19. Commitments

Commitments contracted represent future obligations or cash outflows that are not recognised as liabilities on the balance sheet and can be reliably measured.

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

	2021-22		2020-21	
	Internal \$000	External \$000	Internal \$000	External \$000
Other expenditure commitments				
Within one year	85	2 450	85	2 142
Later than one year and not later than five years	128	1 172	130	1 936
Later than five years				
Total commitments (exclusive of GST)	213	3 622	215	4 078
Plus: GST recoverable	21	362	22	408
Total commitments (inclusive of GST)	234	3 984	237	4 486

Notes to the financial statements

For the year ended 30 June 2022

20. Fair value measurement

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

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

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

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

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

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

- level 1 – inputs are quoted prices in active markets for identical assets or liabilities
- level 2 – inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- level 3 – inputs are unobservable.

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

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

Notes to the financial statements

For the year ended 30 June 2022

20. Fair value measurement (continued)

a) Fair value hierarchy

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

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

	Level 3		Total fair value	
	2021-22	2020-21	2021-22	2020-21
	\$000	\$000	\$000	\$000
Assets				
Plant and equipment (Note 13)	47	73	47	73
Total assets	47	73	47	73

There were no transfers between level 1, 2 or 3 during 2021-22.

b) Valuation techniques and inputs

The valuation technique used to measure fair value of the level 3 asset class plant and equipment (Note 13) in 2021-22 was the cost approach.

There were no changes in valuation techniques from 2020-21 to 2021-22.

c) Additional information for level 3 fair value measurements

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

	Plant and equipment	
	2021-22	2020-21
	\$000	\$000
Fair value as at 1 July	73	27
Additions		57
Disposals		
Depreciation/amortisation expense	- 15	- 11
Additions/disposals from asset transfers	- 11	
Fair value as at 30 June	47	73

(ii) Sensitivity analysis

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

Notes to the financial statements

For the year ended 30 June 2022

21. Financial instruments

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

Financial assets and liabilities are recognised on the balance sheet when the agency becomes a party to the contractual provisions of the financial instrument. DTF's financial instruments include cash and deposits, receivables, advances paid and payables.

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

DTF has limited exposure to financial risks.

a) Categories of financial instruments

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

	FVTPL				
	Mandatorily at fair value	Designated at fair value	Amortised cost	FVOCI	Total
	\$000	\$000	\$000	\$000	\$000
2021-22					
Cash and deposits			62 633		62 633
Receivables ¹			3		3
Advances paid			25 000		25 000
Total financial assets			87 636		87 636
Payables ¹			1		1
Total financial liabilities			1		1
2020-21					
Cash and deposits			55 008		55 008
Receivables ¹			37		37
Advances paid			25 000		25 000
Total financial assets			80 045		80 045
Payables ¹					
Total financial liabilities					

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

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

Notes to the financial statements

For the year ended 30 June 2022

21. Financial instruments (continued)

Categories of financial instruments

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

Financial assets are classified under the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit and loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- FVTPL.

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

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

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

Financial assets at amortised cost

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

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

Financial assets at fair value through other comprehensive income

Financial assets are classified at FVOCI when they are held by the agency to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

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

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

Notes to the financial statements

For the year ended 30 June 2022

21. Financial instruments (continued)

Financial assets at fair value through profit or loss

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

DTF does not have any financial assets under this category.

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

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

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

DTF does not have any financial liabilities under this category.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

DTF has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, DTF has adopted a policy of only dealing with creditworthy 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.

Credit risk relating to receivables is disclosed in Note 11 and advances paid in Note 12.

c) Liquidity risk

Liquidity risk is the risk the agency will not be able to meet its financial obligations as they fall due. DTF's approach to managing liquidity is to ensure it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in the agency bank account to meet various current employee and supplier liabilities. The agency's exposure to liquidity risk is minimal. Cash injections are available from CHA in the event of one-off extraordinary expenditure items that deplete cash to levels that compromise the agency's ability to meet its financial obligations.

Notes to the financial statements

For the year ended 30 June 2022

21. Financial instruments (continued)

d) Market risk

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

(i) Interest rate risk

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

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

(ii) Price risk

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

(iii) Currency risk

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

22. Related parties

a) Related parties

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

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

b) Key management personnel

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

c) Remuneration of key management personnel

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

Notes to the financial statements

For the year ended 30 June 2022

22. Related parties (continued)

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

	2021-22	2020-21
	\$000	\$000
Short-term benefits	2 448	2 260
Post-employment benefits	241	241
Long-term benefits		
Termination benefits		
Total	2 689	2 501

d) Related party transactions

Transactions with Northern Territory Government-controlled entities

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

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

	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
2021-22				
Territory Government departments	6 209	7 682		704
Subsidiaries	131	116 778	69	16 114
Total	6 340	124 460	69	16 818
2020-21				
Territory Government departments	5 821	7 516		336
Subsidiaries	309	112 770	36	15 438 ¹
Total	6 130	120 286	36	15 774

¹ Amount has been adjusted to show the amounts owed to related parties.

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

Other related-party transactions are as follows:

- Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges. 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.

Notes to the financial statements

For the year ended 30 June 2022

23. Contingent liabilities and contingent assets

a) Contingent liabilities

Unquantifiable contingent liabilities are:

Financial guarantee given to the AustralAsia Railway Company

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

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

If One Rail Australia defaults, DTF is obliged to waive the advance to AustralAsia Railway Corporation (AARC), thereby guaranteeing the repayment of principal by One Rail Australia to AARC. It is probable that One Rail Australia will be able to repay the entire principal.

Workers compensation insurance

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

b) Contingent assets

DTF had no contingent assets as at 30 June 2022 or 30 June 2021.

24. 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.

Notes to the financial statements

For the year ended 30 June 2022

25. Schedule of administered Territory items

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

	2021-22	2020-21
	\$000	\$000
TERRITORY INCOME AND EXPENSES		
Income		
Taxation revenue	805 726	575 214
Grant and subsidy revenue		
GST revenue	3 544 348	2 960 426
Specific purpose payments	459 079	395 516
National partnership agreements	693 017	603 915
Current	24 827	10 879
Fees from regulatory services	555	529
Royalties and rents	432 101	366 695
Other income	2	1
Total income	5 959 656	4 913 175
Expenses		
Central Holding Authority income transferred	5 959 438	4 909 459
Doubtful debts	- 5 014	- 4 967
Bad debts and waivers	5 232	8 683
Total expenses	5 959 656	4 913 175
Territory income less expenses		
TERRITORY ASSETS AND LIABILITIES		
Assets		
Taxes receivable	92 363	42 385
Other receivables	479 276	458 074
Total assets	571 640	500 459
Liabilities		
Central Holding Authority income payable	411 115	298 240
Unearned Central Holding Authority income	160 525	202 219
Total liabilities	571 640	500 459
Net assets		

Notes to the financial statements

For the year ended 30 June 2022

26. Budgetary information

a) Comprehensive operating statement

	2021-22			Note
	Actual \$000	Original budget \$000	Variance \$000	
INCOME				
Appropriation				
Output	159 343	138 886	20 457	1
Commonwealth	3 570		3 570	2
Sales of goods and services	128	305	- 177	
Interest revenue	161		161	
Goods and services received free of charge	6 202	7 066	- 864	3
Other income	6		6	
TOTAL INCOME	169 410	146 257	23 153	
EXPENSES				
Employee expenses	16 156	16 290	- 134	
Administrative expenses				
Purchases of goods and services	3 774	5 380	- 1 606	4
Depreciation and amortisation	15	3	12	
Other administrative expenses	12 085	13 844	- 1 759	5
Grant and subsidy expenses				
Current	8 366	9 206	- 840	6
Community service obligations	117 424	101 908	15 516	7
Interest expenses		9	- 9	
TOTAL EXPENSES	157 820	146 640	11 180	
NET SURPLUS/(DEFICIT)	11 590	- 383	11 973	

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

1. The \$20.5 million increase in output appropriation mainly relates to additional funding for CSO payments for electricity retailers.
2. The \$3.6 million increase reflects Commonwealth funding for the HomeBuilder grant initiative.
3. The variation reflects lower than anticipated DCDD services received free of charge.
4. The \$1.6 million reduction in purchases of goods and services reflects revised timing of consultant fees.
5. The variation reflects lower Commonwealth administration charges and DCDD services received free of charge than budgeted.
6. Lower current grants of \$0.8 million reflects lower uptake of home owner assistance schemes, revised timing of other subsidies to future years, partially offset by increased Commonwealth HomeBuilder grants.
7. The 2021-22 outcome reflects actual payments made to utilities retailers for the provision of regulated utilities tariffs.

Notes to the financial statements

For the year ended 30 June 2022

26. Budgetary information (continued)

b) Balance sheet

	2021-22			Note
	Actual \$000	Original budget \$000	Variance \$000	
ASSETS				
Current assets				
Cash and deposits	62 633	27 543	35 090	1
Receivables	1 196	171	1 025	2
Total current assets	63 829	27 714	36 115	
Non-current assets				
Advances and investments	25 000	25 000		
Property, plant and equipment	47	21	26	
Total non-current assets	25 047	25 021	26	
TOTAL ASSETS	88 876	52 735	36 141	
LIABILITIES				
Payables	17 100	828	16 272	3
Provisions	2 821	2 569	253	
TOTAL LIABILITIES	19 921	3 397	16 525	
NET ASSETS	68 955	49 338	19 616	
EQUITY				
Capital	- 21 470	- 21 519	49	
Accumulated funds	90 424	70 857	19 567	
TOTAL EQUITY	68 955	49 338	19 616	

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

1. The increase in cash and deposits largely reflects the timing of CSO and other payments.
2. The \$1 million increase in receivables reflects accrued contract revenue relating to the Commonwealth HomeBuilder grant initiative for which consideration had not yet been received.
3. The \$16.3 million increase in creditors and accruals largely reflects accrued expenditure relating to CSO payments to be passed on to electricity retailers.

Notes to the financial statements

For the year ended 30 June 2022

26. Budgetary information (continued)

c) Cash flow statement

	2021-22			
	Actual	Original	Variance	Note
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	159 343	138 886	20 457	1
Commonwealth	4 500		4 500	2
Receipts from sales of goods and services	364	305	59	
Total operating receipts	164 207	139 191	25 016	
Operating payments				
Payments to employees	- 16 145	- 16 290	145	
Payments for goods and services	- 9 709	- 12 158	2 449	3
Grants and subsidies paid				
Current	- 8 366	- 9 206	840	4
Community service obligations	- 122 362	- 101 908	- 20 454	5
Interest paid		- 9	9	
Total operating payments	- 156 582	- 139 571	- 17 011	
Net cash from/(used in) operating activities	7 625	- 380	8 005	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Total investing payments				
Net cash from/(used in) investing activities				
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Total financing receipts				
Net cash from/(used in) financing activities				
Net increase/(decrease) in cash held	7 625	- 380	8 005	
Cash at beginning of financial year	55 008	27 923	27 085	
CASH AT END OF FINANCIAL YEAR	62 633	27 543	35 090	

Notes to the financial statements

For the year ended 30 June 2022

26. Budgetary information (continued)

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

1. The \$20.5 million increase in output appropriation mainly relates to additional funding for CSO payments for electricity retailers.
2. The \$4.5 million increase in Commonwealth appropriation receipts reflects funding for the HomeBuilder grant initiative.
3. The \$2.4 million reduction in payment for goods and services reflects revised timing of consultant fees.
4. Lower current grants of \$0.8 million reflects lower uptake of home owner assistance schemes, revised timing of other subsidies to future years, partially offset by an increase in Commonwealth HomeBuilder grants.
5. The 2021-22 outcome reflects actual payments made to utilities retailers for the provision of regulated utilities tariffs.

Notes to the financial statements

For the year ended 30 June 2022

27. Budgetary information: administered Territory items

In addition to the specific departmental operations that are 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.

	2021-22			Note
	Actual \$000	Original budget \$000	Variance \$000	
TERRITORY INCOME AND EXPENSES				
Income				
Taxation revenue	805 726	607 671	198 055	1
Grant and subsidy revenue				
Current	24 827		24 827	2
GST revenue	3 544 348	3 159 000	385 348	3
Specific purpose payments	459 079	446 308	12 771	
National partnership agreements	693 017	1 026 710	- 333 693	4
Fees from regulatory services	555	438	117	
Royalties and rents	432 101	343 630	88 471	5
Other income	2	300	- 298	
Total income	5 959 656	5 584 057	375 599	
Expenses				
Central Holding Authority income transferred	5 959 438	5 584 057	375 381	
Doubtful debts	- 5 014		- 5 014	
Bad debts	5 232		5 232	
Total expenses	5 959 656	5 584 057	375 599	
Territory income less expenses				
TERRITORY ASSETS AND LIABILITIES				
Assets				
Taxes receivable	92 363	55 275	37 088	6
Other receivables	479 276	191 417	287 859	7
Total assets	571 640	246 692	324 948	
Liabilities				
Central Holding Authority income payable	411 115	225 054	186 061	8
Unearned Central Holding Authority income	160 525	21 638	138 887	9
Total liabilities	571 640	246 692	324 948	
Net assets				

Notes to the financial statements

For the year ended 30 June 2022

27. 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 \$198.1 million increase in taxation revenue from the original 2021-22 Budget reflects:
 - increased stamp duties on financial and capital transactions of \$151.5 million reflecting an improvement in housing sale volumes and values, combined with several large unanticipated commercial transactions in 2021-22
 - increased income tax equivalents of \$15.8 million predominantly due to higher profitability in government owned corporations
 - increased payroll and labour force taxes of \$15.2 million reflecting faster than anticipated economic recovery following the impact of COVID-19, combined with improved employment activity
 - increased taxes on insurance of \$7.2 million reflecting higher than expected growth in insurance duty.
2. Current grants increased by \$24.8 million reflecting natural disaster relief reimbursements of \$22.4 million, combined with additional grants in lieu of uranium royalties of \$2.3 million.
3. GST revenue increased by \$385.3 million due to improved national GST collections resulting from easing COVID-19 restrictions and a \$173 million balancing adjustment for the Territory, received in 2021-22 for underpaid GST revenue relating to 2020-21.
4. Lower national partnership revenue of \$333.7 million largely related to the revised delivery of various road programs of \$224.8 million, combined with lower funding of \$117.1 million for reimbursements under the agreement for COVID-19 quarantine arrangements for repatriated Australians following the easing of COVID-19-related travel restrictions and reduced use of the Centre of National Resilience, partially offset by net increases and revised timing of funding across various programs of \$8.2 million.
5. Royalties and rents increased by \$88.5 million due to higher mining royalties reflecting increased production and higher than expected commodity prices.
6. Taxes receivable increased by \$37.1 million largely related to increased stamp duty and payroll tax receivables.
7. Other receivables increased by \$287.9 million largely due to prepayments of \$138.9 million reflecting consideration received in advance from the Commonwealth and on-passed to agencies, accrued current and capital grant revenue of \$98 million relating to various Commonwealth funded programs for which cash has not yet been receipted and on-passed to government agencies, and increased royalty receivables of \$51 million.
8. Payables increased by \$186.1 million in line with accrued current and capital grant revenue totalling \$98 million relating to works undertaken for various Commonwealth-funded programs for which cash has not yet been receipted and on-passed to government agencies, combined with increased royalty receivables of \$51 million and taxes receivable of \$37.1 million.
9. Unearned CHA income increased by \$138.9 million predominantly due to consideration received in advance from the Commonwealth for national partnership agreements.


Central Holding Authority

Certification of the financial statements

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

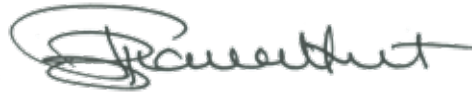
We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2022 and the financial position on that date.

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



Craig Graham
Under Treasurer

30 September 2022



Tiziana Hucent
Senior Director Financial Reporting

30 September 2022

Comprehensive operating statement

For the year ended 30 June 2022

	Note	2021-22	2020-21
		\$'000	\$'000
INCOME			
Taxation revenue	3	866 648	630 795
Grants and subsidies revenue	4a		
GST revenue		3 544 348	2 960 426
Specific purpose payments		459 079	395 516
National partnership agreements		693 017	603 915
Current grants		24 827	10 879
Capital grants		23 465	17 588
Sales of goods and services	4b	79 464	80 273
Interest revenue		63 656	63 566
Royalties, rents and dividends	5	518 676	418 102
Employer superannuation contributions		26 478	27 862
Unrealised gain/(loss) on investments		- 148 340	130 052
Other income		26 847	37 878
TOTAL INCOME		6 178 166	5 376 851
EXPENSES			
Long service leave expense		53 337	62 838
Superannuation expense	15	120 843	87 023
Workers compensation expense		36 129	32 401
Administrative expense ¹		- 1 565	5 673
Grants and subsidies expense ²		2 634	- 100
Interest expense		266 547	247 485
Output appropriation		4 602 966	4 615 455
Commonwealth appropriation		854 587	758 506
TOTAL EXPENSES		5 935 478	5 809 281
NET SURPLUS/(DEFICIT)		242 687	- 432 430
OTHER COMPREHENSIVE INCOME			
Remeasurement of superannuation liability	15	674 631	306 717
Revaluations and asset impairment on provisions		16 461	16 224
TOTAL OTHER COMPREHENSIVE INCOME		691 092	322 941
COMPREHENSIVE RESULT		933 780	- 109 489

1 Administrative expense comprises management fees paid to NTTC for the management of investments and borrowings, combined with any taxation revenue-related bad or doubtful debts. For 2021-22 the gain represents a reclassification from doubtful debts expense to grants and subsidies expense relating to taxation revenue debt waivers.

2 Grants and subsidies expense comprises payments under the National Redress Scheme, combined with any taxation revenue-related bad or doubtful debts. For 2020-21 the gain reflects a net reduction in National Redress Scheme accruing costs.

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

Balance sheet

As at 30 June 2022

	Note	2021-22	2020-21
		\$000	\$000
ASSETS			
Current assets			
Cash and deposits	6	719 981	2 476 851
Receivables	8	447 153	324 983
Advances and investments	9	2 115 331	1 347 393
Prepayments	10	127 193	186 666
Total current assets		3 409 657	4 335 893
Non current assets			
Prepayments	10	48 493	31 712
Equity investments		14 204 302	13 470 268
Total non current assets		14 252 796	13 501 981
TOTAL ASSETS		17 662 453	17 837 874
LIABILITIES			
Current liabilities			
Deposits held	11	1 337 992	2 422 417
Payables	12	104 278	109 364
Borrowings and advances	13	535 776	660 127
Employee benefits	14	295 389	291 169
Superannuation liability	15	272 276	254 554
Other liabilities	16	160 006	218 080
Total current liabilities		2 705 717	3 955 712
Non current liabilities			
Borrowings and advances	13	7 528 351	6 594 128
Employee benefits	14	70 213	78 245
Superannuation liability	15	2 831 298	3 618 167
Other liabilities	16	194 342	192 870
Total non current liabilities		10 624 204	10 483 410
TOTAL LIABILITIES		13 329 922	14 439 122
NET ASSETS		4 332 531	3 398 752
EQUITY			
Accumulated funds		4 332 531	3 398 752
TOTAL EQUITY		4 332 531	3 398 752

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 2022

	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	\$000	\$000	\$000	\$000
2021-22				
Accumulated funds	3 398 752	933 780		4 332 531
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves				
Other movements directly to equity				
Total equity at end of financial year	3 398 752	933 780		4 332 531
2020-21				
Accumulated funds	3 508 240	- 109 489		3 398 752
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves				
Other movements directly to equity				
Total equity at end of financial year	3 508 240	- 109 489		3 398 752

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 2022

	Note	2021-22	2020-21
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Taxes received		816 299	635 090
Grants and subsidies received			
GST received		3 544 348	2 960 426
Specific purpose payments		459 079	395 516
National partnership agreements		656 414	526 764
Current grants		24 827	10 879
Capital grants		20 343	29 635
Royalties, rents and dividends		445 526	438 192
Employer superannuation contributions		26 478	27 862
Other receipts		106 353	105 243
Interest received		62 682	64 087
Total operating receipts	7a	6 162 350	5 193 695
Operating payments			
Long service leave		49 171	35 494
Superannuation benefits		215 359	179 539
Other salary payments		40 355	69 259
Payments for goods and services		2 391	2 046
Interest paid		266 361	247 716
Output payments		4 602 966	4 615 455
Commonwealth payments		912 539	726 766
Total operating payments		6 089 142	5 876 275
Net cash from/(used in) operating activities		73 208	- 682 580
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Equity sales or withdrawals		220 162	97 480
Advances and investing receipts			355 000
Total investing receipts		220 162	452 480
Investing payments			
Advances and investing payments		916 277	56 289
Capital appropriation		482 224	506 229
Commonwealth appropriation		223 689	225 659
Equity injections		153 496	182 648
Total investing payments		1 775 687	970 825
Net cash from/(used in) investing activities		- 1 555 525	- 518 345
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Proceeds of borrowings		1 470 000	1 822 500
Deposits received		- 1 084 425	515 807
Total financing receipts		385 575	2 338 307
Financing payments			
Repayment of borrowings		660 130	4 553
Total financing payments		660 130	4 553
Net cash from/(used in) financing activities	7b	- 274 555	2 333 754
Net increase/(decrease) in cash held		- 1 756 871	1 132 829
Cash at beginning of financial year		2 476 851	1 344 023
CASH AT END OF FINANCIAL YEAR	6	719 981	2 476 851

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

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Notes to the financial statements

For the year ended 30 June 2022

1. Objectives and funding

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

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

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

CHA recognises all Territory items, therefore the Territory items managed by agencies on behalf of CHA are not recorded in 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 FMA and related Treasurer's Directions. The FMA requires CHA to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) a certification of the financial statements
- (ii) a comprehensive operating statement
- (iii) a balance sheet
- (iv) a statement of changes in equity
- (v) a cash flow statement
- (vi) applicable explanatory notes to the financial statements.

b) Basis of accounting

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

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

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

Notes to the financial statements

For the year ended 30 June 2022

2. Statement of significant accounting policies (continued)

Standards and interpretations effective from 2021-22

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

Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for 2021-22.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of liabilities as current or non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The AASB has recently issued AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application of this initial amending standard by one year to periods beginning on or after 1 January 2023.

The amendments clarify that the classification of liabilities as current and non-current are based on rights that are in existence at the end of the reporting period and unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

CHA continues to assess the impact this standard may have on the classification of its loan arrangements once effective.

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

c) Comparatives

Where necessary, comparative information for the 2020-21 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 2021-22 as a result of management decisions.

f) Accounting judgements and estimates

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

Notes to the financial statements

For the year ended 30 June 2022

2. Statement of significant accounting policies (continued)

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

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

g) Goods and services tax

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

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

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

h) Grants revenue and other contributions

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

i) Interest revenue

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

j) Interest expense

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

k) Equity investments

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

l) Equity

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

m) Reporting period

The reporting period is the year ended each 30 June.

Notes to the financial statements

For the year ended 30 June 2022

3. Taxation revenue

	2021-22	2020-21
	\$000	\$000
Taxes on employers' payroll and labour force taxes	336 841	295 262
Stamp duties on financial and capital transactions	253 740	91 322
Taxes on gambling	83 811	85 271
Taxes on insurance	64 895	56 256
Motor vehicle registration fees	88 559	83 308
Income tax equivalent income	35 431	15 762
Other	3 372	3 613
Total taxation revenue	866 648	630 795

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

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

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

In respect of income tax balances, the Commonwealth applies a tax equivalent regime that levies the equivalent of specified taxes and local government rates on certain government trading entities. Only the current taxation receivable is recognised in these statements.

4. Revenue

a) Grants and subsidies revenue

	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000
2021-22			
GST revenue		3 544 348	3 544 348
Specific purpose payments		459 079	459 079
National partnership agreements	242 215	450 802	693 017
Current grants		24 827	24 827
Capital grants		23 465	23 465
Total grants and subsidies revenue	242 215	4 502 521	4 744 736
2020-21			
GST revenue		2 960 426	2 960 426
Specific purpose payments		395 516	395 516
National partnership agreements	187 158	416 757	603 915
Current grants		10 879	10 879
Capital grants		17 588	17 588
Total grants and subsidies revenue	187 158	3 801 167	3 988 324

Notes to the financial statements

For the year ended 30 June 2022

4. Revenue (continued)

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

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

Where a grant agreement is enforceable and contains sufficiently specific performance obligations for the receiving agency to transfer goods or services to the grantor or third-party beneficiary, the transaction is accounted for under AASB 15 as revenue from contracts with customers. In this case, revenue is initially deferred as an unearned contract revenue when received in advance and recognised in CHA as or when performance obligations are satisfied by the receiving agency.

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

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

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

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

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows.

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

	2021-22	2020-21
	\$000	\$000
Type of good or service		
Service delivery	242 215	187 005
Research services		152
Total revenue from contracts with customers	242 215	187 158
Type of customer		
Commonwealth Government	242 215	187 158
Total revenue from contracts with customers	242 215	187 158
Timing of transfer of goods and services		
Over time	185 326	103 892
Point in time	56 889	83 265
Total revenue from contracts with customers	242 215	187 158

Notes to the financial statements

For the year ended 30 June 2022

4. Revenue (continued)

b) Sales of goods and services

	Revenue from contracts with customers	Other	Total
2021-22	\$000	\$000	\$000
Fees from regulatory services	31 194	9 970	41 164
Workers compensation premiums		38 300	38 300
Total sales of goods and services	31 194	48 270	79 464
2020-21			
Fees from regulatory services	33 819	8 154	41 973
Workers compensation premiums		38 300	38 300
Total sales of goods and services	33 819	46 454	80 273

Regulatory fees classified as Territory income are received by agencies on behalf of CHA. Revenue from regulatory fees is recognised in CHA when the receiving agency satisfies its performance obligations. These include fees for the issue of licences. The receiving agency's sole performance obligations for the issue of a non-intellectual property licence is the issue of the licence, as such revenue is recognised upfront on issue of the licence. For intellectual property licences, revenue is recognised at a point in time or over time as or when the performance obligation is satisfied by the receiving agency. The receiving agency recognises licences with a term less than 12 months or a low value of \$10,000 or less, upfront on receipt of cash.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows.

	2021-22	2020-21 ¹
Type of good or service	\$000	\$000
Regulatory services	31 194	33 819
Total revenue from contracts with customers	31 194	33 819
Type of customer		
Territory Government entities	31 194	33 819
Non-government entities		
Total revenue from contracts with customers	31 194	33 819
Timing of transfer of goods and services		
Point in time	31 194	33 819
Total revenue from contracts with customers	31 194	33 819

¹ 2020-21 disclosures have been reclassified to provide consistency with 2021-22 disclosures.

Notes to the financial statements

For the year ended 30 June 2022

5. Royalties, rents and dividends

	2021-22	2020-21
	\$000	\$000
Royalty income	432 215	366 739
Rental income	20 785	19 019
Dividend income	65 675	32 343
Total cash and deposits	518 676	418 102

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

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

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

6. Cash and deposits

	2021-22	2020-21
	\$000	\$000
Cash and deposits	719 981	2 476 851
Total cash and deposits	719 981	2 476 851

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.

7. Cash flow reconciliation

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

	2021-22	2020-21
	\$000	\$000
Net surplus/(deficit)	242 687	- 432 430
Changes in assets and liabilities:		
Revaluation and asset impairments other comprehensive income	691 092	322 941
Unrealised (gain)/loss on investments	148 340	- 130 052
Gain on extinguishment	2	
Decrease/(increase) in receivables	- 122 170	- 48 024
Decrease/(increase) in prepayments ¹	- 1 689	- 5 962
(Decrease)/increase in payables ¹	- 55 493	37 307
(Decrease)/increase in employee benefits	- 3 812	8 143
(Decrease)/increase in superannuation liability	- 769 147	- 395 903
(Decrease)/increase in other liabilities	- 56 603	- 38 601
Net cash from operating activities	73 208	- 682 580

¹ Amounts exclude expenditure that is classified as investing payments.

Notes to the financial statements

For the year ended 30 June 2022

7. Cash flow reconciliation (continued)

b) Reconciliation of liabilities arising from financing activities

	Cash flows from financing activities					30 June
	1 July	Borrowings and advances received/ (repaid)	Deposits held receipts/ (payments)	Total cash flows	Other changes	
2021-22	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	2 422 417		- 1 084 425	- 1 084 425		1 337 992
Borrowings and advances	7 254 255	809 870		809 870	2	8 064 128
Total	9 676 672	809 870	- 1 084 425	- 274 555	2	9 402 120
2020-21						
Deposits held	1 906 610		515 807	515 807		2 422 417
Borrowings and advances	5 436 308	1 817 947		1 817 947		7 254 255
Total	7 342 918	1 817 947	515 807	2 333 754		9 676 672

8. Receivables

	2021-22	2020-21
Current	\$000	\$000
Taxes receivable	85 133	40 070
Royalties, rents and dividends receivable	254 338	181 170
Interest receivables	1 143	167
Other receivables	11 058	9 925
Less: Loss allowance	- 6 214	- 11 458
Accrued contract revenue	10 217	66 296
Accrued capital grants	91 477	38 813
Total receivables	447 153	324 983

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

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

Notes to the financial statements

For the year ended 30 June 2022

9. Advances and investments

	2021-22	2020-21
	\$000	\$000
Advances and investments	2 115 331	1 347 393
Total advances and investments	2 115 331	1 347 393

Advances and investments are initially recorded at cost and subsequently measured at amortised cost or at net market value, after deducting estimated costs of realisation at reporting date. Investments largely comprise investments in financial assets for liquidity management purposes and the Conditions of Service Reserve (COSR) investments that relate to funds set aside to fund the Territory Government's employee-related liabilities including leave entitlements and superannuation payments.

Investments are managed by NTTC on behalf of CHA.

10. Prepayments

	2021-22	2020-21
	\$000	\$000
Current		
Prepaid contract revenue	10 829	8 956
Prepaid capital grants	114 749	175 910
Other prepaid expenses	1 616	1 800
	127 193	186 666
Non current		
Prepaid capital grants	48 493	31 712
	48 493	31 712
Total prepayments	175 687	218 378

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

11. Deposits held

	2021-22	2020-21
	\$000	\$000
Deposits held	1 337 992	2 422 417
Total deposits held	1 337 992	2 422 417

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

Notes to the financial statements

For the year ended 30 June 2022

12. Payables

	2021-22	2020-21
	\$000	\$000
Accounts payable	2 591	2 004
Accrued contract expense	10 217	66 296
Accrued capital grants	91 470	41 063
Total payables	104 278	109 364

Liabilities for accounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to CHA. Accounts payable are normally settled within 20 days.

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

13. Borrowings and advances

	2021-22	2020-21
	\$000	\$000
Current		
Borrowings and advances	535 776	660 127
	535 776	660 127
Non current		
Borrowings and advances	7 528 351	6 594 128
	7 528 351	6 594 128
Total borrowings and advances	8 064 128	7 254 255

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

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

Notes to the financial statements

For the year ended 30 June 2022

14. Employee benefits

	2021-22	2020-21
Current	\$000	\$000
Long service leave	295 389	291 169
	295 389	291 169
Non current		
Long service leave	70 213	78 245
	70 213	78 245
Total employee benefits	365 602	369 414

Long service leave

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

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

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

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

15. Superannuation liability

CHA's superannuation liability comprises unfunded superannuation liabilities associated with the Territory's defined benefit schemes. For employees commencing on or after 10 August 1999, superannuation payments are expensed within respective agencies and paid to employee-nominated non-government schemes (choice of fund).

Defined benefit plans

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

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

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

The defined superannuation plans include:

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

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

Scheme information

Commonwealth Superannuation Scheme

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

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

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

Northern Territory Government and Public Authorities' Superannuation Scheme

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

- the members' accumulation account
- plus 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% of annual salary plus approved allowances on the last day of employment for each year of service since October 1988.

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Northern Territory Government Death and Invalidation Scheme

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

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

	2021-22	2020-21
	\$000	\$000
Current	272 276	254 554
Non current	2 831 298	3 618 167
Total superannuation liabilities (a)	3 103 574	3 872 721

a) The Territory Government superannuation schemes comprise:

CSS	1 878 000	2 394 400
LAMS	77 437	105 780
NTGDIS	86 758	102 003
NTGPASS	725 594	863 681
NTPSBS	70 780	89 443
NTSSS	173 065	209 408
Statutory schemes ¹	91 940	108 006
	3 103 574	3 872 721

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, updated on an annual basis. The NTPSBS and CSS values are based on triannual reviews as at 30 June 2021, updated for 30 June 2022. NTGPASS, NTSSS, Judges Pension Scheme, NTGDIS, Administrators Pension Scheme and the LAMS Fund values are based on triannual reviews conducted on 30 June 2022.

The downward movement in the liability between years is predominantly due to an increase in the discount rate from 1.49% in 2020-21 to 3.69%, partially offset by increases to the pension indexation for CSS and to a lesser extent NTPSBS. Assumptions are made regarding discount rate, salary rate, expected return on scheme assets, inflation and imputed cost of interest.

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Key assumptions

Key assumptions as at balance date and for following year expense

	2021-22	2020-21
	%	%
Discount rate (gross of tax)	3.69	1.49
Short-term salary rate ¹	0.00	0.00
Long-term salary rate	3.00	3.00
Inflation (pensions) ²	2.20	1.50
Imputed cost of interest	1.49	0.90
Tax rate for employer contributions	nil	nil

1 Short-term salary rate assumption for Judges and Administrator pension schemes 30 June 2022 is 2%, based on the Remuneration Tribunal (Judicial and Related Offices— Remuneration and Allowances) Determination 2022.

2 CSS and NTPSBS CPI-linked pensions in 2021-22 reflect an increase in 2021-22 of 7.4% based on Australian CPI assumptions.

Amounts in the financial statements

Balance sheet

	2021-22	2020-21
	\$000	\$000
Present value of the defined benefit obligation at end of year	3 065 357	3 850 529
Net present value of creditors ¹	38 217	22 192
Net liability/(asset) recognised in balance sheet at end of year	3 103 574	3 872 721

Comprehensive operating statement

Employer service cost	48 360	58 448
Net interest cost	55 773	37 471
Total included in employee benefit expense	104 133	95 919

Remeasurements in other comprehensive income

Actuarial (gains)/losses on liability	674 631	306 717
Total remeasurement included in other comprehensive income	674 631	306 717

1 NTGPASS, NTSSS and NTGDIS.

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Explanation of amounts in the financial statements	2021-22	2020-21
	\$000	\$000
Reconciliation of the net defined benefit liability/(asset)		
Net defined benefit liability/(asset) at beginning of year	3 850 529	4 240 319
Expense recognised in comprehensive operating statement	104 133	95 919
Employer contributions	- 214 674	- 178 992
Remeasurements in other comprehensive income	- 674 631	- 306 717
Net defined benefit liability/(asset) at end of year	3 065 357	3 850 529
Present value of the defined benefit obligation		
Total defined benefit obligation at beginning of year	3 850 529	4 240 319
Employer service cost	48 360	58 448
Interest expense	55 773	37 471
Participant contributions	685	547
Taxes and expenses paid	nil	nil
Benefit payments	- 215 359	- 179 539
Actuarial (gain)/loss on liabilities due to changes in demographic assumptions	3 064	6 087
Actuarial (gain)/loss on liabilities due to changes in financial assumptions	- 714 981	- 247 351
Actuarial (gain)/loss on liabilities due to changes in liability experience	37 286	- 65 454
Total defined benefit obligation at end of year	3 065 357	3 850 529

Sensitivity analysis – CSS

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		1 878 000		
Discount rate	1.0	1 678 600	- 199 400	- 10.6
Discount rate	- 1.0	2 119 000	241 000	12.8
Salary increase	1.0	1 880 200	2 200	0.1
Salary increase	- 1.0	1 877 000	- 1 000	- 0.1
Pension increase	1.0	2 112 400	234 400	12.5
Pension increase	- 1.0	1 679 900	- 198 100	- 10.5

Maturity profile of defined benefit obligation – CSS

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

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Sensitivity analysis – LAMS

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		77 437		
Discount rate	1.0	68 814	- 8 623	- 11.1
Discount rate	- 1.0	87 949	10 512	13.6
Salary increase	1.0	87 560	10 122	13.1
Salary increase	- 1.0	70 832	- 6 605	- 8.5
Mortality rates	10.0	75 571	- 1 866	- 2.4
Mortality rates	- 10.0	79 522	2 084	2.7

Maturity profile of defined benefit obligation – LAMS

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

Sensitivity analysis – NTGDIS

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case ¹		71 800		
Discount rate	1.0	65 900	- 5 900	- 8.2
Discount rate	- 1.0	78 600	6 800	9.5
Salary increase	1.0	78 600	6 800	9.5
Salary increase	- 1.0	67 500	- 4 300	- 6.0
Pension increase	1.0	71 800	nil	nil
Pension increase	- 1.0	71 800	nil	nil

¹ Excludes amounts payable to members who exited schemes during 2021-22 and therefore amounts will not match total scheme liability.

Maturity profile of defined benefit obligation – NTGDIS

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

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Sensitivity analysis – NTGPASS

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case ¹		708 800		
Discount rate	1.0	665 600	- 43 200	- 6.1
Discount rate	- 1.0	757 300	48 500	6.8
Salary increase	1.0	763 100	54 300	7.7
Salary increase	- 1.0	674 400	- 34 400	- 4.9
Pension increase	1.0	708 800	nil	nil
Pension increase	- 1.0	708 800	nil	nil

¹ Excludes amounts payable to members who exited schemes during 2021-22 and therefore amounts will not match total scheme liability.

Maturity profile of defined benefit obligation – NTGPASS

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

Sensitivity analysis – NTPSBS

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		70 780		
Discount rate	1.0	62 236	- 8 544	- 12.1
Discount rate	- 1.0	81 388	10 608	15.0
Inflation	1.0	78 304	7 524	10.6
Inflation	- 1.0	64 505	- 6 275	- 8.9
Mortality rates	10.0	69 074	- 1 706	- 2.4
Mortality rates	- 10.0	72 677	1 897	2.7
Commutation rate	zero	71 062	282	0.4
Commutation rate	20.0	70 498	- 282	- 0.4

Maturity profile of defined benefit obligation – NTPSBS

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

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Sensitivity analysis – NTSSS

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case ¹		166 600		
Discount rate	1.0	156 200	- 10 400	- 6.2
Discount rate	- 1.0	178 200	11 600	7.0
Salary increase	1.0	178 200	11 600	7.0
Salary increase	- 1.0	159 900	- 6 700	- 4.0
Pension increase	1.0	166 600	nil	nil
Pension increase	- 1.0	166 600	nil	nil

¹ Excludes amounts payable to members who exited schemes during 2021-22 and therefore amounts will not match total scheme liability.

Maturity profile of defined benefit obligation – NTSSS

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

Sensitivity analysis – Administrator's Scheme

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		3 057		
Discount rate	1.0	2 870	- 187	- 6.1
Discount rate	- 1.0	3 268	210	6.9
Inflation	1.0	3 268	210	6.9
Inflation	- 1.0	2 867	- 191	- 6.2
Mortality rates	10.0	2 915	- 142	- 4.7
Mortality rates	- 10.0	3 220	163	5.3

Maturity profile of defined benefit obligation – Administrator's Scheme

The weighted average term of the defined benefit obligation is 7 years.

Notes to the financial statements

For the year ended 30 June 2022

15. Superannuation liability (continued)

Sensitivity analysis – Supreme Court Judges Pension Scheme

The Territory's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

	Discount rate change	Defined benefit obligation	Change in obligation	Estimated impact
	%	\$000	\$000	% change
Base case		88 883		
Discount rate	1.0	79 297	- 9 586	- 10.8
Discount rate	- 1.0	100 494	11 611	13.1
Inflation	1.0	100 286	11 402	12.8
Inflation	- 1.0	79 276	- 9 607	- 10.8
Mortality rates	10.0	86 173	- 2 710	- 3.0
Mortality rates	- 10.0	91 928	3 044	3.4

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

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

Notes to the financial statements

For the year ended 30 June 2022

16. Other liabilities

	2021-22	2020-21
	\$000	\$000
Current		
Provisions (a)	34 563	32 736
Unearned capital grants (b)	114 138	175 931
Other unearned revenue (c)	11 305	9 413
	160 006	218 080
Non current		
Provisions (a)	145 849	161 158
Unearned capital grants (b)	48 493	31 712
Other unearned revenue (c)		
	194 342	192 870
Total other liabilities	354 348	410 951

a) Provisions

	2021-22	2020-21
	\$000	\$000
Current		
Workers compensation liability	32 286	30 562
National redress liability	2 200	2 100
Other	76	74
	34 563	32 736
Non current		
Workers compensation liability	132 048	144 913
National redress liability	12 600	14 900
Other	1 201	1 345
	145 849	161 158
Total provisions	180 411	193 894

Workers compensation

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

The change in liability for the year ended 30 June 2022 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.

National redress liability

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

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

Notes to the financial statements

For the year ended 30 June 2022

16. Other liabilities (continued)

Other provisions

A provision for a long-tail legal settlement. For 2020-21, other provisions comprised superannuation guarantee underpayments owed to ATO that were fully extinguished.

Reconciliation of provisions

	Workers compensation	National Redress	Other	Total
	\$000	\$000	\$000	\$000
2021-22				
Balance at 1 July	175 475	17 000	1 419	193 894
Effect of changes in assumptions	- 7 500	- 1 100	- 67	- 8 667
Increase in claims incurred/recoveries anticipated over the year	36 129	- 555	nil	35 574
Payments	- 39 770	- 545	- 74	- 40 390
Other movements				
Balance at 30 June	164 334	14 800	1 277	180 411
2020-21				
Balance at 1 July	176 056	17 900	38 672	232 628
Effect of changes in assumptions	2 930	- 100	164	2 994
Increase in claims incurred/recoveries anticipated over the year	32 401	- 373	nil	32 029
Payments	- 35 912	- 427	- 34 086	- 70 426
Other movements			- 3 330	- 3 330
Balance at 30 June	175 475	17 000	1 419	193 894

b) Unearned capital grants

Unearned capital revenue relates to consideration received in advance from the Commonwealth and passed on to agencies in respect of national partnership agreements, specific purpose payments and Commonwealth own-purpose expenditure.

Below is a reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non financial assets to be controlled by the receiving agency.

	2021-22	2020-21
	\$000	\$000
Unearned capital grants at the beginning of the year	207 644	213 332
Add: receipt of cash during the financial year	183 133	200 823
Less: income recognised during the financial year	228 145	206 511
Total unearned capital grants	162 632	207 644

Notes to the financial statements

For the year ended 30 June 2022

16. Other liabilities (continued)

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

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

	2021-22	2020-21
	\$000	\$000
No later than one year	114 138	175 931
Later than one year and not later than five years	48 493	31 712
Later than five years		
Total unearned capital grants	162 632	207 644

c) Other unearned revenue

	2021-22	2020-21
	\$000	\$000
Unearned contract revenue	10 829	8 956
Other	476	457
Total other unearned revenue	11 305	9 413

Unearned contract revenue relates to consideration received in advance from the Commonwealth by CHA and passed on to agencies in respect of current national partnership agreements and specific purpose payments.

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

	2021-22	2020-21
	\$000	\$000
No later than one year	10 829	8 956
Later than one year and not later than five years		
Later than five years		
Total unearned contract revenue	10 829	8 956

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by CHA include cash and deposits, receivables, advances and investments, deposits held, payables and borrowings. CHA has limited exposure to financial risks as discussed below.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation and have been excluded in the following tables. These include statutory receivables arising from tax receivables, GST input tax credits recoverable, and fines and penalties.

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

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

	FVTPL		Amortised cost	FVOCI	Other	Total
	Mandatory	Designated				
	\$000	\$000	\$000	\$000	\$000	\$000
2021-22						
Cash and deposits					719 981	719 981
Receivables ¹			6 381			6 381
Advances and investments	1 085 034		1 030 296			2 115 331
Total financial assets	1 085 034		1 036 678		719 981	2 841 693
Deposits held			1 337 992			1 337 992
Payables ¹			1 073			1 073
Borrowings and advances			8 064 128			8 064 128
Total financial liabilities			9 403 193			9 403 193
2020-21						
Cash and deposits					2 476 851	2 476 851
Receivables ¹			6 284			6 284
Advances and investments	1 177 508		169 885			1 347 393
Total financial assets	1 177 508		176 170		2 476 851	3 830 529
Deposits held			2 422 417			2 422 417
Payables ¹			887			887
Borrowings and advances			7 254 255			7 254 255
Total financial liabilities			9 677 559			9 677 559

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

¹ Total amounts disclosed exclude statutory amounts and accruals, as these are not within the scope of AASB 132.

Therefore, the total will not reconcile to the amounts in the balance sheet.

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments (continued)

Categories of financial instruments

Financial assets are classified under the following categories:

- amortised cost
- FVOCI
- FVTPL.

Financial liabilities are classified under the following categories:

- amortised cost
- FVTPL.

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

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

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

Financial assets at amortised cost

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

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less impairments. CHA's financial assets categorised as amortised cost include receivables and certain debt securities.

Financial assets at fair value through other comprehensive income

Financial assets are classified at FVOCI when they are held by CHA to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

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

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

CHA does not have any financial assets under this category.

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments (continued)

Financial assets at fair value through profit or loss

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

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

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

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

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

CHA does not have any financial liabilities under this category.

b) Credit risk

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.

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk CHA will not be able to meet its financial obligations as they fall due. 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 liabilities. The tables are based on undiscounted cash flows and includes both interest and principal cash flows.

	Carrying amount	Less than one year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
2021-22					
Deposits held	1 337 992	1 337 992			1 337 992
Payables ¹	1 073	1 073			1 073
Borrowings and advances	8 064 128	797 684	3 310 546	5 812 168	9 920 398
Total financial liabilities	9 403 193	2 136 750	3 310 546	5 812 168	11 259 463
2020-21					
Deposits held	2 422 417	2 422 417			2 422 417
Payables ¹	887	887			887
Borrowings and advances	7 254 255	902 706	3 177 321	4 795 719	8 875 746
Total financial liabilities	9 677 559	3 326 010	3 177 321	4 795 719	11 299 050

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

d) Market risk

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

(i) Interest rate risk

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

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments (continued)

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

	Interest bearing		Non-interest bearing	Total	Weighted average interest rate
	Variable	Fixed			
	\$000	\$000	\$000	\$000	%
2021-22					
Cash and deposits	719 981			719 981	0.35
Receivables ¹			6 381	6 381	
Advances and investments		1 030 296	1 085 034	2 115 331	1.12
Total financial assets	719 981	1 030 296	1 091 416	2 841 693	
Deposits held			1 337 992	1 337 992	
Payables ¹			1 073	1 073	
Borrowing and advances		8 064 128		8 064 128	3.36
Total financial liabilities		8 064 128	1 339 065	9 403 193	
2020-21					
Cash and deposits	2 476 851			2 476 851	0.10
Receivables ¹			6 284	6 284	
Advances and investments		169 885	1 177 508	1 347 393	0.31
Total financial assets	2 476 851	169 885	1 183 792	3 830 529	
Deposits held			2 422 417	2 422 417	
Payables ¹			887	887	
Borrowing and advances		7 254 255		7 254 255	3.65
Total financial liabilities		7 254 255	2 423 304	9 677 559	

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

Sensitivity analysis

Assuming the financial assets and liabilities at 30 June 2022 were to remain until maturity or settlement without any action by CHA to alter the resulting interest rate exposure, changes in the variable interest rate of 100 basis points (1%) at reporting date would have the following effect on CHA's profit or loss and equity.

	Profit or loss and equity 100 basis points increase/decrease	
	2021-22	2020-21
	\$000	\$000
Cash and deposits	± 7 200	± 24 769
Net sensitivity	± 7 200	± 24 769

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments (continued)

(ii) Price risk

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

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

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

Sensitivity analysis

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

	Change in unit price	Impact on profit or loss and equity	
		2021-22	2020-21
	%	\$000	\$000
Equities	± 10	± 66 258	± 64 423
Property securities	± 10	± 8 831	± 21 624
Interest bearing	± 1	± 3 341	± 3 170
Net sensitivity		± 78 430	± 89 218

e) Net fair value

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

- the fair value of cash, deposits, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of advances and investments have been determined using market values
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

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

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

Notes to the financial statements

For the year ended 30 June 2022

17. Financial instruments (continued)

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

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

2020-21

Advances and investments					
Units in unit trusts	1 177 508		1 177 508		1 177 508
Total financial assets	1 177 508		1 177 508		1 177 508

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

	Total carrying amount	Net fair value			Total
		Level 1	Level 2	Level 3	
2021-22	\$000	\$000	\$000	\$000	\$000
Cash and deposits					
Short-term deposits	465 000		465 888		465 888
Advances and investments					
Securities	1 030 296		1 028 330		1 028 330
Total financial assets	1 495 296		1 494 218		1 494 218
Borrowings and advances	8 064 128		7 490 406		7 490 406
Total financial liabilities	8 064 128		7 490 406		7 490 406

2020-21

Cash and deposits					
Short-term deposits	125 000		125 229		125 229
Advances and investments					
Securities	169 885		169 984		169 984
Total financial assets	294 885		295 213		295 213
Borrowings and advances	7 254 255		7 951 872		7 951 872
Total financial liabilities	7 254 255		7 951 872		7 951 872

There were no changes in valuation techniques during the period.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information

a) Comprehensive operating statement

	2021-22 ¹			Note
	Actual	Original Budget	Variance	
	\$000	\$000	\$000	
INCOME				
Taxation revenue	866 648	661 885	204 763	1
Commonwealth revenue				
GST revenue	3 544 348	3 159 000	385 348	2
Specific purpose payments	459 079	446 308	12 771	3
National partnership agreements	693 017	1 026 710	- 333 693	4
Current grants	24 827		24 827	5
Capital grants	23 465	39 451	- 15 986	6
Fees from regulatory services	41 164	21 412	19 752	7
Interest revenue	- 84 684	66 447	- 151 131	8
Royalties, rents and dividends	518 676	397 491	121 185	9
Superannuation contributions	26 478	28 767	- 2 289	
Other revenue	65 147	59 336	5 811	10
TOTAL INCOME	6 178 166	5 906 807	271 359	
EXPENSES				
Long service leave expenses	53 337	45 155	8 182	11
Superannuation expenses	120 843	211 593	- 90 750	12
Other salary payments	36 129	30 190	5 939	13
Administrative expenses	1 069	820	249	
Interest expenses	266 547	274 201	- 7 654	14
Appropriation expenses	5 457 553	5 354 974	102 579	15
TOTAL EXPENSES	5 935 478	5 916 933	18 545	
NET SURPLUS/(DEFICIT)	242 687	- 10 126	252 813	
OTHER COMPREHENSIVE INCOME				
Comprehensive income	691 092	123 998	567 094	16
TOTAL OTHER COMPREHENSIVE INCOME	691 092	123 998	567 094	
COMPREHENSIVE RESULT	933 780	113 872	819 908	

1 Actuals have been presented consistent with original budget.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (a) (continued)

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

1. The \$204.8 million increase in taxation revenue from the original 2021-22 Budget reflects:
 - increased stamp duties on financial and capital transactions of \$151.5 million reflecting an improvement in housing sale volumes and values, combined with several large unanticipated commercial property transactions in 2021-22
 - increased income tax equivalents of \$15.8 million predominantly due to higher profitability in government owned corporations
 - increased payroll tax of \$15.2 million reflecting faster than anticipated economic recovery following the impact of COVID-19, combined with improved employment activity
 - increased motor vehicle registration fees of \$13.1 million, largely due to the effect of the extension of the Commonwealth's asset write-off incentive that stimulated purchases of new vehicles, combined with a general increase in vehicle values largely as a result of supply chain disruptions
 - increased taxes on insurance of \$7.2 million reflecting higher than expected growth in insurance duty.
2. GST revenue increased by \$385.3 million due to improved national GST collections resulting from easing COVID-19 restrictions, and a \$173 million balancing adjustment for the Territory, received in 2021-22 for underpaid GST revenue relating to 2020-21.
3. An increase in specific purpose payments of \$12.8 million largely related to payments under the National School Reform agreement.
4. Lower national partnership revenue of \$333.7 million largely related to the revised delivery of various road programs of \$224.8 million, combined with lower funding of \$117.1 million for reimbursements under the agreement for COVID-19 quarantine arrangements for repatriated Australians following the easing of COVID-19-related travel restrictions and reduced use of the Centre of National Resilience, partially offset by net increases and revised timing of funding across various programs of \$8.2 million.
5. Current grants increased by \$24.8 million reflecting natural disaster relief reimbursements of \$22.4 million, combined with additional grants in lieu of uranium royalties of \$2.3 million.
6. The variation of \$16 million in capital grants was largely due to lower than anticipated revenue from:
 - transitional accommodation program of \$19 million
 - Katherine flood mitigation of \$6.9 million
 - Darwin International Airport contribution towards Bagot Road/Osgood Drive of \$3 million
 - partially offset by additional revenue for Roads to Recovery of \$7.7 million, government schools minor new works of \$2.2 million and Litchfield Council contributions to mango industry roads of \$1.3 million.
7. Fees from regulatory services increased by \$19.8 million predominantly due to mandatory quarantine fees of \$16.8 million combined with additional licences, permits and registration fees of \$3 million.
8. Interest revenue decreased by \$151.1 million largely due to revaluation losses within the COSR investments, partially offset by greater than anticipated returns on investments of \$18.8 million.
9. Royalties, rents and dividends increased by \$121.2 million predominantly due to higher mining royalties of \$91.1 million reflecting increased production and higher than expected commodity prices, combined with a net increase in dividends declared of \$31.2 million within NT Fleet and government owned corporations reflecting improved profitability.
10. Other income increased by \$5.8 million due to higher than expected unclaimed money returned to the Territory of \$4 million, combined with increased fine revenue of \$2 million as a result of higher than anticipated receipts of court ordered fines and police forfeited crime property.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (a) (continued)

11. Long service leave payments increased by \$8.2 million largely due to timing of entitlement payments and changes in staffing numbers.
12. Superannuation expenses decreased by \$90.8 million as a result of the flow-on effect of revised actuary assumptions and lower accruing costs as more members exited schemes in 2021-22 than prior years.
13. Other salary expenses increased by \$5.9 million predominantly as a result of higher than anticipated workers compensation claims.
14. Interest expense decreased by \$7.7 million since the original 2021-22 Budget due to lower than anticipated borrowings and cost of borrowings.
15. The increase of \$102.6 million in appropriation expense was largely due to:
 - new government initiatives across various agencies of \$249.3 million
 - reclassifications between capital and output appropriation of \$3.2 million
 - partially offset by decreased Commonwealth appropriation of \$106.5 million largely in line with tied Commonwealth funding agreements, combined with revised timing of major ICT, infrastructure and various other projects of \$27.4 million, reclassification of repairs and maintenance funding to capital and minor new works of \$15 million, and lower than anticipated utilisation of the Treasurer's Advance of \$5 million.
16. The variation reflects the movement in the 10-year bond rate used in valuing the Territory's superannuation liabilities as required by accounting standards.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (continued)

b) Balance sheet

	2021-22 ¹			
	Actual	Original Budget	Variance	Note
ASSETS	\$000	\$000	\$000	
Cash and deposits	719 981	187 097	532 884	1
Receivables	447 153	243 440	203 713	2
Prepayments	175 687	30 421	145 266	3
Advances and investments	2 115 331	1 689 546	425 785	4
Equity investments	14 204 302	14 814 764	- 610 462	5
TOTAL ASSETS	17 662 453	16 965 268	697 185	
LIABILITIES				
Deposits held	1 337 992	794 252	543 740	6
Creditor and accruals	104 278	3 607	100 671	7
Borrowings and advances	8 064 128	8 469 128	- 405 000	8
Superannuation liability	3 103 574	3 723 034	- 619 460	9
Provision for long service leave	365 602	359 841	5 761	10
Provision for workers compensation	164 334	176 056	- 11 722	11
Other liabilities	190 014	45 296	144 718	12
TOTAL LIABILITIES	13 329 922	13 571 214	- 241 292	
NET ASSETS	4 332 531	3 394 054	938 477	
EQUITY				
Accumulated funds	4 332 531	3 394 054	938 477	
TOTAL EQUITY	4 332 531	3 394 054	938 477	

¹ Actuals have been presented consistent with original budget.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (b) (continued)

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

1. Cash and deposits are \$532.9 million higher than the original 2021-22 Budget largely due to elevated cash balances as a result of greater than expected GST and own-source revenue combined with revised timing of expenditure commitments to future years. This is partially offset by the investment of cash into short-term deposits and fixed interest investments.
2. Receivables increased by \$203.7 million largely due to works undertaken for various Commonwealth funded programs for which cash has not yet been receipted and on-passed to government agencies, combined with increased royalties, dividend and taxation receivables of \$84.8 million.
3. Prepayments increased by \$145.3 million largely reflecting consideration received in advance from the Commonwealth and on-passed to agencies in respect of national partnership agreements, specific purpose payments and Commonwealth capital own-purpose expenditure.
4. Advances and investments increased by \$425.8 million predominantly due to greater than budgeted short-term and fixed interest investments following the investment of elevated 2020-21 cash balances, partially offset by lower COSR investments.
5. Equity investment represents CHA's ownership in public sector entities with variation reflecting lower than anticipated net assets across entities.
6. Deposits held increased by \$543.7 million due to higher than anticipated cash balances held by CHA on behalf of government trading entities.
7. Payables increased by \$100.7 million in line with accrued current and capital grant payments relating to works undertaken for various Commonwealth funded programs for which cash has not yet been receipted and on-passed to government agencies.
8. Net borrowings and advances decreased by \$405 million largely due to lower borrowing requirements as a result of greater than expected improvement in GST and own-source revenue and the revised timing of expenditure commitments to future years.
9. Superannuation liability decreased by \$619.5 million due to the movement in the bond rate used in valuing the Territory's superannuation liabilities, as required by accounting standards, combined with revised actuary assumptions and lower accruing costs as more members exited schemes in 2021-22 than prior years.
10. Provision for long service leave increased by \$5.8 million due to increased leave entitlements as a result of maintaining COVID-19 response measures affecting take-up of leave combined with changes in bond rates and staffing numbers.
11. Provision for workers compensation decreased by \$11.7 million mainly due to changes in the valuation of long-term liabilities reflecting increased bond rates.
12. Net other liabilities increased by \$144.7 million predominantly due to the increase in unearned revenue largely reflecting consideration received in advance from the Commonwealth in respect of national partnership agreements, specific purpose payments and Commonwealth own-purpose expenditure.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (continued)

c) Cash flow statement

	2021-22 ¹			
	Actual	Original budget	Variance	Note
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Taxes received	816 299	657 855	158 444	1
Commonwealth revenue received				
GST received	3 544 348	3 159 000	385 348	2
Specific purpose payments	459 079	446 308	12 771	3
National partnership agreements	656 414	975 577	- 319 163	4
Current grants	24 827		24 827	5
Capital grants	20 343	39 226	- 18 883	6
Receipts from regulatory services	41 164	21 412	19 752	7
Interest received	62 682	44 826	17 856	8
Royalties, rents and dividends	445 526	391 493	54 033	9
Superannuation contributions	26 478	28 767	- 2 289	
Other receipts	65 189	59 798	5 391	10
Total operating receipts	6 162 350	5 824 262	338 088	
Operating payments				
Long service leave	49 171	45 155	4 016	
Superannuation benefits paid	215 359	211 593	3 766	
Other salary payments	40 355	30 190	10 165	11
Payments for goods and services	2 391	2 420	- 29	
Interest paid	266 361	272 855	- 6 494	12
Appropriation payments	5 515 505	5 354 108	161 397	13
Total operating payments	6 089 142	5 916 321	172 821	
Net cash from/(used in) operating activities	73 208	- 92 059	165 267	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Equity sales or withdrawals	220 162	4 410	215 752	14
Advances and investing receipts				
Total investing receipts	220 162	4 410	215 752	
Investing payments				
Advance and investing payments	916 277	52 852	863 425	15
Appropriation payments	705 913	1 048 972	- 343 059	16
Equity injections	153 496	131 410	22 086	14
Total investing payments	1 775 687	1 233 234	542 453	
Net cash from/(used in) investing activities	- 1 555 525	- 1 228 824	- 326 701	

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (continued)

c) Cash flow statement (continued)

	2021-22 ¹			Note
	Actual	Original budget	Variance	
	\$000	\$000	\$000	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Proceeds of borrowings	1 470 000	1 220 000	250 000	17
Deposits received	- 1 084 425	- 568 198	- 516 227	18
Total financing receipts	385 575	651 802	- 266 227	
Financing payments				
Repayment of borrowings	660 130	5 127	655 003	17
Total financing payments	660 130	5 127	655 003	
Net cash from/(used in) financing activities	- 274 555	646 675	- 921 230	
Net increase/(decrease) in cash held	- 1 756 871	- 674 208	- 1 082 663	
Cash at beginning of financial year	2 476 851	861 305	1 615 546	
CASH AT END OF FINANCIAL YEAR	719 981	187 097	532 884	

¹ Actuals have been presented consistent with original budget.

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

- The \$158.4 million increase in taxes received compared to the original 2021-22 Budget reflects:
 - increased stamp duties on financial and capital transactions of \$151.5 million reflecting an improvement in housing values and market activity, combined with several large unanticipated commercial transactions in 2021-22
 - increased payroll and labour force taxes of \$15.2 million reflecting faster than anticipated economic recovery following the impact of COVID-19, combined with improved employment activity
 - increased motor vehicle registration fees of \$13.1 million, largely due to the effect of the extension of the Commonwealth's asset write-off incentive that stimulated purchases of new vehicles, combined with a general increase in vehicle values largely as a result of supply chain disruptions
 - increased taxes on insurance of \$7.2 million reflecting higher than expected growth in insurance duty
 - a decrease in tax receivables of \$30.5 million.
- GST revenue increased by \$385.3 million due to improved national GST collections resulting from easing COVID-19 restrictions and a \$173 million balancing adjustment for the Territory, received in 2021-22 for underpaid GST revenue relating to 2020-21.
- An increase in specific purpose payments of \$12.8 million largely related to payments under the National School Reform agreement.
- Lower national partnership revenue of \$319.2 million largely related to lower funding of \$117.1 million for reimbursements under the agreement for COVID-19 quarantine arrangements for repatriated Australians following the easing of COVID-19-related travel restrictions and reduced use of the Centre of National Resilience, combined with the revised delivery of various road programs and other various capital grants.
- Current grants increased by \$24.8 million reflecting natural disaster relief reimbursements of \$22.4 million, combined with additional grants in lieu of uranium royalties of \$2.3 million.

Notes to the financial statements

For the year ended 30 June 2022

18. Budgetary information (c) (continued)

6. Capital grants decreased by \$18.9 million largely due to lower than anticipated revenue from Commonwealth for roads and infrastructure projects.
7. Receipts from regulatory services increased by \$19.8 million largely due to mandatory quarantine fees and licences, permits and registration fees.
8. Interest received increased by \$17.9 million due to greater than expected returns on investments.
9. Royalties, rents and dividends increased by \$54 million predominantly due to higher mining royalties reflecting an increase in the value of mineral production and stronger than expected commodity prices.
10. Other receipts increased by \$5.4 million largely reflecting higher than expected unclaimed money returned to the Territory.
11. Other salary payments increased by \$10.2 million predominantly as a result of higher than anticipated workers compensation claims.
12. Interest paid decreased by \$6.5 million compared to the original 2021-22 Budget due to lower than anticipated borrowings and cost of borrowings.
13. Appropriation payments increased by \$161.4 million largely due increased output appropriation payments reflecting new government initiatives across various agencies, partially offset by decreased Commonwealth appropriation payments in line with tied Commonwealth funding agreements.
14. Net withdrawals and injections of \$193.7 million largely reflect the transfer of cash from CHA to general government agencies.
15. Advance and investing payments increased by \$863.4 million predominantly due to higher budgeted short-term and fixed interest investments.
16. The decrease of \$343.1 million was due to decreased capital appropriation of \$65.9 million reflecting government initiatives across various agencies, combined with lower than budgeted Commonwealth appropriation in line with tied capital funding agreements.
17. Net borrowings and advances decreased by \$405 million largely due to greater than expected improvement in Territory's GST and own-source revenue combined with revised timing of expenditure commitments to future years.
18. Deposits received decreased by \$516.2 million due to lower than anticipated cash balances held by CHA on behalf of government trading entities.

19. Related parties

a) Related parties

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

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

Notes to the financial statements

For the year ended 30 June 2022

b) Key management personnel

KMP of CHA are those persons having authority and responsibility for planning, directing and controlling the activities of CHA. The KMP of CHA for 2021-22 were:

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

c) Remuneration of key management personnel

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

d) Related-party transactions

Transactions with Territory government-controlled entities

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

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

20. Contingent liabilities

In November 2021, the National Redress Scheme was amended in response to recommendations from the second year review of the scheme. This included expansion of the Funder of Last Resort provisions to include previously out of scope defunct institutions and indexation of prior payments. These changes have not had a material impact on the Territory's potential liability under the scheme. A number of other recommendations from the review have not yet been acted upon as they require further development and consultation with stakeholders. These include lifelong access to counselling services for scheme applicants and their family members, and expanding the eligibility criteria of the scheme to non-citizens, prisoners and those with serious criminal convictions. If these recommendations are accepted, these will expand the Territory's potential liability under the scheme.

21. Events subsequent to reporting date

On 5 October 2022, the Territory Government announced a change to the Public Sector Wages Policy. The change replaces the non-cumulative lump sum bonus payment policy with a 2% compounding pay increase. Public servants covered under the existing lump sum based-agreements will also switch to the compounding percentage increase for future years. The impact of this change will increase the Territory's superannuation and employee benefits liabilities as included in this report, with the amounts not yet quantifiable.

List of acronyms

AARC	AustralAsia Railway Corporation	FTE	full-time equivalent
AASB	Australian Accounting Standards Board	FVTPL	fair value through profit and loss
ABS	Australian Bureau of Statistics	FVOCI	fair value through other comprehensive income
AO	administrative officer	GST	goods and services tax
ANZSOG	Australia and New Zealand School of Government	HR	human resources
ARMC	Audit and Risk Management Committee	ICAC	Independent Commissioner Against Corruption
ATO	Australian Taxation Office	ICT	information and communications technology
CBD	central business district	KMP	key management personnel
CEO	chief executive officer	LDC	Land Development Corporation
CGC	Commonwealth Grants Commission	NTGPASS	Northern Territory Government and Public Authorities Superannuation Scheme
CHA	Central Holding Authority	NTPS	Northern Territory Public Sector
CMC	Department of the Chief Minister and Cabinet	NTPSBS	Northern Territory Police Supplementary Benefit Scheme
COSR	Conditions of Service Reserve	NTTC	Northern Territory Treasury Corporation
CPI	consumer price index	OCPE	Office of the Commissioner for Public Employment
CSO	community service obligation	ppt	percentage point
DCDD	Department of Corporate and Digital Development	PSEMA	<i>Public Sector Employment and Management Act 1993</i>
DGC	Digital Governance Committee	SA	South Australia
DIPL	Department of Infrastructure, Planning and Logistics	SAO	senior administrative officer
DTF	Department of Treasury and Finance	SHRC	Strategic Human Resources Committee
EAP	employee assistance program	SLAMI	ship lift and marine industries
ECL	expected credit loss	SMG	Senior Management Group
ECO	executive contract officer	TAFR	Treasurer's Annual Financial Report
FITA	<i>Fiscal Integrity and Transparency Act 2001</i>	TAFS	Treasurer's annual financial statements
FMA	<i>Financial Management Act 1995</i>	TRO	Territory Revenue Office
FOI	freedom of information	WHS	work health and safety

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