



NORTHERN TERRITORY GOVERNMENT

# 2015-16 TREASURER'S ANNUAL FINANCIAL REPORT





## TREASURER

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### TREASURER'S ANNUAL FINANCIAL REPORT

for the year ended 30 June 2016

The Treasurer's Annual Financial Report for 2015-16 has been prepared to provide an informative, comprehensive and clear report of the Northern Territory Government's financial outcomes. It includes the Treasurer's Annual Financial Statement prepared in accordance with section 9 of the *Financial Management Act* and section 16 of the *Fiscal Integrity and Transparency Act*, and also includes unaudited information. In order to distinguish between the audited schedules and the other material, all schedules have been marked accordingly.

The financial outcomes included in this report relate to the former Government and its ministerial portfolio arrangements and policies that applied during 2015-16.

A handwritten signature in blue ink, appearing to read 'N Manison', with a long horizontal flourish extending to the right.

NICOLE MANISON

17 October 2016

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# 2015-16 Treasurer's Annual Financial Report

The financial statements and supplementary tables presented in the 2015-16 Treasurer's Annual Financial Report (TAFR) have been prepared in accordance with Australian Accounting Standards.

A set of Uniform Presentation Framework (UPF) financial statements (Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement) have been provided for each sector. These sectors are: general government; public non financial corporations; non financial public sector; public financial corporations; and total public sector. TAFR is presented in two sections: one audited and the other unaudited. The Overview presented in this report details variations in the non financial public sector since the 2015-16 original Budget and presents the Government's fiscal strategy outcomes.

## Audited Section

TAFR complies with the Australian Accounting Standards, in particular AASB 1049 Whole of Government and General Government Sector Financial Reporting and the UPF and is consistent with the requirements of the *Fiscal Integrity and Transparency Act* (FITA) and *Financial Management Act* (FMA).

The audited section of TAFR includes a set of financial statements, by sector, with notes provided for the general government sector and the total public sector.

Comparative data is provided for 2014-15 in both the financial statements and notes to the financial statements.

## Unaudited Section

The unaudited section includes a summary table outlining appropriation changes through the year, by agency. Following this is an explanation of significant variations in appropriation for each agency.

The section also provides additional tables required by the UPF relating to: taxes; grant revenue; grant expense; dividend and income tax equivalents; purchases of non financial assets for the general government sector; and Loan Council Allocation for 2015-16 for the non financial public sector.

Explanations regarding significant variations between the original estimate and actual result for both operating revenue and expenses are disclosed in individual agency financial statements that are incorporated in agency annual reports.

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# Ministerial Portfolio Arrangements

This schedule of Ministerial Portfolio Arrangements details the ministerial responsibilities for individual areas of Government as at 30 June 2016 (drawn from the Administrative Arrangements Order of 15 February 2016, as amended 11 June 2016).

## Ministerial Portfolio Arrangements as at 30 June 2016

Minister	Portfolio	
The Hon. A. G. Giles, MLA	Chief Minister	
	Minister for Police, Fire and Emergency Services	
	Minister for Tourism	
	Minister for Northern and Central Australia	
	Minister for Economic Development and Major Projects	
	Minister for Indigenous Affairs	
	Minister for Sport and Recreation	
	Minister for Young Territorians	
	The Hon. P. D. Styles, MLA	Deputy Chief Minister
		Minister for Business
Minister for Racing, Gaming and Licensing		
Minister for Asian Engagement and Trade		
Minister for Public Employment		
Minister for Employment and Training		
Minister for Corporate and Information Services		
Minister for Defence Industries		
Minister for Multicultural Affairs		
Minister for Senior Territorians		
The Hon. D. W. Tollner, MLA	Treasurer	
	Minister for Lands and Planning	
The Hon. J. W. Elferink, MLA	Minister for Mines and Energy	
	Attorney-General and Minister for Justice	
	Minister for Children and Families	
	Minister for Health	
	Minister for Disability Services	
The Hon. P. G. Chandler, MLA	Minister for Mental Health Services	
	Minister for Correctional Services	
	Minister for Education	
	Minister for Transport	
	Minister for Infrastructure	
The Hon. G. J. Higgins, MLA	Minister for Essential Services	
	Minister for Veterans Support	
	Minister for Primary Industry and Fisheries	
	Minister for Land Resource Management	
The Hon. B. N. Price, MLA	Minister for the Environment	
	Minister for Arts and Museums	
	Minister for Local Government and Community Services	
	Minister for Housing	
	Minister for Parks and Wildlife	
	Minister for Men's Policy	
Minister for Women's Policy		
	Minister for Statehood	



Since the reporting date, amendments to the Administrative Arrangements Order were made. This schedule of Ministerial Portfolio Arrangements gazetted on 12 September 2016 details the ministerial responsibilities for individual areas of government.

## Ministerial Portfolio Arrangements as at 12 September 2016

Minister	Portfolio
The Hon. M. P. F. Gunner, MLA	Chief Minister
	Minister for Aboriginal Affairs
	Minister for Northern Australia
	Minister for Police, Fire and Emergency Services
	Minister for Trade, Business and Innovation
The Hon. N. S. Manison, MLA	Minister for Children
	Treasurer
The Hon. N. K. Fyles, MLA	Minister for Infrastructure, Planning and Logistics
	Attorney-General and Minister for Justice
The Hon. G. F. McCarthy, MLA	Minister for Health
	Minister for Housing and Community Development
The Hon. K. E. Vowles, MLA	Minister for Essential Services
	Minister for Public Employment
	Minister for Primary Industry and Resources
The Hon. L. J. Moss, MLA	Minister for Environment and Natural Resources
	Minister for Tourism and Culture
	Minister for Corporate and Information Services
The Hon. E. D. Lawler, MLA	Minister for Education
The Hon. D. S. Wakefield, MLA	Minister for Territory Families

# Overview

The Treasurer's Annual Financial Report (TAFR) presents the Territory's financial results for 2015-16 as required by the *Fiscal Integrity and Transparency Act* (FITA).

The final outcome for 2015-16 is a fiscal deficit of \$78 million for the non financial public sector, which represents an improvement of \$207 million when compared to the original Budget published in April 2015.

The key factors contributing to the improved fiscal balance outcome since April 2015 are:

- additional revenue and the changed timing of associated expenditure related to tied Commonwealth funding, which will be spent in 2016-17 and future years;
- lower than anticipated capital spending reflecting the revised timing of the delivery of projects, partly offset by:
- new policy decisions of the former government discussed throughout this report.

In addition to the improvements in the fiscal balance, net debt at the non financial public sector also improved by \$791 million, primarily as a result of the long-term lease of the Port of Darwin, which was finalised on 16 November 2015. The transaction included up-front proceeds of \$506 million for the lease of the East Arm Wharf (including the Marine Supply Base) and Fort Hill Wharf for a period of 99 years. Due to the nature of the transaction, the sale proceeds are not recorded as revenue for the purposes of the Territory's fiscal balance, however the proceeds result in a material improvement in the Territory's net debt position. Subsequent decisions to reinvest part of the proceeds has had a negative impact on the fiscal balance outcome in 2015-16 and is budgeted to continue to do so over 2016-17 and 2017-18.

Table 1 sets out the key fiscal outcomes for the general government and non financial public sectors in 2015-16 compared to the 2014-15 outcome, the 2015-16 original Budget (April 2015), the 2015-16 Estimate (May 2016) and the Pre-Election Fiscal Outlook Report (PEFO) (August 2016). Highlights of the key fiscal elements of the 2015-16 outcome are:

- a general government net operating surplus of \$293 million;
- a non financial public sector fiscal balance deficit of \$78 million; and
- net debt at the non financial public sector of \$1850 million with a ratio of net debt to revenue of 27 per cent, a decrease of 5 percentage points from 2014-15.

**Table 1: Key Fiscal Aggregates**

	2014-15 Outcome	2015-16 Budget	2015-16 Estimate	2015-16 PEFO	2015-16 Outcome	Variation on Budget
	\$M	\$M	\$M	\$M	\$M	\$M
Net operating balance – GGS	887	227	242	232	293	66
Fiscal balance – NFPS	286	- 285	- 153	- 93	- 78	207
Net debt – NFPS	2 239	2 641	1 971	1 847	1 850	- 791
Net debt to revenue – NFPS (%)	32	41	29	28	27	- 13

GGS: general government sector; NFPS: non financial public sector  
Source: Department of Treasury and Finance

## General Government Sector Net Operating Balance

**Table 2: General Government Sector – Net Operating Balance**

	2014-15 Outcome	2015-16 Budget	2015-16 Estimate	2015-16 PEFO	2015-16 Outcome	Variation on Budget
	\$M	\$M	\$M	\$M	\$M	\$M
Net operating balance	887	227	242	232	293	66

Source: Department of Treasury and Finance

As shown in Table 2, the 2015-16 outcome for the general government sector was a surplus of \$293 million, \$66 million higher when compared with the estimate published in the April 2015 Budget.

The final result was influenced by a net increase in revenues of \$412 million partly offset by an increase in operating expenses of \$346 million.

The increase in revenue is reflective of:

- increases in tied Commonwealth funding of \$283 million, mainly due to the up-front payment for the delivery of municipal and essential services in remote communities, combined with increased receipts for various health and road related programs;
- \$59 million increase in sales of goods and services across agencies; and
- \$73 million increase in other revenues and miscellaneous income across agencies.

The growth in operating expenses has largely offset the increases in revenue and is primarily driven by:

- \$154 million increase in expenses as a result of the additional and revised timing of Commonwealth-tied funding described above;
- \$131 million in new funding decisions made by the former government;
- \$118 million increase in agency expenses, primarily in the health, corrections and community safety sectors, including the Territory's contribution towards the upgrade of Tennant Creek and Owen Springs power stations, offset by:
- a \$77.3 million carry forward of expenses from 2015-16 into 2016-17 and 2017-18 as detailed in the August 2016 PEFO.

## Non Financial Public Sector Fiscal Balance

The general government sector excludes public non financial corporations such as the Power and Water Corporation, Jacana Energy and Territory Generation. The fiscal balance measure is assessed at the non financial public sector to ensure the financial performances of these entities are reflected in Government's fiscal targets.

**Table 3: Non Financial Public Sector – Fiscal Balance**

	2014-15 Outcome	2015-16 Budget	2015-16 Estimate	2015-16 PEFO	2015-16 Outcome	Variation on Budget
	\$M	\$M	\$M	\$M	\$M	\$M
Fiscal balance	286	- 285	- 153	- 93	- 78	207

Source: Department of Treasury and Finance

As shown in Table 3, the fiscal balance deficit outcome of \$78 million, which includes net capital investment, represents a \$207 million improvement on the \$285 million deficit projected in the April 2015 Budget.

The improvement in the fiscal deficit since the April 2015 Budget incorporates the flow-on effect of the improved general government operating balance together with the revised timing of capital expenditure from 2015-16 to 2016-17.

Table 4 sets out changes in the fiscal balance for 2015-16 for the non financial public sector since the April 2015 Budget.

**Table 4: Variations to the Non Financial Public Sector's Fiscal Balance since April 2015**

	2015-16
	\$M
<b>2015-16 BUDGET FISCAL BALANCE</b>	<b>- 285.2</b>
<b>REVENUE</b>	
<b>Revenue – policy</b>	
Decrease in regulated retail electricity tariffs	- 5.8
<b>Total revenue – policy</b>	<b>- 5.8</b>
<b>Revenue – non policy</b>	
Stamp duty and other taxes	- 27.3
Payroll tax	6.0
GST revenue	- 5.4
New and revised Commonwealth revenue	282.6
Mining royalties	24.6
Discontinuation of the Darwin Port Corporation	- 42.5
Interest income	1.4
Income tax, dividends and other revenue	18.1
Agency own source revenue	- 24.8
<b>Total revenue – non policy</b>	<b>232.8</b>
<b>TOTAL REVENUE</b>	<b>227.0</b>
<b>OPERATING EXPENSES</b>	
<b>Expenses – policy</b>	
New initiatives	131.0
<b>Total expenses – policy</b>	<b>131.0</b>
<b>Expenses – non policy</b>	
New and revised Commonwealth-related expenses	154.0
Transfers between years	- 77.3
Interest	- 20.7
Depreciation	18.4
Discontinuation of the Darwin Port Corporation	- 24.4
Other	- 46.3
<b>Total expenses – non policy</b>	<b>3.6</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>134.6</b>
<b>Net capital payments</b>	
Revised timing of capital payments	- 119.1
Sales	40.1
Depreciation	- 18.4
Other	- 15.4
<b>Total net capital payments</b>	<b>- 112.8</b>
<b>TOTAL EXPENSES/PAYMENTS</b>	<b>21.8</b>
Transactions from discontinued operations	2.0
<b>TOTAL VARIATION</b>	<b>207.2</b>
<b>2015-16 FISCAL BALANCE OUTCOME</b>	<b>- 78.1</b>

Source: Department of Treasury and Finance

In total, the variations in revenue, expenses and capital payments result in a net fiscal balance improvement of \$207 million in 2015-16. The variations are discussed in further detail below.

### Revenue Changes

Non financial public sector revenue increased by \$227.0 million since the April 2015 Budget. The revenue-related policy change since the April 2015 Budget relates to a reduction of 5 per cent in regulated retail electricity tariffs introduced on 1 January 2016 at a cost of \$5.8 million.

The non-policy revenue-related variations since the April 2015 Budget result in an increase of \$232.8 million. The main changes are:

- a decrease in stamp duty and other taxes of \$27.3 million largely due to a decrease in the volume and value of residential property transactions and lower than predicted collections of gambling, insurance and motor vehicle registration fees;
- an increase in payroll tax of \$6 million due to growth in both employment and wages during 2015-16, particularly among the larger employers making up the Territory's payroll tax base;
- \$5.4 million decrease in GST revenue due to slightly lower than anticipated national GST revenue collections;
- a net increase in tied funding from the Commonwealth in the form of specific purpose payments (SPPs) and national partnership (NP) agreements of \$282.6 million, largely related to municipal essential services, health, education, police and roads;
- increased mining royalties of \$24.6 million reflecting greater than expected profitability in the mining sector;
- a reduction of \$42.5 million in revenue as a result of the finalisation of the long-term lease of the Port of Darwin and the subsequent wind up of the Darwin Port Corporation;
- additional interest income of \$1.4 million;
- an increase in income tax, dividends and other revenue of \$18.1 million in line with improved performance across government trading entities; and
- a \$24.8 million decrease in other revenues across government agencies, including lower than anticipated revenue for the Power and Water Corporation (PWC) and Territory Generation.

### Expense Changes

Non financial public sector operating expenses have increased since the April 2015 Budget by \$134.6 million.

In regards to policy-related expense variations, new and expanded initiatives total \$131 million, the main new and expanded initiatives include:

- \$42 million for a range of sporting, tourism, education, disability and transport infrastructure grants and minor upgrades at schools;
- \$20 million to address increased demand in the adult and youth custodial system;
- \$10 million to support children in out of home care;
- \$13 million towards remote essential services and infrastructure projects; and
- \$8 million for the Office of Major Projects, Infrastructure and Investment.

The non-policy expense variations increased by \$3.6 million with the following as the main offsetting contributors:

- additional expenditure of \$154 million related to tied Commonwealth revenue variations described above, partly offset by the \$77.3 million carryover of expenses from 2015-16 into 2016-17 and 2017-18;
- lower interest expenses of \$20.7 million reflecting repayment of borrowings during 2015-16;
- a reduction of \$24.4 million in expenses as a result of the finalisation of the long-term lease of the Port of Darwin and the subsequent wind up of the Darwin Port Corporation; and
- \$46.3 million reduction in other expenses predominantly due to lower expenses in PWC.

### Net Capital Payments

There also have been variations to net capital spending resulting in a reduction of \$112.8 million, reflecting:

- revised timing of Commonwealth-funded programs, including the Remote Housing NP, roads and health infrastructure projects resulting in an \$119.1 million decrease;
- \$15.4 million reduction in movements of other non-financial assets across agencies, offset by:
- revised land and asset sales resulting in a reduction of \$40.1 million.

As a result of the finalisation of the long-term lease of the Port of Darwin, the Darwin Port Corporation operations have been classified as discontinuing in accordance with accounting standards, the net effect of which represents a \$2 million improvement in the fiscal balance. In accordance with accounting standards, the 2014-15 financial statements have been restated to reflect the discontinued nature of the Port operations.

## Non Financial Public Sector – Balance Sheet

Table 5 presents the key asset and liability aggregates for the non financial public sector for the 2014-15 outcome, the 2015-16 original Budget (April 2015), the 2015-16 Estimate (May 2016), the August 2016 PEFO, and the 2015-16 Outcome.

**Table 5: Non Financial Public Sector – Balance Sheet**

	2014-15 <sup>1</sup> Outcome	2015-16 Budget	2015-16 Estimate	2015-16 PEFO	2015-16 Outcome	Variation on Outcome
	\$M	\$M	\$M	\$M	\$M	\$M
Total assets	22 046	19 689	20 883	21 097	20 753	- 1 293
Financial assets	3 591	3 257	3 446	3 474	3 515	- 75
Non financial assets	18 456	16 432	17 437	17 623	17 238	- 1 218
Total liabilities	10 935	10 934	10 315	10 802	10 978	43
<b>Net worth</b>	<b>11 111</b>	<b>8 756</b>	<b>10 568</b>	<b>10 295</b>	<b>9 775</b>	<b>- 1 336</b>
<b>Net debt</b>	<b>2 239</b>	<b>2 641</b>	<b>1 971</b>	<b>1 847</b>	<b>1 850</b>	<b>- 389</b>
Net debt to revenue (%)	32	41	29	28	27	- 5

<sup>1</sup> Restated for discontinuation of the Darwin Port Corporation and correction relating to the value of the Motor Accidents Compensation Commission (MACC) outstanding claims liability.

Source: Department of Treasury and Finance

Net worth in 2015-16 is \$9775 million, \$1336 million lower than the 2014-15 outcome, largely driven by a \$1293 million decrease in total assets.

The decrease in total assets since 2014-15 is due to a reduction in non financial assets of \$1218 million and a decrease in financial assets of \$75 million. The decrease in non-financial

assets is predominantly due to de-recognition of port assets that formed part of the long-term lease of the Port of Darwin combined with a reduction in the value of power and water utility assets as a result of a change in revaluation methodology from depreciated replacement cost in 2014-15 to income approach in 2015-16.

As highlighted in the 2014-15 TAFS, the Auditor General did not express an opinion on the non financial public sector balances contained in the 2014-15 TAFS due to a number errors and unresolved issues relating to PWC's 2014-15 financial statements and those of its subsidiary Indigenous Essential Services Pty Ltd. As a result, the numbers contained in the public non financial corporation sector for 2014-15 were based on unaudited numbers.

One of the unresolved matters related to the valuation methodology for PWC's utility assets that had not considered PWC's ability to generate economic benefits from the use of the assets and was therefore likely to be significantly overstated. PWC finalised their 2014-15 accounts late in the 2015-16 financial year. The final accounts included revised estimates relating to property plant and equipment opening balances. In accordance with accounting standards, changes in accounting estimates related to property plant and equipment held by PWC late in 2014-15, have been treated prospectively in 2015-16 in this report.

The decrease in financial assets is reflective of lower levels of investments, loans and placements combined with a reduction in the level of receivables across agencies.

Total liabilities in 2015-16 amounted to \$10 978 million compared to the 2014-15 re-stated liabilities of \$10 935 million. The slight increase in liabilities is largely due to an increase in the superannuation liability of \$427 million, payables of \$84 million and other liabilities of \$115 million that includes the Motor Accidents Compensation Commission (MACC) outstanding claims liability. These increases are largely offset by the repayment of borrowings and advances of \$584 million.

As discussed in previous reports, accounting standards require governments to value their superannuation liability using the Commonwealth's 10-year bond rate at the time of reporting. In June 2015 the bond rate was 3.0 per cent, but had reduced to 2.0 per cent at 30 June 2016, which mainly accounts for the increase in the liability to \$4263 million in 2015-16 compared to the \$3837 million recorded in 2014-15.

Based on the most recent actuarial reviews, the Territory's superannuation liabilities are forecast to peak around 2017 with superannuation payments forecast to peak around 2026.

The Territory is unable to influence the level of its future superannuation liabilities. The schemes to which the liabilities relate are closed and any variation to the liability is a result of factors outside the Territory's control such as longevity of members or long-term bond rates, which affect the valuation.

The increase in the MACC claims liability is partially due to a correction in calculating the claims handling expense following the transfer of its claims administration function to an external provider from 1 January 2015. Under accounting standards this has also required a restatement of the 2014-15 comparatives, resulting in total liabilities being restated upwards by \$32 million in 2014-15.

Non financial public sector net debt comprises both the net debt of the general government and public non financial corporation sectors. Net debt for the non financial public sector is \$1850 million, an improvement of \$389 million from the 2014-15 outcome, predominantly due to the proceeds received from the long-term lease of the Port of Darwin.

The Port of Darwin transaction included up-front proceeds of \$506 million for the lease of the East Arm Wharf (including the Marine Supply Base) and Fort Hill Wharf for a period of 99 years. Due to the nature of the transaction, the proceeds have a minimal impact on the Territory's fiscal balance, however did result in an improvement in the Territory's net debt position.



As a result of the above, when measured as a ratio to revenue, net debt is now 27 per cent in 2015-16, an improvement of 5 percentage points from the 32 per cent recorded in 2014-15.

## Fiscal Strategy

The fiscal strategy is an important element in setting out and measuring adherence to a government's fiscal objectives. The fiscal strategy that applied during 2015-16 was developed by the former government with the principal aim of returning the budget to surplus by 2017-18 through the elimination of the fiscal balance deficit at the non financial public sector.

The analysis in this chapter is an assessment of the 2015-16 outcome against the former government's fiscal objectives and targets.

**Key fiscal target: by 2017-18 the fiscal imbalance in the Territory's non financial public sector is to be eliminated**

The fiscal balance is an operating statement measure that differs from the net operating balance as it includes spending on capital items but excludes depreciation. A fiscal surplus indicates that a government has sufficient capacity to finance all of its capital spending. A fiscal deficit position indicates that a government's level of capital investment is greater than its level of savings. Prolonged deficits will ultimately result in a government being required to borrow to fund its capital investment.

As highlighted in last year's TAFR, a fiscal balance was achieved in 2014-15. However, as a result of reduced revenue growth and a range of policy decisions during 2015-16, the fiscal balance has returned to a deficit position in 2015-16. As highlighted in the August 2016 PEFO, the fiscal balance is projected to remain in deficit over the forward estimates before returning to a balance position in 2019-20.

**Associated fiscal outcome: by 2016-17, the Territory's general government sector is achieving a net operating surplus**

The net operating balance is measured by the general government sector's total annual revenues less its total annual operating expenses (including annual depreciation, a non-cash expense). A net operating deficit indicates that total annual operating expenses exceed total annual revenues.

While an operating surplus has been achieved in 2015-16 and is forecast for 2016-17, operating deficits are projected in 2017-18 and 2018-19 before a return to surplus in 2019-20.

This assessment remains largely unchanged from the August 2016 PEFO.

**Associated fiscal outcome: by 2016-17, taxation effort in the Territory's general government sector is more on par with the average effort of the states**

Taxation effort assesses the extent to which a particular jurisdiction's capacity to raise revenue is above or below the Australian average of 100 per cent. This measure is a lagging indicator as the Commonwealth Grants Commission (CGC) updates the information annually based on the actual outcome of the previous year. The Territory's taxation effort has improved from 88 per cent in 2013-14 to 104 per cent in 2014-15, the latest year assessed by the CGC, and remains unchanged since the PEFO.

**Associated fiscal outcome: by 2016-17, the Territory's government owned corporation is moving towards commercial rates of return on capital employed**

Upon the initial implementation of this fiscal measure in the 2013-14 Budget, the Territory had only one government owned corporation, PWC. However, as a result of the utilities reform agenda, PWC was separated into three distinct entities, Territory Generation, Jacana Energy and PWC. In order

to provide a more accurate assessment against this element of the fiscal strategy, the three entities are consolidated to remove transactions between each other.

The commercial rate of capital employed associated with this target is 6 per cent. For 2015-16, the government owned corporations achieved an average rate of return of 4.3 per cent .

**Associated fiscal outcome: by 2020, the Territory's non financial public sector net debt as a percentage of revenue is returning towards 60 per cent**

This element of the fiscal strategy continues to be achieved, with the net debt to revenue ratio for the non financial public sector at 30 June 2016 being 27 per cent, 5 percentage points lower than the 2014-15 outcome.

Due to forecast fiscal balance deficits up to 2019-20, net debt is projected to rise over the forward estimates period.

This assessment remains largely unchanged from the August 2016 PEFO.

## Conclusion

The Territory's 2015-16 fiscal outcome represents an improved position on that forecast in the original April 2015 Budget. However, projected short-term fiscal deficits and moderating economic conditions would indicate that the development of the 2017-18 Budget is an appropriate time to review the Territory's fiscal strategy.

Treasurer's Annual  
Financial Statements  
(Audited)





## Auditor-General

### Independent Auditor's Report to the Treasurer

### Treasurer's Annual Financial Statements

Year Ended 30 June 2016

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I have audited the accompanying Treasurer's Annual Financial Report ("the Financial Report"), which comprises a balance sheet as at 30 June 2016, a comprehensive operating statement, a statement of changes in equity and a cash flow statement for the year then ended, for each of the General Government Sector, Public Non Financial Corporation Sector, Non Financial Public Sector, Public Financial Corporation Sector and Total Public Sector, and notes comprising a summary of significant accounting policies and other explanatory information for the General Government Sector and Total Public Sector, and certification by the Treasurer.

#### **The Treasurer's Responsibility for the Financial Report**

The Treasurer is responsible for the preparation and fair presentation of the Financial Report and the information it contains in accordance with Australian Accounting Standards, the provisions of the *Financial Management Act* and the *Fiscal Integrity and Transparency Act*, and for such internal control as the Treasurer determines is necessary to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

As required by the *Financial Management Act*, my responsibility is to express an opinion on the Financial Report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Treasurer, as well as evaluating the overall presentation of the Financial Report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



## Auditor-General

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### Qualified Opinion

My auditor's opinion on the Financial Report is provided in 2 parts:

- i Auditor's Opinion – General Government Sector and Public Financial Corporation Sector
- ii Auditor's Opinion – Public Non Financial Corporation Sector, Non Financial Public Sector and Total Public Sector

#### **i. Auditor's Opinion – General Government Sector and Public Financial Corporation Sector**

In my opinion, the Treasurer's Annual Financial Report gives a true and fair view of the financial position of the General Government Sector and Public Financial Corporation Sector as at 30 June 2016 and of their performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the financial reporting requirements of the *Financial Management Act* and the *Fiscal Integrity and Transparency Act*.

#### **ii. Auditor's Opinion – Public Non Financial Corporation Sector, Non Financial Public Sector and Total Public Sector**

##### **Basis for Qualified Opinion**

##### ***Valuation of property, plant and equipment***

As at 1 July 2014, Power and Water Corporation and its subsidiary, Indigenous Essential Services Pty Ltd, changed accounting policy in relation to the measurement of property, plant and equipment from historical cost to fair value. Independent valuations were commissioned to provide a fair value which has resulted in the value of property, plant and equipment reported in the balance sheet increasing by \$1,409,215,000 to \$3,091,566,000 for Power and Water Corporation and increasing by \$654,554,000 to \$900,574,000 for Indigenous Essential Services Pty Ltd. The valuations were performed using depreciated optimised replacement cost and did not consider Power and Water Corporation's ability to generate economic benefits by using the assets or by selling them to another market participant. In addition, a number of material issues were identified in relation to the valuation process, which were not resolved by 30 June 2015.

In the current year, Power and Water Corporation commissioned an independent valuation to provide a fair value using the income approach which has resulted in the value of property, plant and equipment reported in the balance sheet decreasing by \$1,335,445,000 as at 30 June 2016. While sufficient appropriate audit evidence was obtained in relation to the valuation of property, plant and equipment for Power and Water Corporation's property, plant and equipment as at 30 June 2016, I was unable to obtain sufficient appropriate audit evidence to support the valuation of Indigenous Essential Services Pty Ltd's property, plant and equipment and the asset revaluation reserve in the balance sheet as at 30 June 2016 and depreciation expense, asset impairment and net loss on disposal of property, plant and equipment reported as Other Expenses within the Comprehensive Income Statement of the Non Financial Corporation Sector, the Non Financial Public Sector and the Total Public Sector for the year ended 30 June 2016.





**Auditor-General**

**Page 3 of 3**

***Property, plant and equipment – Power and Water Corporation and Indigenous Essential Services Pty Ltd***

In applying the valuation to the fixed asset register in the prior year, the standard asset hierarchy and related asset categories were updated in the financial management system to align with the asset management system. This process resulted in significant data integrity issues with the fixed asset register for both accounting and tax purposes. The fixed asset register as at 30 June 2015 and as at 30 June 2016 was unable to be reconciled to the general ledger. As a result, I was unable to obtain sufficient appropriate audit evidence to support the validity, completeness, existence, accuracy and classification of property, plant and equipment and the asset revaluation reserve in the balance sheet as at 30 June 2015 and 30 June 2016 and depreciation expense, asset impairment and net loss on disposal of property, plant and equipment reported as Other Expenses within the Comprehensive Income Statement of the Non Financial Corporation Sector, the Non Financial Public Sector and the Total Public Sector for the years ended 30 June 2015 and 30 June 2016 for both Power and Water Corporation and Indigenous Essential Services Pty Ltd.

**Qualified Opinion – Public Non Financial Corporation Sector, Non Financial Public Sector and Total Public Sector**

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion set out above, the Treasurer's Annual Financial Report gives a true and fair view of the financial position of the Public Non Financial Corporation Sector, Non Financial Public Sector and Total Public Sector as at 30 June 2016 and of their performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the financial reporting requirements of the *Financial Management Act* and the *Fiscal Integrity and Transparency Act*.

Julie Crisp  
Auditor-General for the Northern Territory  
Darwin, Northern Territory

17 October 2016



# General Government Sector

## Comprehensive Operating Statement

	Notes	2015-16 \$000	2014-15 Restated \$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Taxation revenue	2	608 424	714 853
Current grants	3	4 351 430	4 153 016
Capital grants	4	331 203	241 052
Sales of goods and services	5	435 521	334 688
Interest income		101 785	88 826
Dividend and income tax equivalent income	6	97 324	202 909
Other revenue	7	282 388	528 419
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>		<b>6 208 077</b>	<b>6 263 763</b>
<i>less</i> <b>EXPENSES FROM CONTINUING OPERATIONS</b>			
Employee benefits expense		2 153 697	2 034 099
Superannuation expenses			
Superannuation interest cost		111 465	126 115
Other superannuation expenses		231 857	206 196
Depreciation and amortisation		322 587	313 551
Other operating expenses	8	1 440 410	1 273 018
Interest expenses		234 918	246 009
Other property expenses		2 002	2 055
Current grants	9	949 688	882 629
Capital grants	10	250 610	91 597
Subsidies and personal benefit payments	11	220 056	204 584
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<b>5 917 290</b>	<b>5 379 853</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>	12	<b>2 294</b>	<b>3 435</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>		<b>293 081</b>	<b>887 344</b>
<i>plus</i> Other economic flows – included in operating result	13	- 144 509	20 130
<i>plus</i> Other economic flows – included in operating result – discontinued operations	13	100 221	
<i>equals</i> <b>OPERATING RESULT</b>		<b>248 794</b>	<b>907 475</b>
<i>plus</i> Other economic flows – other comprehensive income	13	- 1 672 666	2 451 181
<i>plus</i> Other economic flows – other comprehensive income – discontinued operations	13	88 037	
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>		<b>- 1 335 835</b>	<b>3 358 655</b>
<b>NET OPERATING BALANCE</b>		<b>293 081</b>	<b>887 344</b>
<i>less</i> <b>Net acquisition of non financial assets</b>			
Purchases of non financial assets		741 740	472 855
Sales of non financial assets		- 48 610	- 79 229
<i>less</i> Depreciation	20, 22, 24	322 587	313 551
<i>plus</i> Change in inventories		1 923	260
<i>plus</i> Other movements in non financial assets		- 47 642	511 309
<i>equals</i> <b>Total net acquisition of non financial assets</b>		<b>324 825</b>	<b>591 644</b>
<i>equals</i> <b>FISCAL BALANCE</b>		<b>- 31 744</b>	<b>295 701</b>

# General Government Sector

## Balance Sheet

	Notes	2015-16 \$000	2014-15 Restated \$000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and deposits	14	623 654	610 374
Advances paid	15	177 967	174 933
Investments, loans and placements	16	2 182 185	2 368 041
Receivables	17	380 703	309 390
Equity			
Investments in other public sector entities		2 129 019	3 710 215
Investments – other			
Other financial assets	18	16 249	
<b>Total financial assets</b>		<b>5 509 777</b>	<b>7 172 953</b>
<b>Non financial assets</b>			
Inventories	19	13 470	11 547
Property, plant and equipment	20, 25	13 680 291	13 323 175
Investment property	21, 25	110 694	120 043
Intangible assets	22, 25	1	1
Assets held for sale	23, 25	26 141	35 306
Other non financial assets	24, 25	122 577	122 285
<b>Total non financial assets</b>		<b>13 953 174</b>	<b>13 612 357</b>
<b>TOTAL ASSETS</b>		<b>19 462 951</b>	<b>20 785 310</b>
<b>LIABILITIES</b>			
Deposits held	26	361 349	249 098
Advances received	27	293 464	326 315
Borrowing	28	3 097 390	3 711 243
Superannuation	29	4 263 850	3 837 114
Other employee benefits	30	591 873	618 880
Payables	31	206 484	184 689
Other liabilities	32	873 087	746 682
<b>TOTAL LIABILITIES</b>		<b>9 687 497</b>	<b>9 674 021</b>
<b>NET ASSETS</b>		<b>9 775 454</b>	<b>11 111 289</b>
Contributed equity			
Accumulated surplus		1 922 074	1 957 936
Reserves	33	7 853 379	9 153 353
<b>NET WORTH</b>		<b>9 775 454</b>	<b>11 111 289</b>
NET FINANCIAL WORTH <sup>1</sup>		- 4 177 720	- 2 501 068
NET FINANCIAL LIABILITIES <sup>2</sup>		6 306 740	6 211 283
<b>NET DEBT<sup>3</sup></b>		<b>768 398</b>	<b>1 133 308</b>

1 Net financial worth equals total financial assets minus total liabilities.

2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

## General Government Sector

# Statement of Changes in Equity

	Notes	Equity at 1 July	Comprehensive Result	Transactions with Owners in their Capacity as Owners	Equity at 30 June
		\$000	\$000	\$000	\$000
<b>2015-16</b>					
<b>Accumulated funds</b>		<b>1 957 936</b>	<b>248 794</b>		<b>2 206 729</b>
Changes in accounting policy					
Correction of prior period errors					
Transfers from reserves			113 326		113 326
Dividends paid/payable					
Other movements directly to equity			- 397 982		- 397 982
<b>Total accumulated funds</b>		<b>1 957 936</b>	<b>- 35 861</b>		<b>1 922 074</b>
<b>Reserves</b>	33				
Asset revaluation surplus		6 172 892	165 531		6 338 423
Asset realisation surplus					
Derivative revaluation surplus					
Investments in public sector entities revaluation surplus		2 979 831	- 1 482 826		1 497 005
Other reserves		631	17 321		17 952
<b>Total reserves</b>		<b>9 153 353</b>	<b>- 1 299 974</b>		<b>7 853 379</b>
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation					
Equity transfers in					
Other equity injections					
Specific purpose payments					
National partnership payments					
Commonwealth – capital					
Equity withdrawals					
Capital withdrawals					
Equity transfers out					
<b>Total capital – transactions with owners</b>					
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>11 111 289</b>	<b>- 1 335 835</b>		<b>9 775 454</b>
<b>2014-15 – Restated</b>					
<b>Accumulated funds</b>		<b>552 530</b>	<b>907 475</b>		<b>1 460 005</b>
Changes in accounting policy					
Correction of prior period errors	42		- 32 095		- 32 095
Transfers from reserves			728 411		728 411
Dividends paid/payable					
Other movements directly to equity			- 198 385		- 198 385
<b>Total accumulated funds</b>		<b>552 530</b>	<b>1 405 405</b>		<b>1 957 936</b>
<b>Reserves</b>	33				
Asset revaluation surplus		4 760 107	1 412 784		6 172 892
Asset realisation surplus		335 482	- 335 482		
Derivative revaluation surplus					
Investments in public sector entities revaluation surplus		2 103 673	876 157		2 979 831
Other reserves		840	- 210		631
<b>Total reserves</b>		<b>7 200 103</b>	<b>1 953 250</b>		<b>9 153 353</b>
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation					
Equity transfers in					
Other equity injections					
Specific purpose payments					
National partnership payments					
Commonwealth – capital					
Equity withdrawals					
Capital withdrawals					
Equity transfers out					
<b>Total capital – transactions with owners</b>					
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>7 752 634</b>	<b>3 358 655</b>		<b>11 111 289</b>

# General Government Sector

## Cash Flow Statement

	Notes	2015-16 \$000	2014-15 Restated \$000
<b>Cash receipts from operating activities</b>			
Taxes received		588 601	721 610
Receipts from sales of goods and services		453 702	356 751
Grants and subsidies received		4 683 836	4 392 865
Interest receipts		100 043	88 433
Dividends and income tax equivalents		100 194	209 725
Other receipts		492 586	728 178
<b>Total operating receipts</b>		<b>6 418 963</b>	<b>6 497 563</b>
<b>Cash payments for operating activities</b>			
Payments for employees		- 2 488 601	- 2 328 499
Payment for goods and services		- 1 664 840	- 1 523 829
Grants and subsidies paid		- 1 355 615	- 1 138 593
Interest paid		- 234 986	- 234 375
Other payments		- 26 321	- 17 982
<b>Total operating payments</b>		<b>- 5 770 363</b>	<b>- 5 243 278</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	36	<b>648 600</b>	<b>1 254 285</b>
<b>Cash flows from investments in non financial assets</b>			
Sales of non financial assets		48 610	79 229
Purchases of non financial assets		- 744 604	- 473 505
<b>Net cash flows from investments in non financial assets</b>		<b>- 695 995</b>	<b>- 394 276</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>		<b>- 47 395</b>	<b>860 008</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>		421 932	341 689
Net cash flows from investments in financial assets for liquidity purposes		176 303	- 795 382
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>- 97 759</b>	<b>- 847 969</b>
Net cash flows from financing activities			
Advances received (net)		- 32 851	- 13 141
Borrowing (net)		- 616 961	109 468
Deposits received (net)		112 251	- 543 338
Other financing (net)			1
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>- 537 561</b>	<b>- 447 010</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>		<b>13 280</b>	<b>- 40 694</b>
Net cash flows from operating activities		648 600	1 254 285
Net cash flows from investments in non financial assets		- 695 995	- 394 276
<b>CASH SURPLUS (+)/DEFICIT (-)</b>		<b>- 47 395</b>	<b>860 008</b>
Future infrastructure and superannuation contributions/earnings <sup>2</sup>		- 22 263	- 31 221
<b>UNDERLYING SURPLUS (+)/DEFICIT (-)</b>		<b>- 69 658</b>	<b>828 787</b>
<b>Additional information to the Cash Flow Statement</b>			
<b>CASH SURPLUS (+)/DEFICIT (-)</b>		<b>- 47 395</b>	<b>860 008</b>
Acquisitions under finance leases and similar arrangements		- 3 114	- 522 909
<b>ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements</b>		<b>- 50 509</b>	<b>337 099</b>

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

2 Contributions for future infrastructure and superannuation requirements.

## Public Non Financial Corporation Sector

# Comprehensive Operating Statement

	2015-16	2014-15 Restated
	\$000	\$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>		
Current grants	157 308	145 744
Capital grants	97 626	24 351
Sales of goods and services	656 373	717 027
Interest income	3 789	3 217
Other revenue	48 796	83 632
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>	<b>963 891</b>	<b>973 972</b>
<i>less</i> <b>EXPENSES FROM CONTINUING OPERATIONS</b>		
Employee benefits expense	111 690	107 084
Superannuation expenses	15 781	349
Depreciation and amortisation	204 435	243 704
Other operating expenses	458 260	511 466
Interest expenses	66 632	71 795
Other property expenses	54 487	26 068
Current grants		268
Capital grants	2 487	
Subsidies and personal benefit payments	1 578	3 798
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>915 349</b>	<b>964 532</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>	<b>- 355</b>	<b>7 848</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>	<b>48 187</b>	<b>17 287</b>
<i>plus</i> Other economic flows – included in operating result	- 42 235	- 18 798
Other economic flows – included in operating result – discontinued operations	- 31 906	
<i>equals</i> <b>OPERATING RESULT</b>	<b>- 25 954</b>	<b>- 1 511</b>
<i>plus</i> Other economic flows – other comprehensive income	- 1 469 800	1 245 413
Other economic flows – other comprehensive income – discontinued operations	31 906	
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>- 1 463 848</b>	<b>1 243 902</b>
<b>NET OPERATING BALANCE</b>	<b>48 187</b>	<b>17 287</b>
<i>less</i> <b>Net acquisition of non financial assets</b>		
Purchases of non financial assets	251 730	207 056
Sales of non financial assets	- 318	- 6 724
<i>less</i> Depreciation	204 435	254 536
<i>plus</i> Change in inventories	- 379	21 569
<i>plus</i> Other movements in non financial assets	28 931	56 334
<i>equals</i> <b>Total net acquisition of non financial assets</b>	<b>75 528</b>	<b>23 699</b>
<i>equals</i> <b>FISCAL BALANCE</b>	<b>- 27 341</b>	<b>- 6 412</b>

# Public Non Financial Corporation Sector

## Balance Sheet

	2015-16	2014-15
	\$000	Restated \$000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and deposits	240 290	153 081
Advances paid		
Investments, loans and placements		
Receivables	164 072	148 210
Equity	2	2
Other financial assets		
<b>Total financial assets</b>	<b>404 365</b>	<b>301 294</b>
<b>Non financial assets</b>		
Inventories	184 870	185 249
Property, plant and equipment	3 068 248	4 345 987
Investment property		
Intangible assets	31 546	62 848
Assets held for sale		249 276
Other non financial assets	68	69
<b>Total non financial assets</b>	<b>3 284 732</b>	<b>4 843 429</b>
<b>TOTAL ASSETS</b>	<b>3 689 096</b>	<b>5 144 723</b>
<b>LIABILITIES</b>		
Deposits held	1 329	910
Advances received		
Borrowing	1 320 320	1 257 676
Superannuation		
Other employee benefits	51 882	50 502
Payables	113 943	54 800
Other liabilities	94 233	92 251
<b>TOTAL LIABILITIES</b>	<b>1 581 708</b>	<b>1 456 138</b>
<b>NET ASSETS</b>	<b>2 107 388</b>	<b>3 688 584</b>
Contributed equity	613 300	711 670
Accumulated surplus	865 324	858 011
Reserves	628 764	2 118 903
<b>TOTAL EQUITY</b>	<b>2 107 388</b>	<b>3 688 584</b>
<b>NET FINANCIAL WORTH<sup>1</sup></b>	<b>- 1 177 343</b>	<b>- 1 154 844</b>
<b>NET DEBT<sup>2</sup></b>	<b>1 081 360</b>	<b>1 105 504</b>

1 Net financial worth equals total financial assets minus total liabilities.

2 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

## Public Non Financial Corporation Sector

# Statement of Changes in Equity

	Equity at 1 July	Comprehensive Result	Transactions with Owners in their Capacity as Owners	Equity at 30 June
	\$000	\$000	\$000	\$000
<b>2015-16</b>				
<b>Accumulated funds</b>	<b>858 011</b>	<b>- 25 954</b>		<b>832 057</b>
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves		58 678		58 678
Dividends paid/payable			- 18 978	- 18 978
Other movements directly to equity		- 6 433		- 6 433
<b>Total accumulated funds</b>	<b>858 011</b>	<b>26 291</b>	<b>- 18 978</b>	<b>865 324</b>
<b>Reserves</b>				
Asset revaluation surplus	2 118 903	- 1 490 139		628 764
Asset realisation surplus				
Derivative revaluation surplus				
Investments in public sector entities revaluation surplus				
Other reserves				
<b>Total reserves</b>	<b>2 118 903</b>	<b>- 1 490 139</b>		<b>628 764</b>
<b>Capital – transactions with owners</b>	<b>711 670</b>			<b>711 670</b>
Equity injections				
Capital appropriation				
Equity transfers in			93 542	93 542
Other equity injections			160 221	160 221
Specific purpose payments				
National partnership payments				
Commonwealth – capital				
Equity withdrawals				
Capital withdrawals			94 853	94 853
Equity transfers out			257 280	257 280
<b>Total capital – transactions with owners</b>	<b>711 670</b>		<b>- 98 369</b>	<b>613 300</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>	<b>3 688 584</b>	<b>- 1 463 848</b>	<b>- 117 348</b>	<b>2 107 388</b>
<b>2014-15</b>				
<b>Accumulated funds</b>	<b>584 707</b>	<b>- 1 511</b>		<b>583 196</b>
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves		279 124		279 124
Dividends paid/payable			- 3 445	- 3 445
Other movements directly to equity		- 863		- 863
<b>Total accumulated funds</b>	<b>584 707</b>	<b>276 750</b>	<b>- 3 445</b>	<b>858 011</b>
<b>Reserves</b>				
Asset revaluation surplus	1 151 751	967 152		2 118 903
Asset realisation surplus				
Derivative revaluation surplus				
Investments in public sector entities revaluation surplus				
Other reserves				
<b>Total reserves</b>	<b>1 151 751</b>	<b>967 152</b>		<b>2 118 903</b>
<b>Capital – transactions with owners</b>	<b>563 942</b>			<b>563 942</b>
Equity injections				
Capital appropriation				
Equity transfers in			485 679	485 679
Other equity injections			402 104	402 104
Specific purpose payments				
National partnership payments				
Commonwealth – capital				
Equity withdrawals				
Capital withdrawals			232 480	232 480
Equity transfers out			507 576	507 576
<b>Total capital – transactions with owners</b>	<b>563 942</b>		<b>147 728</b>	<b>711 670</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>	<b>2 300 400</b>	<b>1 243 902</b>	<b>144 282</b>	<b>3 688 584</b>



# Public Non Financial Corporation Sector

## Cash Flow Statement

	2015-16	2014-15 Restated
	\$000	\$000
<b>Cash receipts from operating activities</b>		
Receipts from sales of goods and services	630 932	766 654
Grants and subsidies received	253 489	174 585
Interest receipts	3 894	3 905
Other receipts	18 091	49 195
<b>Total operating receipts</b>	<b>906 405</b>	<b>994 339</b>
<b>Cash payments for operating activities</b>		
Income tax equivalents paid	- 42 421	- 17 612
Payments for employees	- 135 082	- 131 749
Payment for goods and services	- 290 669	- 528 007
Grants and subsidies paid	- 1 578	- 4 066
Interest paid	- 67 097	- 76 838
Other payments	- 128 534	- 3 949
<b>Total operating payments</b>	<b>- 665 381</b>	<b>- 762 221</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>241 024</b>	<b>232 118</b>
<b>Cash flows from investments in non financial assets</b>		
Sales of non financial assets	318	6 724
Purchases of non financial assets	- 251 730	- 205 751
<b>Net cash flows from investments in non financial assets</b>	<b>- 251 412</b>	<b>- 199 026</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>	<b>- 10 388</b>	<b>33 092</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>	- 8 237	- 10 245
Net cash flows from investments in financial assets for liquidity purposes		
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>- 259 649</b>	<b>- 209 271</b>
Net cash flows from financing activities		
Advances received (net)		
Borrowing (net)	61 486	- 164 659
Deposits received (net)	419	- 9 093
Dividends paid	- 21 440	- 16 799
Other financing (net)	65 369	169 624
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>105 835</b>	<b>- 20 928</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>	<b>87 209</b>	<b>1 920</b>
Net cash flows from operating activities	241 024	232 118
Net cash flows from investments in non financial assets	- 251 412	- 199 026
Dividends paid	- 21 440	- 16 799
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 31 828</b>	<b>16 293</b>
<b>Additional information to the Cash Flow Statement</b>		
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 31 828</b>	<b>16 293</b>
Acquisitions under finance leases and similar arrangements	- 1 159	
<b>ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements</b>	<b>- 32 986</b>	<b>16 293</b>

<sup>1</sup> Includes equity acquisitions, disposals and privatisations (net).

## Non Financial Public Sector

# Comprehensive Operating Statement

	2015-16	2014-15
	\$000	Restated \$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>		
Taxation revenue	598 147	705 621
Current grants	4 354 732	4 157 194
Capital grants	338 948	241 355
Sales of goods and services	1 014 948	974 666
Interest income	101 573	89 399
Dividend and income tax equivalent income	24 132	173 571
Other revenue	302 197	587 295
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>	<b>6 734 678</b>	<b>6 929 101</b>
<i>less</i> <b>EXPENSES FROM CONTINUING OPERATIONS</b>		
Employee benefits expense	2 265 387	2 141 183
Superannuation expenses		
Superannuation interest cost	111 465	126 115
Other superannuation expenses	242 918	206 503
Depreciation and amortisation	527 023	557 255
Other operating expenses	1 811 236	1 698 987
Interest expenses	297 548	314 462
Other property expenses	1 981	2 055
Current grants	892 350	826 965
Capital grants	139 506	47 939
Subsidies and personal benefit payments	124 965	120 839
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>6 414 378</b>	<b>6 042 304</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>	<b>1 990</b>	<b>14 389</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>	<b>322 290</b>	<b>901 187</b>
<i>plus</i> Other economic flows – included in operating result	- 186 743	1 332
<i>plus</i> Other economic flows – included in operating result – discontinued operations	68 316	
<i>equals</i> <b>OPERATING RESULT</b>	<b>203 862</b>	<b>902 518</b>
<i>plus</i> Other economic flows – other comprehensive income	- 1 659 639	2 456 137
<i>plus</i> Other economic flows – other comprehensive income – discontinued operations	119 942	
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>- 1 335 835</b>	<b>3 358 655</b>
<b>NET OPERATING BALANCE</b>	<b>322 290</b>	<b>901 187</b>
<i>less</i> <b>Net acquisition of non financial assets</b>		
Purchases of non financial assets	993 470	679 911
Sales of non financial assets	- 48 927	- 85 953
<i>less</i> Depreciation	527 023	568 088
<i>plus</i> Change in inventories	1 544	21 829
<i>plus</i> Other movements in non financial assets	- 18 711	567 643
<i>equals</i> <b>Total net acquisition of non financial assets</b>	<b>400 353</b>	<b>615 343</b>
<i>equals</i> <b>FISCAL BALANCE</b>	<b>- 78 063</b>	<b>285 844</b>

# Non Financial Public Sector

## Balance Sheet

	2015-16	2014-15 Restated
	\$000	\$000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and deposits	623 677	610 404
Advances paid	177 967	174 933
Investments, loans and placements	2 182 185	2 368 041
Receivables	493 521	415 535
Equity		
Investments in other public sector entities	21 631	21 631
Investments – other	2	2
Other financial assets	16 249	
<b>Total financial assets</b>	<b>3 515 232</b>	<b>3 590 547</b>
<b>Non financial assets</b>		
Inventories	198 340	196 796
Property, plant and equipment	16 748 539	17 669 162
Investment property	110 694	120 043
Intangible assets	31 547	62 849
Assets held for sale	26 141	284 582
Other non financial assets	122 646	122 354
<b>Total non financial assets</b>	<b>17 237 906</b>	<b>18 455 786</b>
<b>TOTAL ASSETS</b>	<b>20 753 138</b>	<b>22 046 333</b>
<b>LIABILITIES</b>		
Deposits held	122 412	96 957
Advances received	293 464	326 315
Borrowing	4 417 711	4 968 919
Superannuation	4 263 850	3 837 114
Other employee benefits	643 755	669 382
Payables	308 032	223 930
Other liabilities	928 461	812 427
<b>TOTAL LIABILITIES</b>	<b>10 977 684</b>	<b>10 935 044</b>
<b>NET ASSETS</b>	<b>9 775 454</b>	<b>11 111 289</b>
Contributed equity		
Accumulated surplus	2 787 398	2 815 947
Reserves	6 988 056	8 295 342
<b>NET WORTH</b>	<b>9 775 454</b>	<b>11 111 289</b>
NET FINANCIAL WORTH <sup>1</sup>	- 7 462 452	- 7 344 497
NET FINANCIAL LIABILITIES <sup>2</sup>	7 484 083	7 366 127
<b>NET DEBT<sup>3</sup></b>	<b>1 849 757</b>	<b>2 238 813</b>

<sup>1</sup> Net financial worth equals total financial assets minus total liabilities.

<sup>2</sup> Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

<sup>3</sup> Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

## Non Financial Public Sector

# Statement of Changes in Equity

	Note	Equity at 1 July	Comprehensive Result	Transactions with Owners in their Capacity as Owners	Equity at 30 June
		\$000	\$000	\$000	\$000
<b>2015-16</b>					
<b>Accumulated funds</b>		<b>2 815 947</b>	<b>203 862</b>		<b>3 019 809</b>
Changes in accounting policy					
Correction of prior period errors					
Transfers from reserves			172 004		172 004
Dividends paid/payable					
Other movements directly to equity			- 404 415		- 404 415
<b>Total accumulated funds</b>		<b>2 815 947</b>	<b>- 28 549</b>		<b>2 787 398</b>
<b>Reserves</b>					
Asset revaluation surplus		8 291 794	- 1 324 608		6 967 187
Asset realisation surplus					
Derivative revaluation surplus					
Investments in public sector entities revaluation surplus		2 917			2 917
Other reserves		631	17 321		17 952
<b>Total reserves</b>		<b>8 295 342</b>	<b>- 1 307 286</b>		<b>6 988 056</b>
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation					
Equity transfers in					
Other equity injections					
Specific purpose payments					
National partnership payments					
Commonwealth – capital					
Equity withdrawals					
Capital withdrawals					
Equity transfers out					
<b>Total capital – transactions with owners</b>					
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>11 111 289</b>	<b>- 1 335 835</b>		<b>9 775 454</b>
<b>2014-15 – Restated</b>					
<b>Accumulated funds</b>		<b>1 137 237</b>	<b>902 518</b>		<b>2 039 755</b>
Changes in accounting policy					
Correction of prior period errors	42		- 32 095		- 32 095
Transfers from reserves			1 007 535		1 007 535
Dividends paid/payable					
Other movements directly to equity			- 199 248		- 199 248
<b>Total accumulated funds</b>		<b>1 137 237</b>	<b>1 678 710</b>		<b>2 815 947</b>
<b>Reserves</b>					
Asset revaluation surplus		5 911 858	2 379 936		8 291 794
Asset realisation surplus		335 482	- 335 482		
Derivative revaluation surplus					
Investments in public sector entities revaluation surplus		367 216	- 364 299		2 917
Other reserves		840	- 210		631
<b>Total reserves</b>		<b>6 615 397</b>	<b>1 679 945</b>		<b>8 295 342</b>
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation					
Equity transfers in					
Other equity injections					
Specific purpose payments					
National partnership payments					
Commonwealth – capital					
Equity withdrawals					
Capital withdrawals					
Equity transfers out					
<b>Total capital – transactions with owners</b>					
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>7 752 634</b>	<b>3 358 655</b>		<b>11 111 289</b>

# Non Financial Public Sector

## Cash Flow Statement

	2015-16	2014-15 Restated
	\$000	\$000
<b>Cash receipts from operating activities</b>		
Taxes received	579 446	712 380
Receipts from sales of goods and services	1 005 283	1 050 964
Grants and subsidies received	4 693 438	4 399 927
Interest receipts	99 831	89 053
Dividends and income tax equivalents	36 129	175 770
Other receipts	509 971	776 765
<b>Total operating receipts</b>	<b>6 924 097</b>	<b>7 204 858</b>
<b>Cash payments for operating activities</b>		
Payments for employees	- 2 614 683	- 2 450 121
Payment for goods and services	- 1 875 113	- 1 980 254
Grants and subsidies paid	- 1 113 306	- 975 136
Interest paid	- 297 977	- 307 928
Other payments	- 154 833	- 21 816
<b>Total operating payments</b>	<b>- 6 055 913</b>	<b>- 5 735 255</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>868 184</b>	<b>1 469 603</b>
<b>Cash flows from investments in non financial assets</b>		
Sales of non financial assets	48 927	85 953
Purchases of non financial assets	- 996 334	- 679 256
<b>Net cash flows from investments in non financial assets</b>	<b>- 947 407</b>	<b>- 593 302</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>	<b>- 79 223</b>	<b>876 301</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>	479 064	501 069
Net cash flows from investments in financial assets for liquidity purposes	176 303	- 795 382
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>- 292 039</b>	<b>- 887 616</b>
Net cash flows from financing activities		
Advances received (net)	- 32 851	- 13 141
Borrowing (net)	- 555 475	- 55 192
Deposits received (net)	25 454	- 563 349
Other financing (net)		1
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 562 872</b>	<b>- 631 681</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>	<b>13 272</b>	<b>- 49 693</b>
Net cash flows from operating activities	868 184	1 469 603
Net cash flows from investments in non financial assets	- 947 407	- 593 302
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 79 223</b>	<b>876 301</b>
Future infrastructure and superannuation contributions/earnings <sup>2</sup>	- 22 263	- 31 221
<b>UNDERLYING SURPLUS (+)/DEFICIT (-)</b>	<b>- 101 486</b>	<b>845 080</b>
<b>Additional information to the Cash Flow Statement</b>		
CASH SURPLUS (+)/DEFICIT (-)	- 79 223	876 301
Acquisitions under finance leases and similar arrangements	- 4 273	- 522 909
<b>ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements</b>	<b>- 83 496</b>	<b>353 392</b>

<sup>1</sup> Includes equity acquisitions, disposals and privatisations (net).

<sup>2</sup> Contributions for future infrastructure and superannuation requirements.

## Public Financial Corporation Sector

# Comprehensive Operating Statement

	2015-16	2014-15 Restated
	\$000	\$000
<b>REVENUE</b>		
Current grants		
Capital grants		
Sales of goods and services	820	128 517
Interest income	238 408	341 222
Other revenue	2	2 665
<b>TOTAL REVENUE</b>	<b>239 230</b>	<b>472 405</b>
<i>less</i> <b>EXPENSES</b>		
Employee benefits expense	762	12 423
Superannuation expenses	86	8 085
Depreciation and amortisation		1 152
Other operating expenses	1 420	131 293
Interest expenses	212 830	251 709
Other property expenses	7 240	9 972
Current grants		2 155
Capital grants		
Subsidies and personal benefit payments		
<b>TOTAL EXPENSES</b>	<b>222 338</b>	<b>416 789</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>	<b>16 892</b>	<b>55 616</b>
<i>plus</i> Other economic flows – included in operating result		- 245 927
<i>equals</i> <b>OPERATING RESULT</b>	<b>16 892</b>	<b>- 190 311</b>
<i>plus</i> Other economic flows – other comprehensive income		- 8 698
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>16 892</b>	<b>- 199 009</b>
<b>NET OPERATING BALANCE</b>	<b>16 892</b>	<b>55 616</b>
<i>less</i> <b>Net acquisition of non financial assets</b>		
Purchases of non financial assets		680
Sales of non financial assets		- 3 635
<i>less</i> Depreciation		1 152
<i>plus</i> Change in inventories		
<i>plus</i> Other movements in non financial assets		
<i>equals</i> <b>Total net acquisition of non financial assets</b>		<b>- 4 107</b>
<i>equals</i> <b>FISCAL BALANCE</b>	<b>16 892</b>	<b>59 723</b>

# Public Financial Corporation Sector

## Balance Sheet

	2015-16	2014-15
	\$000	Restated \$000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and deposits	39 128	19 436
Advances paid	76 354	85 025
Investments, loans and placements	3 963 594	4 536 947
Receivables	5 899	6 618
Equity		
Other financial assets		
<b>Total financial assets</b>	<b>4 084 974</b>	<b>4 648 026</b>
<b>Non financial assets</b>		
Inventories		
Property, plant and equipment		
Investment property		
Intangible assets		
Assets held for sale		
Other non financial assets		
<b>Total non financial assets</b>		
<b>TOTAL ASSETS</b>	<b>4 084 974</b>	<b>4 648 026</b>
<b>LIABILITIES</b>		
Deposits held	521	470
Advances received	223 273	230 062
Borrowing	3 768 272	4 305 912
Superannuation		
Other employee benefits	139	203
Payables	47 005	53 619
Other liabilities	24 134	36 130
<b>TOTAL LIABILITIES</b>	<b>4 063 344</b>	<b>4 626 396</b>
<b>NET ASSETS</b>	<b>21 631</b>	<b>21 631</b>
Contributed equity	18 714	18 714
Accumulated surplus	2 917	2 917
Reserves		
<b>TOTAL EQUITY</b>	<b>21 631</b>	<b>21 631</b>
<b>NET FINANCIAL WORTH<sup>1</sup></b>	<b>21 631</b>	<b>21 631</b>
<b>NET DEBT<sup>2</sup></b>	<b>- 87 009</b>	<b>- 104 965</b>

1 Net financial worth equals total financial assets minus total liabilities.

2 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.



## Public Financial Corporation Sector

# Statement of Changes in Equity

	Equity at 1 July	Comprehensive Result	Transactions with Owners in their Capacity as Owners	Equity at 30 June
	\$000	\$000	\$000	\$000
<b>2015-16</b>				
<b>Accumulated funds</b>	<b>2 917</b>	<b>16 892</b>		<b>19 809</b>
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves				
Dividends paid/payable			- 16 892	- 16 892
Other movements directly to equity				
<b>Total accumulated funds</b>	<b>2 917</b>	<b>16 892</b>	<b>- 16 892</b>	<b>2 917</b>
<b>Reserves</b>				
Asset revaluation surplus				
Asset realisation surplus				
Derivative revaluation surplus				
Investments in public sector entities revaluation surplus				
Other reserves				
<b>Total reserves</b>				
<b>Capital – transactions with owners</b>	<b>18 714</b>			<b>18 714</b>
Equity injections				
Capital appropriation				
Equity transfers in				
Other equity injections				
Specific purpose payments				
National partnership payments				
Commonwealth – capital				
Equity withdrawals				
Capital withdrawals				
Equity transfers out				
<b>Total capital – transactions with owners</b>	<b>18 714</b>			<b>18 714</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>	<b>21 631</b>	<b>16 892</b>	<b>- 16 892</b>	<b>21 631</b>
<b>2014-15</b>				
<b>Accumulated funds</b>	<b>331 350</b>	<b>- 190 311</b>		<b>141 039</b>
Changes in accounting policy				
Correction of prior period errors				
Transfers from reserves		26 562		26 562
Dividends paid/payable			- 165 290	- 165 290
Other movements directly to equity		607		607
<b>Total accumulated funds</b>	<b>331 350</b>	<b>- 163 143</b>	<b>- 165 290</b>	<b>2 917</b>
<b>Reserves</b>				
Asset revaluation surplus	21 671	- 21 671		
Asset realisation surplus				
Derivative revaluation surplus				
Investments in public sector entities revaluation surplus				
Other reserves	14 195	- 14 195		
<b>Total reserves</b>	<b>35 866</b>	<b>- 35 866</b>		
<b>Capital – transactions with owners</b>	<b>58 054</b>			<b>58 054</b>
Equity injections				
Capital appropriation				
Equity transfers in			395 836	395 836
Other equity injections			199 583	199 583
Specific purpose payments				
National partnership payments				
Commonwealth – capital				
Equity withdrawals				
Capital withdrawals			600 164	600 164
Equity transfers out			34 596	34 596
<b>Total capital – transactions with owners</b>	<b>58 054</b>		<b>- 39 340</b>	<b>18 714</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>	<b>425 271</b>	<b>- 199 009</b>	<b>- 204 631</b>	<b>21 631</b>

# Public Financial Corporation Sector

## Cash Flow Statement

	2015-16	2014-15 Restated
	\$000	\$000
<b>Cash receipts from operating activities</b>		
Receipts from sales of goods and services	820	86 448
Grants and subsidies received		
Interest receipts	239 140	347 535
Other receipts	2	24
<b>Total operating receipts</b>	<b>239 962</b>	<b>434 007</b>
<b>Cash payments for operating activities</b>		
Income tax equivalents paid	- 10 839	- 12 908
Payments for employees	- 912	- 27 281
Payment for goods and services	- 1 452	- 228 478
Grants and subsidies paid		- 2 155
Interest paid	- 225 445	- 274 962
Other payments		- 1 415
<b>Total operating payments</b>	<b>- 238 648</b>	<b>- 547 198</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1 315</b>	<b>- 113 191</b>
<b>Cash flows from investments in non financial assets</b>		
Sales of non financial assets		3 635
Purchases of non financial assets		- 680
<b>Net cash flows from investments in non financial assets</b>		<b>2 955</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>	<b>1 315</b>	<b>- 110 236</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>	8 671	- 196 869
Net cash flows from investments in financial assets for liquidity purposes	573 353	1 386 731
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>582 025</b>	<b>1 192 817</b>
Net cash flows from financing activities		
Advances received (net)	- 6 788	- 6 487
Borrowing (net)	- 531 621	- 690 294
Deposits received (net)	51	- 556 208
Dividends paid	- 25 290	- 163 082
Other financing (net)		- 400 580
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 563 648</b>	<b>- 1 816 651</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>	<b>19 691</b>	<b>- 737 026</b>
Net cash flows from operating activities	1 315	- 113 191
Net cash flows from investments in non financial assets		2 955
Distributions paid	- 25 290	- 163 082
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 23 976</b>	<b>- 273 318</b>
<b>Additional information to the Cash Flow Statement</b>		
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 23 976</b>	<b>- 273 318</b>
Acquisitions under finance leases and similar arrangements		
<b>ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements</b>	<b>- 23 976</b>	<b>- 273 318</b>

<sup>1</sup> Includes equity acquisitions, disposals and privatisations (net).

## Total Public Sector

# Comprehensive Operating Statement

	Notes	2015-16 \$000	2014-15 Restated \$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Taxation revenue	2	598 147	704 590
Current grants	3	4 354 732	4 157 194
Capital grants	4	338 948	241 355
Sales of goods and services	5	1 014 328	1 096 724
Interest income		101 580	154 877
Dividend and income tax equivalent income	6		
Other revenue	7	302 155	588 408
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>		<b>6 709 889</b>	<b>6 943 148</b>
<i>less</i> <b>EXPENSES FROM CONTINUING OPERATIONS</b>			
Employee benefits expense		2 266 149	2 152 896
Superannuation expenses			
Superannuation interest cost		111 465	126 115
Other superannuation expenses		242 962	214 546
Depreciation and amortisation		527 023	558 408
Other operating expenses	8	1 811 214	1 822 267
Interest expenses		271 976	292 633
Other property expenses		1 981	3 469
Current grants	9	892 350	829 119
Capital grants	10	139 506	47 939
Subsidies and personal benefit payments	11	124 965	120 839
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<b>6 389 590</b>	<b>6 168 232</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>	12	<b>1 990</b>	<b>16 595</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>		<b>322 290</b>	<b>791 512</b>
<i>plus</i> Other economic flows – included in operating result	13	- 186 743	- 244 595
<i>plus</i> Other economic flows – included in operating result – discontinued operations	13	68 316	
<i>equals</i> <b>OPERATING RESULT</b>		<b>203 862</b>	<b>546 917</b>
<i>plus</i> Other economic flows – other comprehensive income	13	- 1 659 639	2 811 738
<i>plus</i> Other economic flows – other comprehensive income – discontinued operations	13	119 942	
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>		<b>- 1 335 835</b>	<b>3 358 655</b>
<b>NET OPERATING BALANCE</b>		<b>322 290</b>	<b>791 512</b>
<i>less</i> <b>Net acquisition of non financial assets</b>			
Purchases of non financial assets		993 470	680 592
Sales of non financial assets		- 48 927	- 89 589
<i>less</i> Depreciation	20, 22, 24	527 023	569 240
<i>plus</i> Change in inventories		1 544	21 829
<i>plus</i> Other movements in non financial assets		- 18 711	567 643
<i>equals</i> <b>Total net acquisition of non financial assets</b>		<b>400 353</b>	<b>611 235</b>
<i>equals</i> <b>FISCAL BALANCE</b>		<b>- 78 063</b>	<b>180 277</b>

# Total Public Sector Balance Sheet

	Notes	2015-16 \$000	2014-15 Restated \$000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and deposits	14	623 677	610 404
Advances paid	15	177 967	174 933
Investments, loans and placements	16	2 182 185	2 368 041
Receivables	17	469 382	379 355
Equity			
Investments in other public sector entities			
Investments – other		2	2
Other financial assets	18	16 249	
<b>Total financial assets</b>		<b>3 469 463</b>	<b>3 532 736</b>
<b>Non financial assets</b>			
Inventories	19	198 340	196 796
Property, plant and equipment	20, 25	16 748 539	17 669 162
Investment property	21, 25	110 694	120 043
Intangible assets	22, 25	31 547	62 849
Assets held for sale	23, 25	26 141	284 582
Other non financial assets	24, 25	122 646	122 354
<b>Total non financial assets</b>		<b>17 237 906</b>	<b>18 455 786</b>
<b>TOTAL ASSETS</b>		<b>20 707 369</b>	<b>21 988 522</b>
<b>LIABILITIES</b>			
Deposits held	26	83 805	77 991
Advances received	27	229 590	231 282
Borrowing	28	4 433 182	4 977 954
Superannuation	29	4 263 850	3 837 114
Other employee benefits	30	643 894	669 585
Payables	31	349 132	270 880
Other liabilities	32	928 462	812 428
<b>TOTAL LIABILITIES</b>		<b>10 931 915</b>	<b>10 877 233</b>
<b>NET ASSETS</b>		<b>9 775 454</b>	<b>11 111 289</b>
Contributed equity			
Accumulated surplus		2 790 315	2 818 864
Reserves	33	6 985 139	8 292 425
<b>NET WORTH</b>		<b>9 775 454</b>	<b>11 111 289</b>
<b>NET FINANCIAL WORTH<sup>1</sup></b>		<b>- 7 462 452</b>	<b>- 7 344 497</b>
<b>NET DEBT<sup>2</sup></b>		<b>1 762 749</b>	<b>2 133 848</b>

<sup>1</sup> Net financial worth equals total financial assets minus total liabilities.

<sup>2</sup> Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

## Total Public Sector

# Statement of Changes in Equity

	Notes	Equity at 1 July	Comprehensive Result	Transactions with Owners in their Capacity as Owners	Equity at 30 June
		\$000	\$000	\$000	\$000
<b>2015-16</b>					
<b>Accumulated funds</b>		<b>2 818 864</b>	<b>203 862</b>		<b>3 022 725</b>
Changes in accounting policy					
Correction of prior period errors					
Transfers from reserves			172 004		172 004
Dividends paid/payable					
Other movements directly to equity			- 404 415		- 404 415
<b>Total accumulated funds</b>		<b>2 818 864</b>	<b>- 28 549</b>		<b>2 790 315</b>
<b>Reserves</b>	33				
Asset revaluation surplus		8 291 794	- 1 324 608		6 967 187
Asset realisation surplus					
Derivative revaluation surplus					
Investments in public sector entities revaluation surplus					
Other reserves		631	17 321		17 952
<b>Total reserves</b>		<b>8 292 425</b>	<b>- 1 307 286</b>		<b>6 985 139</b>
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation					
Equity transfers in					
Other equity injections					
Specific purpose payments					
National partnership payments					
Commonwealth – capital					
Equity withdrawals					
Capital withdrawals					
Equity transfers out					
<b>Total capital – transactions with owners</b>					
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>11 111 289</b>	<b>- 1 335 835</b>		<b>9 775 454</b>
<b>2014-15 – Restated</b>					
<b>Accumulated funds</b>		<b>1 468 587</b>	<b>546 917</b>		<b>2 015 503</b>
Changes in accounting policy					
Correction of prior period errors	42		- 32 095		- 32 095
Transfers from reserves			1 034 097		1 034 097
Dividends paid/payable					
Other movements directly to equity			- 198 641		- 198 641
<b>Total accumulated funds</b>		<b>1 468 587</b>	<b>1 350 277</b>		<b>2 818 864</b>
<b>Reserves</b>	33				
Asset revaluation surplus		5 933 529	2 358 265		8 291 794
Asset realisation surplus		335 482	- 335 482		
Derivative revaluation surplus					
Investments in public sector entities revaluation surplus					
Other reserves		15 036	- 14 405		631
<b>Total reserves</b>		<b>6 284 047</b>	<b>2 008 378</b>		<b>8 292 425</b>
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation					
Equity transfers in					
Other equity injections					
Specific purpose payments					
National partnership payments					
Commonwealth – capital					
Equity withdrawals					
Capital withdrawals					
Equity transfers out					
<b>Total capital – transactions with owners</b>					
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>7 752 634</b>	<b>3 358 655</b>		<b>11 111 289</b>

# Total Public Sector

## Cash Flow Statement

	Notes	2015-16 \$000	2014-15 Restated \$000
<b>Cash receipts from operating activities</b>			
Taxes received		579 446	711 349
Receipts from sales of goods and services		1 004 652	1 128 826
Grants and subsidies received		4 693 438	4 399 927
Interest receipts		99 831	157 548
Dividends and income tax equivalents			
Other receipts		509 956	773 886
<b>Total operating receipts</b>		<b>6 887 322</b>	<b>7 171 537</b>
<b>Cash payments for operating activities</b>			
Payments for employees		- 2 615 596	- 2 475 539
Payment for goods and services		- 1 875 096	- 2 198 296
Grants and subsidies paid		- 1 113 306	- 977 291
Interest paid		- 284 282	- 303 850
Other payments		- 154 833	- 23 230
<b>Total operating payments</b>		<b>- 6 043 113</b>	<b>- 5 978 207</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	36	<b>844 208</b>	<b>1 193 330</b>
<b>Cash flows from investments in non financial assets</b>			
Sales of non financial assets		48 927	89 589
Purchases of non financial assets		- 996 334	- 679 936
<b>Net cash flows from investments in non financial assets</b>		<b>- 947 407</b>	<b>- 590 347</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>		<b>- 103 198</b>	<b>602 983</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>		479 064	- 96 381
Net cash flows from investments in financial assets for liquidity purposes		176 303	526 828
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>- 292 039</b>	<b>- 159 900</b>
Net cash flows from financing activities			
Advances received (net)		- 1 691	- 5 267
Borrowing (net)		- 543 019	- 700 613
Deposits received (net)		5 814	- 541 894
Other financing (net)			
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>- 538 896</b>	<b>- 1 247 773</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>		<b>13 272</b>	<b>- 214 343</b>
Net cash flows from operating activities		844 208	1 193 330
Net cash flows from investments in non financial assets		- 947 407	- 590 347
<b>CASH SURPLUS (+)/DEFICIT (-)</b>		<b>- 103 198</b>	<b>602 983</b>
Future infrastructure and superannuation contributions/earnings <sup>2</sup>		- 22 263	- 31 221
<b>UNDERLYING SURPLUS (+)/DEFICIT (-)</b>		<b>- 125 461</b>	<b>571 761</b>
<b>Additional information to the Cash Flow Statement</b>			
<b>CASH SURPLUS (+)/DEFICIT (-)</b>		<b>- 103 198</b>	<b>602 983</b>
Acquisitions under finance leases and similar arrangements		- 4 273	- 522 909
<b>ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements</b>		<b>- 107 471</b>	<b>80 073</b>

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

2 Contributions for future infrastructure and superannuation requirements.





# Notes to the Financial Statements



# Notes to the Financial Statements

For the year ended 30 June 2016

## Note 1: Statement of Significant Accounting Policies

The following summary sets out the significant accounting policies adopted in the Treasurer's Annual Financial Statements (TAFS).

### a) Statement of Compliance

#### i) Compliance Framework

The 2015-16 TAFS general purpose financial statements have been prepared in accordance with all standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period. In particular, the financial statements are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

The Government Finance Statistics (GFS) information included in this report is based on the Australian Bureau of Statistics (ABS) publications: Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005 and Amendments to Australian System of Government Finance Statistics, 2005 (ABS Catalogue No. 5514.0) (the GFS Manual).

The purpose of this financial report is to provide users with information about the Government's stewardship of, and accountability for, resources entrusted to it, and information about its financial position, performance and cash flows.

The following new and revised accounting standards and interpretations were effective for the first time in 2015-16:

#### [AASB 1048 Interpretation of Standards](#)

This reflects amended versions of interpretations arising in relation to amendments to AASB 9 Financial Instruments and consequential amendments arising from the issuance of AASB 15 Revenue from Contracts with Customers. The standard does not impact the financial statements.

#### [AASB 2013-9 Amendments to Australian Accounting Standards \(Part C Financial Instruments\)](#)

Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. The standard does not impact the financial statements.

#### [AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9](#)

This standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010). These amendments arise from the issuance of AASB 9 Financial Instruments in December 2014. The standard does not impact the financial statements.

#### [AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality](#)

The standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing the standard to effectively be withdrawn. The standard does not impact the financial statements.

## Note 1 (continued)

**AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent**

Amendments are made to AASB 128 Investments in Associates and Joint Ventures to require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. The standard does not impact the financial statements.

**AASB 2014-1 Amendments to Australian Accounting Standards (Part E – Financial Instruments)**

Part E of this Standard defers the application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The standard does not impact the financial statements.

**Compliance with International Financial Reporting Standards**

A statement of compliance with the International Financial Reporting Standards (IFRS) cannot be made due to the application of the not-for-profit requirements contained within Australian Accounting Standards (no equivalent requirements exist in IFRS).

**ii) Standards and Interpretations Issued but not yet Effective**

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective.

The following standards and interpretations are not likely to have a significant impact on the TAFS for future reporting periods, but the exact impact is yet to be determined:

Standard/interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018
AASB 1056 Superannuation Entities	1 July 2016
AASB 14 Regulatory Deferral Accounts	1 January 2016
AASB 1057 Application of Accounting Standards	1 January 2016
AASB 2014-1 Amendments to Australian Accounting Standards (Part D Consequential arising from AASB 14 Regulatory Deferral Accounts)	1 January 2016
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (AASB 1 and AASB 11)	1 January 2016
AASB 2014-16 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants (AASB 101, 116, 117, 123, 136, 140 and 141)	1 January 2016
AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception (AASB 10, 12 and 128)	1 January 2016
AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs (AASB 8, 133 and 1057)	1 January 2016
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2016
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112)	1 January 2017

## Note 1 (continued)

The following standards and interpretations are expected to have a potential impact on the TAFS for future reporting periods, but the exact impact is yet to be determined:

Standard/interpretation	Effective for annual reporting periods beginning on or after	Impact	Expected to be initially applied in the financial year ending
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 10, 124 and 1049)	1 July 2016	New note disclosure to include remuneration of Key Management Personnel (KMP) and related party transactions.	30 June 2017
2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	New disclosure on the reconciliation of the changes in liabilities arising from financing activities.	30 June 2018
AASB 16 Leases	1 January 2019	Reclassification of operating leases greater than 12 months to finance lease reporting requirements.	30 June 2020
AASB 9 Financial Instruments	1 January 2018	Simplified requirements for classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier as opposed to only when incurred.	30 June 2019
AASB 15 Revenue from Contracts with Customers	1 January 2018	Requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	30 June 2019
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (AASB 116 and AASB 138)	1 January 2016	Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated and clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.	30 June 2017
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-14 Cycle (AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 and 140)	1 January 2016	The amendments include AASB 5 change in methods of disposal; AASB 7 Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 Discount rate: regional market issue and AASB 134 Disclosure of information 'elsewhere in the interim financial report'.	30 June 2017

## Note 1 (continued)

### b) The Government Reporting Entity

In accordance with AASB 1049 Whole of Government and General Government Sector Financial Reporting, the financial statements cover the total public sector, comprising the general government, public non financial corporations and public financial corporations sectors. The sectors are determined in accordance with the principles and rules contained in the GFS Manual. All sectors are considered to be not-for-profit for financial reporting purposes.

Financial information, in the form of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement, is presented for each of these reporting sectors. Notes to the financial statements are presented for the total public sector and the general government sector.

Note 41 Details of Controlled Entities at Reporting Date contains a full list of entities forming each of the sectors listed below.

#### General Government Sector (GGS)

Entities that are mainly engaged in the production of goods or services outside the normal market mechanism. Goods and services are generally provided free of charge or at nominal charges well below costs of production. It also includes certain activities, government business divisions and government-controlled enterprises that operate in a cost-recovery environment observing competitive neutrality principles, but closely aligned to the operations of general government.

#### Public Non Financial Corporations (PNFC) Sector

A public enterprise primarily engaged in the production of goods or services of a non financial nature, for sale in the market place at prices that aim to recover most of the costs involved.

#### Non Financial Public Sector (NFPS)

This sector is formed through a consolidation of the general government and public non financial corporation's sub-sectors. This process eliminates transactions between the two sectors.

#### Public Financial Corporations (PFC) Sector

Government-controlled entities that perform central bank functions and or have the authority to incur liabilities and acquire financial assets in the market on their own account.

#### Total Public Sector

The total public sector is formed through a consolidation of all sectors of government. This process eliminates transactions and balances between sectors.

### c) Basis of Preparation

The financial statements have been prepared in accordance with the fair value basis of accounting with certain exceptions as described in the accounting policies set below.

The accounts have been prepared using the accrual basis of accounting applying the going concern assumption.

## Note 1 (continued)

### d) Basis of Consolidation

Reporting entities controlled by the Territory are consolidated within these financial statements and are included in a specific reporting sector and the total public sector.

Where control of an entity is obtained during a financial year, the results of that entity are included in the Comprehensive Operating Statement from the date on which control commenced. Where control of an entity ceases during a financial year, the entity's results are included for the part of the year for which control existed.

All material revenues, expenses, assets, liabilities and equity of the Government, including entities controlled by the Government, are included in the financial statements, and as part of the consolidation process, material transactions and balances between government controlled entities are eliminated. Where necessary, adjustments are made to the financial statements of controlled entities to bring their accounting policies in line with the reporting entities controlled by the Territory.

### e) Comparatives

Where necessary, comparative information for the 2014-15 financial year has been restated to provide consistency with current year disclosures.

As a result of the finalisation of the long-term lease of the Port of Darwin during 2015-16, the Darwin Port Corporation's operations have been classified as discontinuing and in accordance with AASB 5 the 2014-15 comparative information has been restated. In addition, total liabilities have been restated in 2014-15 to incorporate an increase in outstanding claims liability related to MACC. The restatement is a result of a correction associated with calculating the claims handling expense following outsourcing the claims administration from 1 January 2015. The comparative restated financial statements reflecting discontinued operations and revised outstanding claims liability relating to MACC are disclosed in Note 42.

During 2014-15 the Power and Water Corporation (PWC) changed its accounting policy with regards to its measurement of property, plant and equipment.

As a result, at the time of finalising the 2014-15 TAFS there were a number of unresolved issues raised by the Auditor-General regarding the values reported in PWC's Balance Sheet at 30 June 2015, which resulted in a Disclaimer of Opinion at the public non financial corporations sector being issued in the 2014-15 TAFS.

PWC did not finalise their 2014-15 audited financial statements until late in the 2015-16 financial year, resulting in different values for property, plant and equipment recorded in the statements subsequently compared to TAFS.

In accordance with AASB 108 these changes in property, plant and equipment values have been treated as a change in accounting estimate and as such have been adjusted prospectively in this report during 2015-16.

At the time of finalising the 2014-15 TAFS, the value of Indigenous Essential Services Pty Ltd (IES) property, plant and equipment incorporated in the TAFS totalled \$943.7 million. This included \$242 million in assets, which were later removed by IES on the basis that it was uncertain as to their existence at the time of the financial statements being signed by the Directors of the Company.

Consequently, the balances contained in IES' 2014-15 final accounts, which weren't completed until June 2016, vary from the balances contained in the 2014-15 TAFS.



## Note 1 (continued)

Subsequent to the finalisation of their 2014-15 accounts, IES has been able to verify the existence of items of property, plant and equipment with a net book value of \$151.9 million at 30 June 2015. As a result IES has elected to restate their balances for the comparative year leaving an unsubstantiated variance of \$69.4 million.

IES are continuing with their Fixed Asset Rectification Program, this improvement program is ongoing and is expected to be completed by 30 June 2017. Given the ongoing nature of this program and the lack of clarity regarding the variance of \$69 million between IES restated financials and the 2014-15 TAFS, it is the Department of Treasury and Finance's view that it is impractical to determine the value and period of specific effects of the error and therefore has elected to correct the error prospectively in this report.

### Presentation and Rounding of Amounts

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

#### f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2015-16 as a result of management decisions. The order of the note disclosures has been changed to more closely align with the order in which they appear in the financial statements.

#### g) Accounting Judgements and Estimates

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

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

- Superannuation liabilities – Note 1 (r) and Note 29: Assumptions are made regarding discount rate, salary rate, expected return on scheme assets, inflation and imputed cost of interest.
- Other employee benefits – Note 1 (s) and Note 30: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels, and employee periods of service.
- Property, plant and equipment – Note 1 (o): The fair value of land, buildings, infrastructure, utility assets and property, plant and equipment are determined on significant assumptions of the exit price and risks in the perspective of a market participant, using the best information available.
- Other liabilities – Note 1 (u) and Note 32: Outstanding claim liabilities associated with the Motor Accidents Compensation (MAC) Scheme and the Nominal Insurer are reported at net present value based on actuarial assumptions.

## Note 1 (continued)

- Contingent liabilities – Note 1 (aa) and Note 35: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Commonwealth Government bond rate.
- Allowance for impairment – Note 1 (l); Note 15 Advances Paid; Note 16 Investments, Loans and Placements; Note 17 Receivables; and Note 37 Financial Instruments and Risk Management: The allowance represents debts likely to be uncollectible and considered doubtful. Debtors are grouped according to their age profile and history of previous financial difficulties.
- Depreciation and amortisation – Note 1 (j); Note 20 Property, Plant and Equipment; Note 22 Intangible Assets; and Note 24 Other Non Financial Assets.

### h) Revenue from Transactions

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

#### Taxation

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

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

The deferred tax assets and deferred tax liabilities of the public non financial corporation and public financial corporation entities are not recognised. Rather, tax payments in relation to these entities are recognised when payable. This is eliminated upon consolidation within the total public sector.

#### Grants and Other Contributions

Grants, subsidies, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Government obtains control over the assets comprising the contributions.

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

Contributions of assets and contributions to assist in the acquisition of assets (capital grants), being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as revenue when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

#### Sale of Goods

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

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

## Note 1 (continued)

**Rendering of Services**

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

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

**Interest Income**

Interest and other investment income is recognised as it accrues, using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Fees and Fines**

Revenue from regulatory fees and fines is recognised and recorded when control over the regulatory fee or fine is obtained.

**i) Expenses from Transactions****Depreciation and Amortisation**

Items of property, plant and equipment, including buildings but excluding land and non current assets held for sale, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Investment properties are not subject to depreciation.

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

The estimated useful lives for each class of asset are summarised below for agencies and other consolidated entities:

	Entities Subject to FMA <sup>1</sup>	Other Consolidated Entities
Buildings	10 to 100 years	3 to 93 years
Infrastructure assets	8 to 70 years	n.a.
Plant and equipment	1 to 20 years	2 to 20 years
Assets under finance lease	3 to 40 years	n.a.
Cultural assets	100 years	n.a.
Utility assets	n.a.	1 to 100 years
Intangibles	2 to 10 years	1 to 21 years

n.a.: not applicable

<sup>1</sup> *Financial Management Act.*

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

**Interest Expenses**

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

**Other Expenses**

Other expenses from transactions include employee and other entitlements, property expenses, transfer of grants and subsidies, purchase of goods and services and other operating expenses.

## Note 1 (continued)

### j) Discontinuing Operations

The financial impact of discontinuing operations is disclosed in summary on the face of the Comprehensive Operating Statement and the Balance Sheet in accordance with AASB 5 Non Current Assets Held for Sale and Discontinued Operations. Note 12 discloses further detail for each discontinued operation.

### k) Other Economic Flows

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. Other economic flows include the following items:

#### Disposal of Non Financial Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

#### Revaluation of Non Financial Assets

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

- land;
- buildings;
- infrastructure assets;
- heritage and cultural assets;
- investment properties;
- biological assets; and
- intangibles.

The above classes of non current assets include certain new assets initially recognised at cost. Such new assets will continue to be measured at cost, which is deemed to equate to fair value, until the next revaluation for that asset class occurs.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value. Historical cost includes expenditure directly attributable to the acquisition of the items.

Independent valuations are obtained for key general government land, building and infrastructure assets in line with agency internal valuation policies and program. Valuations are in accordance with the fair value basis, with most general government building and infrastructure assets valued at depreciated replacement cost. Parcels of land are valued based on existing land use.

Selected electrical network infrastructure, water and sewerage assets, gas pipeline assets and remote generation assets for Power and Water Corporation are valued using the Income approach. The Income approach converts future amounts (for example, cash flows or income expenses) to a single current (that is, discounted) amount. When the Income approach is used, the fair value measurement reflects current market expectations about those future amounts (refer Note 25 (a)(ii) and Note 25 (b)(ii) for valuation techniques).

A revaluation of urban public housing rental properties and remote government employee housing rental dwellings was completed at 30 June 2016, the results of which are reflected in these financial statements.

Net revaluation movement of investment properties are classified as 'other economic flows – included in operating result'; whereas, net revaluation movement of other non financial assets are recognised as 'other economic flows – other comprehensive income'.

## Note 1 (continued)

### Other Value-Based Changes

These include changes in the value of financial instruments measured at fair value (refer Note 1 (w)), changes in unfunded employee entitlements because of changes in the long-term bond rate and other actuarial assumptions (refer Note 1 (r)) and changes in the fair value of investment property due to market value changes (refer Note 1 (o)).

### Impairment of Assets

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

Non current physical and intangible assets are assessed for indicators of impairment on an annual basis or whenever there is an indication of impairment.

If an indicator of impairment exists, the asset's recoverable amount is required to be determined. As the public sector is a not-for-profit entity, unless an asset has been identified as a surplus asset, the asset's recoverable amount is determined as the higher of the asset's depreciated 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.

In certain situations, an impairment loss may subsequently be reversed. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### l) 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 or liabilities.

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

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

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

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

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

Level 3 – inputs are unobservable.

## Note 1 (continued)

### m) Financial Assets

#### Cash and Deposits

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments readily convertible to cash, which are subject to an insignificant risk of changes in value. Cash at bank includes monies held in the Accountable Officers' Trust Account ultimately payable to the beneficial owner (refer also to Note 26).

#### Advances Paid

Advances paid include investments in financial assets with the aim of funding particular enterprise, household or government activities. Advances paid are recorded at cost less allowance for impairment.

The allowance for impairment losses represents the amount of advances paid likely to be uncollectible and considered doubtful. The collectability of advances paid is reviewed regularly and part of this process is to assess, at reporting date, whether an allowance for impairment loss is required.

#### Investments, Loans and Placements

Investments, loans and placements include investments in financial assets for liquidity management purposes.

Securities 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.

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

Interest income is applied using the effective interest rate.

#### Receivables

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

The allowance for impairment losses represents the amount of receivables likely to be uncollectible and considered doubtful. The collectability of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for impairment loss is required.

### n) Non Financial Assets

#### Inventories

Inventories include assets held either for sale or distribution at no or nominal consideration in the ordinary course of business operations including land held for sale by the Land Development Corporation.

Inventories are valued at the lower of cost and net realisable value, except for those held for distribution, which are carried at the lower of cost and current replacement cost. The cost of inventories held for distribution are assigned using a mixture of first in, first out, a weighted average cost formula or using specific identification of individual costs. The net realisable value of land inventories held for sale represent the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Inventory held for distribution is regularly assessed for obsolescence and loss.

## Note 1 (continued)

### Land Under Roads

Where land is set aside as Land Under Roads from Crown land for which no consideration has been paid, no asset has been recognised in the financial statements on the basis that the land does not satisfy the reliable measurement criterion. However, where land has been acquired at cost for the purpose of Land Under Roads then these are recognised as assets and are initially measured at cost and subsequently impaired whenever there is an indication of impairment. Depreciation is not recognised in respect of these assets as with all land assets, their service potential is never consumed during any reporting period.

### Property, Plant and Equipment

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

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

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 Government 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.

### Investment Properties

Investment property comprising property held to earn rentals within the Land Development Corporation and for capital appreciation within NT Home Ownership, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Revaluations are performed annually at the reporting date. Gains and losses arising from changes in the fair value of investment property are included in the Comprehensive Operating Statement as an 'other economic flows – included in operating result' in the period in which they arise. Any gains or losses on the retirement or disposal of an investment property are recognised in the Comprehensive Operating Statement as an 'other economic flows – included in operating result' in the period in which they arose.

The Territory's investment properties currently include NT Home Ownership's minority financial interest in urban housing acquired under various shared equity schemes. External advice was sought in relation to the accounting treatment of the Territory's financial interest in these properties and determined that these assets do not meet the definition of property, plant and equipment under AASB 116 Property, Plant and Equipment. The advice concluded that while NT Home Ownership does not hold interest in the properties for the purposes of earning rentals, NT Home Ownership's return on its investment in the properties is in the form of any capital appreciation, received when the co-owner decides to sell the property or fully repay its loan and consequently are to be classified as investment property in accordance with the requirements of AASB 140 Investment Property.

### Intangible Assets

Total public sector intangibles largely consist of purchased software and renewable energy certificates.



## Note 1 (continued)

In accordance with Commonwealth legislation, the Territory's power retailer purchases and generates renewable energy certificates. Obligations to surrender certificates are disclosed as current liabilities, while rights held are of the nature of intangible assets. The assets and liabilities held under each scheme are acquitted throughout the year. Assets remaining after the acquittal process are expected to be realised within 12 months after the date of acquittal.

Other intangible assets consist of purchased software and in-house installation thereof that meets the criteria for recognition as intangible assets. Intangible assets are originally stated at cost less accumulated amortisation and any accumulated impairment losses.

These intangible assets have limited useful lives and are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised. Assets are amortised from the date of acquisition or from the time the asset is held ready for use. Amortisation rates and methods are reviewed annually for appropriateness. When adjustments are made, they are reflected prospectively in current and future periods only.

All internally generated intangible assets have met the recognition criteria as defined under AASB 138.

### Assets Held for Sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale or granting in its present condition. Management must be committed to the sale or grant agreement, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Non-current assets (or disposal groups) held for sale are recognised at the lower of their previous carrying amount and fair value less costs to sell, in accordance with AASB 5 Non Current Assets Held for Sale and Discontinued Operations. These assets are not depreciated while they are classified as held for sale.

### Other Non Financial Assets

This category currently consists of heritage and cultural assets. Only those assets that can be reliably measured are recognised in TAFS.

### Assets Not Recognised

Financial information in relation to significant school items, such as land and buildings, has been included in TAFS. However, certain Territory Government school assets have not been included in TAFS due to the unreliability of the information.

### o) Leased Assets

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

### Finance Leases

Finance leases are capitalised and recorded under property, plant and equipment. A lease asset and a lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.



## Note 1 (continued)

Repayments of principal reduce lease liabilities. The interest components of the lease payments are expensed.

Long-term leases over Aboriginal land are recognised as assets on the Balance Sheet of the Territory and amortised accordingly over the term of the lease arrangements. A corresponding liability is recognised under Borrowings.

Darwin Convention Centre Concession Arrangements – the Territory entered into contractual arrangements with Darwin Cove Convention Centre Pty Ltd ('the concession holder') under which, in return for a right to operate a convention centre, the concession holder was required to design, finance, construct, commission, control, operate, maintain, repair and refurbish the centre at the end of the concession period prior to the transfer of the centre to the Territory.

The concession holder, in turn, entered into a contractual arrangement with Ogden IFC (Darwin) Pty Ltd, now AEG Ogden, ('the operator') to operate and manage the centre. The concession arrangement will operate for a period of 25 years until June 2033, including a three-year handover phase.

The concession holder has also entered into separate contractual arrangements with Honeywell Ltd ('the facilities manager') for the maintenance, repair and refurbishment of the facility over the period until the centre is handed over to the Territory.

The concession arrangements provide for periodic payments by the Territory to the concession holder for the life of the concession period of 25 years following the construction of the centre. These payments primarily represent payments made in respect of debt, equity, construction and maintenance aspects of the project. Up to 75 per cent of these payments are subject to abatement if the facility should be unavailable, if the facility fails to meet availability standards or if the operator fails to achieve key performance indicators.

In addition, the arrangements also provide for the payment of a Territory operating payment that comprises the net cash shortfall arising from the operation of the Convention Centre during a year, capped to a maximum contribution and subject to negotiation. The legal framework for the centre includes incentives intended to encourage the operator to exceed benchmark levels of performance.

Expenses incurred under the availability payment and operating payment arrangements are included in the Comprehensive Operating Statement for the year.

The liability under the Territory availability payment arrangement has been recognised as a liability of the Territory. This liability will reduce over the life of the concession arrangement in line with those payments that represent the principal component of the availability payment. The Territory has also recognised the Convention Centre as an asset, being the Territory's equitable interest in the underlying physical asset. That asset will be amortised on a straight-line basis over the useful life of the asset.

Darwin Correctional Precinct – the Territory entered into contractual arrangements with Sentinel ('the concession holder') for the design, construction and financing of the Darwin Correctional Precinct and provision of a range of facilities management services across the precinct.

## Note 1 (continued)

The Territory has retained responsibility for the operational management of the facilities through the Department of Correctional Services and the Department of Health.

The concession arrangement will operate for a period of 30 years until 30 June 2044 and provides for Sentinel to ensure the facilities are available and fit for purpose and provide the services set out in the Services Specifications from completion of the facilities. Failure to do so exposes Sentinel to abatement in accordance with the abatement regime set out in the Project Deed. Payment for delivery of the services is made by the Territory over the 30-year operating term in the form of a quarterly service payment (QSP) paid in arrears.

The QSPs primarily represent payments made in respect of debt, equity, construction and the maintenance aspects of the project. Expenses incurred under the payment are included in the agency's Operating Statement for the year.

The liability under the payment arrangement has been recognised as a liability of the Territory. This liability will reduce over the life of the concession arrangement in line with those payments that represent the principal component of the payment. The Territory has also recognised the Correctional Precinct as an asset, being the Territory's equitable interest in the underlying physical asset. That asset will be amortised on a straight-line basis over the useful life of the asset.

### Leases as Lessor

Port of Darwin – During 2015-16 the Territory entered into a 99-year lease arrangement with the Landbridge Group (Port lessee). Under the lease arrangement the Port lessee has the majority of the risks and rewards associated with ownership of the leased assets. Therefore the assets have been derecognised and a finance lease receivable recognised representing a residual interest in the leased assets.

### Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

### Lease Incentives

Lease incentives received under an operating lease of a building or office space are recognised as a liability. The aggregate benefits of the lease incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

## p) Financial Liabilities

Financial liabilities, such as interest-bearing liabilities, advances received and borrowings, are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any differences between the initial recognised amount and the redemption amount recognised in the Comprehensive Operating Statement over the period of the borrowing using the effective interest rate method.

### Interest-Bearing Liabilities

Interest-bearing liabilities are recorded at amortised cost, using the effective interest rate method, with the associated interest expense recognised in the reporting period in which it is payable.

### Advances Received

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

## Note 1 (continued)

**Borrowings**

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

**q) Superannuation**

Employees' superannuation entitlements are provided through either a defined contribution plan or a defined benefits plan.

**Defined Contribution Plans**

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

**Defined Benefit Plans**

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations carried out at each reporting date. The projected unit credit method calculates the accrued liability by discounting the value of the expected future benefit payments, after allowing for future salary increases, future interest and future pension increases where applicable, arising from membership completed prior to the reporting date. The discount rate used is the 10-year Commonwealth government bond rate as at 30 June 2016, which was 2.0 per cent; the equivalent rate as at 30 June 2015 was 3.0 per cent.

Actuarial gains and losses are recognised in full in the Comprehensive Operating Statement as an 'other economic flow – other comprehensive income' in the period in which they occur (refer Note 29 for further details).

The defined benefit superannuation plans include:

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

**r) Other Employee Benefits**

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

Liabilities recognised in respect of employee benefits expected to be settled wholly 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.

## Note 1 (continued)

All recreation leave and unconditional long service leave liabilities are classified as current liabilities.

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.

### s) Payables

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.

### t) Other Liabilities

Outstanding claims liabilities associated with the MAC Scheme and the Nominal Insurer are based on claims reported but not yet paid, claims incurred but not reported and the expected costs associated with settlement of those claims, all of which are reported at net present value.

Workers compensation liabilities comprise those under the *Return to Work Act*, and Comcare liabilities under Commonwealth legislation. The change in liability for the year ended 30 June 2016 is based upon 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.

### u) Equity

The values of all holdings in entities external to a sector that are controlled by that sector are included in equity. The general government sector is considered to control all other government entities. The movement in the net worth of sub-sectors (that is, the public non financial corporations and public financial corporations) is included in the value of equity for the general government sector. Similarly, the non financial public sector includes the movement in the net worth of the public financial corporations sector.

In reporting the total public sector, the Government equity in public financial and non financial corporations are eliminated upon consolidation.

### v) 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 Territory becomes a party to the contractual provisions of the financial instrument. The Territory's financial instruments include: cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings; and derivatives.

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 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. The Territory's investments, loans and placements, and borrowings are predominantly managed through the NTTC adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

## Note 1 (continued)

### Classification of Financial Instruments

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

The TAFS classifies its financial assets into the following categories:

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

Financial liabilities are classified into the following categories:

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

### Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

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

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

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

Financial assets determined as held for trading include short-term securities, bonds and other instruments and units in unlisted unit trusts.

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

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

Financial assets designated as at FVTPL includes the Conditions of Service Reserve and medium-term investments.

Financial liabilities designated as at FVTPL include deposits held excluding statutory deposits, accounts payable and accrued expenses.

## Note 1 (continued)

### Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

### Loans and Receivables

For details refer to Note 1 (n) but exclude statutory receivables.

### Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for-sale securities are measured at fair value with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

### Financial Liabilities at Amortised Cost

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

### Derivatives

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

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

### Netting of Swap Transactions

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

### Other Financial Instruments Issued by the Territory

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual agreement. The Territory's compounding products are debt instruments.

Note 37 provides additional information on financial instruments.

### w) Foreign Currency

Foreign currency transactions are initially translated into Australian currency at the date of the transaction. Amounts payable and receivable in foreign currencies at balance date are translated to Australian currency rates of exchange at 30 June.

The Government may undertake hedging to avoid or minimise adverse financial effects of movements in exchange rates. However, there were no foreign currency hedge contracts in place during the year ended 30 June 2016 (2015: nil).

## Note 1 (continued)

### x) Taxation

The Government is exempt from Commonwealth taxation with the exception of fringe benefits tax and GST.

Pursuant to National Competition Policy, the Government has implemented a tax equivalents regime that levies the equivalent of specified taxes and local government rates on certain public sector entities. Tax equivalent transactions and balances, other than taxation amounts actually payable, which are eliminated on consolidation, are excluded from these statements.

### GST

Revenues, expenses and assets are recognised net the amount of 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, 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 financial activities that 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 from, or payable to, the ATO.

### y) Commitments

Disclosures in relation to capital and other commitments, including lease commitments, are shown at Note 34.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

### z) Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the notes, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement becomes probable, a provision is recognised.

Contingent assets are not recognised in the Balance Sheet but are disclosed in the notes when inflows are probable. If inflows become virtually certain, an asset is recognised.

The amount disclosed as a contingent liability or contingent asset is the best estimate of the settlement or inflow.

### aa) Reporting Period

The reporting period for consolidated entities is the year ended each 30 June, with the exception of the Batchelor Institute of Indigenous Tertiary Education, which operates on a calendar year reporting period. Management information, which is considered reliable, was used in respect of the Institute.



	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15
	Restated		Restated	
	\$000	\$000	\$000	\$000

## Note 2: Taxation Revenue

Taxes on employers' payroll and labour force taxes	289 590	268 706	279 531	258 443
Stamp duties on financial and capital transactions	136 016	265 143	135 798	265 143
Taxes on gambling	72 996	67 990	72 996	67 990
Taxes on insurance	41 382	44 845	41 382	44 845
Motor vehicle registration fees	68 440	68 169	68 440	68 169
<b>Total taxation revenue</b>	<b>608 424</b>	<b>714 853</b>	<b>598 147</b>	<b>704 590</b>

## Note 3: Current Grants

GST revenue	3 265 569	3 224 841	3 265 569	3 224 841
Specific purpose payments	321 077	292 514	321 077	292 514
National partnerships	391 716	269 657	391 716	269 657
Other	373 069	366 004	376 370	370 182
<b>Total current grants</b>	<b>4 351 430</b>	<b>4 153 016</b>	<b>4 354 732</b>	<b>4 157 194</b>

## Note 4: Capital Grants

National partnerships	266 244	204 499	266 244	204 499
Specific purpose payments	19 080	25 944	19 080	25 944
Other	45 879	10 609	53 624	10 912
<b>Total capital grants</b>	<b>331 203</b>	<b>241 052</b>	<b>338 948</b>	<b>241 355</b>

## Note 5: Sales of Goods and Services

Fees from regulatory services	41 380	30 406	40 852	28 688
Other goods and services revenue	394 141	304 283	973 476	1 068 036
<b>Total sales of goods and services</b>	<b>435 521</b>	<b>334 688</b>	<b>1 014 328</b>	<b>1 096 724</b>

## Note 6: Dividend and Income Tax Equivalent Income

### Dividend income

Public non financial corporations sector	18 978	3 445		
Public financial corporations sector	16 892	165 290		

### Tax equivalents regime

Public non financial corporations sector	54 214	25 892		
Public financial corporations sector	7 240	8 281		
<b>Total dividend and income tax equivalent income</b>	<b>97 324</b>	<b>202 909</b>		

## Note 7: Other Revenue

Rental income	13 981	9 554	15 842	16 814
Royalty income	196 319	162 288	196 319	162 288
Fines revenue	15 602	14 273	15 602	14 273
Miscellaneous revenue	46 049	322 035	57 408	338 039
Donated assets	10 437	20 270	16 985	56 994
<b>Total other revenue</b>	<b>282 388</b>	<b>528 419</b>	<b>302 155</b>	<b>588 408</b>



General Government		Total Public Sector	
2015-16	2014-15 Restated	2015-16	2014-15 Restated
\$000	\$000	\$000	\$000

## Note 8: Other Operating Expenses

Repairs and maintenance	219 474	205 634	316 485	306 207
Property management	230 849	218 778	195 636	184 909
Purchases of goods and services	981 712	840 216	1 290 292	1 322 306
Other operating expenses	8 374	8 390	8 801	8 845
<b>Total other operating expenses</b>	<b>1 440 410</b>	<b>1 273 018</b>	<b>1 811 214</b>	<b>1 822 267</b>

## Note 9: Current Grants<sup>1</sup>

Current grants	949 688	882 629	892 350	829 119
<b>Total current grants</b>	<b>949 688</b>	<b>882 629</b>	<b>892 350</b>	<b>829 119</b>

<sup>1</sup> Current grants expenditure are general grants including grants to race clubs, state schools, independent schools and to non-profit organisations.

## Note 10: Capital Grants

General capital grants	189 406	59 726	99 525	35 678
Capital grants to charities and not-for-profit associations	11		11	
Assets transferred	61 193	31 871	39 969	12 261
<b>Total capital grants</b>	<b>250 610</b>	<b>91 597</b>	<b>139 506</b>	<b>47 939</b>

## Note 11: Subsidies and Personal Benefit Payments

Monetary transfers to households	85 030	79 961	85 030	79 961
Community service obligations and other subsidies	135 025	124 622	39 935	40 878
<b>Total subsidies and personal benefit payments</b>	<b>220 056</b>	<b>204 584</b>	<b>124 965</b>	<b>120 839</b>

## Note 12: Discontinued Operations

### a) Description

On 13 October 2015 the Territory announced the long-term lease of the Port of Darwin. The lease was finalised on 16 November 2015 with the transaction including up-front proceeds of \$506 million.

Under the terms of the agreement, the Territory will lease the East Arm Wharf and Fort Hill Wharf to Landbridge Group for 99 years. The Territory will retain Stokes Hill Wharf, Fisherman's and Hornibrook's wharves and Frances Bay facilities. The lease will expire on 15 November 2114.

The results of the Darwin Port Corporation's discontinued operations are set out below.

## Note 12 (continued)

### b) Financial Performance and Cash Flow Information

The financial performance and cash flow information presented are for the period from 1 July 2015 to 16 November 2015 (2015-16 column) and the year ended 30 June 2015 (2014-15 column). The results for the year ended 30 June 2015 were re-presented to include those operations classified as discontinued in the current year.

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15
	\$000	\$000	\$000	\$000
<b>Operating result from discontinued operations</b>				
Revenues	2 294	3 435	2 370	57 480
Expenses			379	40 885
<b>Operating result from discontinued operations</b>	<b>2 294</b>	<b>3 435</b>	<b>1 990</b>	<b>16 595</b>
<b>Cash flows of the discontinued operations</b>				
Operating activities	4 747	981	6 451	27 949
Investing activities	- 17 369	29	- 8 237	- 2 379
Financing activities	- 6 528	- 16 973	- 4 198	- 15 894

### c) Discontinued Operations Included in Comprehensive Result

#### Gain/(loss) from discontinued operations

The consideration received:

Proceeds from the transaction	390 642	482 158
Residual interest in leased assets	16 249	16 249

Less:

Book value of net assets disposed	- 390 642	- 418 963
Transaction costs	- 13 921	- 13 921
Change in value of equity investment	172 009	108 814

<b>Gain/(loss) from discontinued operations in comprehensive result</b>	<b>174 337</b>	<b>174 337</b>
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### d) The Carrying Amounts of Assets and Liabilities as at the Date of Sale

#### Derecognised under a 99-year finance lease

Property, plant and equipment	390 642	390 642
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#### Disposed through sale

Current assets (cash, receivable, prepayments, other current assets)		13 783
Property, plant and equipment		23 669
Employee liabilities		- 3 087
Trade and other payables		- 1 845
Finance lease obligation		- 4 198

<b>Net assets attributable to Port of Darwin</b>	<b>390 642</b>	<b>418 963</b>
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	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000
<b>Note 13: Other Economic Flows</b>				
Gain (loss) on sale of non financial assets	5 036	86 312	5 036	- 120 963
Bad and doubtful debt	- 13 333	- 10 238	- 16 300	- 14 513
Net actuarial gains (losses) – other	- 77 467	- 4 157	- 77 467	- 58 722
Revaluations and asset impairment	- 58 354	- 51 607	- 97 621	- 51 358
Write up (down) of inventory	- 391	- 180	- 391	961
<b>Other economic flows – included in operating result</b>	<b>- 144 509</b>	<b>20 130</b>	<b>- 186 743</b>	<b>- 244 595</b>
Gain (loss) on sale of non financial assets	100 221		68 316	
<b>Other economic flows – included in operating result – discontinued operations</b>	<b>100 221</b>		<b>68 316</b>	
<b>Items that will not be reclassified to operating result</b>				
Revaluations	165 531	1 077 302	- 1 324 608	2 022 783
Remeasurement of superannuation liability	- 397 794	- 194 275	- 397 794	- 194 275
Gain (loss) on investments in other sector entities	- 1 450 920	876 157		
Changes in accounting policies and correction of prior period errors		- 32 095		- 32 095
Other	10 518	724 091	62 762	1 015 325
<b>Other economic flows – other comprehensive income</b>	<b>- 1 672 666</b>	<b>2 451 181</b>	<b>- 1 659 639</b>	<b>2 811 738</b>
Gain (loss) on investments in other sector entities	- 31 906			
Other	119 942		119 942	
<b>Other economic flows – other comprehensive income – discontinued operations</b>	<b>88 037</b>		<b>119 942</b>	
<b>Note 14: Cash and Deposits</b>				
Cash at bank	51 747	47 589	51 747	47 589
Cash on hand	1 005	1 497	1 028	1 528
Cash on call or short-term deposit	570 901	561 288	570 901	561 288
<b>Total cash and deposits</b>	<b>623 654</b>	<b>610 374</b>	<b>623 677</b>	<b>610 404</b>

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000

## Note 15: Advances Paid

### Current

Department of Business	45	43	45	43
Department of Local Government and Community Services	667	667	667	667
Department of Primary Industry and Fisheries	6 317	1 220	6 317	1 220
Department of Sport and Recreation	20	20	20	20
Department of the Chief Minister	5 909	2 994	5 909	2 994
NT Home Ownership	3 008	2 627	3 008	2 627
/less: Allowance for impairment	- 20	- 20	- 20	- 20
	<b>15 946</b>	<b>7 551</b>	<b>15 946</b>	<b>7 551</b>

### Non current

Department of Health	300	300	300	300
Department of Transport	437	396	437	396
Department of Treasury and Finance	8 805	8 805	8 805	8 805
NT Home Ownership	162 368	167 242	162 368	167 242
/less: Allowance for impairment	- 9 889	- 9 361	- 9 889	- 9 361
	<b>162 021</b>	<b>167 382</b>	<b>162 021</b>	<b>167 382</b>
<b>Total advances paid</b>	<b>177 967</b>	<b>174 933</b>	<b>177 967</b>	<b>174 933</b>

## Note 16: Investments, Loans and Placements

### Current

Securities <sup>1</sup>	1 500 095	1 680 868	1 500 095	1 680 868
Conditions of Service Reserve (COSR) investments <sup>2</sup>	653 758	646 880	653 758	646 880
Loans <sup>3</sup>	2 000	2 000	2 000	2 000
/less: Allowance for impairment				
	<b>2 155 853</b>	<b>2 329 748</b>	<b>2 155 853</b>	<b>2 329 748</b>

### Non current

Securities <sup>1</sup>		10 000		10 000
Loans <sup>3</sup>	26 331	28 294	26 331	28 294
/less: Allowance for impairment				
	<b>26 331</b>	<b>38 294</b>	<b>26 331</b>	<b>38 294</b>
<b>Total investments, loans and placements</b>	<b>2 182 185</b>	<b>2 368 041</b>	<b>2 182 185</b>	<b>2 368 041</b>

1 Current and non-current securities are predominantly cash invested by the NTTC on behalf of the Territory Government. These investments include short-term securities, fixed-interest securities and fixed-rate notes.

2 COSR investments relate to funds set aside to fund the Territory Government's employee-related liabilities including salaries, leave entitlements, redundancy, superannuation payments and to meet similar payments. These funds are managed by three different external fund managers on behalf of the Territory Government. The value of the reserve at 31 July 2016 was estimated at \$676 million.

3 Loans largely relate to AustralAsia Railway Corporation.

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000
<b>Current</b>				
Receivables (a)	159 223	155 822	127 444	162 849
Accrued revenue	73 480	71 892	190 981	131 332
Prepaid expenses (b)	24 906	24 989	27 864	28 488
	<b>257 609</b>	<b>252 703</b>	<b>346 288</b>	<b>322 668</b>
<b>Non current</b>				
Receivables (a)	123 094	56 687	123 094	56 687
	<b>123 094</b>	<b>56 687</b>	<b>123 094</b>	<b>56 687</b>
<b>Total receivables</b>	<b>380 703</b>	<b>309 390</b>	<b>469 382</b>	<b>379 355</b>

## a) Receivables comprise:

**Current**

Accounts receivable	65 691	63 643	96 351	128 846
less: Provision for impairment	- 36 915	- 25 575	- 43 723	- 30 448
Interest receivable	4 219	2 482	4 219	2 482
GST receivable	41 637	29 231	43 893	33 753
Other receivables	84 592	86 040	26 704	28 215
	<b>159 223</b>	<b>155 822</b>	<b>127 444</b>	<b>162 849</b>

**Non current**

Other receivables	123 094	56 687	123 094	56 687
	<b>123 094</b>	<b>56 687</b>	<b>123 094</b>	<b>56 687</b>
<b>Total receivables</b>	<b>282 317</b>	<b>212 509</b>	<b>250 538</b>	<b>219 536</b>

## b) Prepaid expenses comprise:

**Current**

Prepaid salaries	1 463	1 880	1 572	2 016
Other prepayments	23 443	23 109	26 292	26 472
<b>Total prepayments</b>	<b>24 906</b>	<b>24 989</b>	<b>27 864</b>	<b>28 488</b>

Refer to Note 37(d) for aging of receivables.

## Note 18: Other Financial Assets

### Leases as Lessor

The Territory (through Department of Lands, Planning and Environment) entered into a 99-year lease agreement with the Landbridge Group to lease land assets and interest in the Port of Darwin (see also Note 12 Discontinued Operations).

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

## Note 18 (continued)

Under the terms of the lease, the leased assets will revert to the Territory at the end of 99 years. The lease terms state that all improvements done by Landbridge during the lease term vest immediately to the Territory. In addition, the Territory has the option to buy back identified port assets for a nominal amount. The Lessor also has an option to buy or lease, for nominal consideration, additional port land purchased or leased by Landbridge during the 99-year term and used for port purposes.

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15
	\$000	\$000	\$000	\$000
<b>Finance lease receivable</b>	<b>16 249</b>		<b>16 249</b>	
Future minimum lease receipts under finance leases are receivable for each of the following periods:				
Not later than one year				
Later than one year and not later than five years				
Later than five years	13 223 223		13 223 223	
Gross investment in the lease	13 223 223		13 223 223	
Less: Unearned finance income	13 206 974		13 206 974	
<b>Net investment in the lease</b>	<b>16 249</b>		<b>16 249</b>	

As the lease premium has been prepaid, the balance of finance lease receivable represents the unguaranteed residual for the Port of Darwin land-related assets accruing to the benefit of the Territory. As of 30 June 2016, no impairment losses have been recorded on the finance lease receivables.

## Note 19: Inventories

	General Government		Total Public Sector	
	Inventory	Inventory Held for Distribution	Inventory	Inventory Held for Distribution
	\$000	\$000	\$000	\$000
<b>2015-16</b>				
Carrying amount as at 1 July	447	11 099	139 731	57 065
Additions		82 603	28 794	85 555
Disposals	- 92	- 80 196	- 7 628	- 85 164
Transfers in/(out)	- 94	- 297	- 23 335	3 321
Revaluations/impairment adjustments				
<b>Carrying amount as at 30 June</b>	<b>261</b>	<b>13 209</b>	<b>137 563</b>	<b>60 777</b>
<b>2014-15</b>				
Carrying amount as at 1 July	446	10 841	118 796	56 171
Additions	70	63 309	23 318	68 641
Disposals	- 69	- 62 870	- 17 245	- 64 499
Transfers in/(out)		- 180	14 863	- 3 248
Revaluations/impairment adjustments				
<b>Carrying amount as at 30 June</b>	<b>447</b>	<b>11 099</b>	<b>139 731</b>	<b>57 065</b>

## Note 20: Property, Plant and Equipment

	Land	Buildings	Infrastructure <sup>1</sup>	Power and Water Utility Assets	Construction Works in Process	Plant and Equipment	Leased Property, Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2015-16: General Government</b>								
<b>Asset</b>								
Balance at 1 July	2 324 958	6 796 395	8 090 889		607 509	551 959	663 840	19 035 550
Additions	1 082	309	346		666 097	79 543	3 114	750 490
Disposals	- 22 802	- 1 985				- 37 009		- 61 796
Transfers in/(out)	- 15 017	285 289	109 869		- 622 277	21 881		- 220 255
Revaluations/impairment adjustments	76 309	- 81 117	167 566			- 12 958	- 9	149 792
<b>Balance at 30 June (1)</b>	<b>2 364 529</b>	<b>6 998 891</b>	<b>8 368 669</b>		<b>651 330</b>	<b>603 416</b>	<b>666 946</b>	<b>19 653 781</b>
<b>Accumulated depreciation/amortisation</b>								
Balance at 1 July		2 367 560	3 012 517			308 686	23 611	5 712 374
Depreciation/amortisation expense		191 203	63 298			54 533	13 530	322 564
Disposals						- 24 191		- 24 191
Transfers in/(out)		5 656	1 882			213		7 751
Revaluations/impairment adjustments		- 195 743	164 507			- 13 764	- 9	- 45 008
<b>Balance at 30 June (2)</b>		<b>2 368 676</b>	<b>3 242 205</b>			<b>325 477</b>	<b>37 133</b>	<b>5 973 490</b>
<b>Carrying amount at 30 June (1 - 2)</b>	<b>2 364 529</b>	<b>4 630 216</b>	<b>5 126 465</b>		<b>651 330</b>	<b>277 939</b>	<b>629 813</b>	<b>13 680 291</b>
<b>2015-16: Total Public Sector</b>								
<b>Asset</b>								
Balance at 1 July Restated	2 421 197	7 204 343	9 787 987	5 602 433	1 043 079	561 215	679 366	27 299 621
Additions	1 191	2 114	346	20 176 <sup>9</sup>	865 385 <sup>10</sup>	79 543 <sup>11</sup>	4 273	973 028
Disposals	- 22 802 <sup>2</sup>	- 1 985	- 318	- 1 348 <sup>9</sup>		- 37 009 <sup>11</sup>		- 63 462
Transfers in/(out)	- 15 017 <sup>3</sup>	328 293 <sup>5</sup>	113 008 <sup>7</sup>	208 494 <sup>9</sup>	- 943 014 <sup>10</sup>	12 759 <sup>11</sup>	- 5 114 <sup>12</sup>	- 300 590
Revaluations/impairment adjustments	76 803 <sup>4</sup>	- 114 519 <sup>6</sup>	22 216 <sup>8</sup>	- 1 204 188 <sup>9</sup>		- 12 958 <sup>11</sup>	- 9	- 1 232 655
<b>Balance at 30 June (1)</b>	<b>2 461 372</b>	<b>7 418 247</b>	<b>9 923 239</b>	<b>4 625 567</b>	<b>965 450</b>	<b>603 551</b>	<b>678 517</b>	<b>26 675 942</b>
<b>Accumulated depreciation/amortisation</b>								
Balance at 1 July Restated		2 553 742	3 879 740	2 858 365		311 945	26 667	9 630 459
Depreciation/amortisation expense		205 139	117 620	114 134		54 533 <sup>11</sup>	14 243	505 670
Disposals				- 1 348 <sup>9</sup>		- 24 191 <sup>11</sup>		- 25 539
Transfers in/(out)		3 456	- 3 575	2 113 <sup>9</sup>		- 2 911 <sup>11</sup>	- 539	- 1 456
Revaluations/impairment adjustments		- 202 709 <sup>6</sup>	81 209 <sup>8</sup>	- 46 458 <sup>9</sup>		- 13 764 <sup>11</sup>	- 9	- 181 730
<b>Balance at 30 June (2)</b>		<b>2 559 629</b>	<b>4 074 994</b>	<b>2 926 807</b>		<b>325 612</b>	<b>40 362</b>	<b>9 927 403</b>
<b>Carrying amount at 30 June (1 - 2)</b>	<b>2 461 372</b>	<b>4 858 618</b>	<b>5 848 245</b>	<b>1 698 760</b>	<b>965 450</b>	<b>277 939</b>	<b>638 155</b>	<b>16 748 539</b>

Note 20 (continued)

	Land	Buildings	Infrastructure <sup>1</sup>	Power and Water Utility Assets	Construction Works in Process	Plant and Equipment	Leased Property, Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2014-15: General Government</b>								
<b>Asset</b>								
Balance at 1 July	2 108 948	6 799 046	4 943 774		600 865	533 623	140 596	15 126 851
Additions	- 104	341	60		409 505	64 170	522 909	996 881
Disposals	- 41 412	- 12 236				- 39 148		- 92 795
Transfers in/(out)	- 15 288	24 817	331 766		- 402 860	7 542	373	- 53 650
Revaluations/impairment adjustments	272 814	- 15 573	2 815 288			- 14 229	- 38	3 058 263
<b>Balance at 30 June (1)</b>	<b>2 324 958</b>	<b>6 796 395</b>	<b>8 090 889</b>		<b>607 509</b>	<b>551 959</b>	<b>663 840</b>	<b>19 035 550</b>
<b>Accumulated depreciation/amortisation</b>								
Balance at 1 July		2 148 405	1 690 396			287 947	14 264	4 141 011
Depreciation/amortisation expense		183 240	68 167			53 124	9 007	313 538
Disposals		- 2 993				- 25 194		- 28 186
Transfers in/(out)		- 56 369	60 151			1 206	378	5 366
Revaluations/impairment adjustments		95 276	1 193 804			- 8 397	- 38	1 280 645
<b>Balance at 30 June (2)</b>		<b>2 367 560</b>	<b>3 012 517</b>			<b>308 686</b>	<b>23 611</b>	<b>5 712 374</b>
<b>Carrying amount at 30 June (1 - 2)</b>	<b>2 324 958</b>	<b>4 428 835</b>	<b>5 078 371</b>		<b>607 509</b>	<b>243 273</b>	<b>640 229</b>	<b>13 323 175</b>
<b>2014-15: Total Public Sector</b>								
<b>Asset</b>								
Balance at 1 July	2 271 812	7 334 015	5 672 237	4 410 462	1 012 688	583 621	155 787	21 440 621
Additions	44	341	60	14 620	588 155	64 851	522 909	1 190 981
Disposals	- 41 412	- 12 236				- 49 356		- 103 003
Transfers in/(out)	- 8 639	49 166	389 239	181 266	- 557 764	8 656	708	62 631
Assets reclassified to held for sale	- 76 984	- 44 137	- 111 870			- 31 998		- 264 990
Revaluations/impairment adjustments	276 376	- 122 805	3 838 321	996 085		- 14 559	- 38	4 973 381
<b>Balance at 30 June (1) Restated</b>	<b>2 421 198</b>	<b>7 204 343</b>	<b>9 787 987</b>	<b>5 602 433</b>	<b>1 043 079</b>	<b>561 215</b>	<b>679 366</b>	<b>27 299 621</b>
<b>Accumulated depreciation/amortisation</b>								
Balance at 1 July		2 352 278	2 091 080	2 261 427		302 436	16 191	7 023 412
Depreciation/amortisation expense		197 316	136 954	160 541		56 227	10 419	561 458
Disposals		- 2 993				- 32 157		- 35 150
Transfers in/(out)		19 435	45 082	- 406		1 044	378	65 532
Assets reclassified to held for sale		- 3 131	- 5 487			- 7 096		- 15 714
Revaluations/impairment adjustments		- 9 163	1 612 111	436 803		- 8 510	- 321	2 030 921
<b>Balance at 30 June (2)</b>		<b>2 553 742</b>	<b>3 879 740</b>	<b>2 858 365</b>		<b>311 945</b>	<b>26 667</b>	<b>9 630 459</b>
<b>Carrying amount at 30 June (1 - 2)</b>	<b>2 421 198</b>	<b>4 650 601</b>	<b>5 908 247</b>	<b>2 744 068</b>	<b>1 043 079</b>	<b>249 270</b>	<b>652 699</b>	<b>17 669 162</b>
	<b>restated</b>							



## Note 20 (continued)

1. Since completion of the railway, government works totalling \$383 million (\$387 million as at 30 June 2015) are classified as infrastructure assets within the AustralAsia Railway Corporation (AARC). During the 50-year concession period the rights and obligations for the new rail corridor rest with AARC and the Territory as they have freehold title over large portions of the rail corridor and hold long-term head leases over the remaining portions on Aboriginal land. Hence, control over the corridor including the rail assets rests with AARC. Therefore no provision for the resulting diminution in the value of the Territory's investment in AARC has been made in these financial statements. At the expiration of the 50-year concession period, the railway infrastructure (including the government works) will be transferred to AARC. However, due to the subjectivity involved with any measurement of the future value of the asset after the expiry of the concession period, it is not considered practical, at this point, to recognise any further assets in the accounts of AARC or in these financial statements.
2. Land disposals of \$22.8 million predominantly relates to the sale of residential land at Zuccoli and a one-off direct sale for the Sports House block in Fannie Bay within the Department of Lands, Planning and the Environment.
3. Net land transfers of \$15 million predominantly relate to the reclassification of land as assets held for sale within the Department of Lands, Planning and the Environment.
4. Land revaluation adjustment relates to the revaluation of land across agencies including Alice Springs and Litchfield regions in the Department of Lands, Planning and the Environment (\$82 million), Parliament House and Speakers Green within the Department of Legislative Assembly (\$30 million), land in Darwin and Katherine regions within the Northern Territory Police Fire and Emergency Services (\$8 million), offset by a decrement in the Department of Housing (\$61 million).
5. Net buildings transfers of \$324.8 million predominantly relates to completed construction of building stock relating to urban, government employee and Remote Indigenous Housing in the Department of Housing (\$126 million), Health and Hospital Infrastructure in Top End and Central Australia Health Services (\$85 million), utility assets in Power and Water and Indigenous Essential Services (\$44 million), the Peter McAulay Centre, Alice Springs Police Station and Yuendumu Police Station in the Northern Territory Police Fire and Emergency Services (\$28 million), Darwin Waterfront (\$27 million), public schools and the Alice Springs Youth Hub in the Department of Education (\$21 million).
6. Net revaluation adjustment of buildings of \$94.7 million predominantly relates to the upwards revision of schools in East Arnhem, Barkly and Alice Springs (\$111 million), remote health clinics in Top End and Central Australia Health Services (\$28 million), offset by the downward revision of public housing stock in the Department of Housing (\$45 million) reflecting current market conditions and the downward revision of the Greatorex Building in the Department of Infrastructure (\$7.6 million).
7. Net transfers of infrastructure assets of \$116.6 million predominantly consist of completed construction of roads within the Department of Transport.
8. Net revaluation adjustment of infrastructure assets of \$59 million predominantly relates to the change in revaluation methodology from depreciated replacement cost in 2014-15 to income approach in 2015-16 in the Indigenous Essential Services.
9. Net movement in Power and Water utility assets of \$1.2 billion predominantly relate to the change in revaluation methodology from depreciated replacement cost in 2014-15 to income approach in 2015-16.
10. Net movement in construction works in process of \$77.6 million largely relates to completed works in the PWC (\$185 million), combined with community amenities including Remote Indigenous Housing in the Department of Housing (\$48.5 million), offset by additional road works in the Department of Transport (\$94.3 million), and power generation assets in Territory Generation (\$44.3 million).
11. Net movement in plant and equipment of \$28.7 million predominantly relates to acquisition of fleet vehicles across government (\$20 million).
12. Net movement in leased property plant and equipment relates to the cessation of the Darwin Port Corporation following the long-term lease of the Port of Darwin.

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000

## Note 21: Investment Property<sup>1</sup>

Carrying amount as at 1 July	120 043	89 893	120 043	89 893
Additions		173		173
Disposals	- 5 969	- 10 707	- 5 969	- 10 707
Transfers in/(out)		43 500		43 500
Revaluations/impairment adjustments	- 3 380	- 2 817	- 3 380	- 2 817
<b>Carrying amount as at 30 June</b>	<b>110 694</b>	<b>120 043</b>	<b>110 694</b>	<b>120 043</b>

<sup>1</sup> The investment property balance represents minority interest holdings in shared equity properties within NT Home Ownership and investment property held by the Motor Accident (Compensation) Commission.

## Note 22: Intangible Assets<sup>1</sup>

### a) Carrying amounts

At cost	3 433	5 210	101 587	119 873
Accumulated amortisation	3 432	5 209	70 040	57 024
<b>Written down value at 30 June</b>	<b>1</b>	<b>1</b>	<b>31 547</b>	<b>62 849</b>
<b>Total intangible assets</b>	<b>1</b>	<b>1</b>	<b>31 547</b>	<b>62 849</b>

### b) Reconciliation of movements

Carrying amount at 1 July	1	1	62 849	60 062
Additions			37 641	13 371
Disposals			- 10 147	- 2 685
Amortisation			- 21 330	- 7 769
Revaluations/impairment adjustments			- 37 466	- 131
<b>Carrying amount at 30 June</b>	<b>1</b>	<b>1</b>	<b>31 547</b>	<b>62 849</b>

<sup>1</sup> The intangible balance consists largely of purchased software and renewal energy certificates of the Power and Water Corporation and Jacana Energy.

## Note 23: Assets Held for Sale

Land	26 141	35 306	26 141	112 290
Buildings				41 006
Property, plant and equipment				24 902
Infrastructure				106 384
<b>Total assets held for sale</b>	<b>26 141</b>	<b>35 306</b>	<b>26 141</b>	<b>284 582</b>

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000
<b>Asset</b>				
Balance at 1 July	122 655	122 793	122 729	122 867
Additions	92	10	92	10
Disposals				
Transfers in/(out)	23		23	
Revaluations/impairment adjustments	137	- 148	137	- 148
<b>Balance at 30 June</b>	<b>122 907</b>	<b>122 655</b>	<b>122 981</b>	<b>122 729</b>
<b>Accumulated depreciation</b>				
Balance at 1 July	369	411	375	416
Depreciation expense	23	13	23	14
Disposals				
Transfers in/(out)	- 81		- 81	
Revaluations/impairment adjustments	18	- 55	18	- 55
<b>Balance at 30 June</b>	<b>330</b>	<b>369</b>	<b>336</b>	<b>375</b>
<b>Carrying amount at 30 June</b>	<b>122 577</b>	<b>122 285</b>	<b>122 646</b>	<b>122 354</b>

1 Other non financial assets includes natural sciences and archaeology collection within Department of Arts and Museums.

## Note 25: Fair Value Measurement of Non Financial Assets

### 2015-16: General Government

#### a (i) Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Land (Note 20)		1 680 167	684 362	2 364 529
Buildings (Note 20)		863 608	3 766 608	4 630 216
Infrastructure (Note 20)			5 126 465	5 126 465
Plant and equipment (Note 20)			277 939	277 939
Investment property (Note 21)		66 193	44 501	110 694
Intangible assets (Note 22)			1	1
Assets held for sale (Note 23)		26 141		26 141
Other non financial assets (Note 24)			122 577	122 577
<b>Total</b>		<b>2 636 110</b>	<b>10 022 452</b>	<b>12 658 561</b>

There were transfers between level 2 and level 3 during the period for land, buildings and infrastructure assets.

## Note 25 (continued)

### a (ii) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

	Level 1 Techniques	Level 2 Techniques	Level 3 Techniques
Assets			
Land		Market	Cost
Buildings		Market	Cost
Infrastructure		Market	Cost
Plant and equipment			Cost
Investment property		Market	Cost
Intangible assets			Cost
Assets held for sale		Market	
Other non financial assets			Cost

There were no changes in valuation techniques during the period.

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

Level 2 fair values predominantly relate to urban, public and government employee land and dwellings, and residential land held for sale. These assets were based on market evidence of sales price as per square metre of comparable land and buildings.

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

### a (iii) Additional Information for Level 3 Fair Value Measurements

Reconciliation of recurring level 3 fair value measurements

	Land	Buildings	Infrastructure	Plant and Equipment	Investment Property	Intangible Assets	Other Non Financial Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fair value as at 1 July 2015 restated (a)	610 669	3 534 309	5 078 303	243 273	43 001	1	122 285	9 631 841
Additions/transfers in	36 157	276 429	264 528	109 992			207	687 312
Disposals/transfers out	- 28 168	- 32 881	- 239 232	- 21 535			- 10	- 321 828
Transfers from level 2			68					68
Transfers to level 2	- 1 490	- 14 869						- 16 359
Depreciation		- 154 819	- 63 298	- 54 533			- 23	- 272 673
Gains/losses recognised in net surplus/deficit	27	- 2 007	- 45	- 216	1 500			- 741
Gains/losses recognised in other comprehensive income	67 167	160 446	86 141	958			118	314 831
<b>Fair value as at 30 June 2016</b>	<b>684 362</b>	<b>3 766 608</b>	<b>5 126 465</b>	<b>277 939</b>	<b>44 501</b>	<b>1</b>	<b>122 577</b>	<b>10 022 452</b>

(a) 2014-15 balances have been restated due to reclassification of port assets held for sale to level 2.

## Note 25 (continued)

## 2015-16: Total Public Sector

## b (i) Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Land (Note 20)		1 777 010	684 362	2 461 372
Buildings (Note 20)		1 018 979	3 839 639	4 858 618
Infrastructure (Note 20)			5 848 244	5 848 245
Power and water utility assets (Note 20)			1 698 760	1 698 760
Plant and equipment (Note 20)			277 939	277 939
Investment property (Note 21)		66 194	44 501	110 694
Intangible assets (Note 22)			31 547	31 547
Assets held for sale (Note 23)		26 142		26 141
Other non financial assets (Note 24)			122 645	122 646
<b>Total</b>		<b>2 888 325</b>	<b>12 547 636</b>	<b>15 435 961</b>

There were transfers between level 2 and level 3 during the period for land, buildings and infrastructure assets.

## b (ii) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

	Level 1 Techniques	Level 2 Techniques	Level 3 Techniques
<b>Assets</b>			
Land		Market	Cost
Buildings		Market	Cost
Infrastructure		Market	Cost
Power and water utility assets			Income/Cost
Plant and equipment			Cost
Investment property		Market	Cost
Intangible assets			Cost
Assets held for sale		Market	
Other non financial assets			Cost

The valuation technique applied to electrical network infrastructure, water and sewerage assets, gas pipeline assets, and remote generation assets changed from Depreciated Replacement Cost approach to the Income approach during the period. Level 1 inputs are quoted prices in active markets for identical assets.

Level 2 fair values predominantly relate to urban, public and government employee land and dwellings, and residential and commercial land held for sale. These assets were based on market evidence of sales price as per square metre of comparable land and buildings.

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

Selected electrical network infrastructure, water and sewerage assets, gas pipeline assets, and remote generation assets values were determined using the Income approach. The Income approach converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. When the Income approach is used, the fair value measurement reflects current market expectations about those future amounts.

## Note 25 (continued)

### b (iii) Additional Information for Level 3 Fair Value Measurements

Reconciliation of recurring level 3 fair value measurements

	Land	Buildings	Infrastructure	Power and Water Utility Assets	Plant and Equipment	Investment Property	Intangible Assets	Other Non Financial Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fair value as at 1 July 2015 Restated (a)	705 553	3 755 291	5 908 180	2 744 068	249 270	43 001	62 849	122 354	13 590 565
Additions/transfers in	113 246	372 274	383 424	243 534	134 894		37 641	207	1 285 221
Disposals/transfers out -	105 152	- 80 932	- 266 814	- 16 977	- 52 435		- 590	- 10	- 522 911
Transfers from level 2				68					68
Transfers to level 2	- 96 480	- 170 240							- 266 720
Depreciation		- 168 756	- 117 620	- 114 134	- 54 533		- 21 330	- 23	- 476 396
Gains/losses recognised in net surplus/deficit	27	- 2 036	- 45	- 1 063	- 216	1 500	- 37 466		- 39 299
Gains/losses recognised in other comprehensive income	67 167	134 038	- 58 948	- 1 156 668	958		- 9 558	118	- 1 022 892
<b>Fair value as at 30 June 2016</b>	<b>684 362</b>	<b>3 839 639</b>	<b>5 848 244</b>	<b>1 698 760</b>	<b>277 939</b>	<b>44 501</b>	<b>31 547</b>	<b>122 645</b>	<b>12 547 636</b>

(a) 2014-15 balances have been restated due to the reclassification of port assets as held for sale in level 2.

## 2014-15 Restated: General Government

### a (i) Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Land (Note 20)		1 714 289	610 669	2 324 958
Buildings (Note 20)		894 526	3 534 309	4 428 835
Infrastructure (Note 20)		68	5 078 303	5 078 371
Plant and equipment (Note 20)			243 273	243 273
Investment property (Note 21)		77 042	43 001	120 043
Intangible assets (Note 22)			1	1
Assets held for sale (Note 23)		35 306		35 306
Other non financial assets (Note 24)			122 285	122 285
<b>Total</b>		<b>2 721 231</b>	<b>9 631 841</b>	<b>12 353 071</b>

There were no transfers between level 1 and levels 2 and 3 during the period.

## Note 25 (continued)

## a (ii) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

	Level 1 Techniques	Level 2 Techniques	Level 3 Techniques
<b>Assets</b>			
Land		Market	Cost
Buildings		Market	Cost
Infrastructure		Market	Cost
Plant and equipment			Cost
Investment property		Market	Cost
Intangible assets			Cost
Assets held for sale		Market	
Other non financial assets			Cost

There were no changes in valuation techniques during the period.

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

Level 2 fair values predominantly relate to urban, public and government employee land and dwellings, and residential land held for sale. These assets were based on market evidence of sales price as per square metre of comparable land and buildings.

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

## a (iii) Additional Information for Level 3 Fair Value Measurements

Reconciliation of recurring level 3 fair value measurements:

	Land	Buildings	Infrastructure	Plant and Investment Equipment	Intangible Property	Intangible Assets	Other Non Financial Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fair value as at 1 July 2014	434 827	3 727 950	3 253 330	245 676		1	122 382	7 784 165
Additions/transfers in	23 160	222 047	272 759	119 055	43 618		23	680 661
Disposals/transfers out	- 15 310	- 159 673	- 1 103	- 62 492			- 13	- 238 592
Transfers from level 2	2 160							2 160
Transfers to level 2								
Depreciation		- 146 554	- 68 166	- 53 124			- 13	- 267 857
Gains/losses recognised in net surplus/deficit		- 4 989	- 6 116	- 539	- 617		- 93	- 12 354
Gains/losses recognised in other comprehensive income	165 833	- 104 472	1 627 600	- 5 304				1 683 657
<b>Fair value as at 30 June 2015</b>	<b>610 669</b>	<b>3 534 309</b>	<b>5 078 303</b>	<b>243 273</b>	<b>43 001</b>	<b>1</b>	<b>122 285</b>	<b>9 631 841</b>

## Note 25 (continued)

### 2014-15 Restated: Total Public Sector

#### b (i) Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Land (Note 20)		1 715 645	705 553	2 421 198
Buildings (Note 20)		895 310	3 755 291	4 650 601
Infrastructure (Note 20)		68	5 908 180	5 908 247
Power and water utility assets (Note 20)			2 744 068	2 744 068
Plant and equipment (Note 20)			249 270	249 270
Investment property (Note 21)		77 042	43 001	120 043
Intangible assets (Note 22)			62 849	62 849
Assets held for sale (Note 23)		284 582		284 582
Other non financial assets (Note 24)			122 354	122 354
<b>Total</b>		<b>2 972 647</b>	<b>13 590 565</b>	<b>16 563 212</b>

There were transfers between levels 2 and 3 during the period as a result of reclassifying Port of Darwin to assets held for sale.

#### b (ii) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

	Level 1 Techniques	Level 2 Techniques	Level 3 Techniques
<b>Assets</b>			
Land		Market	Cost
Buildings		Market	Cost
Infrastructure		Market	Cost
Power and water utility assets			Cost
Plant and equipment			Cost
Investment property		Market	Cost
Intangible assets			Cost
Assets held for sale		Market	
Other non financial assets			Cost

There were no changes in valuation techniques during the period.

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

Level 2 fair values predominantly relate to urban, public and government employee land and dwellings, and residential and commercial land held for sale. These assets were based on market evidence of sales price as per square metre of comparable land and buildings.

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



## Note 25 (continued)

## b (iii) Additional Information for Level 3 Fair Value Measurements

Reconciliation of recurring level 3 fair value measurements:

	Land	Buildings	Infrastructure	Power and Water Utility Assets	Plant and Equipment	Investment Property	Intangible Assets	Assets for Sale	Other Non Financial Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fair value as at 1 July 2014	596 332	4 036 987	3 567 453	2 149 035	281 184		60 062	6 887 122	451	10 820 391
Additions/transfers in	44 207	223 512	364 136	424 969	121 507	43 618	12 737	- 3	23	1 234 707
Disposals/transfers out	- 19 000	- 212 211	- 28 573	- 226 161	- 66 232		- 2 685	- 6 885	- 13	- 561 760
Transfers from level 2	2 160									2 160
Transfers to level 2	- 76 983		- 92 332		- 24 902					- 194 217
Depreciation		- 157 889	- 136 362	- 160 541	- 56 227		- 7 769		- 14	- 518 802
Gains/losses recognised in net surplus/deficit		- 4 990	- 8 039	- 2 516	- 553	- 617			- 93	- 16 808
Gains/losses recognised in other comprehensive income	158 838	- 130 118	2 241 895	559 282	- 5 507		503			2 824 893
<b>Fair value as at 30 June 2015 restated (a)</b>	<b>705 553</b>	<b>3 755 291</b>	<b>5 908 180</b>	<b>2 744 068</b>	<b>249 270</b>	<b>43 001</b>	<b>62 849</b>		<b>122 354</b>	<b>13 590 565</b>

(a) 2014-15 balances have been restated due to reclassification of port assets held for sale to level 2.

## Note 26: Deposits Held

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000
Accountable Officers Trust Account (a)	50 598	38 777	50 637	38 817
Clearing money	18 342	26 104	18 864	26 574
Interest-bearing deposits	279 781	172 874	387	387
Other	12 627	11 342	13 918	12 213
<b>Total deposits held</b>	<b>361 349</b>	<b>249 098</b>	<b>83 805</b>	<b>77 991</b>

### a) Accountable Officers' Trust Account comprises:

Central Australia Health Service	661	699	661	699
Department of Arts and Museums	67	57	67	57
Department of Business	3 764	1 473	3 764	1 473
Department of Corporate and Information Services	112	53	112	53
Department of Correctional Services	1 102	891	1 102	891
Department of Housing	4 901	4 467	4 901	4 467
Department of Infrastructure	371	326	371	326
Department of Lands, Planning and the Environment	4 035	962	4 035	962
Department of Local Government and Community Services	1 737	1 703	1 737	1 703
Department of Mines and Energy	26 068	23 573	26 068	23 573
Department of Primary Industry and Fisheries	2 069	246	2 069	246
Department of the Attorney-General and Justice	1 747	789	1 747	789
Department of the Legislative Assembly	1	1	1	1
Department of Transport	37	64	37	64
Museums and Art Galleries of the Northern Territory		1		1
Northern Territory Police, Fire and Emergency Services	3 078	2 787	3 078	2 787
NT Legal Aid Commission	11	19	11	19
Parks and Wildlife Commission of the Northern Territory	138	126	138	126
Territory Wildlife Parks	8	5	8	5
Top End Health Service	690	536	690	536
Land Development Corporation			39	39
	<b>50 598</b>	<b>38 777</b>	<b>50 637</b>	<b>38 817</b>

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000
<b>Note 27: Advances Received</b>				
<b>Current</b>				
Department of Housing	2 004	1 762		
Department of Primary Industry and Fisheries	6 317	1 220	6 317	1 220
NT Home Ownership	8 579	38 186		
Northern Territory Treasury Corporation			7 104	6 788
	<b>16 900</b>	<b>41 168</b>	<b>13 421</b>	<b>8 008</b>
<b>Non current</b>				
Department of Housing	74 350	76 354		
NT Home Ownership	202 214	208 793		
Northern Territory Treasury Corporation			216 170	223 273
	<b>276 564</b>	<b>285 147</b>	<b>216 170</b>	<b>223 273</b>
<b>Total advances received</b>	<b>293 464</b>	<b>326 315</b>	<b>229 590</b>	<b>231 282</b>

**Note 28: Borrowing<sup>1</sup>****Current**

Finance leases	6 116	2 973	6 897	4 209
Securities				
Loans	392 847	170 000	76 755	84 808
	<b>398 963</b>	<b>172 973</b>	<b>83 652</b>	<b>89 017</b>

**Non current**

Finance leases	626 279	632 739	633 013	642 833
Loans	2 072 149	2 905 531	3 716 517	4 246 104
	<b>2 698 428</b>	<b>3 538 270</b>	<b>4 349 530</b>	<b>4 888 936</b>
<b>Total borrowing</b>	<b>3 097 390</b>	<b>3 711 243</b>	<b>4 433 182</b>	<b>4 977 954</b>

<sup>1</sup> Maturity analysis of borrowing disclosed under Interest Rate Risk in Note 37, Financial Instruments and Risk Management.

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15
	\$000	\$000	\$000	\$000

## Note 29: Superannuation Liabilities

Current	247 095	226 349	247 095	226 349
Non current	4 016 755	3 610 765	4 016 755	3 610 765
<b>Total superannuation liabilities (a)</b>	<b>4 263 850</b>	<b>3 837 114</b>	<b>4 263 850</b>	<b>3 837 114</b>

### a) The Northern Territory Government Superannuation Schemes Comprise:

LAMS	102 277	82 688	102 277	82 688
CSS	2 560 900	2 241 700	2 560 900	2 241 700
NTGPASS	1 058 316	1 007 164	1 058 316	1 007 164
NTSSS	270 478	257 274	270 478	257 274
NTPSBS	74 509	68 399	74 509	68 399
Northern Territory Government Death and Invalidity Scheme (NTGDIS)	83 731	72 416	83 731	72 416
Statutory schemes <sup>1</sup>	113 639	107 472	113 639	107 472
	<b>4 263 850</b>	<b>3 837 114</b>	<b>4 263 850</b>	<b>3 837 114</b>

<sup>1</sup> Statutory schemes comprise the superannuation liability for the Administrator and judges.

The values reported above are based on estimates of the size and timing of future benefit payments obtained through actuarial reviews conducted at three-yearly intervals that are updated on an annual basis. NTGPASS, NTSSS, Supreme Court Judges Pension Scheme, NTGDIS, Administrators Pension Scheme and the LAMS Fund are based on triannual reviews conducted at 30 June 2016. The NTPSBS and CSS are based on triannual reviews as at 30 June 2015, however updated for 30 June 2016. The movement in the liability between years is predominantly due to the movement in bond rate from 3.0 per cent to 2.0 per cent.

## 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); and
- the accumulated value of member contributions.

The employer-financed indexed pension is calculated as a percentage of final salary and discounted for early retirement before the maximum retirement age. CSS was closed on 1 October 1986 to all new Territory 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.

## Note 29 (continued)

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

#### Northern Territory Supplementary Superannuation Scheme

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

#### Northern Territory Government Death and Invalidity Scheme

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

The NTPSBS, LAMS, Administrator and judges schemes are all pension-based schemes.

	30 June 2016	30 June 2015
	%	%
<b>Key Assumptions</b>		
<b>Key assumptions as at balance date and for following year expense:</b>		
Discount rate (gross of tax)	2.00	3.00
Salary rate <sup>1</sup>	3.00	3.00
Expected return on scheme assets (net of tax)	6.50	7.00
Inflation (pensions)	2.00	2.50
Imputed cost of interest	3.00	3.60
Tax rate for employer contributions <sup>2</sup>	nil	nil
	30 June 2016	30 June 2015
	\$000	\$000

#### Amounts in the Financial Statements

##### Balance Sheet

Present value of the defined benefit obligation at end of year	4 283 555	3 869 432
Fair value of plan assets at end of year	- 65 130	- 67 773
Net present value of creditors <sup>1</sup>	45 425	35 455
<b>Net liability recognised in balance sheet at end of year</b>	<b>4 263 850</b>	<b>3 837 114</b>

##### Operating Statement

Employer service cost	75 027	76 346
Net interest cost	111 465	126 115
Losses (gains) on settlements		
<b>Total included in employee benefit expense</b>	<b>186 492</b>	<b>202 461</b>

##### Remeasurements in other comprehensive income

Actual return on fund assets less interest income	1 965	- 4 201
Actuarial (gains)/losses on liability	395 829	198 476
Adjustment for asset ceiling		
<b>Total remeasurement included in other comprehensive income</b>	<b>397 794</b>	<b>194 275</b>

<sup>1</sup> NTGPASS, NTSSS and NTGDIS.

## Note 29 (continued)

	30 June 2016	30 June 2015
	\$000	\$000
<b>Explanation of Amounts in the Financial Statements</b>		
<b>Reconciliation of the Net Defined Benefit Liability/(Asset)</b>		
Net defined benefit liability/(asset) at beginning of year	3 801 660	3 591 322
Expense recognised in income statement	186 492	202 461
Employer contributions	- 167 520	- 186 398
Remeasurements in other comprehensive income	397 794	194 275
<b>Net defined benefit liability at end of year</b>	<b>4 218 426</b>	<b>3 801 660</b>

### Reconciliation from Opening to Closing Balance of the Following:

#### Reconciliation of Plan Assets

Fair value of the plan assets at the beginning of the year	67 773	63 814
Employer contributions	167 520	186 398
Participant contributions	287	717
Benefit payments	- 171 192	- 188 990
Taxes and expenses paid	714	- 619
Interest income	1 993	2 252
Actual return on plan assets less interest income	- 1 965	4 201
<b>Assets at the year end</b>	<b>65 130</b>	<b>67 773</b>

#### Reconciliation of the Present Value of the Defined Benefit Obligation

Total defined benefit obligation at the beginning of the year	3 869 432	3 655 135
Employer service cost	75 027	76 346
Interest expense	113 458	128 367
Participant contributions	287	717
Taxes and expenses paid	714	- 619
Benefit payments	- 171 192	- 188 990
Actuarial (gain)/loss on liabilities due to changes in demographic assumptions	- 6 488	- 69 038
Actuarial (gain)/loss on liabilities due to changes in financial assumptions	443 463	267 287
Actuarial (gain)/loss on liabilities due to changes in liability experience	- 41 146	227
<b>Total defined benefit obligation at year end</b>	<b>4 283 555</b>	<b>3 869 432</b>

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

## Note 29 (continued)

## Sensitivity Analysis – LAMS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		167 407		
Discount rate	1.0	138 868	- 28 539	- 17.0
Discount rate	- 1.0	204 586	37 179	22.2
Salary increase	1.0	202 463	35 056	20.9
Salary increase	- 1.0	139 767	- 27 640	- 16.5
Mortality rates	10.0	161 993	- 5 414	- 3.2
Mortality rates	- 10.0	173 544	6 137	3.7

## Maturity Profile of Defined Benefit Obligation – LAMS

The weighted average term of the defined benefit obligation is 19 years.

## Sensitivity Analysis – Supreme Court JPS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		108 955		
Discount rate	1.0	94 458	- 14 497	- 13.3
Discount rate	- 1.0	128 374	19 419	17.8
Inflation	1.0	127 550	18 595	17.1
Inflation	- 1.0	94 738	- 14 217	- 13.0
Mortality rates	10.0	105 576	- 3 379	- 3.1
Mortality rates	- 10.0	113 980	5 025	4.6

## Maturity Profile of Defined Benefit Obligation – Supreme Court JPS

The weighted average term of the defined benefit obligation is 15 years.

## Note 29 (continued)

### Sensitivity Analysis – NTPSBS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		74 509		
Discount rate	1.0	63 673	- 10 836	- 14.5
Discount rate	- 1.0	88 385	13 876	18.6
Inflation	1.0	87 799	13 290	17.8
Inflation	- 1.0	63 895	- 10 614	- 14.2
Mortality rates	10.0	72 663	- 1 846	- 2.5
Mortality rates	- 10.0	76 578	2 069	2.8
Commutation rate	0.0	76 880	2 371	3.2
Commutation rate	30.0	72 138	- 2 371	- 3.2

### Maturity Profile of Defined Benefit Obligation – NTPSBS

The weighted average term of the defined benefit obligation is 18 years.

### Sensitivity Analysis – Administrator Scheme

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		4 684		
Discount rate	1.0	4 279	- 405	- 8.7
Discount rate	- 1.0	5 158	474	10.1
Inflation	1.0	5 145	461	9.8
Inflation	- 1.0	4 281	- 403	- 8.6
Mortality rates	10.0	4 479	- 205	- 4.4
Mortality rates	- 10.0	4 920	236	5.0

### Maturity Profile of Defined Benefit Obligation – Administrator Scheme

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



## Note 29 (continued)

## Sensitivity Analysis – NTGPASS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		1 036 400		
Discount rate	1.0	952 700	- 83 700	- 8.0
Discount rate	- 1.0	1 133 000	96 600	9.0
Salary increase	1.0	1 147 800	111 400	11.0
Salary increase	- 1.0	938 400	- 98 000	- 9.0
Pension increase	1.0	1 036 400		
Pension increase	- 1.0	1 036 400		

## Maturity Profile of Defined Benefit Obligation – NTGPASS

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

## Sensitivity Analysis – NTSSS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		258 500		
Discount rate	1.0	237 200	- 21 300	- 8.0
Discount rate	- 1.0	283 100	24 600	10.0
Salary increase	1.0	282 300	23 800	9.0
Salary increase	- 1.0	237 400	- 21 100	- 8.0
Pension increase	1.0	258 500		
Pension increase	- 1.0	258 500		

## Maturity Profile of Defined Benefit Obligation – NTSSS

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

## Note 29 (continued)

### Sensitivity Analysis – CSS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		2 560 900		
Discount rate	1.0	2 199 700	- 361 200	- 14.0
Discount rate	- 1.0	3 018 500	457 600	18.0
Salary increase	1.0	2 575 100	14 200	1.0
Salary increase	- 1.0	2 547 900	- 13 000	-1.0
Pension increase	1.0	2 965 500	404 600	16.0
Pension increase	- 1.0	2 228 700	- 332 200	- 13.0

### Maturity Profile of Defined Benefit Obligation – CSS

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

### Sensitivity Analysis – NTGDIS

The entity's total defined benefit obligation as at 30 June 2016 under several scenarios:

	Discount Rate Change	Defined Benefit Obligation	Change in Obligation	Estimated Impact
	%	\$0	\$0	% change
Base case		72 200		
Discount rate	1.0	65 500	- 6 700	- 9.0
Discount rate	- 1.0	80 000	7 800	11.0
Salary increase	1.0	79 800	7 600	11.0
Salary increase	- 1.0	65 600	- 6 600	- 9.0
Pension increase	1.0	72 200		
Pension increase	- 1.0	72 200		

### Maturity Profile of Defined Benefit Obligation – NTGDIS

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

General Government		Total Public Sector	
2015-16	2014-15 Restated	2015-16	2014-15 Restated
\$000	\$000	\$000	\$000

## Note 30: Other Employee Benefits

### Current

Accrued salaries	10 097	64 002	10 737	64 588
Recreation leave	263 915	255 007	290 574	282 718
Long service leave	197 355	184 336	214 365	197 919
Provision for employer superannuation contributions	19 226	21 065	19 258	21 125
	<b>490 592</b>	<b>524 410</b>	<b>534 933</b>	<b>566 350</b>

### Non current

Long service leave	101 281	94 470	108 961	103 234
	<b>101 281</b>	<b>94 470</b>	<b>108 961</b>	<b>103 234</b>

### Total other employee benefits

	<b>591 873</b>	<b>618 880</b>	<b>643 894</b>	<b>669 585</b>
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## Note 31: Payables

### Current

Accounts payable	56 452	61 804	197 418	173 126
Accrued expenses	150 032	122 885	151 714	97 754
<b>Total payables</b>	<b>206 484</b>	<b>184 689</b>	<b>349 132</b>	<b>270 880</b>

## Note 32: Other Liabilities

### Current

#### Provisions:

Provision for current taxes	3 228	2 824	3 526	3 023
Provision for outstanding claims	80 164	63 752	80 164	63 752
Provision for workers compensation premiums	55	470	55	470
Other provisions	501	1 191	12 669	8 184
Workers compensation liability (a)	28 522	25 443	28 522	25 443
Unearned revenue	64 111	79 786	102 020	130 283
	<b>176 581</b>	<b>173 466</b>	<b>226 956</b>	<b>231 154</b>

### Non current

#### Provisions:

Provision for outstanding claims	528 205	415 302	528 205	415 302
Other provisions	64 040	46 625	69 040	54 683
Workers compensation liability (a)	104 133	111 235	104 133	111 235
Unearned revenue	128	55	128	55
	<b>669 506</b>	<b>573 217</b>	<b>701 506</b>	<b>581 275</b>

### Total other liabilities

	<b>873 087</b>	<b>746 682</b>	<b>928 462</b>	<b>812 428</b>
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### a) Workers Compensation Liability Comprises:

Return to Work Act	126 027	129 217	126 027	129 217
Comcare (Commonwealth Act)	6 628	7 461	6 628	7 461
	<b>132 655</b>	<b>136 678</b>	<b>132 655</b>	<b>136 678</b>

## Note 32 (continued)

	General Government				Total Public Sector			
	Outstanding	Current	Workers	Other	Outstanding	Current	Workers	Other
	Claims	Taxes	Compensation		Claims	Taxes	Compensation	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	

### b) Reconciliation of Provisions

Movements in provisions during the year were as follows:

Brought forward as at 1 July 2015 restated	479 054	2 824	136 678	48 285	479 054	3 023	136 678	63 336
Effect of changes in assumptions	129 045		- 5 800	1 300	129 045		- 5 800	1 300
Increase in claims incurred/recoveries anticipated over the year	45 523	10 215	28 635	18 584	45 523	10 017	28 635	18 584
Payments	- 45 253	- 9 810	- 26 858	- 2 500	- 45 253	- 9 513	- 26 858	- 2 500
Other movements				- 1 073				1 044
<b>Balance at 30 June 2016</b>	<b>608 369</b>	<b>3 228</b>	<b>132 655</b>	<b>64 596</b>	<b>608 369</b>	<b>3 526</b>	<b>132 655</b>	<b>81 764</b>

The outstanding claims predominantly relate to general claims and HIH claims originating from the WorkHealth system in the Nominal Insurer and outstanding claims held by the MAC Scheme.

For consistency with current year disclosures, the 2014-15 balances have been restated to incorporate an increase in provision relating to outstanding claims held by the MAC Scheme. The restatement is a result of a change in methodology in calculating the claims handling expense following moving its claim administration function to an external provider from 1 January 2015.

Current taxes provisions largely relates to fringe benefits tax.

Other provisions predominantly relate to the construction industry's portable long service leave benefits.

General Government		Total Public Sector	
2015-16	2014-15 Restated	2015-16	2014-15 Restated
\$000	\$000	\$000	\$000

## Note 33: Reserves

### Reserves

Balance at the beginning of the financial year	9 153 353	7 200 103	8 292 425	6 284 047
Movements through the year	- 1 299 974	1 953 250	- 1 307 286	2 008 378
<b>Balance at end of the financial year (a)</b>	<b>7 853 379</b>	<b>9 153 353</b>	<b>6 985 139</b>	<b>8 292 425</b>

### a) Reserves Comprise:

#### Asset revaluation surplus

This reserve is used to record increments and decrements on the revaluation of non-current assets. The reserve may also be adjusted as a result of asset impairment adjustments.

Balance at the beginning of the financial year	6 172 892	4 760 107	8 291 794	5 933 529
Impairment losses/reversals	1 850	719	662	- 26 003
Revaluations increments/(decrements)	163 681	1 412 066	- 1 325 269	2 384 268
<b>Balance at end of the financial year</b>	<b>6 338 423</b>	<b>6 172 892</b>	<b>6 967 187</b>	<b>8 291 794</b>

#### Asset realisation surplus

This reserve is used to record asset revaluation surplus amounts associated with revalued assets that have been derecognised.

Balance at the beginning of the financial year		335 482		335 482
Transferred to accumulated funds		- 335 482		- 335 482
<b>Balance at end of the financial year</b>				

#### Investments in public sector entities revaluation surplus

This reserve comprises the general government's share of the asset revaluation surplus of investments in other sectors of government.

Balance at the beginning of the financial year	2 979 831	2 103 673		
Movements in net assets of public sector entities	- 1 482 826	876 157		
<b>Balance at end of the financial year</b>	<b>1 497 005</b>	<b>2 979 831</b>		

#### Other reserves

Balance at the beginning of the financial year	631	840	631	15 036
Transferred to accumulated surplus/(deficit)	17 321	- 210	17 321	- 14 405
<b>Balance at end of the financial year</b>	<b>17 952</b>	<b>631</b>	<b>17 952</b>	<b>631</b>

2015-16	2014-15
\$000	\$000

## Note 34: Commitments

### (a) Capital expenditure commitments

Capital expenditure commitments represent contracted capital expenditure with non-public sector entities additional to the amounts reported in the financial statements. These contracts are expected to require payment as follows:

Not later than one year	427 941	511 342
Later than one year and not later than five years	90 011	107 534
Later than five years		
<b>Total capital expenditure commitments</b>	<b>517 952</b>	<b>618 876</b>

### (b) Operating lease commitments

Future non-cancellable operating lease commitments are payable as follows:

Future operating lease commitments not provided for in the financial statements and payable:

Not later than one year	117 565	105 920
Later than one year and not later than five years	297 326	267 304
Later than five years	217 389	231 084
<b>Total operating lease commitments</b>	<b>632 280</b>	<b>604 308</b>

### (c) Other non cancellable contract commitments

Not later than one year	513 731	523 665
Later than one year and not later than five years	1 428 807	1 359 678
Later than five years	3 762 362	3 958 102
<b>Total other non cancellable contract commitments</b>	<b>5 704 900</b>	<b>5 841 445</b>

The most significant portion relates to gas purchase commitments including take-or-pay obligations under a 25-year gas sale agreement.

## Note 35: Contingent Assets and Liabilities

### Contingent Assets

A contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or an asset that is not recognised because it is not probable that the future economic benefits embodied in the asset will eventuate, or the asset does not possess a cost or other value that can be measured reliably.

*Under the Crimes (Victims Assistance) Act*, the Territory is entitled to recover monies from an offender equal to the amount of assistance, costs and disbursements paid to victims under the Act. However, due to the circumstances of offenders including being imprisoned for lengthy terms, declared bankrupt or unable to be located, it is probable that a significant proportion of the amounts owed are uncollectable. Therefore, any contingent asset cannot be reliably quantified.

For disclosure of a contingent asset associated with the granting of a concession to Darwin Cove Convention Centre Pty Ltd, refer to the Property and Business Services section under Unquantifiable Contingent Liabilities.

## Note 35 (continued)

## Contingent Liabilities

A contingent liability is a liability that the Government may be called on to meet at some future date if a specified event should occur. Contingent liabilities of the Territory may arise out of a range of circumstances, the most common of which are indemnities and guarantees contained in agreements executed by the Territory. Contingent liabilities may also arise as a result of undertakings made by the Territory or as a result of legislation containing a guarantee or indemnity.

The Treasurer's Directions (G2.5 – Guarantees and Indemnities) states that:

- a guarantee is an undertaking on the part of the Territory to be responsible for another's debt or contractual performance if that other person does not pay or perform; and
- an indemnity is a written undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.

Agencies are required to maintain a register of all contingent liabilities in accordance with the Treasurer's Directions. In relation to the reporting of contingent liabilities, the Treasurer has determined a materiality threshold of \$5 million.

Net present value amounts referred to in this schedule are calculated based on a discount factor of 2 per cent per annum. The discount rate is based on the published 10-year bond rate.

Details of estimated amounts of material contingent liabilities as at 30 June 2015 resulting from guarantees or indemnities granted by the Territory are presented as follows:

## Quantifiable Contingent Liabilities

Details of estimated amounts of remaining material quantifiable contingent liabilities as at 30 June 2016, resulting from guarantees or indemnities granted by the Territory, are presented in the following table.

	Estimated Quantifiable Contingent Liability as at 30 June 2016
	\$M
Public Trustee Common Fund 1	33.7

The Public Trustee Common Fund 1, which had a reported total liability of \$33.7 million as at 30 June 2016, is government guaranteed.

Under section 97 of the *Public Trustee Act*, the Treasurer indemnifies the Common Fund against any deficiencies in money available to meet claims on it. The Common Fund is a repository for all moneys received by the Public Trustee on behalf of estates, trusts or persons, and earns interest. Money to the credit of the Common Fund is invested according to the directions issued by an Investment Board.

Although a material statutory contingent liability exists, the prospect of this contingent liability being called upon is considered low.

## Unquantifiable Contingent Liabilities

Unquantifiable contingent liabilities exist, which could pose a risk to the Government's financial projections.

## Note 35 (continued)

### Transport

The Territory has contingent liabilities in this category that relate to indemnities and guarantees provided in support of the Adelaide to Darwin railway project.

The AARC and the Territory and South Australia governments have entered into a concession arrangement for the Adelaide to Darwin railway on a build, own, operate and transfer-back basis.

Unquantifiable contingent liabilities of the Territory in relation to the Adelaide to Darwin railway project relate to the following:

- joint guarantee of the obligations of AARC; and
- indemnities granted in relation to title over the railway corridor (title is secure but the indemnity continues).

Prior to the long-term lease of the Port of Darwin, the railway corridor interfacing the port was owned by Darwin Port Corporation, which leased the facilities to the concession holder. As part of the restructure of the port arrangements, the railway corridor was transferred to the Territory and leased to the concession holder. There are contingent liabilities that arise out of any loss or claim incurred or suffered as a result of the Territory's failure to comply with its environmental obligation contained in the lease. The lease contains similar indemnities given by the lessee with respect to contamination caused by the lessee and a failure to comply with its environmental obligations. To the extent that Darwin Port Corporation had contingent liabilities prior to the Port of Darwin transaction, the Territory Government has the same contingent liabilities now.

AARC and the governments have comprehensive risk management procedures in place for all events that would give rise to liabilities.

The Territory Government has entered into agreements for the relocation of fuel terminals from near the Darwin central business district to the East Arm industrial estate. The agreements provide for certain unquantifiable contingent liabilities to be provided to the developer of the new fuel terminal and an oil company. Government has put in place comprehensive risk management processes to address potential exposure.

The Territory has assumed Darwin Port Corporation's indemnity in relation to certain remedial works at East Arm Port. The indemnity covers third-party claims, loss, damage, cost and expenses that may be incurred or sustained by Shell arising out of any breach of the Territory's obligation under the agreement, or in connection with any failure of defect in the integrity of the bunker lines, as well as rectification of damage to the wharf. Comprehensive risk management procedures are in place to minimise risk exposure to the Territory.

Contingent considerations in relation to the long-term lease of the Port of Darwin are considered unlikely and consequently no contingent liabilities have been disclosed at this time. The Territory will continue to assess any risks under the arrangement and determine whether any future disclosure is required.

### Gas

The Territory has entered into a number of agreements in relation to the North East Gas Connector Project Development. Contingent considerations in relation to these agreements are considered unlikely and consequently no contingent liabilities have been disclosed at this time. The Territory will continue to assess any risks under the arrangement and determine whether any future disclosure is required.



## Note 35 (continued)

### Health and Community Services

The Territory has granted a series of health-related indemnities for various purposes including indemnities to specialist medical practitioners employed or undertaking work in public hospitals, indemnities provided to medical professionals requested to give expert advice on inquiries before the Medical Board and indemnities to midwives.

Although the risks associated with health indemnities are potentially high, the beneficiaries of the indemnities are highly trained and qualified professionals. The indemnities generally cannot be called upon where there is wilful or gross misconduct on the part of the beneficiary.

There are no reportable contingent liabilities in this category.

### Government Administration

Where the Territory has invited the participation of private sector persons and government officers on boards of government owned or funded companies, the Territory may grant indemnities to the board members to cover them for any losses that may result from good faith actions.

These indemnities are generally consistent with cover available through Directors and Officers Insurance and the policy of issuing an indemnity rather than purchasing commercial insurance is in line with the Government's self-insurance arrangements.

In relation to corporations established in accordance with the *Government Owned Corporations Act*, an indemnity given by the Territory to board members is limited to actions arising from compliance with a direction issued by the shareholding minister or the portfolio minister pursuant to the *Government Owned Corporations Act*.

The resulting contingent liabilities are considered low risk as board members are professionals, selected based on their expertise and knowledge. Further, the indemnities are restricted to good faith actions only. These contingent liabilities are unquantifiable.

Indemnities are also granted to the Commonwealth and other entities involved in funding or sponsoring activities and programs initiated or undertaken by the Territory. Under the indemnities, the Territory generally accepts liability for damage or losses occurring as a result of the activities or programs and acknowledges that, while the Commonwealth or another party has contributed financially or provided in-kind support, the Territory is ultimately liable for the consequences of the activity or program.

Although the resulting contingent liability may, depending on the activity undertaken, not always be low risk, the Territory's financial exposure is no greater than would have been the case without funding or sponsorship assistance. These contingent liabilities are unquantifiable.

Where the Territory is engaged in legal proceedings and disputes, due to the wide variety and nature of these cases and the uncertainty of any potential liability, no value can be attributed to these cases. In addition, the attribution of value to these cases also has the potential to prejudice the outcome of the proceedings and disputes.

The Government has indemnified private sector insurers that provide workers compensation insurance in the Territory. The indemnity covers insurers for losses that arise as a result of acts of terrorism.

Except for the terrorism indemnity, which is unquantifiable, there are no reportable contingent liabilities in this category.

## Note 35 (continued)

### Secure Facilities

The Territory has contingent liabilities in this category that relate to indemnities and guarantees provided in support of the Darwin Correctional Precinct that was constructed and is operated under a public private partnership agreement.

The Territory has indemnified the proponent for losses arising from uninsurable risks. Except for this indemnity, which is unquantifiable, there are no other reportable contingent liabilities in this category.

### Finance

The Territory's financial management framework is underpinned by centralised banking arrangements. The sole provider of banking-related services has been granted indemnities under the whole of government banking contract. These indemnities are considered not to involve significant risk.

There are no reportable contingent liabilities in this category.

### Property and Business Services

Agreements for leases or licences of property, plant or equipment generally contain standard indemnity provisions, similar to those commonly found in commercial leases, covering the lessor or licensor for any losses suffered as a result of the lease or licence arrangement. The contingent liabilities resulting from the indemnities are unquantifiable.

The granting of a concession to Darwin Cove Convention Centre Pty Ltd gives rise to contingent liabilities associated with:

- discriminatory changes in law;
- environmental clean-up costs;
- incentive payments to the operator if performance targets established for the centre are exceeded; and
- negotiated payments to the operator in the early years of the centre's operation.

For the categories listed above, neither the probability nor the amount that the Territory might be called upon to pay at some future date can be determined reliably. As a result, these items are regarded as contingent liabilities, where the existence of an actual liability in the future will be confirmed only by the occurrence of uncertain future events that lie outside the control of the Territory.

A contingent asset also arises as a consequence of the concession arrangement. The Territory Availability Payment (TAP) is recognised as a liability on the general government sector and whole of government balance sheets. However, the Territory has the right to recover up to 75 per cent of that liability if the operator should not achieve certain performance criteria. Because neither the probability of such a recovery nor the amount that might be recovered can be determined reliably, the part of the TAP that may be subject to abatement is classified as a contingent asset.

	General Government		Total Public Sector	
	2015-16	2014-15 Restated	2015-16	2014-15 Restated
	\$000	\$000	\$000	\$000

### Note 36: Cash Flow Reconciliation

<b>Operating result</b>	<b>248 794</b>	<b>907 475</b>	<b>203 862</b>	<b>546 917</b>
<i>less: Other economic flows – included in operating result</i>	<b>44 287</b>	<b>- 20 130</b>	<b>118 428</b>	<b>244 595</b>
Gain (loss) on sale of non financial assets	- 105 258	- 86 312	- 73 352	120 963
Bad and doubtful debt	13 333	10 238	16 300	14 513
Net actuarial gains (losses) – other	77 467	4 157	77 467	58 722
Revaluations and asset impairment	58 745	51 787	98 013	50 397
<i>equals: Net operating balance</i>	<b>293 081</b>	<b>887 344</b>	<b>322 290</b>	<b>791 512</b>
<i>less: Non cash items included in net operating balance</i>				
Depreciation and amortisation	322 587	313 551	527 023	569 240
Changes in provisions	8 418	37 912	5 097	31 266
Cost of goods sold			7 536	17 043
Assets acquired for nil consideration	- 10 437	- 20 270	- 16 985	- 56 994
Assets donated	61 193	31 871	39 969	12 261
Gains and losses	- 6	- 2	- 13	- 782
Write-offs	3	5	3	5
<i>less: Changes in assets and liabilities</i>				
Change in inventories	2 314	440	21 557	10 214
Increase in payables and borrowings	- 247 589	- 247 203	- 254 329	- 409 690
Increase in receivables and investments	219 035	250 637	192 060	229 256
<i>equals: Cash flows from operating activities</i>	<b>648 600</b>	<b>1 254 285</b>	<b>844 208</b>	<b>1 193 330</b>

For the purposes of the Cash Flow Statement, cash includes cash at bank, cash on hand, and cash on call or short-term deposit. A reconciliation of closing cash balances to the statement of cash flows is as below:

<b>Cash at beginning of year</b>	<b>610 374</b>	<b>651 068</b>	<b>610 404</b>	<b>824 747</b>
Net increase/(decrease) in cash held as per Cash Flow Statement	13 280	- 40 694	13 272	- 214 343
<b>Cash at end of year</b>	<b>623 654</b>	<b>610 374</b>	<b>623 677</b>	<b>610 404</b>

## Note 37: Financial Instruments and Risk Management

### a) Financial Risk Management Objectives and Policies

Exposure to financial risk arises in the normal course of government activity. The Territory's risk management strategy is incorporated into the Territory's fiscal strategy. The fiscal strategy provides a sound financial management framework to ensure sustainable service provision, continued capital investment, reducing debt levels and a competitive tax environment that supports economic growth. Further reference to the fiscal strategy can be found in the Overview chapter of this Treasurer's Annual Financial Report and the 2016-17 Budget Paper No. 2.

The Central Holding Authority (CHA), NTTC and the Motor Accidents (Compensation) Commission (MACC) are the entities that hold complex financial instruments. NTTC manages the investments and borrowings of CHA and reports to the NTTC Advisory Board. MACC has its own risk management policies.

### b) Categorisation of Financial Instruments

The following table discloses the total public sector's financial assets and financial liabilities by category.

	Fair Value Through Profit or Loss		Held to Maturity	Financial Assets – Loans and Receivables	Financial Assets – Available for Sale	Financial Assets – Other	Financial Liabilities – Amortised Cost	Total
	Held for Trading	Designated at Fair Value						
<b>2015-16</b>	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and deposits						623 677		623 677
Advances				177 967				177 967
Investments loans and placements	504 100	1 129 726	516 769	28 332				2 178 927
Interest rate swaps		3 257						3 257
Receivables <sup>1</sup>				392 500				392 500
Other financial assets				16 251				16 251
<b>Total financial assets</b>	<b>504 100</b>	<b>1 132 983</b>	<b>516 769</b>	<b>615 050</b>		<b>623 677</b>		<b>3 392 579</b>
Deposits held <sup>1</sup>		33 169						33 169
Advances							229 590	229 590
Borrowings							3 793 272	3 793 272
Finance lease liabilities							639 910	639 910
Interest rate swaps								
Payables		349 132						349 132
<b>Total financial liabilities</b>		<b>382 301</b>					<b>4 662 772</b>	<b>5 045 073</b>

<sup>1</sup> Total amounts disclosed here exclude statutory amounts.

## Note 37 (continued)

	Fair Value Through Profit or Loss		Held to Maturity Investments	Financial Assets – Loans and Receivables	Financial Assets – Available for Sale	Financial Assets – Other	Financial Liabilities – Amortised Cost	Total
	Held for Trading	Designated at Fair Value						
<b>2014-15</b>	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and deposits						610 404		610 404
Advances				174 933				174 933
Investments loans and placements <sup>1</sup>	507 727	1 119 604	710 416	30 294				2 368 041
Interest rate swaps								
Receivables <sup>2</sup>				308 957				308 957
Other financial assets						2		2
<b>Total financial assets</b>	<b>507 727</b>	<b>1 119 604</b>	<b>710 416</b>	<b>514 184</b>		<b>610 406</b>		<b>3 462 337</b>
Deposits held <sup>2</sup>		39 175						39 175
Advances							231 282	231 282
Borrowings							4 330 912	4 330 912
Finance lease liabilities <sup>1</sup>							647 041	647 041
Interest rate swaps								
Payables <sup>2</sup>		270 880						270 880
<b>Total financial liabilities</b>		<b>310 055</b>					<b>5 209 236</b>	<b>5 519 290</b>

<sup>1</sup> Items have been reclassified to reflect appropriate categorisation of instruments.

<sup>2</sup> Total amounts disclosed here exclude statutory amounts.

### c) Market Risk

Market risk is the risk that the fair value or 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 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, and to manage this exposure and for hedging purposes certain Territory-controlled entities enter into interest rate swap agreements.

An interest rate swap is a transfer of interest rate obligations, where the agreement is to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Territory to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The notional principal amounts represent the contract or face value of the swap. The notional amounts do not represent the amount exchanged by the parties to the contract.

## Note 37 (continued)

The following table sets out the total public sector's exposure to interest rate risk showing the carrying amount of the financial instruments and the weighted average effective interest rate when applicable. The banding is based upon the earlier of the contractual repricing or maturity dates.

	Variable Interest Rate			Fixed Interest Rate			Non Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
<b>2015-16</b>	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Cash and deposits	622 672						1 005	623 677	1.75
Advances	5 530	27 532	131 230	5 910	440	39	7 286	177 967	5.30
Investment, loans and placements <sup>1</sup>	1 125 647			821 194	63 737	140 926	27 423	2 178 927	3.63
Interest rate swap	3 257							3 257	
Receivables							392 500	392 500	
Other financial assets						16 249	2	16 251	7.00
<b>Total financial assets</b>	<b>1 757 106</b>	<b>27 532</b>	<b>131 230</b>	<b>827 104</b>	<b>64 177</b>	<b>157 214</b>	<b>428 217</b>	<b>3 392 579</b>	
Deposits held							33 169	33 169	
Advances				13 421		216 170		229 590	4.65
Borrowings				533 387	1 059 253	2 175 632	25 000	3 793 272	5.00
Finance lease liabilities	830	4 905	37 373	6 067	28 595	562 140		639 910	4.77
Payables							349 132	349 132	
<b>Total financial liabilities</b>	<b>830</b>	<b>4 905</b>	<b>37 373</b>	<b>552 875</b>	<b>1 087 848</b>	<b>2 953 942</b>	<b>407 300</b>	<b>5 045 073</b>	

<sup>1</sup> Includes unit trust investments.

	Variable Interest Rate			Fixed Interest Rate			Non Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
<b>2014-15</b>	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Cash and deposits	608 907						1 497	610 404	2.00
Advances	2 628	10 508	156 178	2 994			2 626	174 934	6.17
Investment, loans and placements <sup>1</sup>	1 065 108			968 526	19 926	285 058	29 423	2 368 041	4.82
Interest rate swap									
Receivables							308 957	308 957	
Other financial assets							2	2	
<b>Total financial assets</b>	<b>1 676 643</b>	<b>10 508</b>	<b>156 178</b>	<b>971 520</b>	<b>19 926</b>	<b>285 058</b>	<b>342 505</b>	<b>3 462 338</b>	
Deposits held							39 175	39 175	
Advances				8 008		223 274		231 282	4.65
Borrowings				564 915	1 558 139	2 182 858	25 000	4 330 912	5.19
Finance lease liabilities	801	4 813	40 625	3 409	25 434	571 959		647 041	5.07
Payables							270 880	270 880	
<b>Total financial liabilities</b>	<b>801</b>	<b>4 813</b>	<b>40 625</b>	<b>576 332</b>	<b>1 583 573</b>	<b>2 978 091</b>	<b>335 055</b>	<b>5 519 290</b>	

<sup>1</sup> Includes unit trust investments.

## Note 37 (continued)

## Sensitivity Analysis

Assuming the financial assets and liabilities at 30 June 2016 were to remain until maturity or settlement without any action by the Territory to alter the resulting interest rate risk exposure, a change in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on the total public sector's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase \$000	100 basis points decrease \$000
<b>30 June 2016</b>		
Financial assets – cash at bank	6 237	- 6 237
Financial assets – receivable loans	1 780	- 1 780
<b>Net sensitivity</b>	<b>8 017</b>	<b>- 8 017</b>
<b>30 June 2015</b>		
Financial assets – cash at bank	6 104	- 6 104
Financial assets – receivable loans	1 749	- 1 749
<b>Net sensitivity</b>	<b>7 853</b>	<b>- 7 853</b>

## ii) Price Risk

The Territory is exposed to price risk as the Territory holds units in unit trusts. Price risk arises due to the changes in the market value of the 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. The Territory 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 a suitable peer group of other professional fund managers.

## Note 37 (continued)

### Sensitivity Analysis

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

	Change in Value	2015-16 Impact on Profit or Loss and Equity	2014-15 Impact on Profit or Loss and Equity
	%	\$000	\$000
<b>Upside</b>			
Equities	10	52 251	50 496
Property securities	10	14 377	13 099
Interest bearing	1	1 777	1 979
<b>Downside</b>			
Equities	- 10	- 52 251	- 50 496
Property securities	- 10	- 14 377	- 13 099
Interest bearing	- 1	- 1 777	- 1 979

### iii) Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

#### Foreign Exchange Risk

Foreign exchange risk is the risk of financial loss due to adverse movements in foreign exchange rates. The Territory's exposure to foreign exchange risk arises when certain borrowings are denominated in foreign currencies or where the Territory has transactional currency exposures arising from purchases in a foreign currency. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. There were no foreign exchange contracts at balance date in 2015-16 and 2014-15.

### d) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Territory. The Territory has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

### i) Receivables

In relation to trade receivables, the Territory has a minimal concentration of credit risk as it undertakes transactions with a large number of customers and counterparties. The Territory is not materially exposed to any individual customer. There are no major concentrations of credit risk on service debtors due from customers within particular industries. Receivable balances are monitored on an ongoing basis to ensure exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented in the following tables.



## Note 37 (continued)

2015-16	Aging of Receivables <sup>1</sup>	Aging of Impaired Receivables <sup>2</sup>	Net Receivables
	\$000	\$000	\$000
Not overdue	74 224		74 224
Overdue for less than 30 days	3 753	308	3 445
Overdue for 30 to 60 days	6 040	522	5 518
Overdue for more than 60 days	43 257	42 893	364
<b>Total</b>	<b>127 273</b>	<b>43 723</b>	<b>83 551</b>
<b>Reconciliation of the allowance for impairment losses</b>			
Opening		30 448	
Written off during the year		- 4 355	
Recovered during the year		5 684	
Increase/(decrease) in allowance recognised in profit or loss		11 945	
<b>Total</b>		<b>43 723</b>	

## 2014-15

Not overdue	150 788	118	150 670
Overdue for less than 30 days	3 990	57	3 933
Overdue for 30 to 60 days	7 959	174	7 785
Overdue for more than 60 days	30 560	30 099	461
<b>Total</b>	<b>193 297</b>	<b>30 448</b>	<b>162 849</b>
<b>Reconciliation of the allowance for impairment losses</b>			
Opening		20 410	
Written off during the year		- 2 379	
Recovered during the year		- 29	
Increase/(decrease) in allowance recognised in profit or loss		12 448	
<b>Total</b>		<b>30 448</b>	

1 Aging analysis is presented at the total public sector.

2 The allowance for impairment losses represents the amount of receivables that are likely to be uncollectable and are considered doubtful. The collectability of receivables is reviewed regularly and part of this process is to assess, at reporting date, whether an allowance for impairment loss is required.

## Note 37 (continued)

### e) Liquidity Risk

Liquidity risk is the risk of financial loss and or increased costs due to unanticipated events or errors in cash flow forecasts that result in additional borrowing costs, reduced investment income or an inability to meet financial or operational commitments as they fall due. This is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is managed for day-to-day operations, the short-to-medium term and for the long term. NTTC predominantly assists the Territory with the management of liquidity risk on a day-to-day basis, using cash flow forecasts and communication with other controlled entities that advise NTTC of the occurrence of unusually large payments. This monitoring allows the Territory to identify potential liquidity issues and also assists in projecting potential investment opportunities.

The Territory's Budget is a five-year projection of the Territory's financial position, which incorporates the medium-term fiscal objectives and financial targets. The fiscal strategy assists in protecting against a liquidity problem in the future.

The following table details the maturity analysis of NTTC's financial liabilities. The analysis for borrowings is based on the earliest possible date on which NTTC can be required to pay. The amounts disclosed are based on undiscounted cash flows, and hence include both interest and principal cash flows. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected cash flows as illustrated by the yield curves existing at balance date.

<u>2015-16</u>	At Call	0 to 3 Months	3 Months to 1 Year	1 to 5 Years	More than 5 Years	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Borrowings						
Wholesale market						
Fixed interest securities		68 947	608 404	1 513 797	2 472 268	4 663 416
Retail market						
Territory bonds		106	35 889	63 297		99 292
Migration linked bonds		5	12	519		536
Commonwealth						
Credit foncier loans			17 484	69 866	282 391	369 741
<b>Total borrowings</b>		<b>69 058</b>	<b>661 789</b>	<b>1 647 479</b>	<b>2 754 659</b>	<b>5 132 985</b>

## Note 37 (continued)

2014-15	At Call	0 to 3 Months	3 Months to 1 Year	1 to 5 Years	More than 5 Years	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Borrowings						
Wholesale market						
Fixed interest securities		69 471	665 874	2 076 079	2 587 338	5 398 762
Retail market						
Territory bonds		125	42 052	62 608		104 785
Migration linked bonds		5	11	536		552
Commonwealth						
Credit foncier loans			17 490	69 894	299 847	387 231
<b>Total borrowings</b>		<b>69 601</b>	<b>725 427</b>	<b>2 209 117</b>	<b>2 887 185</b>	<b>5 891 330</b>

## f) Net Fair Value

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

- the fair value of cash, most 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; and
- 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 – Carrying Amount not Equal to Fair Value

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

2015-16	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$000	\$000	\$000	\$000	\$000
Credit foncier loans	289 943		398 182		398 182
<b>Total financial assets</b>	<b>289 943</b>		<b>398 182</b>		<b>398 182</b>
Borrowings and advances:					
Wholesale	3 676 429		4 197 945		4 197 945
Retail	91 843		95 525		95 525
Commonwealth	223 273		273 865		273 865
Finance lease	79 771			94 668	94 668
<b>Total financial liabilities</b>	<b>4 071 316</b>		<b>4 567 335</b>	<b>94 668</b>	<b>4 662 003</b>

## Note 37 (continued)

2014-15	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$000	\$000	\$000	\$000	\$000
Credit foncier loans	304 967		398 882		398 882
<b>Total financial assets</b>	<b>304 967</b>		<b>398 882</b>		<b>398 882</b>
Borrowings and advances:					
Wholesale	4 209 482		4 622 303		4 622 303
Retail	96 430		100 302		100 302
Commonwealth	230 062		250 060		250 060
Finance lease	81 594			91 056	91 056
<b>Total financial liabilities</b>	<b>4 617 568</b>		<b>4 972 665</b>	<b>91 056</b>	<b>5 063 721</b>

The fair values of financial instruments disclosed above are related to NTTC and Darwin Waterfront Corporation. There were no transfers between levels in 2016.

## Note 38: Events Subsequent to Reporting Date

Since the reporting date, amendments to the Administrative Arrangements Order for the public sector were gazetted on 12 September 2016 outlining restructured entities of the newly elected Government and has no impact on the financial report.

## Note 39: Remuneration of Auditors

With the exception of a small number of consolidation entities, audit services within the reporting entity are provided by the Auditor-General and are funded through appropriation and cost recovery arrangements. The total cost of these services totalled \$5.3 million (2015: \$4.2 million).

## Note 40: Write-Offs, Postponements, Waivers, Ex Gratia Payments and Gifts – General Government Sector<sup>1</sup>

	2015-16	No.	2014-15	No.
	\$000		\$000	
<b>1. Write-offs, postponements and waivers under the <i>Financial Management Act</i></b>	<b>7 637</b>		<b>1 492</b>	
<b>Amounts written off, postponed, waived by Treasurer</b>	<b>6 772</b>	<b>85</b>	<b>854</b>	<b>185</b>
Irrecoverable money written off	465	67	424	14
Crimes compensation debts				
Taxation debts				
Employee debts	19	2	118	6
Government services debts	217	64	306	8
Other	229	1		
Losses or deficiencies of money written off				
Value of public property written off	1 391	6	121	2
Waiver of right to receive or recover money	4 916	12	309	169
Crimes compensation debts				
Taxation debts				
Government services debts	4 916	12	309	169
Other				
<b>Amounts written off, postponed, waived by Delegates</b>	<b>865</b>	<b>1 132</b>	<b>638</b>	<b>768</b>
Irrecoverable money written off	659	783	313	422
Losses or deficiencies of money written off	3	9	5	11
Value of public property written off	203	340	320	335
Waiver of right to receive or recover money				
<b>2. Gifts<sup>2</sup></b>	<b>60 981</b>	<b>15</b>	<b>214</b>	<b>5</b>
Office furniture				
Computer and other electronic equipment				
Vehicles	21	2		
Other	60 960	13	214	5
<b>3. Ex-gratia payments</b>	<b>38</b>	<b>4</b>	<b>173</b>	<b>7</b>
<b>4. Write-offs, postponements and waivers authorised under other legislation</b>	<b>31</b>	<b>6</b>	<b>2 990</b>	<b>7</b>
<b>5. Gifts authorised under other legislation<sup>3</sup></b>	<b>213</b>	<b>9</b>	<b>31 657</b>	<b>11</b>

1 Details of write-offs, postponements, waivers, ex-gratia payments and gifts approved under the *Financial Management Act* and other legislation are reported by agencies in their financial statements.

2 Agency valuations at time of gifting. Where one recipient has received more than one gift covering various categories, the gift has been counted in the category that has the highest value item.

3 Gifts authorised under other legislation predominantly relates to perpetual leases provided under the *Crown Lands Act*.

## Note 41: Details of Controlled Entities at Reporting Date

### Total Public Sector

#### Non Financial Public Sector

##### General Government

Aboriginal Areas Protection Authority  
Auditor-General's Office  
AustralAsia Railway Corporation<sup>1</sup>  
Batchelor Institute of Indigenous Tertiary Education<sup>1</sup>  
Central Australia Health Service<sup>2</sup>  
Central Holding Authority  
Darwin Waterfront Corporation<sup>1</sup>  
Data Centre Services<sup>2</sup>  
Department of Arts and Museums  
Department of the Attorney-General and Justice  
Department of Business  
Department of the Chief Minister  
Department of Children and Families  
Department of Corporate and Information Services  
Department of Correctional Services  
Department of Education  
Department of Health  
Department of Housing  
Department of Infrastructure  
Department of Land Resource Management  
Department of Lands, Planning and the Environment  
Department of the Legislative Assembly  
Department of Local Government and Community Services  
Department of Mines and Energy  
Department of Primary Industry and Fisheries  
Department of Sport and Recreation  
Department of Transport  
Department of Treasury and Finance  
Desert Knowledge Australia<sup>1</sup>  
Motor Accidents (Compensation) Commission<sup>1</sup>  
Museums and Art Galleries Board of the Northern Territory<sup>1</sup>  
Nominal Insurer's Fund<sup>1</sup>  
Northern Territory Electoral Commission  
Northern Territory Legal Aid Commission<sup>1</sup>  
Northern Territory Major Events Company Pty Ltd<sup>1</sup>  
Northern Territory Police, Fire and Emergency Services  
NT Build Statutory Corporation<sup>1</sup>  
NT Fleet<sup>2</sup>  
NT Home Ownership<sup>2</sup>  
Office of the Commissioner for Public Employment  
Ombudsman's Office  
Parks and Wildlife Commission of the Northern Territory  
Territory Wildlife Parks<sup>2</sup>  
Top End Health Service<sup>2</sup>  
Tourism NT

##### Public Non Financial Corporations

Darwin Port Corporation<sup>2,3</sup>  
Darwin Port Operations Pty Ltd<sup>1,4</sup>  
Indigenous Essential Services Pty Ltd<sup>1</sup>  
Jacana Energy<sup>1,5</sup>  
Land Development Corporation<sup>2</sup>  
Power and Water Corporation<sup>1,5</sup>  
Territory Generation<sup>1,5</sup>

##### Public Financial Corporations

Northern Territory Treasury Corporation<sup>2</sup>

<sup>1</sup> Non budget sector entity.

<sup>2</sup> Government business division.

<sup>3</sup> Government business division ceased operations in 2015-16 due to long-term lease of the Port of Darwin.

<sup>4</sup> Entity sold in November 2015.

<sup>5</sup> Government owned corporation.

## Note 42: Restated Comparative Financial Statements

The following tables report the 2014-15 financial statements restated on a line-item basis in this report, comparing them from those published in the audited 2014-15 TAFS.

### Discontinued Operations

As a result of the long-term lease of the Port of Darwin, there have been some reclassifications of revenues and expenses to discontinued operations and assets to assets held for sale. Accounting standards require the reclassification of previous year revenue and expenses for discontinuing operations, to an aggregate result for 'transactions from discontinuing operations'. This change in classification affects line-by-line presentation, however does not impact the operating result in the Comprehensive Operating Statement. The changes are disclosed for completeness to reconcile to Note 12 Discontinuing Operations and the comprehensive operating statement as published in the 2014-15 TAFS.

### Corrections and Restatements

During 2015-16 it was identified that the outstanding claims liability reported in MACC's 2014-15 financial statements was understated by \$32 million due to the incorrect percentage used to account for costs associated with claims handling expense, which did not accurately reflect the terms and conditions of the MACC Management Agreement. The change in the liability has been corrected and restated in the 2014-15 comparatives for the general government and total public sector accounts.

### Changes in Accounting Estimates

Changes in accounting estimates are recognised in the period the estimate is revised. Such changes are not adjusted retrospectively in the financial statements.

Note 42 (continued)

Comprehensive Operating Statement

	General Government			Total Public Sector		
	Previously Reported for 2014-15	Discontinuing Operations and Corrections	2014-15 Comparative Reported in 2015-16	Previously Reported for 2014-15	Discontinuing Operations and Corrections	2014-15 Comparative Reported in 2015-16
	\$000	\$000	\$000	\$000	\$000	\$000
<b>FROM CONTINUING OPERATIONS</b>						
<b>REVENUE</b>						
Taxation revenue	714 853		714 853	704 590		704 590
Current grants	4 153 016		4 153 016	4 157 194		4 157 194
Capital grants	241 052		241 052	241 355		241 355
Sales of goods and services	334 688		334 688	1 149 903	- 53 178	1 096 724
Interest income	88 826		88 826	154 924	- 47	154 877
Dividend and income tax equivalent income	206 343	- 3 435	202 909			
Other revenue	528 419		528 419	592 664	- 4 255	588 408
<b>TOTAL REVENUE</b>	<b>6 267 198</b>	<b>- 3 435</b>	<b>6 263 763</b>	<b>7 000 629</b>	<b>- 57 480</b>	<b>6 943 148</b>
<b>EXPENSES</b>						
Employee benefits expense	2 034 099		2 034 099	2 165 601	- 12 705	2 152 896
Superannuation expenses						
Superannuation interest cost	126 115		126 115	126 115		126 115
Other superannuation expenses	206 196		206 196	215 660	- 1 115	214 546
Depreciation and amortisation	313 551		313 551	569 240	- 10 832	558 408
Other operating expenses	1 273 018		1 273 018	1 837 156	- 14 888	1 822 267
Interest expenses	246 009		246 009	293 861	- 1 227	292 633
Other property expenses	2 055		2 055	3 587	- 117	3 469
Current grants	882 629		882 629	829 119		829 119
Capital grants	91 597		91 597	47 939		47 939
Subsidies and personal benefit payments	204 584		204 584	120 839		120 839
<b>TOTAL EXPENSES</b>	<b>5 379 853</b>		<b>5 379 853</b>	<b>6 209 117</b>	<b>- 40 885</b>	<b>6 168 232</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>		<b>3 435</b>	<b>3 435</b>		<b>16 595</b>	<b>16 595</b>
<b>NET OPERATING BALANCE</b>	<b>887 344</b>		<b>887 344</b>	<b>791 512</b>		<b>791 512</b>
Other economic flows – included in operating result from continuing operations	20 130		20 130	- 244 595		- 244 595
Other economic flows – included in operating result from discontinued operations						
<b>OPERATING RESULT</b>	<b>907 475</b>		<b>907 475</b>	<b>546 917</b>		<b>546 917</b>
Other economic flows – other comprehensive income from continuing operations	2 483 276	- 32 095	2 451 181	2 843 833	- 32 095	2 811 738
Other economic flows – other comprehensive income from discontinued operations						
<b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>3 390 750</b>	<b>- 32 095</b>	<b>3 358 655</b>	<b>3 390 750</b>	<b>- 32 095</b>	<b>3 358 655</b>



## Note 42 (continued)

## Balance Sheet

	General Government			Total Public Sector		
	Previously Reported for 2014-15	Discontinuing Operations and Corrections	2014-15 Comparative Reported in 2015-16	Previously Reported for 2014-15	Discontinuing Operations and Corrections	2014-15 Comparative Reported in 2015-16
	\$000	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>						
Financial assets						
Cash and deposits	610 374		610 374	610 404		610 404
Advances paid	174 933		174 933	174 933		174 933
Investments, loans and placements	2 368 041		2 368 041	2 368 041		2 368 041
Receivables	309 390		309 390	379 355		379 355
Equity						
Investments in other public sector entities	3 710 215		3 710 215			
Investments – other				2		2
Other financial assets						
<b>Total financial assets</b>	<b>7 172 953</b>		<b>7 172 953</b>	<b>3 532 736</b>		<b>3 532 736</b>
<b>Non financial assets</b>						
Inventories	11 547		11 547	196 796		196 796
Property, plant and equipment	13 323 175		13 323 175	17 918 438	- 249 276	17 669 162
Investment property	120 043		120 043	120 043		120 043
Intangible assets	1		1	62 849		62 849
Assets held for sale	35 306		35 306	35 306	249 276	284 582
Other non financial assets	122 285		122 285	122 354		122 354
<b>Total non financial assets</b>	<b>13 612 357</b>		<b>13 612 357</b>	<b>18 455 786</b>		<b>18 455 786</b>
<b>TOTAL ASSETS</b>	<b>20 785 310</b>		<b>20 785 310</b>	<b>21 988 522</b>		<b>21 988 522</b>
<b>LIABILITIES</b>						
Deposits held	249 098		249 098	77 991		77 991
Advances received	326 315		326 315	231 282		231 282
Borrowing	3 711 243		3 711 243	4 977 954		4 977 954
Superannuation	3 837 114		3 837 114	3 837 114		3 837 114
Other employee benefits	618 880		618 880	669 585		669 585
Payables	184 689		184 689	270 880		270 880
Other liabilities	714 587	32 095	746 682	780 333	32 095	812 428
<b>TOTAL LIABILITIES</b>	<b>9 641 926</b>	<b>32 095</b>	<b>9 674 021</b>	<b>10 845 138</b>	<b>32 095</b>	<b>10 877 233</b>
<b>NET ASSETS</b>	<b>11 143 384</b>	<b>- 32 095</b>	<b>11 111 289</b>	<b>11 143 384</b>	<b>- 32 095</b>	<b>11 111 289</b>
Contributed equity						
Accumulated surplus	1 990 031	- 32 095	1 957 936	2 850 959	- 32 095	2 818 864
Reserves	9 153 353		9 153 353	8 292 425		8 292 425
<b>NET WORTH</b>	<b>11 143 384</b>	<b>- 32 095</b>	<b>11 111 289</b>	<b>11 143 384</b>	<b>- 32 095</b>	<b>11 111 289</b>
NET FINANCIAL WORTH						
	- 2 468 973	- 32 095	- 2 501 068	- 7 312 402	- 32 095	- 7 344 497
<b>NET DEBT</b>	<b>1 133 308</b>		<b>1 133 308</b>	<b>2 133 848</b>		<b>2 133 848</b>

## Note 43 (a): General Government Sector Budgetary Information

	2015-16 Actual (Audited)	2015-16 Original Budget (Unaudited)	Variance	Note	
	\$000	\$000	\$000		
<b>General Government Sector Comprehensive Operating Statement</b>					
<b>REVENUE FROM CONTINUING OPERATIONS</b>					
Taxation revenue	608 424	629 849	- 21 425	1	
Current grants	4 351 430	4 135 739	215 691	2	
Capital grants	331 203	266 439	64 764	2	
Sales of goods and services	435 521	375 592	59 929	3	
Interest income	101 785	100 138	1 647		
Dividend and income tax equivalent income	97 324	79 255	18 069	4	
Other revenue	282 388	208 925	73 463	5	
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>	<b>6 208 077</b>	<b>5 795 937</b>	<b>412 140</b>		
<i>less</i>					
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employee benefits expense	2 153 697	2 075 154	78 543	6	
Superannuation expenses					
Superannuation interest cost	111 465	138 337	- 26 872	7	
Other superannuation expenses	231 857	214 951	16 906	7	
Depreciation and amortisation	322 587	327 706	- 5 119	8	
Other operating expenses	1 440 410	1 400 753	39 657	9	
Interest expenses	234 918	253 354	- 18 436	10	
Other property expenses	2 002		2 002		
Current grants	949 688	846 256	103 432	11	
Capital grants	250 610	104 960	145 650	12	
Subsidies and personal benefit payments	220 056	207 443	12 613	13	
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>5 917 290</b>	<b>5 568 914</b>	<b>348 376</b>		
	<b>2 294</b>		<b>2 294</b>		
<i>equals</i>	<b>NET OPERATING BALANCE</b>	<b>293 081</b>	<b>227 023</b>	<b>66 058</b>	
<i>plus</i>	Other economic flows – included in operating result	- 144 509	42 044	- 185 553	14
	Other economic flows – included in operating result – discontinued operations	100 221		100 221	15
<i>equals</i>	<b>OPERATING RESULT</b>	<b>248 794</b>	<b>269 067</b>	<b>- 20 273</b>	
<i>plus</i>	Other economic flows – other comprehensive income	- 1 672 666	311 392	- 1 984 058	16
	Other economic flows – other comprehensive income – discontinued operations	88 037		88 037	15
<i>equals</i>	<b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>- 1 335 835</b>	<b>580 459</b>	<b>- 1 916 292</b>	
	<b>NET OPERATING BALANCE</b>	<b>293 081</b>	<b>227 023</b>	<b>66 058</b>	
<i>less</i>	<b>Net acquisition of non financial assets</b>				
	Purchases of non financial assets	741 740	861 991	- 120 251	17
	Sales of non financial assets	- 48 610	- 88 982	40 372	18
<i>less</i>	Depreciation	322 587	327 706	- 5 119	8
<i>plus</i>	Change in inventories	1 923		1 923	
<i>plus</i>	Other movements in non financial assets	- 47 642	- 20 830	- 26 812	19
<i>equals</i>	<b>Total net acquisition of non financial assets</b>	<b>324 825</b>	<b>424 473</b>	<b>- 99 648</b>	
<i>equals</i>	<b>FISCAL BALANCE</b>	<b>- 31 744</b>	<b>- 197 450</b>	<b>165 706</b>	

## Note 43 (a) (continued)

The following note descriptions relate to variances greater than 10 per cent or \$5 million, or where multiple significant variances have occurred.

1. The \$21.4 million decrease in taxation revenue from the April 2015 Budget reflects:
  - decrease in stamp duty of \$15.8 million;
  - decrease in taxes on gambling, insurances and motor vehicle registration fees of \$11.3 million, offset by:
  - increased payroll tax of \$5.7 million due to growth in both employment and wages, particularly among the large employers forming part of the Territory's payroll tax base.
2. Net increase in current and capital grants of \$280.5 million since the April 2015 Budget due to:
  - a net increase in Specific Purpose Payments and National Partnership revenue of \$188.6 million across various programs including the bringing forward of funding for municipal and essential services from future years of \$133.5 million;
  - increased other Commonwealth funding of \$97.3 million primarily related to additional funding for health and hospital services, roads and local government councils, partially offset by:
  - reduction in GST revenue of \$5.4 million relating to lower than anticipated national GST collections.
3. Sales of goods and services increased by \$59.9 million driven by an increase in rent collections for remote public housing dwellings, additional licensing income in the Department of Business, combined with other variations across a number of government agencies.
4. Dividend and income tax equivalents are \$18.1 million greater than originally budgeted due to improved profitability of Jacana Energy and PWC, offset by lower profitability within Northern Territory Treasury Corporation.
5. Other revenue has increased by \$73.5 million from the April 2015 Budget, largely as a result of:
  - higher than anticipated mining royalty collections of \$25.7 million;
  - Menzies School of Health research building of \$8.4 million gifted to Top End Health Services;
  - increase in rental receipts received of \$4.6 million by MACC;
  - additional \$3.3 million in pensioner concession reimbursements; and
  - \$31.5 million in other miscellaneous income across various agencies.
6. Employee expenses have increased largely due to additional employee expenses in the health, corrections and community safety sectors driven by overtime and increased full-time equivalents.
7. Superannuation expenses have decreased by a net of \$10 million largely as a result of the outcome of the annual actuarial review.
8. Depreciation has decreased by \$5.1 million than original budget as a result of lower purchases of non financial assets.
9. Other operating expenses have increased by \$39.7 million since the April 2015 Budget, largely as a result of:
  - additional property management expenses particularly within the health services and housing, offset by:
  - the transfer to other expenditure categories across government agencies.
10. Interest expenses have decreased by \$18.4 million as a result of the repayment of borrowings in 2015-16.
11. Current grants have increased by \$103.4 million predominantly due to tied Commonwealth funding for health and hospital services, roads and local government councils.
12. Capital grants have increased by \$145.6 million predominantly as a result of new initiatives including upgrades to the Owen Springs and Tennant Creek power stations, sporting facilities and non government schools.
13. Subsidies and personal benefits have increased by \$12.6 million predominantly as a result of increased out-of-home care payments, additional natural disaster payments, partially offset by the reclassification of primary health care grants to current grants expenditure.
14. The movement largely relates to actuarial adjustments to long-term liabilities within MACC of \$79 million and revaluation of investments of \$32 million combined with the revaluation and impairment of non financial assets of \$48 million and write-off of debts of \$13 million across agencies.
15. Relates to the gain on the disposal of equity investments relating to the Port of Darwin.
16. Predominantly relates to movements in equity investments in the public non financial sector largely as a result of their decreased net worth following revised asset valuation methodology, combined with an increase in the superannuation liability reflecting a reduction in the bond rate used to value the liability from a budgeted 3.5 per cent to 2.0 per cent in 2015-16 actuals.

### Note 43 (a) (continued)

17. Purchases of non financial assets are \$120.2 million lower than originally budgeted as a result of the revised timing of capital works projects across government.
18. Sales of non financial assets are \$40.3 million lower than originally budgeted, largely due to lower than expected asset sales across various agencies.
19. Other movements in non financial assets have increased by \$26.8 million as a result of the revised timing of affordable housing assets and utility infrastructure assets to be gifted.

## Note 43 (b): General Government Sector Budgetary Information

General Government Sector Balance Sheet	2015-16 Actual (Audited) \$000	2015-16 Original Budget (Unaudited) \$000	Variance \$000	Note
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and deposits	623 654	204 982	418 672	1
Advances paid	177 967	163 143	14 824	2
Investments, loans and placements	2 182 185	2 487 269	- 305 084	3
Receivables	380 703	296 820	83 883	4
Equity				
Investments in other public sector entities	2 129 019	2 846 539	- 717 520	5
Investments – other				
Other financial assets	16 249		16 249	6
<b>Total financial assets</b>	<b>5 509 777</b>	<b>5 998 753</b>	<b>- 488 976</b>	
<b>Non financial assets</b>				
Inventories	13 470	11 288	2 182	
Property, plant and equipment	13 680 291	12 067 579	1 612 712	7
Investment property	110 694	69 773	40 921	8
Intangible assets	1	2	- 1	
Assets held for sale	26 141	22 963	3 178	
Other non financial assets	122 577	122 356	221	
<b>Total non financial assets</b>	<b>13 953 174</b>	<b>12 293 961</b>	<b>1 659 213</b>	
<b>TOTAL ASSETS</b>	<b>19 462 951</b>	<b>18 292 714</b>	<b>1 170 237</b>	
<b>LIABILITIES</b>				
Deposits held	361 349	249 242	112 107	9
Advances received	293 464	300 147	- 6 683	10
Borrowing	3 097 390	3 746 475	- 649 085	11
Superannuation	4 263 850	3 689 212	574 638	12
Other employee benefits	591 873	607 199	- 15 326	13
Payables	206 484	190 515	15 969	14
Other liabilities	873 087	754 376	118 711	15
<b>TOTAL LIABILITIES</b>	<b>9 687 497</b>	<b>9 537 166</b>	<b>150 331</b>	
<b>NET ASSETS</b>	<b>9 775 454</b>	<b>8 755 548</b>	<b>1 019 906</b>	
Contributed equity				
Accumulated surplus	1 922 074	1 651 950	270 124	
Reserves	7 853 379	7 103 598	749 781	16
<b>NET WORTH</b>	<b>9 775 454</b>	<b>8 755 548</b>	<b>1 019 906</b>	
NET FINANCIAL WORTH <sup>1</sup>	- 4 177 720	- 3 538 413	- 639 305	
NET FINANCIAL LIABILITIES <sup>2</sup>	6 306 740	6 384 952	- 78 212	
<b>NET DEBT<sup>3</sup></b>	<b>768 398</b>	<b>1 440 470</b>	<b>- 672 072</b>	

1 Net financial worth equals total financial assets minus total liabilities.

2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

## Note 43 (b) (continued)

The following note descriptions relate to variances greater than 10 per cent or \$5 million, or where multiple significant variances have occurred.

1. The increase in cash and deposits largely reflects the lease proceeds of \$506 million of the Port of Darwin, partially offset by \$100 million invested in securities.
2. Advances paid have increased by \$14.8 million predominantly as a result of the refinancing of a loan by NT Home Ownership of \$20 million partially offset by lower than anticipated take-up of Farm Finance Concessional Loans as part of drought assistance with the Commonwealth.
3. Investments, loans and placements has decreased by \$305 million predominantly due to lower investments held within CHA of \$335 million due to the repayment of debt in 2015-16, combined with lower than budgeted growth in investment securities in MACC, partially offset by the lease proceeds of the Darwin Port invested within securities of \$100 million.
4. Receivables have increased since the original Budget by \$83.8 million largely as a result of increased receivables in MACC of \$72 million.
5. Investments in other public sector entities has decreased by \$717.5 million predominantly as a result of revised asset values in PWC and Indigenous Essential Services Pty Ltd.
6. The balance represents the finance lease receivable related to the 99 year lease of the Port of Darwin and the emerging interest the Territory has in the Port assets.
7. Property, plant and equipment is \$1.6 billion greater than originally budgeted as a result of an upwards revaluation of assets across government agencies predominantly roads across the Territory.
8. Investment property has increased by \$40.9 million as a result of a reclassification of property held for rental by MACC.
9. Deposits held have increased by \$112.1 million predominantly as a result of higher cash balances held on behalf of trading entities combined with increased trust monies across agencies.
10. Advances received have decreased by \$6.6 million largely as a result of lower than anticipated take-up of Farm Finance Concessional Loans as part of drought assistance with the Commonwealth.
11. Borrowings have decreased by \$649 million predominantly reflecting the repayment of maturing loans of \$611 million in 2015-16.
12. The \$574.6 million increase in superannuation liabilities is predominantly due to the movement in the bond rate (2016: 2 per cent, original Budget 3.5 per cent) used in valuing the Territory's superannuation liabilities as required by accounting standards.
13. Other employee benefits have decreased by \$15.3 million, primarily reflecting lower employee expenses accrual across agencies, partially offset by increased leave entitlements as a result of wages growth, timing of entitlement payments and changes in bond rates and staffing numbers.
14. Payables have increased by \$15.9 million due to a higher number of accruals across agencies, predominantly cross-border patient charges in the health services.
15. Other liabilities have increased by \$118.7 million from originally budgeted predominantly as a result of increased outstanding claims liabilities within MACC.
16. The increase in reserves includes an increase to the asset revaluation reserve mainly relating to the upwards revaluation of road infrastructure, offset by the realisation of reserves relating to sold assets and a decrease in the investment in public sector entities' revaluation surplus.

## Note 43 (c): General Government Sector Budgetary Information

General Government Sector Cash Flow Statement	2015-16	2015-16	Variance	Note
	Actual (Audited)	Original Budget (Unaudited)		
	\$000	\$000	\$000	
<b>Cash receipts from operating activities</b>				
Taxes received	588 601	629 699	- 41 098	1
Receipts from sales of goods and services	453 702	410 856	42 846	2
Grants and subsidies received	4 683 836	4 402 178	281 658	3
Interest receipts	100 043	100 138	- 95	
Dividends and income tax equivalents	100 194	91 164	9 030	4
Other receipts	492 586	401 086	91 500	5
<b>Total operating receipts</b>	<b>6 418 963</b>	<b>6 035 121</b>	<b>383 842</b>	
<b>Cash payments for operating activities</b>				
Payments for employees	- 2 488 601	- 2 391 364	- 97 237	6
Payment for goods and services	- 1 664 840	- 1 625 681	- 39 159	7
Grants and subsidies paid	- 1 355 615	- 1 137 468	- 218 147	8
Interest paid	- 234 986	- 253 508	18 522	9
Other payments	- 26 321		- 26 321	7
<b>Total operating payments</b>	<b>- 5 770 363</b>	<b>- 5 408 021</b>	<b>- 362 342</b>	
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>648 600</b>	<b>627 100</b>	<b>21 500</b>	
<b>Cash flows from investments in non financial assets</b>				
Sales of non financial assets	48 610	88 982	- 40 372	10
Purchases of non financial assets	- 744 604	- 861 991	117 387	11
<b>Net cash flows from investments in non financial assets</b>	<b>- 695 995</b>	<b>- 773 009</b>	<b>77 014</b>	
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>	<b>- 47 395</b>	<b>- 145 909</b>	<b>98 514</b>	
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>	421 932	47 784	374 148	12
Net cash flows from investments in financial assets for liquidity purposes	176 303	- 69 951	246 254	13
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>- 97 759</b>	<b>- 795 176</b>	<b>697 417</b>	
Net cash flows from financing activities				
Advances received (net)	- 32 851	- 39 948	7 097	14
Borrowing (net)	- 616 961	- 7 590	- 609 371	15
Deposits received (net)	112 251	15 385	96 866	16
Other financing (net)				
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 537 561</b>	<b>- 32 153</b>	<b>- 505 408</b>	
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>	<b>13 280</b>	<b>- 200 229</b>	<b>213 509</b>	
Net cash flows from operating activities	648 600	627 100	21 500	
Net cash flows from investments in non financial assets	- 695 995	- 773 009	77 014	
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 47 395</b>	<b>- 145 909</b>	<b>98 514</b>	
Future infrastructure and superannuation contributions/earnings <sup>2</sup>	- 22 263	- 26 789	4 526	
<b>UNDERLYING SURPLUS (+)/DEFICIT (-)</b>	<b>- 69 658</b>	<b>- 172 698</b>	<b>103 040</b>	
<b>Additional information to the Cash Flow Statement</b>				
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 47 395</b>	<b>- 145 909</b>	<b>98 514</b>	
Acquisitions under finance leases and similar arrangements	- 3 114		- 3 114	
<b>ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements</b>	<b>- 50 509</b>	<b>- 145 909</b>	<b>95 400</b>	

<sup>1</sup> Includes equity acquisitions, disposals and privatisations (net).

<sup>2</sup> Contributions for future infrastructure and superannuation requirements.



## Note 43 (c) (continued)

The following note descriptions relate to variances greater than 10 per cent or \$5 million, or where multiple significant variances have occurred.

1. The \$41.1 million decrease in taxation revenue from the April 2015 budget reflects:
  - a decrease in stamp duty of \$21.4 million reflecting lower than predicted number and value of residential transactions;
  - a decrease in taxes on gambling, insurances and motor vehicle registration fees of \$3.6 million, offset by:
    - an increase in unearned taxation receipts of \$21.7 million; and
  - increased payroll tax of \$5.6 million due to growth in both employment and wages, particularly among the large employers forming part of the Territory's payroll tax base.
2. Receipts from sales of goods and services has increased by \$42.8 million due to increased rental receipts in the Department of Housing and additional licensing income of \$13.2 million in the Department of Business.
3. Grants and subsidies received have increased by \$281.6 million since April 2015 due to:
  - a net increase in specific purpose payments and national partnership revenue of \$191.7 million across various programs including the bringing forward of funding for municipal and essential services from future years of \$133.5 million;
  - increased other Commonwealth funding of \$95.3 million primarily related to additional funding for health and hospital services, roads and local government councils, partially offset by:
    - reduction in GST revenue of \$5.4 million relating to lower than anticipated national GST collections.
4. Dividends and income tax equivalents are \$9 million greater than original Budget predominantly due to improved profitability of the government owned corporations combined with the timing of receipts.
5. Other receipts increased by \$91.5 million due to:
  - higher than anticipated mining royalty collections of \$25.7 million;
  - increase in rental receipts received of \$4.7 million by MACC;
  - additional \$3.3 million in pensioner concession reimbursements;
  - \$24.6 million in other miscellaneous income across various agencies;
  - timing of ATO GST receipts of \$19.5 million; and
  - increase in tax and other receivables and unearned income of \$13.7 million.
6. The \$97.2 million increase in payments for employees is due to additional employee expenses in the health, corrections and community safety sectors.
7. The net increase in payments for goods and services and other expenses of \$65.4 million largely relates to:
  - timing of ATO GST payments of \$19.5 million;
  - additional property management expenses of \$76 million particularly within the health services and housing, offset by:
    - the transfer to other expenditure categories across government agencies.
8. Grants and subsidies paid are \$218.1 million greater than budgeted predominantly as a result of the on-passing of additional Commonwealth funding and new Territory initiatives for health and hospital services, roads and local government councils and upgrades to the Owen Springs and Tennant Creek power stations, sporting facilities and non government schools.
9. Interest paid is \$18.5 million lower than originally budgeted as a result of the repayment of borrowings in 2015-16.
10. Sales of non financial assets are \$40.4 million lower than originally budgeted, largely due to lower than expected asset sales across various agencies.
11. Purchases of non financial assets are \$117.4 million lower than originally budgeted as a result of the revised timing of capital works projects across government.
12. The \$374.1 million movement predominantly represents the proceeds of the lease of the Port of Darwin assets.
13. The \$246.2 million movement largely reflects the investment of increased cash holdings.



Note 43 (c) (continued)

14. Advances received have decreased by \$7.1 million largely related to the repayment of borrowings to support home ownership assistance products offset by lower take-up of Farm Finance Concessional Loans as part of drought assistance with the Commonwealth.
15. Largely reflects the repayment of maturing loans of \$611 million in 2015-16.
16. The \$96.9 million increase in deposits held is largely due to higher cash balances held on behalf of trading entities.

## Note 44: Supplementary Tables (Functional Information)

The following table presents expenses from transactions classified according to the Government Purpose Classification which is based on the ABS classifications used as part of the Government Finance Statistics reporting framework.

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15 <sup>1</sup>
	\$000	\$000	\$000	\$000
<b>General Government Sector and Total Public Sector Expenses by Function</b>				
<b>General public services</b>				
Government superannuation benefits	2 360	2 966	2 360	2 966
Other general public services	122 299	112 846	122 299	112 846
<b>Total general public services</b>	<b>124 660</b>	<b>115 812</b>	<b>124 660</b>	<b>115 812</b>
<b>Public order and safety</b>				
Police and fire protection services				
Police services	319 198	301 362	319 198	301 362
Fire protection services	35 200	35 681	35 200	35 681
Law courts and legal services	167 239	157 090	167 239	157 090
Prisons and corrective services	198 234	184 415	198 234	184 415
Other public order and safety	4 443	5 865	4 443	5 865
<b>Total public order and safety</b>	<b>724 316</b>	<b>684 413</b>	<b>724 316</b>	<b>684 413</b>
<b>Education</b>				
Primary and secondary education				
Primary education	473 337	449 020	473 337	449 020
Secondary education	367 336	338 781	367 336	338 781
Primary and secondary education n.e.c.	753		753	
Tertiary education				
University education	10 425	9 707	10 425	9 707
Technical and further education	112 594	101 920	112 594	101 920
Tertiary education n.e.c.	13 206	12 497	13 206	12 497
Preschool education and education not definable by level				
Preschool education	36 044	36 897	36 044	36 897
Special education	56 991	51 788	56 991	51 788
Other education not definable by level				
Transportation of students				
Transportation of non-urban school students	2 335	2 555	2 335	2 555
Transportation of other students	15 592	14 739	15 592	14 739
Education n.e.c.	1 758	1 060	1 758	1 060
<b>Total education</b>	<b>1 090 370</b>	<b>1 018 965</b>	<b>1 090 370</b>	<b>1 018 965</b>
<b>Health</b>				
Acute care institutions				
Admitted patient services in acute care institutions	771 416	667 477	771 416	667 477
Non-admitted patient services in acute care institutions	253 875	208 722	253 875	208 722
Mental health institutions	9 557	10 189	9 557	10 189
Community health services				
Community mental health services	54 084	49 729	54 084	49 729
Patient transport	89 538	77 896	89 538	77 896

## Note 44 (Continued)

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15 <sup>1</sup>
	\$000	\$000	\$000	\$000
Other community health services	189 459	197 637	189 459	197 637
Public health services	36 606	45 644	36 606	45 644
Pharmaceuticals, medical aids and appliances	7 162	8 127	7 162	8 127
Health research	5 936	6 839	5 936	6 839
Health administration n.e.c.	5 037	5 791	5 037	5 791
<b>Total health</b>	<b>1 422 669</b>	<b>1 278 052</b>	<b>1 422 669</b>	<b>1 278 052</b>
<b>Social security and welfare</b>				
Welfare services				
Family and child welfare services	206 492	199 412	206 492	199 412
Welfare services for the aged	25 886	33 158	25 886	33 158
Welfare services for people with a disability	75 555	83 108	75 555	83 108
Welfare services n.e.c.	68 261	70 610	68 261	70 610
Social security and welfare services n.e.c.	2 591	2 609	2 591	2 609
<b>Total social security and welfare</b>	<b>378 785</b>	<b>388 897</b>	<b>378 785</b>	<b>388 897</b>
<b>Housing and community amenities</b>				
Housing and community development				
Housing	301 668	254 880	301 668	254 880
Aboriginal community development	238 873	198 131	238 873	198 131
Other community development		35 351		35 351
Water supply				
Aboriginal community water supply	24 717	23 500	30 235	33 190
Other water supply	18 765	18 942	38 598	53 763
Sanitation and protection of the environment				
Aboriginal community sanitation services	38 720	13 896	41 759	19 233
Other sanitation and protection of the environment	7 997	7 028	20 924	29 724
Other community amenities				
<b>Total housing and community amenities</b>	<b>630 739</b>	<b>551 728</b>	<b>672 056</b>	<b>624 272</b>
<b>Recreation and culture</b>				
Recreation facilities and services				
National parks and wildlife	45 835	44 114	45 835	44 114
Recreation facilities and services n.e.c.	110 990	76 628	110 990	76 628
Cultural facilities and services	81 959	75 894	81 959	75 894
Broadcasting and film production	1 154	744	1 154	744
Recreation and culture n.e.c.	21 722	12 786	21 722	12 786
<b>Total recreation and culture</b>	<b>261 660</b>	<b>210 167</b>	<b>261 660</b>	<b>210 167</b>
<b>Fuel and energy</b>				
Fuel affairs and services				
Gas	3 374	3 464	3 374	3 464
Fuel affairs and services n.e.c.	424	428	424	428
Electricity and other energy				
Aboriginal community electricity services	39 856	37 903	71 316	93 140
Other electricity	128 670	67 927	340 979	440 700
Other energy			177	311

Note 44 (Continued)

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15 <sup>1</sup>
	\$000	\$000	\$000	\$000
Fuel and energy n.e.c.	987	661	987	661
<b>Total fuel and energy</b>	<b>173 310</b>	<b>110 383</b>	<b>417 257</b>	<b>538 704</b>
<b>Agriculture, forestry, fishing and hunting</b>				
Agriculture	62 904	61 609	62 904	61 609
Forestry, fishing and hunting	27 750	25 053	27 750	25 053
<b>Total agriculture, forestry, fishing and hunting</b>	<b>90 653</b>	<b>86 662</b>	<b>90 653</b>	<b>86 662</b>
<b>Mining and mineral resources other than fuels, manufacturing and construction</b>				
Mining and mineral resources other than fuels	31 109	33 678	31 109	33 678
Construction	4 438	3 566	4 438	3 566
<b>Total mining and mineral resources other than fuels, manufacturing and construction</b>	<b>35 546</b>	<b>37 244</b>	<b>35 546</b>	<b>37 244</b>
<b>Transport and other communications</b>				
Road transport				
Aboriginal community road transport services	287	1 043	287	1 043
Road maintenance	171 451	167 923	171 451	167 923
Road rehabilitation	2 713	3 384	2 713	3 384
Road construction	16	2 863	16	2 863
Road transport n.e.c.	29 536	25 345	32 495	30 540
Water transport				
Urban water transport services	3 276	5 336	15 739	27 217
Non-urban water transport services	1 182	1 886	1 182	1 886
Rail transport				
Non-urban rail transport freight services	3 760	3 711	3 760	3 711
Non-urban rail transport passenger services				
Air transport				
Aboriginal community air transport services	7 846	7 340	7 846	7 340
Other air transport services	518	477	518	477
Pipelines		519	9 857	17 826
Other transport				
Multi-mode urban transport	30 020	28 354	30 020	28 354
Other transport n.e.c.	11 454	10 797	11 454	10 797
Communications				
<b>Total transport and other communications</b>	<b>262 059</b>	<b>258 979</b>	<b>287 338</b>	<b>303 362</b>
<b>Other economic affairs</b>				
Storage, saleyards and markets				
Tourism and area promotion	76 200	68 082	76 200	68 082
Vocational training	27 076	21 020	27 076	21 020
Labour and employment affairs				
Other labour and employment affairs	43 731	34 719	43 731	34 719
Other economic affairs	68 154	56 734	68 154	56 734
<b>Total other economic affairs</b>	<b>215 160</b>	<b>180 555</b>	<b>215 160</b>	<b>180 555</b>

## Note 44 (Continued)

	General Government		Total Public Sector	
	2015-16	2014-15	2015-16	2014-15 <sup>1</sup>
	\$000	\$000	\$000	\$000
<b>Other purposes</b>				
Public debt transactions	346 382	372 124	421 350	503 753
General purpose inter-government transactions	25 395	29 917	25 395	29 917
Natural disaster relief	9 472	21 085	9 472	21 085
Other purposes n.e.c.	126 113	34 871	212 903	187 256
<b>Total other purposes</b>	<b>507 362</b>	<b>457 997</b>	<b>669 120</b>	<b>742 011</b>
<b>Total operating expenses</b>	<b>5 917 290</b>	<b>5 379 853</b>	<b>6 389 590</b>	<b>6 209 117</b>

n.e.c.: not elsewhere classified

<sup>1</sup> The difference between total operating expenses and the Comprehensive Operating Statement for the total public sector relates to expenditure associated with discontinued operation of \$40.885 million.

For public policy purposes, government undertakes a centralised approach to investing in financial assets. In addition, a number of government's non financial assets are multipurpose and utilised across a number of functions, particularly in remote areas of the Territory. Accordingly, it is not considered that the carrying amounts of assets recognised in the respective general government and total public sector balance sheets can be reliably attributable to specific functions.

## Note 45: Elimination Table – Comprehensive Operating Statement

2015-16	PNFC		PFC		Total Public		
	GGS	Sector	Eliminations	NFPS	Sector	Eliminations	Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>							
Taxation revenue	608 424		- 10 277	598 147			598 147
Current grants	4 351 430	157 308	- 154 006	4 354 732			4 354 732
Capital grants	331 203	97 626	- 89 881	338 948			338 948
Sales of goods and services	435 521	656 373	- 76 946	1 014 948	820	- 1 441	1 014 328
Interest income	101 785	3 789	- 4 001	101 573	238 408	- 238 402	101 580
Dividend and income tax equivalent income	97 324		- 73 192	24 132		- 24 132	
Other revenue	282 388	48 796	- 28 988	302 197	2	- 44	302 155
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>	<b>6 208 077</b>	<b>963 891</b>	<b>- 437 290</b>	<b>6 734 678</b>	<b>239 230</b>	<b>- 264 019</b>	<b>6 709 889</b>
<i>less</i> <b>EXPENSES FROM CONTINUING OPERATIONS</b>							
Employee benefits expense	2 153 697	111 690		2 265 387	762		2 266 149
Superannuation expenses							
Superannuation interest cost	111 465			111 465			111 465
Other superannuation expenses	231 857	15 781	- 4 720	242 918	86	- 42	242 962
Depreciation and amortisation	322 587	204 435		527 023			527 023
Other operating expenses	1 440 410	458 260	- 87 434	1 811 236	1 420	- 1 443	1 811 214
Interest expenses	234 918	66 632	- 4 001	297 548	212 830	- 238 402	271 976
Other property expenses	2 002	54 487	- 54 509	1 981	7 240	- 7 240	1 981
Current grants	949 688		- 57 338	892 350			892 350
Capital grants	250 610	2 487	- 113 592	139 506			139 506
Subsidies and personal benefit payments	220 056	1 578	- 96 668	124 965			124 965
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>5 917 290</b>	<b>915 349</b>	<b>- 418 261</b>	<b>6 414 378</b>	<b>222 338</b>	<b>- 247 126</b>	<b>6 389 590</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>	<b>2 294</b>	<b>- 355</b>	<b>51</b>	<b>1 990</b>			<b>1 990</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>	<b>293 081</b>	<b>48 187</b>	<b>- 18 978</b>	<b>322 290</b>	<b>16 892</b>	<b>- 16 892</b>	<b>322 290</b>
<i>plus</i> Other economic flows – included in operating result	- 144 509	- 42 235		- 186 743			- 186 743
Other economic flows – included in operating result – discontinued operations	100 221	- 31 906		68 316			68 316
<i>equals</i> <b>OPERATING RESULT</b>	<b>248 794</b>	<b>- 25 954</b>	<b>- 18 978</b>	<b>203 862</b>	<b>16 892</b>	<b>- 16 892</b>	<b>203 862</b>
<i>plus</i> Other economic flows – other comprehensive income	- 1 672 666	- 1 469 800	1 482 826	-1 659 639			- 1 659 639
Other economic flows – other comprehensive income – discontinued operations	88 037	31 906		119 942			119 942
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>- 1 335 835</b>	<b>- 1 463 848</b>	<b>1 463 848</b>	<b>-1 335 835</b>	<b>16 892</b>	<b>- 16 892</b>	<b>- 1 335 835</b>

Note 45 (continued)	GGS	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>NET OPERATING BALANCE</b>	<b>293 081</b>	<b>48 187</b>	<b>- 18 978</b>	<b>322 290</b>	<b>16 892</b>	<b>- 16 892</b>	<b>322 290</b>
<i>less</i> <b>Net acquisition of non financial assets</b>							
Purchases of non financial assets	741 740	251 730		993 470			993 470
Sales of non financial assets	- 48 610	- 318		- 48 927			- 48 927
<i>less</i> Depreciation	322 587	204 435		527 023			527 023
<i>plus</i> Change in inventories	1 923	- 379		1 544			1 544
<i>plus</i> Other movements in non financial assets	- 47 642	28 931		- 18 711			- 18 711
<i>equals</i> <b>Total net acquisition of non financial assets</b>	<b>324 825</b>	<b>75 528</b>		<b>400 353</b>			<b>400 353</b>
<i>equals</i> <b>FISCAL BALANCE</b>	<b>- 31 744</b>	<b>- 27 341</b>	<b>- 18 978</b>	<b>- 78 063</b>	<b>16 892</b>	<b>- 16 892</b>	<b>- 78 063</b>

## Note 45: Elimination Table – Balance Sheet

2015-16	GGS	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>							
<b>Financial assets</b>							
Cash and deposits	623 654	240 290	- 240 267	623 677	39 128	- 39 128	623 677
Advances paid	177 967			177 967	76 354	- 76 354	177 967
Investments, loans and placements	2 182 185			2 182 185	3 963 594	- 3 963 594	2 182 185
Receivables	380 703	164 072	- 51 254	493 521	5 899	- 30 038	469 382
Equity							
Investments in other public sector entities	2 129 019		- 2 107 388	21 631		- 21 631	
Investments – other		2		2			2
Other financial assets	16 249			16 249			16 249
<b>Total financial assets</b>	<b>5 509 777</b>	<b>404 365</b>	<b>- 2 398 910</b>	<b>3 515 232</b>	<b>4 084 974</b>	<b>- 4 130 744</b>	<b>3 469 463</b>
<b>Non financial assets</b>							
Inventories	13 470	184 870		198 340			198 340
Property, plant and equipment	13 680 291	3 068 248		16 748 539			16 748 539
Investment property	110 694			110 694			110 694
Intangible assets	1	31 546		31 547			31 547
Assets held for sale	26 141			26 141			26 141
Other non financial assets	122 577	68		122 646			122 646
<b>Total non financial assets</b>	<b>13 953 174</b>	<b>3 284 732</b>		<b>17 237 906</b>			<b>17 237 906</b>
<b>TOTAL ASSETS</b>	<b>19 462 951</b>	<b>3 689 096</b>	<b>- 2 398 910</b>	<b>20 753 138</b>	<b>4 084 974</b>	<b>- 4 130 744</b>	<b>20 707 369</b>
<b>LIABILITIES</b>							
Deposits held	361 349	1 329	- 240 267	122 412	521	- 39 128	83 805
Advances received	293 464			293 464	223 273	- 287 147	229 590
Borrowing	3 097 390	1 320 320		4 417 711	3 768 272	-3 752 801	4 433 182
Superannuation	4 263 850			4 263 850			4 263 850
Other employee benefits	591 873	51 882		643 755	139		643 894
Payables	206 484	113 943	- 12 395	308 032	47 005	- 5 905	349 132
Other liabilities	873 087	94 233	- 38 859	928 461	24 134	- 24 133	928 462
<b>TOTAL LIABILITIES</b>	<b>9 687 497</b>	<b>1 581 708</b>	<b>- 291 521</b>	<b>10 977 684</b>	<b>4 063 344</b>	<b>- 4 109 113</b>	<b>10 931 915</b>
<b>NET ASSETS</b>	<b>9 775 454</b>	<b>2 107 388</b>	<b>- 2 107 388</b>	<b>9 775 454</b>	<b>21 631</b>	<b>- 21 631</b>	<b>9 775 454</b>
Contributed equity		613 300	- 613 300		18 714	- 18 714	
Accumulated surplus	1 922 074	865 324		2 787 398	2 917		2 790 315
Reserves	7 853 379	628 764	- 1 494 088	6 988 056		- 2 917	6 985 139
<b>NET WORTH</b>	<b>9 775 454</b>	<b>2 107 388</b>	<b>- 2 107 388</b>	<b>9 775 454</b>	<b>21 631</b>	<b>- 21 631</b>	<b>9 775 454</b>
NET FINANCIAL WORTH <sup>1</sup>	- 4 177 720	- 1 177 343	- 2 107 388	- 7 462 452	21 631	- 21 631	- 7 462 452
NET FINANCIAL LIABILITIES <sup>2</sup>	6 306 740	1 177 343		7 484 083	- 21 631		7 462 452
<b>NET DEBT<sup>3</sup></b>	<b>768 398</b>	<b>1 081 360</b>		<b>1 849 757</b>	<b>- 87 009</b>		<b>1 762 749</b>

1 Net financial worth equals total financial assets minus total liabilities.

2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.



## Note 45: Elimination Table – Statement of Changes in Equity

2015-16	GGG	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Equity as at 30 June 2016</b>							
<b>Accumulated funds</b>							
Accumulated funds – opening balance	1 957 936	858 011		2 815 947	2 917		2 818 864
Current year surplus (+)/deficit (-)	248 794	- 25 954	- 18 978	203 862	16 892	- 16 892	203 862
Changes in accounting policy							
Correction of prior period errors							
Transfers from reserves	113 326	58 678		172 004			172 004
Dividends paid/payable		- 18 978	18 978		- 16 892	16 892	
Other movements directly to equity	- 397 982	- 6 433		- 404 415			- 404 415
<b>Total accumulated funds</b>	<b>1 922 074</b>	<b>865 324</b>		<b>2 787 398</b>	<b>2 917</b>		<b>2 790 315</b>
<b>Reserves</b>							
Asset revaluation surplus	6 338 423	628 764		6 967 187			6 967 187
Asset realisation surplus							
Derivative revaluation surplus							
Investments in public sector entities revaluation surplus	1 497 005		- 1 494 088	2 917		- 2 917	
Other reserves	17 952			17 952			17 952
<b>Total reserves</b>	<b>7 853 379</b>	<b>628 764</b>	<b>- 1 494 090</b>	<b>6 988 056</b>		<b>- 2 917</b>	<b>6 985 139</b>
<b>Capital – transactions with owners</b>							
<b>Equity injections</b>							
Capital appropriation							
Equity transfers in		93 542	- 93 542				
Other equity injections		160 221	- 160 221				
Specific purpose payments							
National partnership payments							
Commonwealth – capital							
<b>Equity withdrawals</b>							
Capital withdrawals		94 853	- 94 853				
Equity transfers out		257 280	- 257 280				
<b>Total capital – transactions with owners</b>		<b>613 300</b>	<b>- 613 300</b>		<b>18 714</b>	<b>- 18 714</b>	
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>	<b>9 775 454</b>	<b>2 107 388</b>	<b>- 2 107 390</b>	<b>9 775 454</b>	<b>21 631</b>	<b>- 21 631</b>	<b>9 775 454</b>

## Note 45: Elimination Table – Cash Flow Statement

2015-16	PNFC				PFC		Total Public
	GGs	Sector	Eliminations	NFPS	Sector	Eliminations	Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cash receipts from operating activities</b>							
Taxes received	588 601		- 9 156	579 446			579 446
Receipts from sales of goods and services	453 702	630 932	- 79 352	1 005 283	820	- 1 450	1 004 652
Grants and subsidies received	4 683 836	253 489	- 243 887	4 693 438			4 693 438
Interest receipts	100 043	3 894	- 4 106	99 831	239 140	- 239 140	99 831
Dividends and income tax equivalents	100 194		- 64 066	36 129		- 36 129	
Other receipts	492 586	18 091	- 705	509 971	2	- 18	509 956
<b>Total operating receipts</b>	<b>6 418 963</b>	<b>906 405</b>	<b>- 401 271</b>	<b>6 924 097</b>	<b>239 962</b>	<b>- 276 737</b>	<b>6 887 322</b>
<b>Cash payments for operating activities</b>							
Income tax equivalents paid		- 42 421	42 421		- 10 839	10 839	
Payments for employees	- 2 488 601	- 135 082	9 000	- 2 614 683	- 912		- 2 615 596
Payment for goods and services	- 1 664 840	- 290 669	80 396	- 1 875 113	- 1 452	1 468	- 1 875 096
Grants and subsidies paid	- 1 355 615	- 1 578	243 887	- 1 113 306			- 1 113 306
Interest paid	- 234 986	- 67 097	4 106	- 297 977	- 225 445	239 140	- 284 282
Other payments	- 26 321	- 128 534	22	- 154 833			- 154 833
<b>Total operating payments</b>	<b>- 5 770 363</b>	<b>- 665 381</b>	<b>379 832</b>	<b>- 6 055 913</b>	<b>- 238 648</b>	<b>251 447</b>	<b>- 6 043 113</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>648 600</b>	<b>241 024</b>	<b>- 21 440</b>	<b>868 184</b>	<b>1 315</b>	<b>- 25 290</b>	<b>844 208</b>
<b>Cash flows from investments in non financial assets</b>							
Sales of non financial assets	48 610	318		48 927			48 927
Purchases of non financial assets	- 744 604	- 251 730		- 996 334			- 996 334
<b>Net cash flows from investments in non financial assets</b>	<b>- 695 995</b>	<b>- 251 412</b>		<b>- 947 407</b>			<b>- 947 407</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>	<b>- 47 395</b>	<b>- 10 388</b>	<b>- 21 440</b>	<b>- 79 223</b>	<b>1 315</b>	<b>- 25 290</b>	<b>- 103 198</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>	421 932	- 8 237	65 369	479 064	8 671	- 8 671	479 064
Net cash flows from investments in financial assets for liquidity purposes	176 303			176 303	573 353	- 573 353	176 303
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>- 97 759</b>	<b>- 259 649</b>	<b>65 369</b>	<b>- 292 039</b>	<b>582 025</b>	<b>- 582 025</b>	<b>- 292 039</b>
<b>Net cash flows from financing activities</b>							
Advances received (net)	- 32 851			- 32 851	- 6 788	37 948	- 1 691
Borrowing (net)	- 616 961	61 486		- 555 475	- 531 621	544 076	- 543 019
Deposits received (net)	112 251	419	- 87 216	25 454	51	- 19 691	5 814
Dividends paid		- 21 440	21 440		- 25 290	25 290	
Other financing (net)		65 369	- 65 369				
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 537 561</b>	<b>105 835</b>	<b>- 131 145</b>	<b>- 562 872</b>	<b>- 563 648</b>	<b>587 623</b>	<b>- 538 896</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>	<b>13 280</b>	<b>87 209</b>	<b>- 87 216</b>	<b>13 272</b>	<b>19 691</b>	<b>- 19 691</b>	<b>13 272</b>
Net cash flows from operating activities	648 600	241 024	- 21 440	868 184	1 315	- 25 290	844 208

Note 45 (continued)	GGG	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Net cash flows from investments in non financial assets	- 695 995	- 251 412		- 947 407			- 947 407
Dividends paid		- 21 440	21 440		- 25 290	25 290	
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>- 47 395</b>	<b>- 31 828</b>		<b>- 79 223</b>	<b>- 23 976</b>		<b>- 103 198</b>
Future infrastructure and superannuation contributions/earnings <sup>2</sup>	- 22 263			- 22 263			- 22 263
<b>UNDERLYING SURPLUS (+)/DEFICIT (-)</b>	<b>- 69 658</b>	<b>- 31 828</b>		<b>- 101 486</b>	<b>- 23 976</b>		<b>- 125 461</b>
Additional information to the Cash Flow Statement							
CASH SURPLUS (+)/DEFICIT (-)	- 47 395	- 31 828		- 79 223	- 23 976		- 103 198
Acquisitions under finance leases and similar arrangements	- 3 114	- 1 159		- 4 273			- 4 273
ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements	- 50 509	- 32 986		- 83 496	- 23 976		- 107 471

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

2 Contributions for future infrastructure and superannuation requirements.

## Note 45: Elimination Table – Comprehensive Operating Statement

2014-15 Restated	PNFC		NFPS	PFC		Total Public	
	GGS	Sector		Eliminations	Sector	Eliminations	Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>							
Taxation revenue	714 853		- 9 232	705 621		- 1 031	704 590
Current grants	4 153 016	145 744	- 141 566	4 157 194			4 157 194
Capital grants	241 052	24 351	- 24 048	241 355			241 355
Sales of goods and services	334 688	717 027	- 77 050	974 666	128 517	- 6 460	1 096 724
Interest income	88 826	3 217	- 2 644	89 399	341 222	- 275 744	154 877
Dividend and income tax equivalent income	202 909		- 29 338	173 571		- 173 571	
Other revenue	528 419	83 632	- 24 756	587 295	2 665	- 1 552	588 408
<b>TOTAL REVENUE FROM CONTINUING OPERATIONS</b>	<b>6 263 763</b>	<b>973 972</b>	<b>- 308 634</b>	<b>6 929 101</b>	<b>472 405</b>	<b>- 458 358</b>	<b>6 943 148</b>
<i>less</i> <b>EXPENSES FROM CONTINUING OPERATIONS</b>							
Employee benefits expense	2 034 099	107 084		2 141 183	12 423	- 710	2 152 896
Superannuation expenses							
Superannuation interest cost	126 115			126 115			126 115
Other superannuation expenses	206 196	349	- 42	206 503	8 085	- 43	214 546
Depreciation and amortisation	313 551	243 704		557 255	1 152		558 408
Other operating expenses	1 273 018	511 466	- 85 496	1 698 987	131 293	- 8 013	1 822 267
Interest expenses	246 009	71 795	- 3 342	314 462	251 709	- 273 538	292 633
Other property expenses	2 055	26 068	- 26 068	2 055	9 972	- 8 557	3 469
Current grants	882 629	268	- 55 933	826 965	2 155		829 119
Capital grants	91 597		- 43 658	47 939			47 939
Subsidies and personal benefit payments	204 584	3 798	- 87 542	120 839			120 839
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>5 379 853</b>	<b>964 532</b>	<b>- 302 081</b>	<b>6 042 304</b>	<b>416 789</b>	<b>- 290 861</b>	<b>6 168 232</b>
<b>TRANSACTIONS FROM DISCONTINUING OPERATIONS</b>	<b>3 435</b>	<b>7 848</b>	<b>3 107</b>	<b>14 389</b>		<b>2 206</b>	<b>16 595</b>
<i>equals</i> <b>NET OPERATING BALANCE</b>	<b>887 344</b>	<b>17 287</b>	<b>- 3 445</b>	<b>901 187</b>	<b>55 616</b>	<b>- 165 291</b>	<b>791 512</b>
<i>plus</i> Other economic flows – included in operating result	20 130	- 18 798		1 332	- 245 927		- 244 595
Other economic flows – included in operating result – discontinued operations							
<i>equals</i> <b>OPERATING RESULT</b>	<b>907 475</b>	<b>- 1 511</b>	<b>- 3 445</b>	<b>902 518</b>	<b>- 190 311</b>	<b>- 165 290</b>	<b>546 917</b>
<i>plus</i> Other economic flows – other comprehensive income	2 451 181	1 245 413	- 1 240 457	2 456 137	- 8 698	364 299	2 811 738
Other economic flows – other comprehensive income – discontinued operations							
<i>equals</i> <b>COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners</b>	<b>3 358 655</b>	<b>1 243 902</b>	<b>- 1 243 902</b>	<b>3 358 655</b>	<b>- 199 009</b>	<b>199 009</b>	<b>3 358 655</b>

Note 45 (continued)	GGG	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>NET OPERATING BALANCE</b>	<b>887 344</b>	<b>17 287</b>	<b>- 3 445</b>	<b>901 187</b>	<b>55 616</b>	<b>- 165 291</b>	<b>791 512</b>
<i>less</i> <b>Net acquisition of non financial assets</b>							
Purchases of non financial assets	472 855	207 056		679 911	680		680 592
Sales of non financial assets	- 79 229	- 6 724		- 85 953	- 3 635		- 89 589
<i>less</i> Depreciation	313 551	254 536		568 088	1 152		569 240
<i>plus</i> Change in inventories	260	21 569		21 829			21 829
<i>plus</i> Other movements in non financial assets	511 309	56 334		567 643			567 643
<i>equals</i> <b>Total net acquisition of non financial assets</b>	<b>591 644</b>	<b>23 699</b>		<b>615 343</b>	<b>- 4 107</b>		<b>611 235</b>
<i>equals</i> <b>FISCAL BALANCE</b>	<b>295 701</b>	<b>- 6 412</b>	<b>- 3 445</b>	<b>285 844</b>	<b>59 723</b>	<b>- 165 291</b>	<b>180 277</b>

## Note 45: Elimination Table – Balance Sheet

2014-15 Restated	PNFC				PFC		Total
	GGs	Sector	Eliminations	NFPS	Sector	Eliminations	Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>							
<b>Financial assets</b>							
Cash and deposits	610 374	153 081	- 153 050	610 404	19 436	- 19 436	610 404
Advances paid	174 933			174 933	85 025	- 85 025	174 933
Investments, loans and placements	2 368 041			2 368 041	4 536 947	- 4 536 947	2 368 041
Receivables	309 390	148 210	- 42 065	415 535	6 618	- 42 798	379 355
Equity							
Investments in other public sector entities	3 710 215		- 3 688 584	21 631		- 21 631	
Investments – other		2		2			2
Other financial assets							
<b>Total financial assets</b>	<b>7 172 953</b>	<b>301 294</b>	<b>- 3 883 699</b>	<b>3 590 547</b>	<b>4 648 026</b>	<b>- 4 705 837</b>	<b>3 532 736</b>
<b>Non financial assets</b>							
Inventories	11 547	185 249		196 796			196 796
Property, plant and equipment	13 323 175	4 345 987		17 669 162			17 669 162
Investment property	120 043			120 043			120 043
Intangible assets	1	62 848		62 849			62 849
Assets held for sale	35 306	249 276		284 582			284 582
Other non financial assets	122 285	69		122 354			122 354
<b>Total non financial assets</b>	<b>13 612 357</b>	<b>4 843 429</b>		<b>18 455 786</b>			<b>18 455 786</b>
<b>TOTAL ASSETS</b>	<b>20 785 310</b>	<b>5 144 723</b>	<b>- 3 883 699</b>	<b>22 046 333</b>	<b>4 648 026</b>	<b>- 4 705 837</b>	<b>21 988 522</b>
<b>LIABILITIES</b>							
Deposits held	249 098	910	- 153 050	96 957	470	- 19 436	77 991
Advances received	326 315			326 315	230 062	- 325 095	231 282
Borrowing	3 711 243	1 257 676		4 968 919	4 305 912	- 4 296 877	4 977 954
Superannuation	3 837 114			3 837 114			3 837 114
Other employee benefits	618 880	50 502		669 382	203		669 585
Payables	184 689	54 800	- 15 559	223 930	53 619	- 6 669	270 880
Other liabilities	746 682	92 251	- 26 506	812 427	36 130	- 36 129	812 428
<b>TOTAL LIABILITIES</b>	<b>9 674 021</b>	<b>1 456 138</b>	<b>- 195 115</b>	<b>10 935 044</b>	<b>4 626 396</b>	<b>- 4 684 206</b>	<b>10 877 233</b>
<b>NET ASSETS</b>	<b>11 111 289</b>	<b>3 688 584</b>	<b>- 3 688 584</b>	<b>11 111 289</b>	<b>21 631</b>	<b>- 21 631</b>	<b>11 111 289</b>
Contributed equity		711 670	- 711 670		18 714	- 18 714	
Accumulated surplus	1 957 936	858 011		2 815 947	2 917		2 818 864
Reserves	9 153 353	2 118 903	- 2 976 914	8 295 342		- 2 917	8 292 425
<b>NET WORTH</b>	<b>11 111 289</b>	<b>3 688 584</b>	<b>- 3 688 584</b>	<b>11 111 289</b>	<b>21 631</b>	<b>- 21 631</b>	<b>11 111 289</b>
NET FINANCIAL WORTH <sup>1</sup>	- 2 501 068	- 1 154 844	- 3 688 584	- 7 344 497	21 631	- 21 631	- 7 344 497
NET FINANCIAL LIABILITIES <sup>2</sup>	6 211 283	1 154 844		7 366 127	- 21 631		7 344 497
<b>NET DEBT<sup>3</sup></b>	<b>1 133 308</b>	<b>1 105 504</b>		<b>2 238 813</b>	<b>- 104 965</b>		<b>2 133 848</b>

1 Net financial worth equals total financial assets minus total liabilities.

2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

## Note 45: Elimination Table – Statement of Changes in Equity

2014-15	PNFC		NFPS	PFC		Total Public Sector
	GGS	Sector		Eliminations	Sector	
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Equity as at 30 June 2015</b>						
<b>Accumulated funds</b>						
Accumulated funds – opening balance	552 530	584 707		1 137 237	331 350	1 468 587
Current year surplus (+)/deficit (-)	907 475	- 1 511	- 3 445	902 518	- 190 311	- 165 290
Changes in accounting policy						
Correction of prior period errors	- 32 095			- 32 095		- 32 095
Transfers from reserves	728 411	279 124		1 007 535	26 562	1 034 097
Dividends paid/payable		- 3 445	3 445		- 165 290	165 290
Other movements directly to equity	- 198 385	- 863		- 199 248	607	- 198 641
<b>Total accumulated funds</b>	<b>1 405 405</b>	<b>858 011</b>		<b>1 678 710</b>	<b>2 917</b>	<b>1 350 277</b>
<b>Reserves</b>						
Asset revaluation surplus	6 172 892	2 118 903		8 291 794		8 291 794
Asset realisation surplus						
Derivative revaluation surplus						
Investments in public sector entities revaluation surplus	2 979 831		- 2 976 914	2 917		- 2 917
Other reserves	631			631		631
<b>Total reserves</b>	<b>9 153 353</b>	<b>2 118 903</b>	<b>- 2 976 914</b>	<b>8 295 342</b>		<b>- 2 917</b>
<b>Capital – transactions with owners</b>		<b>563 942</b>	<b>- 563 942</b>		<b>58 054</b>	<b>- 58 054</b>
Equity injections						
Capital appropriation						
Equity transfers in		485 679	- 485 679		395 836	- 395 836
Other equity injections		402 104	- 402 104		199 583	- 199 583
Specific purpose payments						
National partnership payments						
Commonwealth – capital						
Equity withdrawals						
Capital withdrawals		232 480	- 232 480		600 164	- 600 164
Equity transfers out		507 576	- 507 576		34 596	- 34 596
<b>Total capital – transactions with owners</b>		<b>711 670</b>	<b>- 711 670</b>		<b>18 714</b>	<b>- 18 714</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>	<b>11 111 289</b>	<b>3 688 584</b>	<b>- 3 688 584</b>	<b>11 111 289</b>	<b>21 631</b>	<b>- 21 631</b>

## Note 45: Elimination Table – Cash Flow Statement

2014-15	PNFC			PFC		Total Public	
	GGs	Sector	Eliminations	NFPS	Sector	Eliminations	Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cash receipts from operating activities</b>							
Taxes received	721 610		- 9 231	712 380		- 1 031	711 349
Receipts from sales of goods and services	356 751	766 654	- 72 441	1 050 964	86 448	- 8 586	1 128 826
Grants and subsidies received	4 392 865	174 585	- 167 523	4 399 927			4 399 927
Interest receipts	88 433	3 905	- 3 285	89 053	347 535	- 279 039	157 548
Dividends and income tax equivalents	209 725		- 33 955	175 770		- 175 770	
Other receipts	728 178	49 195	- 608	776 765	24	- 2 902	773 886
<b>Total operating receipts</b>	<b>6 497 563</b>	<b>994 339</b>	<b>- 287 044</b>	<b>7 204 858</b>	<b>434 007</b>	<b>- 467 329</b>	<b>7 171 537</b>
<b>Cash payments for operating activities</b>							
Income tax equivalents paid		- 17 612	17 612		- 12 908	12 908	
Payments for employees	- 2 328 499	- 131 749	10 127	- 2 450 121	- 27 281	1 864	- 2 475 539
Payment for goods and services	- 1 523 829	- 528 007	71 582	- 1 980 254	- 228 478	10 435	- 2 198 296
Grants and subsidies paid	- 1 138 593	- 4 066	167 523	- 975 136	- 2 155		- 977 291
Interest paid	- 234 375	- 76 838	3 285	- 307 928	- 274 962	279 039	- 303 850
Other payments	- 17 982	- 3 949	115	- 21 816	- 1 415		- 23 230
<b>Total operating payments</b>	<b>- 5 243 278</b>	<b>- 762 221</b>	<b>270 244</b>	<b>- 5 735 255</b>	<b>- 547 198</b>	<b>304 246</b>	<b>- 5 978 207</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1 254 285</b>	<b>232 118</b>	<b>- 16 800</b>	<b>1 469 603</b>	<b>- 113 191</b>	<b>- 163 083</b>	<b>1 193 330</b>
<b>Cash flows from investments in non financial assets</b>							
Sales of non financial assets	79 229	6 724		85 953	3 635		89 589
Purchases of non financial assets	- 473 505	- 205 751		- 679 256	- 680		- 679 936
<b>Net cash flows from investments in non financial assets</b>	<b>- 394 276</b>	<b>- 199 026</b>		<b>- 593 302</b>	<b>2 955</b>		<b>- 590 347</b>
<b>NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS</b>	<b>860 008</b>	<b>33 092</b>	<b>- 16 800</b>	<b>876 301</b>	<b>- 110 236</b>	<b>- 163 083</b>	<b>602 983</b>
Net cash flows from investments in financial assets for policy purposes <sup>1</sup>	341 689	- 10 245	169 624	501 069	- 196 869	- 400 580	- 96 381
Net cash flows from investments in financial assets for liquidity purposes	- 795 382			- 795 382	1 386 731	- 64 521	526 828
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>- 847 969</b>	<b>- 209 271</b>	<b>169 624</b>	<b>- 887 616</b>	<b>1 192 817</b>	<b>- 465 101</b>	<b>- 159 900</b>
<b>Net cash flows from financing activities</b>							
Advances received (net)	- 13 141			- 13 141	- 6 487	14 361	- 5 267
Borrowing (net)	109 468	- 164 659		- 55 192	- 690 294	44 872	- 700 613
Deposits received (net)	- 543 338	- 9 093	- 10 919	- 563 349	- 556 208	577 664	- 541 894
Dividends paid		- 16 799	16 799		- 163 082	163 082	
Other financing (net)	1	169 624	- 169 624	1	- 400 580	400 579	
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 447 010</b>	<b>- 20 928</b>	<b>- 163 744</b>	<b>- 631 681</b>	<b>- 1 816 651</b>	<b>1 200 558</b>	<b>- 1 247 773</b>
<b>NET INCREASE (+)/DECREASE (-) IN CASH HELD</b>	<b>- 40 694</b>	<b>1 920</b>	<b>- 10 919</b>	<b>- 49 693</b>	<b>- 737 026</b>	<b>572 375</b>	<b>- 214 343</b>
Net cash flows from operating activities	1 254 285	232 118	- 16 800	1 469 603	- 113 191	- 163 083	1 193 330



Note 45 (continued)	GGS	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Net cash flows from investments in non financial assets	- 394 276	- 199 026		- 593 302	2 955		- 590 347
Dividends paid		- 16 799	16 799		- 163 082	163 082	
<b>CASH SURPLUS (+)/DEFICIT (-)</b>	<b>860 008</b>	<b>16 293</b>		<b>876 301</b>	<b>- 273 318</b>		<b>602 983</b>
Future infrastructure and superannuation contributions/earnings <sup>2</sup>	- 31 221			- 31 221			- 31 221
<b>UNDERLYING SURPLUS (+)/DEFICIT (-)</b>	<b>828 787</b>	<b>16 293</b>		<b>845 080</b>	<b>- 273 318</b>		<b>571 761</b>
Additional information to the Cash Flow Statement							
CASH SURPLUS (+)/DEFICIT (-)	860 008	16 293		876 301	- 273 318		602 983
Acquisitions under finance leases and similar arrangements	- 522 909			- 522 909			- 522 909
ABS GFS SURPLUS (+)/DEFICIT (-) including finance leases and similar arrangements	337 099	16 293		353 392	- 273 318		80 073

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

2 Contributions for future infrastructure and superannuation requirements.

## Note 46: GFS Generally Accepted Accounting Principles (GAAP) Reconciliation

### 2015-16 GFS GAAP Reconciliation

	GGS	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>a) Reconciliation to GFS Net Operating Balance</b>							
Net result from transactions – net operating balance	293 081	48 187	- 18 978	322 290	16 892	- 16 892	322 290
<b>Convergence differences</b>							
Dividends to general government sector from other sector entities		- 18 978	18 978		- 16 892	16 892	
<b>Total convergence difference</b>		<b>- 18 978</b>	<b>18 978</b>		<b>- 16 892</b>	<b>16 892</b>	
<b>GFS NET OPERATING BALANCE</b>	<b>293 081</b>	<b>29 209</b>		<b>322 290</b>			<b>322 290</b>

### b) Reconciliation to GFS Fiscal Balance

Fiscal balance	- 31 744	- 27 341	- 18 978	- 78 063	16 892	- 16 892	- 78 063
<b>Convergence differences</b>							
Relating to net operating balance Note 3 (a)		- 18 978	18 978		- 16 892	16 892	
<b>Total convergence difference</b>		<b>- 18 978</b>	<b>18 978</b>		<b>- 16 892</b>	<b>16 892</b>	
<b>GFS FISCAL BALANCE</b>	<b>- 31 744</b>	<b>- 46 319</b>		<b>- 78 063</b>			<b>- 78 063</b>

### c) Reconciliation to GFS Total Change in Net Worth

Comprehensive result – total change in net worth before transactions with owners as owners	- 1 335 835	- 1 463 848	1 463 848	- 1 335 835	16 892	- 16 892	- 1 335 835
<b>Convergence differences</b>							
Relating to net operating balance Note 3 (a)		- 18 978	18 978		- 16 892	16 892	
Relating to other economic flows							
Bad and doubtful debts	13 333	2 967		16 300			16 300
Net gain on equity investments in other sector entities measured at proportional share of carrying amount of net assets/(liabilities)	2 967		- 2 967				
Remeasurement of shares and other contributed capital		1 479 859	- 1 479 859		-		
<b>Total convergence difference</b>	<b>16 300</b>	<b>1 463 848</b>	<b>- 1 463 848</b>	<b>16 300</b>	<b>- 16 892</b>	<b>16 892</b>	<b>16 300</b>
<b>GFS TOTAL CHANGE IN NET WORTH</b>	<b>- 1 319 535</b>			<b>- 1 319 535</b>			<b>- 1 319 535</b>

### d) Reconciliation to GFS Net Worth

Net worth	9 775 454	2 107 388	- 2 107 388	9 775 454	21 631	- 21 631	9 775 454
<b>Convergence differences</b>							
Shares and other contributed capital		- 2 107 388	2 107 388		- 21 631	21 631	
<b>Total convergence difference</b>		<b>- 2 107 388</b>	<b>2 107 388</b>		<b>- 21 631</b>	<b>21 631</b>	
<b>GFS TOTAL CHANGE IN NET WORTH</b>	<b>9 775 454</b>			<b>9 775 454</b>			<b>9 775 454</b>

## Note 46 (continued)

## 2014-15 Restated: GFS GAAP Reconciliation

	GGS	PNFC Sector	Eliminations	NFPS	PFC Sector	Eliminations	Total Public Sector
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>a) Reconciliation to GFS Net Operating Balance</b>							
Net result from transactions – net operating balance	887 344	17 287	- 3 445	901 187	55 616	- 165 290	791 512
<b>Convergence differences</b>							
Dividends to general government sector from other sector entities		- 3 445	3 445		- 165 290	165 290	
<b>Total convergence difference</b>		<b>- 3 445</b>	<b>3 445</b>		<b>- 165 290</b>	<b>165 290</b>	
<b>GFS NET OPERATING BALANCE</b>	<b>887 344</b>	<b>13 842</b>		<b>901 187</b>	<b>- 109 674</b>		<b>791 512</b>

**b) Reconciliation to GFS Fiscal Balance**

Fiscal balance	295 701	- 6 412	- 3 445	285 844	59 723	- 165 290	180 277
<b>Convergence differences</b>							
Relating to net operating balance Note 3 (a)		- 3 445	3 445		- 165 290	165 290	
<b>Total convergence difference</b>		<b>- 3 445</b>	<b>3 445</b>		<b>- 165 290</b>	<b>165 290</b>	
<b>GFS FISCAL BALANCE</b>	<b>295 701</b>	<b>- 9 857</b>		<b>285 844</b>	<b>- 105 567</b>		<b>180 277</b>

**c) Reconciliation to GFS Total Change in Net Worth**

Comprehensive result – total change in net worth before transactions with owners as owners	3 390 750	1 243 902	- 1 243 902	3 390 750	- 199 009	199 009	3 390 750
<b>Convergence differences</b>							
Relating to net operating balance Note 3 (a)		- 3 445	3 445		- 165 290	165 290	
Relating to other economic flows							
Bad and doubtful debts	10 238	4 141		14 379	134		14 513
Net gain on equity investments in other sector entities measured at proportional share of carrying amount of net assets/(liabilities)	4 276		- 4 141	134		- 134	
Remeasurement of shares and other contributed capital		- 1 244 598	1 244 598		364 165	- 364 165	
<b>Total convergence difference</b>	<b>14 513</b>	<b>- 1 243 902</b>	<b>1 243 902</b>	<b>14 513</b>	<b>199 009</b>	<b>- 199 009</b>	<b>14 513</b>
<b>GFS TOTAL CHANGE IN NET WORTH</b>	<b>3 405 264</b>			<b>3 405 264</b>			<b>3 405 264</b>

**d) Reconciliation to GFS Net Worth**

Net worth	11 143 384	3 688 584	- 3 688 584	11 143 384	21 631	- 21 631	11 143 384
<b>Convergence differences</b>							
Shares and other contributed capital		- 3 688 584	3 688 584		- 21 631	21 631	
<b>Total convergence difference</b>		<b>- 3 688 584</b>	<b>3 688 584</b>		<b>- 21 631</b>	<b>21 631</b>	
<b>GFS TOTAL CHANGE IN NET WORTH</b>	<b>11 143 384</b>			<b>11 143 384</b>			<b>11 143 384</b>

## Note 47: Glossary

### ABS GFS Manual

The Australian Bureau of Statistics (ABS) publication Australian System of Government Finance Statistics (GFS): Concepts, Sources and Methods as updated from time to time.

### Accountable Officer's Trust Account

Established under section 7(1) of the *Financial Management Act* to enable agencies to hold money in trust for another person or entity. Transactions in these accounts are excluded from the Public Account.

### Accrual Accounting

A recording method in which revenues, expenses, lending and borrowing are recognised as they are earned or incurred regardless of when a cash payment is made or received.

### Administrative Arrangements Order

A list of Ministers of the Northern Territory, agencies, Acts and principal areas of government for which they are responsible.

### Advances/Advances Paid

Advances are the creation of financial assets (that is, an increase in the indebtedness to government units) with the aim of funding particular enterprise, household or government activities.

### Agency

A unit of government administration, or office or statutory corporation, nominated in an Administrative Arrangements Order for the purposes of the *Financial Management Act* and including, where the case requires, a part or division (by whatever name called) of an agency.

### Appropriation

An authority given by the Legislative Assembly to make payments, now or at some future time, for the purposes stated, up to the limit of the amount in the particular Act.

### Appropriation Act

Includes a *Supply Act* and an annual *Appropriation Act* or an additional *Appropriation Act*.

### Australian Accounting Standards

Statements of accounting standards that can be applied in preparation and presentation of financial statements.

### Capital Grants

Transactions in which the ownership of an asset (other than cash and inventories) is transferred from one institutional unit to another, cash is transferred to enable the recipient to acquire another asset, or the funds realised by the disposal of another asset are transferred, for which no economic benefits of equal value are receivable or payable in return.

### Cash Surplus/Deficit

Reported in the Cash Flow Statement and measures the net impact of cash flows during the period. It equals net cash flows from operating activities plus net cash flows from acquisition and disposal of non-financial assets, less distributions paid, less value of assets acquired under finance leases and similar arrangements.

### Central Holding Authority (CHA)

Created by section 5 of the *Financial Management Act*, the Central Holding Authority is a representation of the revenue, expenses, assets and liabilities of the Territory. Credited to this account is all money received by or on behalf of the Territory or an agency, except that required or permitted by or under the *Financial Management Act* or any other Act to be credited to an operating account or to an Accountable Officer's Trust Account.

### Change in Net Worth

Change in net worth (comprehensive result) is revenue from transactions less expenses from transactions plus other economic flows, and measures the variation in a government's accumulated assets and liabilities.

### Commonwealth Own-Purpose Expenses (COPE)

Payments by the Commonwealth for goods and services and associated transfer payments for the conduct of its general government activities.

### Community Service Obligation (CSO)

A community service obligation arises when the Government requires a government business division or government owned corporation to carry out activities that it would not choose to do on a commercial basis or would only do at higher commercial prices. CSOs allow the Government to achieve identifiable community or social objectives that would not be achieved if left to commercial considerations.

### Comprehensive Result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other movements in equity, other than transactions with owners as owners.

### Contingent Liability

A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

### Convergence Difference

The difference between the amounts recognised in the financial statements compared with the amounts determined for GFS purposes as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules.

### Current Grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

### Discontinued Operations

The term used to describe the disposal of an entity or a group of components of an entity by way of sale or is disposed of by other than sale.

### Doubtful Debt

A debt that is treated as a possible future loss and for which a provision has been made.

### Eliminations

Adjustments relating to interrelated transactions or entries between entities within the total public sector.

### Employee Benefits Expense

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

### Finance Lease

Lease agreements that transfer substantially all the risks and benefits relating to ownership of an asset from the lessor (legal owner) to the lessee (party using the asset).

## Financial Asset

Any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

## Fiscal Aggregates

Analytical balances useful for macroeconomic analysis purposes, including assessing the impact of a government and its sectors on the economy. AASB 1049 prescribes net operating balance, net lending/borrowing (fiscal balance), change in net worth (comprehensive result), net worth and cash surplus/deficit. The Uniform Presentation Framework prescribes additional fiscal aggregates not included in AASB 1049: these are net debt, net financial worth, net financial liabilities and ABS GFS cash surplus/deficit.

## Fiscal Balance (Net Lending/Borrowing)

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

## General Government Sector (GGS)

Defined in Government Finance Statistics as an entity or group of entities that are mainly engaged in the production of goods and/or services outside the normal market mechanism. Goods and services are provided free of charge or at nominal charges well below costs of production.

## Generally Accepted Accounting Principles (GAAP)

Term used to describe broadly the body of principles that governs the accounting for financial transactions underlying the preparation of a set of financial statements.

## Goods and Services Tax (GST) Revenue

On 1 July 2000, the Commonwealth introduced GST. Payments from the Commonwealth return the GST revenue to the states and territories, replacing the previous general purpose grants.

## Government Business Division (GBD)

A Territory-controlled trading entity that follows commercial practices and is required to comply with competitive neutrality principles.

### Government Finance Statistics (GFS)

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

### Government Owned Corporation

An entity in which its objectives are to operate at least as efficiently as any corporate business and maximise the sustainable return to government. The *Government Owned Corporations Act* adopts the shareholder model of corporate governance. The Territory has three government owned corporations, Power and Water Corporation, power generation (Territory Generation) and power retail corporation (Jacana Energy).

### Government Purpose Classification

Classifies outlays or expenditure transactions by the purpose served, for example, health or education.

### Grants

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

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

### Grants for On-Passing

All grants paid to one institutional sector (for example, a state general government) to be passed on to another institutional sector (for example, local government or a non-profit institution).

### Guarantee

An undertaking to answer for the debt or obligations of another person or entity.

### Indemnity

A written undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.

### Interest Expense

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

### Intergovernmental Agreement

An agreement signed by all states and the Commonwealth in December 2008 defining the framework for federal financial relations, encompassing Commonwealth funding to states through general revenue assistance, specific purpose payments and national partnership payments.

### International Financial Reporting Standards (IFRS)

The term used to describe the move to standardise existing global international accounting standards. Australian equivalents to these new standards have been adopted for reporting periods on or after 1 January 2005.

### Inventories

Includes goods or other property used in the production of goods or services, or held for sale, but does not include livestock and other regenerative natural resources.

### Loan Council

The Australian Loan Council coordinates borrowing by Commonwealth and state governments. Current arrangements seek to emphasise transparency of public sector finances, through financial market scrutiny of proposed borrowing to restrict borrowing to prudent levels.

### Loan Council Allocation

The nomination to the Loan Council of the level of financing required.

### Memorandum Items – Loan Council

Memorandum items are used to adjust the cash surplus/deficit to include in the Loan Council Allocation certain transactions that may have the characteristics of public sector borrowings but do not constitute formal borrowings.

### National Partnership Agreements

National Partnership (NP) agreements are agreements between the Commonwealth, states and territories with defined objectives, outcomes, outputs and performance measures related to the delivery of projects of national significance or to facilitate reforms.

### National Partnership Payments

NP payments are tied Commonwealth grants provided to states and territories to enable them to achieve the outcomes and outputs of an NP agreement.

### Net Acquisition/(Disposal) of Non Financial Assets from Transactions

Purchases (or acquisitions) of non financial assets less sales (or disposals) of non financial assets less depreciation plus changes in inventories and other movements in non financial assets.

Purchases and sales (or net acquisitions) of non financial assets generally include accrued expenses and payables for capital items. Purchases exclude non-produced assets and valuables, which are included in other movements in non financial assets.

### Net Actuarial Gains

Includes actuarial gains and losses on defined benefit superannuation plans.

### Net Cash Flows from Investments in Financial Assets (Liquidity Management Purposes)

Cash receipts from liquidation or repayment of investments in financial assets for liquidity management purposes less cash payments for such investments. Investment for liquidity management purposes means making funds available to others with no policy intent and with the aim of earning a commercial rate of return.

### Net Cash Flows from Investments in Financial Assets (Policy Purposes)

Cash receipts from liquidation or repayment of investments in financial assets for policy purposes less cash payments for acquiring financial assets for policy purposes. Acquisition of financial assets for policy purposes is distinguished from investments in financial assets (liquidity management purposes) by the underlying government motivation for acquiring the assets. Acquisition of financial assets for policy purposes is motivated by government policies such as encouraging the development of certain industries or assisting citizens affected by natural disaster.



### Net Debt

Net debt measures a government's net stock of selected gross financial liabilities less financial assets.

Net debt equals sum of deposits held, advances received, government securities, loans and other borrowing less the sum of cash and deposits, advances paid and investments, loans and placements.

### Net Financial Liabilities

Total liabilities less financial assets, other than equity in public non financial corporations and public financial corporations. This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements). For the public non financial corporation and public financial corporations sectors, it is equal to negative net financial worth.

### Net Financial Worth

A measure of a government's net holdings of financial assets. It is calculated from the Uniform Presentation Framework Balance Sheet as financial assets minus liabilities. Net financial worth is a broader measure than net debt as it incorporates provisions (such as superannuation, but excludes depreciation and doubtful debts), as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities.

### Net Gain on Equity Investment in other Sector Entities Measured at Proportional Share of the Carrying Amount of Net Assets/(Liabilities)

Comprises the net gains relating to the equity held by the general government sector in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets /(liabilities) before elimination of intersector balances.

### Net Operating Balance

The revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations and excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### Net Worth

Provides a relatively comprehensive picture of a government's overall financial position. It is calculated as total assets less total liabilities less shares and other contributed capital. It includes a government's non-financial assets such as land and other fixed assets, which may be sold and used to repay debt, as well as its financial assets and liabilities including debtors, creditors and superannuation liabilities. Net worth also shows asset acquisitions over time, giving an indication of the extent to which borrowings are used to finance asset purchases, rather than only current expenditure.

### Non Financial Assets

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

### Non Financial Public Sector (NFPS)

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

### Non-Profit Institution

A legal or social entity created for the purpose of producing or distributing goods and services but not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

### Operating Account

A government business division operating account or an agency operating account established under section 6(1) of the *Financial Management Act*.

### Operating Result

A measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

### Other Current Revenues

Current revenue other than current revenue from taxes, sales of goods and services, and property income. It includes revenue from fines other than penalties imposed by tax authorities.

### Other Economic Flows

Changes in the volume or value of an asset or liability that do not result from transactions (such as revaluations and other changes in the volume of assets).

### Other Operating Expenses

The total value of goods and services used in production and use of goods acquired for resale. Goods and services acquired for use as direct in-kind transfer to households or as grants are excluded.

### Other Superannuation Expenses

Includes all superannuation expenses from transactions except superannuation interest cost. It generally includes current service cost, which is the increase in entitlements associated with the employment services provided by employees in the current period. Superannuation actuarial gains/losses are excluded as they are considered other economic flows.

### Payables

Includes short-term and long-term trade debt and accounts payable, grants and interest payable.

### Provisions

Amounts set aside by entities from current revenue or income for future payments.

### Public Account

Comprises agencies subject to the *Financial Management Act*, where the financial transactions of the Northern Territory Government are recorded. As defined in section 4(2) of the Act, it comprises the Central Holding Authority and operating accounts.

### Public Financial Corporations (PFC)

Government-controlled entities that perform central bank functions, and or have the authority to incur liabilities and acquire financial assets in the market on their own account.

### Public Non Financial Corporations (PNFC)

Public enterprises primarily engaged in the production of goods or services of a non-financial nature, for sale in the market place at prices that aim to recover most of the costs involved.

### Public Private Partnerships (PPPs)

A term used to describe a method of procuring government infrastructure and associated services. PPPs create opportunities with the private sector for increasing investment in social and economic infrastructure. The Territory's PPP policy framework, Territory Partnerships, defines the protocol for such commercial dealings between the public and private sectors.

### Receivables

Includes short-term and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

### Sale of Goods and Services

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

### Securities other than Shares

Negotiable financial instruments serving as evidence of the obligations to settle by means of providing cash, a financial instrument, or some other item of economic value. The security normally specifies a schedule for interest payments and principal repayments. Some examples are: bills, bonds and debentures, commercial paper, and securitised mortgage loans.

### Specific Purpose Payments (SPPs)

A Commonwealth financial contribution to support state delivery of services in a particular sector. Payments are made from the Commonwealth Treasury to state treasuries and are appropriated to the relevant Territory agency.

### Superannuation Interest Cost

The expense resulting from the increase in the liability due to the fact that, for all participants in the scheme, retirement (and death) is one year nearer, and so one fewer discount factors must be used to calculate the present value of the benefits for each future year. Interest cost is the increase during a period in the present value of a defined benefit obligation that arises because the benefits are one period closer to settlement, as per the relevant accounting standard. The cost is measured net of the return on plan assets of defined benefit schemes.

### Tax Equivalent Regime

The mechanism to ensure government business divisions and government owned corporations incur similar tax liabilities to privately owned organisations. Thus, greater parity exists between the cost structures of government-controlled trading entities and the private sector, aiding in the achievement of competitive neutrality.

### Total Public Sector

The total public sector is formed through a consolidation of the non financial public sector and public financial corporations.

### Transactions

Interactions between two institutional units by mutual agreement or actions within a unit that are analytically useful to treat as transactions.

### Treasurer's Advance

An appropriation purpose of that name as specified in an *Appropriation Act*, which provides a pool of funds specifically set aside in each Budget to meet one-off unexpected costs that arise during the year and are substantial enough to warrant additional appropriation.

### Uniform Presentation Framework (UPF)

A uniform reporting framework agreed by the Australian Loan Council in 2000, which is a revision of the agreement reached at the 1991 Premiers' Conference. The UPF was further updated and re-issued in April 2008 to incorporate accounting standard AASB 1049 Whole of Government and General Government Sector Financial Reporting. The UPF specifies that the Commonwealth, state and territory governments will present a minimum set of budget and financial outcome information based on the Government Finance Statistics, according to an agreed format and specified Loan Council reporting arrangements.

### Whole of Government Financial Report

A financial report prepared by a government in accordance with Australian Accounting Standards, including AASB 127 Consolidated and Separate Financial Statements, and thereby separately recognises assets, liabilities, income, expenses and cash flows of all entities under the control of the government on a line-by-line basis.



## Additional Financial Information (Unaudited)



## Additional Financial Information

This section of the Treasurer's Annual Financial Report (TAFR) provides financial information for agencies to supplement the whole of government and sectoral tables presented in the audited section. This information is not required under the Uniform Presentation Framework (UPF) or the *Fiscal Integrity and Transparency Act* (FITA) and accordingly is not audited. The summary agency financial information and explanations ensure the report is a comprehensive financial report. The intent of this section is to highlight changes in appropriation (the direct funding to agencies approved by Parliament in the *Appropriation Act* and subsequent adjustments approved in accordance with the *Financial Management Act* (FMA)) to agencies, with significant movements during 2015-16 explained.

This section also includes supplementary tables that are required under the UPF but not required to be audited.

### Variations to Appropriations Authorised During the Year

Appropriation is the term used in the FMA to describe the legal amount authorised to be paid from the Central Holding Authority for operational and capital expenditure purposes to general agencies. Appropriation by purpose to agencies for the 2015-16 financial year is specified in the 2015-16 *Appropriation Act* and passed by the Legislative Assembly. During the course of any financial year, situations can change that necessitate variations to appropriation.

Section 18 of the FMA provides for the Treasurer approving additional appropriation through the use of Treasurer's Advance.

Section 19 of the FMA provides for the Administrator approving, within specified parameters, an increase in Treasurer's Advance.

Section 19 (A) of the FMA allows the Treasurer to increase Commonwealth appropriation where there has been an increase in Commonwealth funding to the Territory.

Section 20 (1) of the FMA provides for the Treasurer approving transfers between appropriation purposes within a financial year.

Section 21 of the FMA allows the transfer of appropriation between agencies following redistribution of government business (public sector restructure).

Appropriation transfers can also affect the Treasurer's Advance, which provides a pool of funds specifically set aside in each Budget to meet one-off unexpected costs that arise during the year and are substantial enough to warrant additional appropriation.

Appropriation transfers change the distribution of appropriation across agencies and the Treasurer's Advance but do not change the total Budget funding approved by Parliament.

Variations to appropriations recorded in the table reflect the net effect on appropriation resulting from Government decisions taken during 2015-16.

### Summary Agency Financial Information

General government agencies appropriation summary compares the original 2015-16 Budget to the final approved budget with variations reflecting approved Government decisions. The appropriation changes in this summary align with the Variations to Appropriation table. All schedules include explanations of variations over \$1 million or where there is a significant offset resulting in net variations under \$1 million.



Following the application of 'AASB 1055 – Budgetary Reporting' all general government agencies and GBDs are required to provide explanations within their financial statements, highlighting significant movements between the original 2015-16 Budget and the actual result for 2015-16. Accordingly, for detailed information on variations in agencies' budget versus actual revenue and expenses, refer to the Budgetary Reporting note within each agency's published annual report. Consolidated explanations of movements between the original 2015-16 Budget and the actual result for 2015-16 for the general government sector can be found in note 43 in the audited section of this report.

## UPF Supplementary Tables

These tables are required by the UPF framework and provide detailed information on taxes, grant revenue and expenses, dividends and income tax equivalents, purchases of non-financial assets and Loan Council allocations. All tables are based on the general government sector only, except for the Loan Council Allocation table, which is based on the non financial public sector.

# Variations to Appropriations Authorised During the Year

AGENCY/Purpose	Appropriation Act	Variations actioned under the <i>Financial Management Act</i>					Final Appropriation
	2015-16	S18	S19	S19(A)	S20	S21	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>AUDITOR-GENERAL'S OFFICE</b>	<b>3 178</b>						<b>3 178</b>
Output	3 178						3 178
Capital							
Commonwealth							
<b>NORTHERN TERRITORY ELECTORAL COMMISSION</b>	<b>2 039</b>	<b>500</b>			<b>500</b>		<b>3 039</b>
Output	2 039	500			500		3 039
Capital							
Commonwealth							
<b>OMBUDSMAN'S OFFICE</b>	<b>1 933</b>						<b>1 933</b>
Output	1 933						1 933
Capital							
Commonwealth							
<b>DEPARTMENT OF THE CHIEF MINISTER</b>	<b>89 796</b>			<b>1 247</b>	<b>14 988</b>	<b>- 205</b>	<b>105 826</b>
Output	86 646				15 283	- 205	101 724
Capital	395				- 295		100
Commonwealth	2 755			1 247			4 002
<b>DEPARTMENT OF THE LEGISLATIVE ASSEMBLY</b>	<b>23 436</b>				<b>402</b>		<b>23 838</b>
Output	23 395				102		23 497
Capital	41				300		341
Commonwealth							
<b>NORTHERN TERRITORY POLICE, FIRE AND EMERGENCY SERVICES</b>	<b>351 766</b>				<b>- 1 781</b>		<b>349 985</b>
Output	311 626				919		312 545
Capital	11 912				- 2 700		9 212
Commonwealth	28 228						28 228
<b>TOURISM NT</b>	<b>48 290</b>				<b>- 1 283</b>		<b>47 007</b>
Output	47 515				- 1 283		46 232
Capital							
Commonwealth	775						775
<b>DEPARTMENT OF SPORT AND RECREATION</b>	<b>46 604</b>	<b>- 287</b>			<b>23 118</b>		<b>69 435</b>
Output	46 604	- 287			23 118		69 435
Capital							
Commonwealth							

*continued*

AGENCY/Purpose	Appropriation Act	Variations actioned under the <i>Financial Management Act</i>					Final Appropriation
	2015-16	S18	S19	S19(A)	S20	S21	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>DEPARTMENT OF BUSINESS</b>	<b>168 303</b>			<b>3 592</b>	<b>1 249</b>	<b>- 545</b>	<b>172 599</b>
Output	145 208				1 249	- 545	145 912
Capital							
Commonwealth	23 095			3 592			26 687
<b>OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENT</b>	<b>5 296</b>				<b>147</b>		<b>5 443</b>
Output	5 296				147		5 443
Capital							
Commonwealth							
<b>DEPARTMENT OF CORPORATE AND INFORMATION SERVICES</b>	<b>132 940</b>				<b>5 985</b>		<b>138 925</b>
Output	132 761				3 735		136 496
Capital	179				2 250		2 429
Commonwealth							
<b>DEPARTMENT OF TREASURY AND FINANCE</b>	<b>104 436</b>				<b>58 656</b>		<b>163 092</b>
Output	104 436				58 656		163 092
Capital							
Commonwealth							
<b>DEPARTMENT OF LANDS, PLANNING AND THE ENVIRONMENT</b>	<b>73 226</b>	<b>6 060</b>			<b>15 596</b>		<b>94 882</b>
Output	72 497	6 060			15 596		94 153
Capital	729						729
Commonwealth							
<b>DEPARTMENT OF MINES AND ENERGY</b>	<b>30 296</b>				<b>280</b>		<b>30 576</b>
Output	26 001				280		26 281
Capital							
Commonwealth	4 295						4 295
<b>DEPARTMENT OF THE ATTORNEY-GENERAL AND JUSTICE</b>	<b>80 617</b>			<b>4 316</b>	<b>1 683</b>		<b>86 616</b>
Output	80 617				1 683		82 300
Capital							
Commonwealth				4 316			4 316
<b>DEPARTMENT OF CHILDREN AND FAMILIES</b>	<b>163 167</b>	<b>2 000</b>		<b>2 304</b>	<b>9 231</b>		<b>176 702</b>
Output	147 020	2 000			9 231		158 251
Capital							
Commonwealth	16 147			2 304			18 451

continued

AGENCY/Purpose	Appropriation Act	Variations actioned under the <i>Financial Management Act</i>					Final Appropriation
	2015-16	S18	S19	S19(A)	S20	S21	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>DEPARTMENT OF HEALTH</b>	<b>1 061 274</b>			<b>13 719</b>	<b>3 953</b>		<b>1 078 946</b>
Output	1 010 764				9 736		1 020 500
Capital	6 292				- 5 783		509
Commonwealth	44 218			13 719			57 937
<b>DEPARTMENT OF CORRECTIONAL SERVICES</b>	<b>196 236</b>	<b>1 800</b>		<b>295</b>	<b>20 051</b>		<b>218 382</b>
Output	192 449	1 800			20 051		214 300
Capital	3 787						3 787
Commonwealth				295			295
<b>DEPARTMENT OF EDUCATION</b>	<b>837 195</b>			<b>15 466</b>	<b>17 408</b>		<b>870 069</b>
Output	521 527				17 408		538 935
Capital	933						933
Commonwealth	314 735			15 466			330 201
<b>DEPARTMENT OF TRANSPORT</b>	<b>384 593</b>			<b>45 120</b>	<b>- 2 081</b>		<b>427 632</b>
Output	154 603				3 739		158 342
Capital	113 630				- 5 820		107 810
Commonwealth	116 360			45 120			161 480
<b>DEPARTMENT OF INFRASTRUCTURE</b>	<b>376 176</b>			<b>14 111</b>	<b>63 892</b>		<b>454 179</b>
Output	53 017				189		53 206
Capital	228 163				63 703		291 866
Commonwealth	94 996			14 111			109 107
<b>DEPARTMENT OF PRIMARY INDUSTRY AND FISHERIES</b>	<b>43 413</b>	<b>1 535</b>		<b>9 733</b>	<b>73</b>		<b>54 754</b>
Output	43 162	1 535			- 447		44 250
Capital	251				520		771
Commonwealth				9 733			9 733
<b>DEPARTMENT OF LAND RESOURCE MANAGEMENT</b>	<b>38 186</b>	<b>500</b>		<b>312</b>	<b>- 448</b>		<b>38 550</b>
Output	35 496	500			- 170		35 826
Capital	2 450				- 278		2 172
Commonwealth	240			312			552
<b>DEPARTMENT OF ARTS AND MUSEUMS</b>	<b>35 089</b>	<b>1 704</b>			<b>136</b>	<b>750</b>	<b>37 679</b>
Output	34 292	1 704			136	750	36 882
Capital	45						45
Commonwealth	752						752

*continued*

AGENCY/Purpose	Appropriation Act	Variations actioned under the <i>Financial Management Act</i>					Final Appropriation
	2015-16	S18	S19	S19(A)	S20	S21	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>ABORIGINAL AREAS PROTECTION AUTHORITY</b>	<b>2 696</b>						<b>2 696</b>
Output	2 696						2 696
Capital							
Commonwealth							
<b>DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITY SERVICES</b>	<b>180 520</b>			<b>133 549</b>	<b>5 341</b>		<b>319 410</b>
Output	155 544				5 341		160 885
Capital							
Commonwealth	24 976			133 549			158 525
<b>DEPARTMENT OF HOUSING</b>	<b>235 385</b>			<b>14 210</b>	<b>14 194</b>		<b>263 789</b>
Output	76 052				- 20		76 032
Capital	16 817				14 214		31 031
Commonwealth	142 516			14 210			156 726
<b>PARKS AND WILDLIFE COMMISSION OF THE NORTHERN TERRITORY</b>	<b>43 264</b>	<b>533</b>					<b>43 797</b>
Output	43 004	533					43 537
Capital	260						260
Commonwealth							
<b>CENTRAL HOLDING AUTHORITY</b>	<b>439 530</b>	<b>- 14 345</b>	<b>219 239</b>		<b>- 251 290</b>		<b>393 134</b>
Treasurer's Advance	30 000	- 14 345	219 239		- 230 966		3 928
Interest, Taxes and Administration	177 671				- 15 210		162 461
Employee Entitlements	231 859				- 5 114		226 745
<b>TOTAL APPROPRIATION</b>	<b>5 198 880</b>		<b>219 239</b>	<b>257 974</b>			<b>5 676 093</b>
Output	3 559 378	14 345			185 179		3 758 902
Capital	385 884				66 111		451 995
Commonwealth	814 088			257 974			1 072 062
Treasurer's Advance	30 000	- 14 345	219 239		- 230 966		3 928
Interest, Taxes and Administration	177 671				- 15 210		162 461
Employee Entitlements	231 859				- 5 114		226 745
<b>TOTAL</b>	<b>5 198 880</b>		<b>219 239</b>	<b>257 974</b>			<b>5 676 093</b>

## Auditor-General's Office

### Appropriation

	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	3 178	3 178	3 178	
Capital				
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>3 178</b>	<b>3 178</b>	<b>3 178</b>	

#### Significant variances

No variation to appropriation

## Northern Territory Electoral Commission

### Appropriation

	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	2 039	2 539	3 039	1 000
Capital				
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>2 039</b>	<b>2 539</b>	<b>3 039</b>	<b>1 000</b>

#### Significant variances

1 Transfer of funding from 2016-17 to 2015-16 and additional funding for 2016 Legislative Assembly General Election activities and preparations 1 000

## Ombudsman's Office

### Appropriation

	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	1 933	1 933	1 933	
Capital				
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>1 933</b>	<b>1 933</b>	<b>1 933</b>	

#### Significant variances

No variation to appropriation

# Department of the Chief Minister

## Appropriation

	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	86 646	101 724	101 724	15 078	1
Capital	395	100	100	- 295	
Commonwealth	2 755	4 002	4 002	1 247	2
<b>TOTAL APPROPRIATION</b>	<b>89 796</b>	<b>105 826</b>	<b>105 826</b>	<b>16 030</b>	

### Significant variances

1 Transfer of funding from the Department of Infrastructure for the scoping study for ambulatory care services	500
Transfer of funding from the Department of Children and Families for the Northern Territory Council for Social Services grant agreement	387
Transfer of funding from the Department of Business for Defence Support	545
Transfer of funding to the Department of Arts and Museums for the Territory Remembers program	- 750
Transfer of funding to the Department of Business for the Industry Capability Network program	- 200
Transfer of funding to the Department of Corporate and Information Services for lease and property management costs	- 328
Additional funding to the Office of Major Projects, Infrastructure and Investment	8 044
Funding to support Major Events	6 393
Transfer of funding to the Department of Infrastructure for the Government House airconditioning refurbishment	- 517
Tropical cyclones Lam and Nathan Community Recovery Fund	2 500
Transfer of funding from capital to output appropriation for costs associated with the leasing of multi-function devices	295
Northern Territory Ice Action Plan	300
Transfer of funding from 2015-16 to 2016-17 for major projects	- 2 325
Increased support for Festivals NT	250
2 Revised funding for the Social and Community Services Sector Specific Purpose Payment and National Partnership Agreements	1 247

## Department of the Legislative Assembly

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	23 395	23 797	23 497	102
Capital	41	41	341	300
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>23 436</b>	<b>23 838</b>	<b>23 838</b>	<b>402</b>

### Significant variances

No significant variations to appropriation

## Northern Territory Police, Fire and Emergency Services

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	311 626	312 545	312 545	919
Capital	11 912	9 212	9 212	- 2 700
Commonwealth	28 228	28 228	28 228	
<b>TOTAL APPROPRIATION</b>	<b>351 766</b>	<b>349 985</b>	<b>349 985</b>	<b>- 1 781</b>

### Significant variances

1 Transfer of funding to the Department of Infrastructure for the Peter McAulay Centre forensic lab extension	- 700
Revised funding for capital equipment	- 2 000

## Tourism NT

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	47 515	46 232	46 232	- 1 283
Capital				
Commonwealth	775	775	775	
<b>TOTAL APPROPRIATION</b>	<b>48 290</b>	<b>47 007</b>	<b>47 007</b>	<b>- 1 283</b>

### Significant variances

1 Administrative efficiencies	- 1 300
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## Department of Sport and Recreation

Appropriation	May 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	46 604	69 722	69 435	22 831	1
Capital					
Commonwealth					
<b>TOTAL APPROPRIATION</b>	<b>46 604</b>	<b>69 722</b>	<b>69 435</b>	<b>22 831</b>	

### Significant variances

1 Transfer of funding from the Department of Infrastructure for grants to Motor Sports NT and Central Australian Drag Racing				1 750	
Transfer of funding from the Department of Infrastructure for the Sports Master Plan				778	
Transfer of funding from 2015-16 to 2016-17 to reflect the timing of the Masters Games				- 580	
Transfer of funding to the Department of Infrastructure for upgrades to the Leanyer Recreation Park, Holmes Jungle Nature Park and Alice Springs Telegraph Station bicycle repair stations				- 537	
Boosting our Economy – upgrades to Freds Pass Reserve				3 000	
Boosting our Economy – additional grant to construct a regional tennis centre				8 000	
Boosting our Economy – investment in sport infrastructure				4 000	
Contribution towards the Parap pool redevelopment				5 000	
Grant funding for the Darwin Golf Club				300	
Additional sporting grants				1 000	

## Department of Business

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	145 208	145 912	145 912	704	1
Capital					
Commonwealth	23 095	26 687	26 687	3 592	2
<b>TOTAL APPROPRIATION</b>	<b>168 303</b>	<b>172 599</b>	<b>172 599</b>	<b>4 296</b>	

### Significant variances

1 Transfer of funding to the Department of the Chief Minister for defence support				- 545	
Transfer of funding from the Department of the Chief Minister for the Industry Capability Network function				200	
NT Expo trade show				250	
Funding to support the establishment of crocodile farming businesses in East Arnhem				400	
Establishment of the Northern Territory Home Improvement Scheme				412	
2 Revised funding under the National Partnership Agreement on Northern Territory Remote Aboriginal Investment				3 900	
Revised funding for the National Skills and Workforce Development specific purpose payment				- 380	

# Office of the Commissioner for Public Employment

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	5 296	5 443	5 443	147
Capital				
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>5 296</b>	<b>5 443</b>	<b>5 443</b>	<b>147</b>

## Significant variances

No significant variations to appropriation

# Department of Corporate and Information Services

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	132 761	136 496	136 496	3 735 1
Capital	179	2 429	2 429	2 250 2
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>132 940</b>	<b>138 925</b>	<b>138 925</b>	<b>5 985</b>

## Significant variances

1 Expand telecommunications services in remote communities	2 000
Net transfer of funding for whole of government TRIM administration	480
Transfer of funding to government agencies for Information and Communication Technology (ICT) management	- 1 051
Net transfer of funding to and from agencies for lease and property management costs	- 1 842
Project management for the Department of Health's Core Clinical Systems Renewal Program	6 217
Transfer from output to capital appropriation for the Core Clinical Systems Renewal Program	- 2 000
2 Development and management of a whole of government Grants Management System	250
Transfer from output to capital appropriation for the Core Clinical Systems Renewal Program	2 000

## Department of Treasury and Finance

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	104 436	163 092	163 092	58 656	1
Capital					
Commonwealth					
<b>TOTAL APPROPRIATION</b>	<b>104 436</b>	<b>163 092</b>	<b>163 092</b>	<b>58 656</b>	

### Significant variances

1 Additional funding for the First Home Owners Grant scheme due to increased demand	4 891
Subsidy payments towards the generation of electricity for residents of Jabiru	3 800
Contribution towards upgrades at Owen Springs and Tennant Creek power stations	50 000

## Department of Lands, Planning and the Environment

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	72 497	89 393	94 153	21 656	1
Capital	729	729	729		
Commonwealth					
<b>TOTAL APPROPRIATION</b>	<b>73 226</b>	<b>90 122</b>	<b>94 882</b>	<b>21 656</b>	

### Significant variances

1 Expenses relating to the lease of the Port of Darwin	13 921
Net transfer of funding to the Department of Infrastructure for various capital projects, including the Stokes Hill Wharf refurbishment and the Flood Mitigation Program	- 2 675
Whole of government Accommodation Strategy	400
Boosting our Economy – Phase 2 of Ludmilla Creek flood mitigation	2 000
Community service obligation payments for non-commercial activities undertaken by the Land Development Corporation	7 960

## Department of Mines and Energy

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	26 001	26 281	26 281	280	
Capital					
Commonwealth	4 295	4 295	4 295		
<b>TOTAL APPROPRIATION</b>	<b>30 296</b>	<b>30 576</b>	<b>30 576</b>	<b>280</b>	

### Significant variances

No significant variations to appropriation

# Department of the Attorney-General and Justice

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	80 617	82 300	82 300	1 683	1
Capital					
Commonwealth		4 316	4 316	4 316	2
<b>TOTAL APPROPRIATION</b>	<b>80 617</b>	<b>86 616</b>	<b>86 616</b>	<b>5 999</b>	

## Significant variances

1 Transfer of funding from the Department of Health for the Community Visitor Program	411
Additional support for judges	1 342
2 New Commonwealth funding for the Legal Assistance Services National Partnership Agreement	4 316

# Department of Children and Families

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	147 020	156 251	158 251	11 231	1
Capital					
Commonwealth	16 147	18 451	18 451	2 304	2
<b>TOTAL APPROPRIATION</b>	<b>163 167</b>	<b>174 702</b>	<b>176 702</b>	<b>13 535</b>	

## Significant variances

1 Transfer of funding to the Department of Health for the Lifeline Top End program	- 200
Transfer of funding to the Department of the Chief Minister for the Northern Territory Council for Social Services grant agreement	- 387
Transfer of the Alice Springs Youth Hub to the Department of Education	- 160
Additional funding to support children in out of home care	10 000
Additional funding to support unforeseen costs, including natural disaster relief payments	2 000
2 Revised funding for the Community Safety Implementation Plan under the National Partnership Agreement on Northern Territory Remote Aboriginal Investment	2 304

# Department of Health

## Appropriation

	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	1 010 764	1 020 500	1 020 500	9 736	1
Capital	6 292	509	509	- 5 783	2
Commonwealth	44 218	57 937	57 937	13 719	3
<b>TOTAL APPROPRIATION</b>	<b>1 061 274</b>	<b>1 078 946</b>	<b>1 078 946</b>	<b>17 672</b>	

### Significant variances

1	Transfer of funding from the Department of Children and Families for the Lifeline Top End program	200
	Transfer of funding to the Department of the Attorney General and Justice for the Community Visitor Program	- 411
	Transfer of funding from the Department of Corporate and Information Services for ICT service delivery	521
	Additional funding as part of the new five-year agreement with St John Ambulance	2 150
	Net Transfer of funding from the Department of Corporate and Information Services for lease and property management costs	2 939
	Boosting our Economy – funding to support the construction of the Carpentaria Disability Services Hub development	10 000
	Royal Darwin Hospital car park management	350
	Transfer of funding to the Department of Corporate and Information Services for the Core Clinical System Renewal Program	- 6 217
	Grant funding for the Somerville Centre in Palmerston	470
	Cardiothoracic and neurosurgical services at Royal Darwin Hospital	600
	Transfer of funding to the Department of Infrastructure for capital works projects	- 1 090
2	Transfer of funding from 2015-16 to 2016-17 to the Department of Corporate and Information Services for the Core Clinical System Renewal Program	- 3 783
	Revised funding for capital equipment	- 2 000
3	Variations to various National Partnership agreements for health services	14 210
	Revised funding under the National Disability specific purpose payment	- 491

## Department of Correctional Services

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	192 449	212 500	214 300	21 851	1
Capital	3 787	3 787	3 787		
Commonwealth		295	295	295	
<b>TOTAL APPROPRIATION</b>	<b>196 236</b>	<b>216 582</b>	<b>218 382</b>	<b>22 146</b>	

### Significant variances

1 Additional funding to support operations at the Darwin Correctional Centre	13 775
Support for medical escorts and back home detention	2 281
Security at the Darwin Magistrates Court and Youth Court	1 311
Additional funding for youth detention services	2 633
Additional funding to support the operation of correctional facilities	1 800

## Department of Education

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	521 527	539 135	538 935	17 408	1
Capital	933	933	933		
Commonwealth	314 735	330 201	330 201	15 466	2
<b>TOTAL APPROPRIATION</b>	<b>837 195</b>	<b>870 269</b>	<b>870 069</b>	<b>32 874</b>	

### Significant variances

1 Transfer of funding to the Department of Infrastructure for works to various trade training and skills centres	- 1 089
Boosting our Economy – upgrades and maintenance to government and non-government schools	15 000
Additional funding to government schools for increased student enrolments in 2016	3 594
2 Revised funding for various education-related National Partnership agreements	11 203
Additional funding under the Students First specific purpose payment	4 263

## Department of Transport

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	154 603	158 342	158 342	3 739	1
Capital	113 630	107 810	107 810	- 5 820	2
Commonwealth	116 360	161 480	161 480	45 120	3
<b>TOTAL APPROPRIATION</b>	<b>384 593</b>	<b>427 632</b>	<b>427 632</b>	<b>43 039</b>	

### Significant variances

1 Transfer of funding from the Department of Infrastructure for capital works consultancies and capital grants	5 130
Additional funding for trial air services between Darwin, Katherine, Tennant Creek and Alice Springs	1 000
Net transfer from output to capital appropriation for various projects	- 2 110
2 Transfer of funding to the Department of Infrastructure to deliver capital projects	- 7 930
Net transfer from output to capital appropriation for various projects	2 110
3 Revised Commonwealth funding relating to various National Partnership agreements for transport infrastructure projects	45 120

## Department of Infrastructure

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	53 017	53 206	53 206	189	
Capital	228 163	290 366	291 866	63 703	1
Commonwealth	94 996	103 000	109 107	14 111	2
<b>TOTAL APPROPRIATION</b>	<b>376 176</b>	<b>446 572</b>	<b>454 179</b>	<b>78 003</b>	

### Significant variances

1 Net transfer of funding from government agencies for various infrastructure projects	7 271
Boosting our Economy – upgrades to government schools	53 515
2 Net change in National Partnership agreement funding reflecting revised timing of projects	14 111

## Department of Primary Industry and Fisheries

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	43 162	42 715	44 250	1 088	1
Capital	251	771	771	520	
Commonwealth		9 733	9 733	9 733	2
<b>TOTAL APPROPRIATION</b>	<b>43 413</b>	<b>53 219</b>	<b>54 754</b>	<b>11 341</b>	

### Significant variances

1 Transfer of funding from output to capital appropriation for the purchase of capital equipment	- 520
Additional funding for various environmental and pest management programs including Cucumber Green Mottle Mosaic Virus and the Banana Freckle Eradication Program	1 535
2 Established Pest and Weed Management National Partnership Agreement	389
Banana Freckle Eradication Program National Partnership Agreement	9 344

## Department of Land Resource Management

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	35 496	35 326	35 826	330
Capital	2 450	2 172	2 172	- 278
Commonwealth	240	552	552	312
<b>TOTAL APPROPRIATION</b>	<b>38 186</b>	<b>38 050</b>	<b>38 550</b>	<b>364</b>

### Significant variances

No significant variation to appropriation



## Department of Arts and Museums

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	34 292	35 178	36 882	2 590	1
Capital	45	45	45		
Commonwealth	752	752	752		
<b>TOTAL APPROPRIATION</b>	<b>35 089</b>	<b>35 975</b>	<b>37 679</b>	<b>2 590</b>	

### Significant variances

1 Transfer of funding from the Department of the Chief Minister for the Territory Remembers program	450
Revised timing of the NT Heritage Enhancement Project	240
Transfer of funding from 2015-16 to 2016-17 for the new Library Management System	- 402
Additional funding for the Museum and Art Gallery of the Northern Territory	598
Additional funding for the Darwin Festival Association	450
Additional funding for Screen Territory grants and other operational expenses	1 254

## Aboriginal Areas Protection Authority

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance
	\$000	\$000	\$000	\$000
Output	2 696	2 696	2 696	
Capital				
Commonwealth				
<b>TOTAL APPROPRIATION</b>	<b>2 696</b>	<b>2 696</b>	<b>2 696</b>	

### Significant variances

No variation to appropriation

## Department of Local Government and Community Services

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	155 544	160 885	160 885	5 341	1
Capital					
Commonwealth	24 976	158 525	158 525	133 549	2
<b>TOTAL APPROPRIATION</b>	<b>180 520</b>	<b>319 410</b>	<b>319 410</b>	<b>138 890</b>	

### Significant variances

1 Review of local authorities	800
Establishment of bakeries in remote communities	2 800
Funding for the street light repairs and maintenance subsidy	2 150
2 Upfront payment from the Commonwealth for municipal and essential services in remote communities under the Stronger Futures in the Northern Territory National Partnership Agreement	133 549

## Department of Housing

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	76 052	76 032	76 032	- 20	
Capital	16 817	31 031	31 031	14 214	1
Commonwealth	142 516	156 726	156 726	14 210	2
<b>TOTAL APPROPRIATION</b>	<b>235 385</b>	<b>263 789</b>	<b>263 789</b>	<b>28 404</b>	

### Significant variances

1 Additional funding to support urban public housing upgrades and new construction	13 600
2 Additional Commonwealth funding for Renal Infrastructure in the Northern Territory	2 780
Revised funding under the National Partnership Agreement on Northern Territory Remote Aboriginal Investment – Remote Australia Strategies	11 693

## Parks and Wildlife Commission of the Northern Territory

Appropriation	April 2015 Published Budget	May 2016 Estimate	Final Approved 2015-16	Total Variance	
	\$000	\$000	\$000	\$000	
Output	43 004	43 004	43 537	533	
Capital	260	260	260		
Commonwealth					
<b>TOTAL APPROPRIATION</b>	<b>43 264</b>	<b>43 264</b>	<b>43 797</b>	<b>533</b>	

### Significant variances

No significant variations to appropriation

## Uniform Presentation Framework

## Supplementary Tables

## General Government Sector Taxes

	2015-16 Actual	2014-15 Actual
	\$M	\$M
Taxes on employers' payroll and labour force	290	269
Taxes on property		
Stamp duties on financial and capital transactions	136	265
Taxes on the provision of goods and services		
Taxes on gambling	73	68
Taxes on insurance	41	45
Taxes on the use of goods and performance of activities		
Motor vehicle registration fees	68	68
<b>Total taxes</b>	<b>608</b>	<b>715</b>

## General Government Sector Grant Revenue

	2015-16 Actual	2014-15 Actual
	\$M	\$M
<b>Current grant revenue</b>		
Current grants from the Commonwealth (Including for on-passing)		
National partnership payments	392	270
Specific purpose payments	321	293
General purpose grants	3 639	3 590
<b>Total current grant revenue</b>	<b>4 351</b>	<b>4 153</b>
<b>Capital grant revenue</b>		
Capital grants from the Commonwealth (including for on-passing)		
National partnership payments	266	204
Specific purpose payments	19	26
General purpose grants	46	11
<b>Total capital grant revenue</b>	<b>331</b>	<b>241</b>
<b>Total grant revenue</b>	<b>4 683</b>	<b>4 394</b>

## General Government Sector Grant Expense

	2015-16 Actual	2014-15 Actual
	\$M	\$M
<b>Current grant expense including subsidies and personal benefit payments</b>		
Local government	103	64
Private and not-for-profit sector (including for on-passing)	816	782
Grants to other sectors of government	57	56
Other	193	185
<b>Total current grants expense including subsidies and personal benefit payments</b>	<b>1 170</b>	<b>1 087</b>
<b>Capital grant expense</b>		
Local government	24	3
Private and not-for-profit sector (including for on-passing)	76	33
Grants to other sectors of government	90	24
Other	61	32
<b>Total capital grant expense</b>	<b>251</b>	<b>92</b>
<b>Total grant expense</b>	<b>1 420</b>	<b>1 179</b>

## General Government Sector Dividend and Income Tax Equivalent Income

	2015-16 Actual	2014-15 Actual
	\$M	\$M
Dividend and income tax equivalent income from public non financial corporations sector	73	29
Dividend and income tax equivalent income from public financial corporations sector	24	174
<b>Total dividend and income tax equivalent income</b>	<b>97</b>	<b>203</b>

## General Government Sector Purchases of Non Financial Assets by Function

	2015-16 Actual	2014-15 Actual
	\$M	\$M
General Public Services	20	23
Public Order and Safety	46	58
Education	105	34
Health	115	69
Housing and community amenities	186	111
Recreation and culture	41	17
Agriculture, forestry, fishing and hunting	7	6
Mining, manufacturing and construction	1	6
Transport and communications	218	148
Other purposes	2	1
<b>Total purchases of non financial assets</b>	<b>741</b>	<b>473</b>

## Loan Council Allocation

	Original Budget 2015-16	Actual 2015-16
	\$M	\$M
General government sector cash deficit (+)/surplus (-)	146	47
Public non financial corporations sector cash deficit (+)/surplus (-)	101	32
Non financial public sector cash deficit (+)/surplus (-)	247	79
<i>minus</i> Acquisitions under finance leases and similar arrangements		- 4
<i>equals</i> ABS GFS cash deficit (+)/surplus (-)	247	83
<i>minus</i> Net cash flows from investments in financial assets for policy purposes	44	479
<i>plus</i> Memorandum items		
<b>2015-16 Loan Council allocation<sup>1</sup></b>	<b>203</b>	<b>- 396</b>

<sup>1</sup> The actual result for 2015-16 is a surplus of \$396 million, a \$599 million improvement from the 2015-16 Budget time estimate of \$203 million deficit. This is outside the revised tolerance limit of 2 per cent of non financial public sector operating cash receipts, which is calculated based on the 2015-16 Budget-time estimate.