



2016 – 2017 ANNUAL REPORT

Department of Infrastructure, Planning and Logistics

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LETTER TO THE MINISTER

Dear Minister

I am very pleased to present you with the annual report of the Department of Infrastructure, Planning and Logistics for the financial year ended 30 June 2017. The report describes the performance and key achievements of each of the department's output groups, as required by section 28 of the *Public Sector Employment and Management Act*.

I advise, to the best of my knowledge and belief, that:

- a. proper records of all transactions affecting the department are kept, and employees under my control observe the provisions of the *Financial Management Act*, its regulations and applicable Treasurer's Directions
- b. procedures within the department afford proper internal control and a current description of such procedures is recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the *Financial Management Act*
- c. no breach of legislation or delegation, major error in, or omission from, the accounts and records exists
- d. in accordance with section 15 of the *Financial Management Act*, I advise that as at 30 June 2017, the department had adequate internal audit capacity and the results of all internal audit matters have been reported to me
- e. the financial statements included in the annual report have been prepared from proper accounts and records and in accordance with the Treasurer's Directions
- f. all Employment Instructions issued by the Commissioner for Public Employment have been satisfied
- g. the department is working in compliance with the *Information Act*.

I advise in relation to item (a) and that to the best of my knowledge and belief, proper records are kept of transactions undertaken by the Department of Corporate and Information Services on behalf of my agency and the employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions.

The Auditor-General has conducted various compliance audits during the year to provide audit assurance that our controls and record keeping practices are maintained at a high level.

Yours sincerely



Andrew Kirkman
Chief Executive
Department of Infrastructure, Planning and Logistics

30 September 2017

ABOUT THIS REPORT

ANNUAL REPORT 2016–17

This annual report summarises the activities and performance of the Department of Infrastructure, Planning and Logistics for 2016–17. Performance is reported against strategic goals, approved budget and performance measures for 2016–17, with priorities identified for the year ahead.

It aims to inform the Legislative Assembly, Territorians and other stakeholders of:

- primary functions and responsibilities of the department
- significant activities undertaken during the year, highlighting specific achievements against budgeted outputs
- the department's fiscal management and performance.

The department is a key contributor in driving the Northern Territory Government's achievement of strategic priorities through regulation, land use and logistics planning and delivering the Government infrastructure program. The annual report is structured in the following sections:

INTRODUCTION

Provides an overview of the annual report, including why it is prepared, what organisations are included as part of reporting and the Chief Executive's message.

SECTION 1 OUR ORGANISATION

Introduces readers to the Department of Infrastructure, Planning and Logistics, providing information on our high level structure and the purpose, vision and goals of the department.

SECTION 2 OUR ACHIEVEMENTS

Outline the department's achievements in 2016–17. It includes key highlights in all regions and a summary of priorities that Government set for the department to achieve, and budget highlights and achievements for this year.

SECTION 3 OUR PERFORMANCE

Provides an overview of the divisional output groups and documents their performance in 2016–17. It reports on key performance indicators and budget performance with commentary on achievements for this year and priorities for next year.

SECTION 4 CORPORATE GOVERNANCE

Outlines the framework the department uses to guide its operations. This section reports on internal and external audits and achievements of the department's boards and committees.

SECTION 5 OUR PEOPLE

Provides information on our workforce metrics, such as staffing numbers and our workforce profile. It also includes information on equity and diversity activities, employment programs, investment in learning and development, work health safety and wellbeing.

SECTION 6 FINANCIAL PERFORMANCE

Is a summary of the department's financial performance for 2016–17. It includes a financial overview and detailed financial statements for the year.

SECTION 7 APPENDICES

Includes details on the legislation we administer and manage and includes information about compliance with Employment Instructions.



CHIEF EXECUTIVE'S MESSAGE

ANDREW KIRKMAN

In 2016–17, as part of machinery of government changes, three separate departments – Transport, Infrastructure and Lands, Planning and the Environment – amalgamated to form the department of Infrastructure, Planning and Logistics. The new department contained all functions of the previous departments, other than Environment and Heritage.

Since its formation in September 2016, the department has worked with Territory business, industry and the community to plan, regulate, facilitate and construct integrated sustainable development and works across the Northern Territory.

The department's strategic priorities include:

- long-term planning that integrates community needs with government priorities and industry best practice

- delivering the Territory's infrastructure program
- delivering innovative, well-regulated and sustainable services.

While our internal focus is to create an organisation with the values, capacity and capability to continually deliver improved services.

We have achieved much while undergoing significant changes in our organisation and delivered key project outcomes that show innovation and vision for the Northern Territory's future.

As a result of extensive consultation, the department developed the 10 Year Infrastructure Plan that maps out the proposed and planned infrastructure projects to meet the needs of a wide range of industry sectors over the next 10 years. The Infrastructure Plan was informed by the

Northern Territory Government's Economic Summit consultations in 2016–17. In the short term the Infrastructure Plan will help industry with its own planning and workforce management and inform decision-making across all levels of government. Over the longer term, the Infrastructure Plan sets direction for planning and delivering infrastructure in the Northern Territory.

The department continued to deliver on the Northern Territory Government's infrastructure priorities to support local industry, stimulate the industry sectors and create a rolling pipeline to provide a steady flow of work to industry within a timeframe that allows local business to prepare and plan.

In 2016–17, the department managed a record \$1.86 billion infrastructure program, which fluctuated according to construction timelines.



Of the \$844 million spent on delivering this large infrastructure program, \$594.4 million was spent on capital works, \$49.1 million on minor new works and \$169.5 million in repairs and maintenance. A further \$31.6 million was spent on separately funded projects including consultancies for design and engineering.

We continue to provide job and business opportunities for local businesses to achieve value for the Northern Territory in the supply and construction of infrastructure projects as well as through additional repairs and maintenance funding.

In 2016–17, Northern Territory Government contracts were awarded to 97.5 per cent local Northern Territory businesses across all Tiers.

The Value for Territory initiative was introduced as an addition to the Buy Local Plan, which increased local content weighting for contracts to 30 per cent. Including Value for Territory criteria in Government contracts

improves the way local content and benefits are recognised, evaluated and achieved.

In addition to managing more than 22 000 kilometres of national highways and roads, the department delivered on road upgrade programs across the Northern Territory including Palmerston roads, Mereenie Inner Loop, Tiger Brennan Drive duplication, Central Arnhem Road, Victoria Highway and Tanami Road.

The department is well placed to roll out the 2017–18 infrastructure program of \$1.75 billion, with major projects brought forward and in the planning phase across the regions including:

- \$26 million for Palmerston Police Station
- \$12 million for a multi-storey carpark at Royal Darwin Hospital
- \$25 million for a new home for Rugby League at Warren Park
- \$18 million for new netball courts in Darwin

- \$6.5 million for Tennant Creek Integrated School.

The department with the Department of Housing and Community Development will deliver on the \$1.1 billion program over 10 years for remote housing upgrades and new dwellings, with 350 houses upgraded in regional and remote communities across the Northern Territory in 2016–17.

Key road upgrade projects in the planning phase for 2017–18 will unlock the economic potential in our regions and include the \$78 million Arnhem Highway upgrade, \$87 million Keep River Plains Road upgrade, \$40 million Buntine Highway upgrade, \$41.2 million Outback Way roads upgrade, \$37.5 million Beef Roads Programme and \$39.5 million for the new Barneson Boulevard and Tiger Brennan Drive Stage 3.

We are delivering more services to more customers in innovative ways online while still making sure we provide front counter service for frontline services in development assessment, licensing and registration. The Motor Vehicle Registry reported a 135 per cent increase in transactions from 2011, with nearly 50 per cent of renewal transactions now being undertaken online.

The department continued to ensure legislative frameworks are streamlined, relevant,



“The agency plays a significant role in stimulating economic activity across the Territory in conjunction with private sector in land use, infrastructure and delivery of logistics services.”

contemporary and meet appropriate standards during 2016–17, including commercial passenger vehicle licensing and regulation services, road transport regulation, marine and ports regulatory framework and traffic safety and road rules.

A regulatory model is being introduced to provide a level playing field for ridesharing and taxi services, while a driverless vehicle was trialled on Stokes Hill Wharf.

The department facilitates land development for the Northern Territory and processed 728 planning applications and created more than 440 new residential lots from Crown land in 2016–17.

We provided development and regulatory control, delivered survey, building and planning advisory services, facilitated access to land information data for 5429 registered users, managed 55000 square kilometres of the Northern Territory's Crown estate and supported the Northern Territory Planning Commission and Development Consent Authority.

The department is supported by Land Information who have developed and maintain spatial systems, survey and valuation services to support long-term planning within the department.

The department worked to implement national and local transport legislative reforms to drive economic and social development, including developing and implementing road safety policy and active transport.

Road safety was a focus with the launch of the Toward Zero discussion paper to consult with Territorians on the best ways to reduce the road toll. The DriveSafe Urban and Remote programs continued to deliver motor vehicle and driver licensing services across the Northern Territory.

I would like to thank staff for their achievements this financial year and their tireless efforts to ensure the creation of our new department was successful.

ANDREW KIRKMAN
Chief Executive

ANDREW KIRKMAN CHIEF EXECUTIVE

Andrew heads up a department that has a broad range of critical and priority functions that impact Northern Territory businesses, industry and the community. The diverse functions of the department are spread across planning, regulating, facilitating and constructing infrastructure development and works across the Northern Territory.

Undertaking all of his schooling in the Northern Territory, Andrew has worked in the Northern Territory Government since 1999, including executive roles in the departments of Transport, Housing and Chief Minister, Land Development Corporation, Darwin Waterfront Corporation, Treasury and AustralAsia Railway Corporation. Before coming to Government, he worked in finance and commercial roles in the private sector and mining industry.

Andrew has tertiary and post graduate qualifications in business and accounting.

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OUR ORGANISATION

Roper River – Roper Gulf Regional Council

OUR DEPARTMENT

WHO WE ARE

The Department of Infrastructure, Planning and Logistics is a public sector agency established under the Administrative Arrangements Order issued by the Administrator of the Northern Territory. The department was created in September 2016.

OUR VISION

To drive the sustainable, economic and social advancement of the Northern Territory through land use and transport planning, infrastructure investment and effective logistics supply chains.

OUR CORE BUSINESS

The department is responsible for:

- strategic planning to set the direction for land use, transport networks and infrastructure to meet the community's needs and support future growth of the Northern Territory
- delivering the Northern Territory's infrastructure program and providing services as the Northern Territory's central construction agency
- managing land administered by the department on behalf of the Northern Territory of Australia and the Crown and holding land-related information and data, including developing and maintaining spatial information used to support long-term planning
- regulatory and customer services to ensure safe, efficient and sustainable land and building development and planning and transport systems
- advocating the Northern Territory's interests in national and local reforms and supporting statutory committees and boards.

OUR VALUES

The department upholds the Northern Territory Public Sector (NTPS) values of:

- commitment to service
- ethical practice
- respect
- accountability
- impartiality
- diversity.

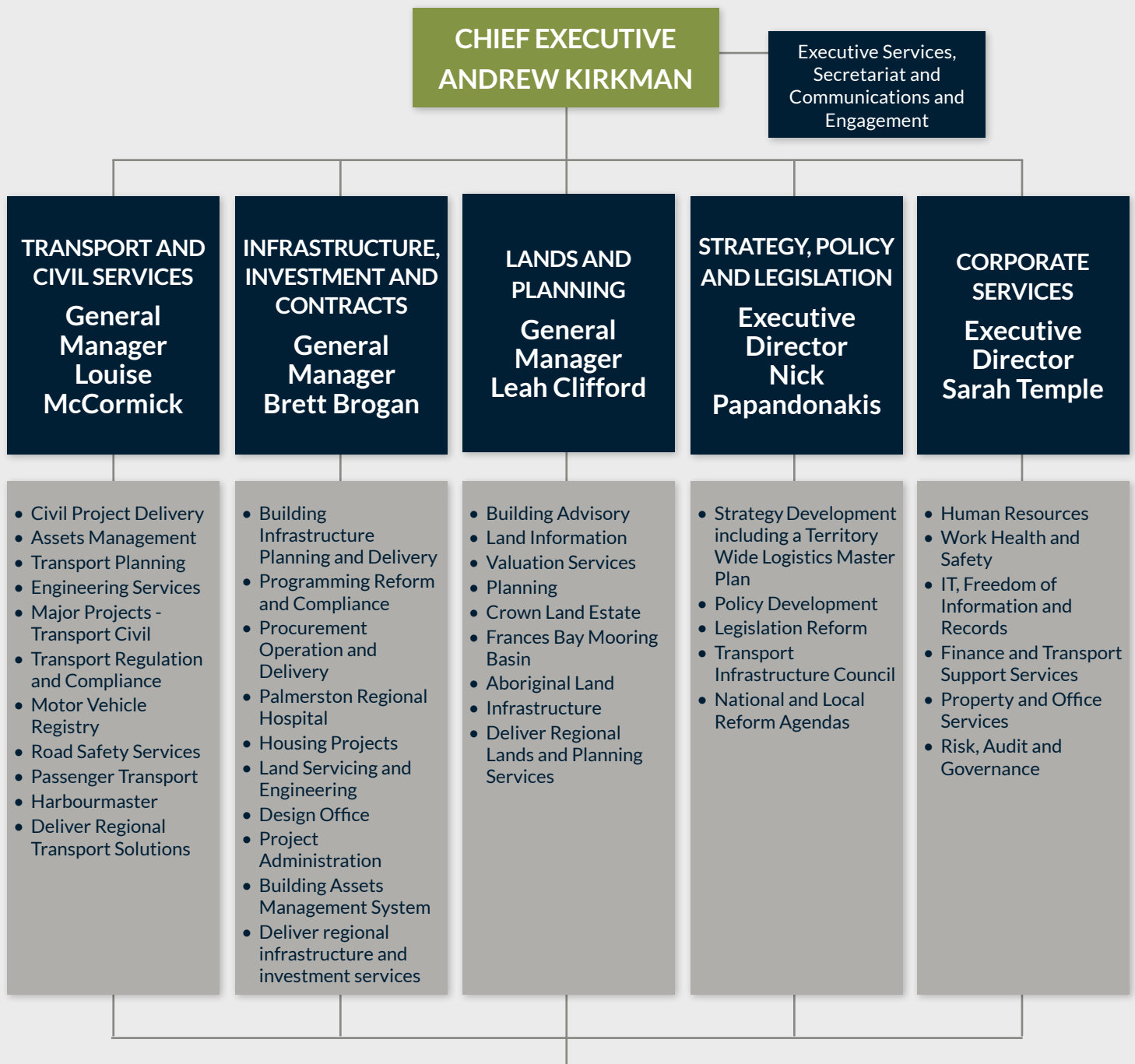
OUR PRIORITIES

- **Priority 1** – Long-term planning that integrates community needs with government priorities and industry best practice.
- **Priority 2** – Deliver the Northern Territory's Infrastructure Program.
- **Priority 3** – Deliver innovative, well-regulated and sustainable services.
- **Priority 4** – Create an organisation with the values, capacity and capability to deliver effective services.

OUR RESOURCES

At 30 June 2017 the department had:

- 736 full-time equivalent (FTE) staff based in Darwin, Katherine, Nhulunbuy, Tennant Creek, Alice Springs and Yulara
- \$662 million Capital Works cash, including Australian Government funding
- a \$1.75 billion infrastructure capital works program
- management of roads, bridges and other transport assets with a written down value of \$4.7 billion
- management of the Government's land portfolio worth \$880.2 million
- a total operational budget of \$391.5 million, most of which is funded through output appropriation from the Northern Territory Government of \$240 million
- collected revenue on behalf of Government, including:
 - \$78.6 million from rent, royalties and regulatory services including motor vehicle registration and stamp duty fees
 - \$15.4 million from land sales.



STATUTORY BODIES

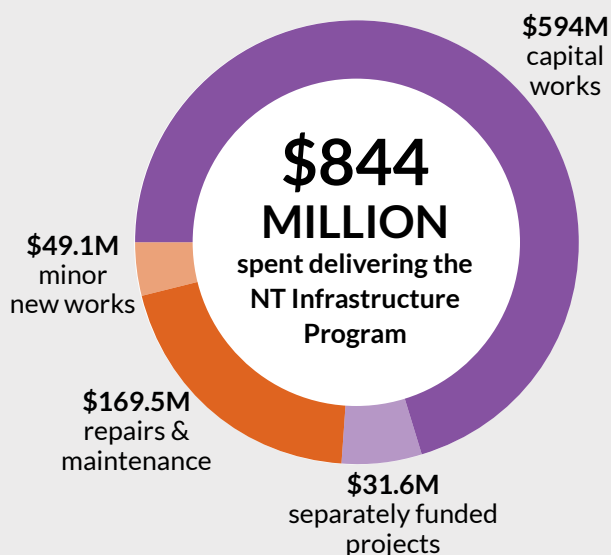
STATUTORY BODIES THAT RECEIVE SECRETARIAT SUPPORT FROM THE DEPARTMENT:

- NT Planning Commission
- Development Consent Authority
- Building Advisory Committee
- Building Appeals Board
- Community Living Areas Tribunal
- Place Names Committee of the NT
- Swimming Pool Fencing Review Committee
- Valuation Board of Review Panel

STATUTORY BODIES THAT RECEIVE CORPORATE SUPPORT FROM THE DEPARTMENT BUT PREPARE THEIR OWN ANNUAL REPORT:

- Land Development Corporation
- Australasia Railway Corporation

\$1.86B MANAGED INFRASTRUCTURE PROGRAM



The department administers
32
PIECES OF LEGISLATION

Over 440 new residential lots titled in 2016–17 as a result of the release of Crown land



10 924 BUILDING APPROVALS
registered in 2016–17

Managed approximately
700 CROWN LEASES AND SPECIAL PURPOSES LEASES
for community infrastructure and commercial development



Across the Northern Territory in 2016–17

3040
PROJECTS managed

Awarded 3762 Tier 1–5 infrastructure contracts

Awarded **97.5%** of contracts to LOCAL COMPANIES

PROGRESSED **9** ABORIGINAL LAND CLAIMS

PROGRESSED **10** NATIVE TITLE CLAIMS, AND/OR AGREEMENTS

Remote Community Housing delivering

305
NEW HOMES
1094
UPGRADES

Government Employee Housing providing

34
NEW HOMES
139
UPGRADES

Urban Public Housing constructing

50
NEW HOMES

Cyclone Recovery Housing delivered

80
REPLACEMENTS
80
YARD WORK PACKAGES

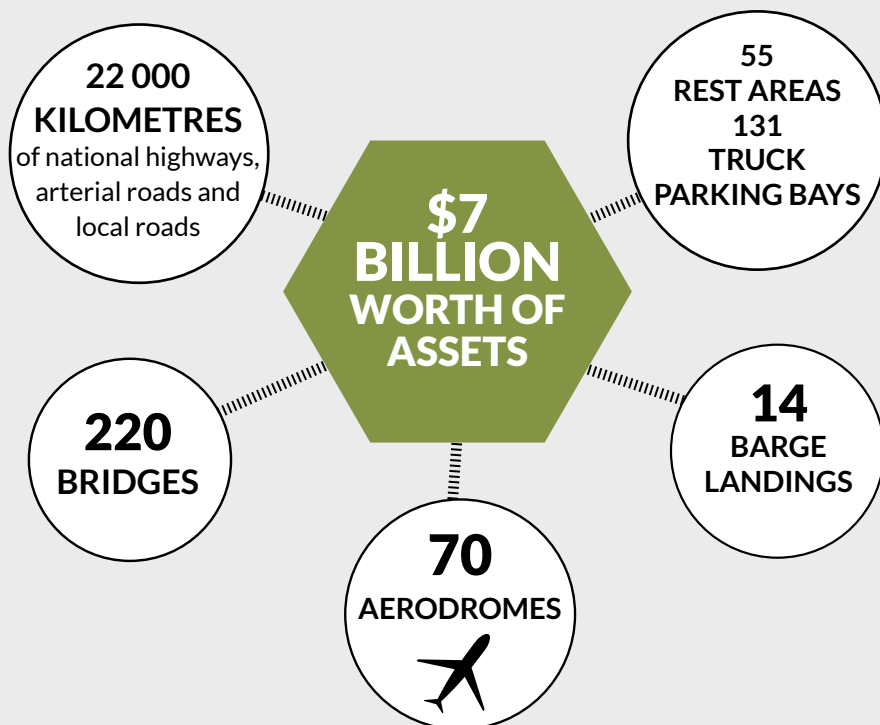


880 000

VIEWERS REACHED

and followers almost doubled from 7832 to 14,836 by RoadreportNT posts in 2016–17 financial year

NORTHERN TERRITORY GOVERNMENT TRANSPORT NETWORK



62 700 PEOPLE RIDE A BIKE IN THE NT IN A TYPICAL WEEK, THAT'S ABOUT 26 % OF THE POPULATION.



IN THE NORTHERN TERRITORY THERE IS 260 KM OF URBAN SHARED BICYCLE/ PEDESTRIAN PATHS.



47 500
SQUARE KILOMETRES
OF TOPOGRAPHIC
MAPPING COMPLETED.




**CAPTURED AROUND
40 000 SQUARE KILOMETRES OF
AERIAL IMAGERY**
including Darwin and Palmerston, eight towns,
31 remote Aboriginal communities,
11 road infrastructure projects and six smaller
areas of interest.



OVERSAW THE DESIGN MANAGEMENT FOR THE PALMERSTON REGIONAL HOSPITAL WHICH INCLUDES MORE THAN 300 HEALTH STAFF AND PROFESSIONALS,

including coordination of a significant design change and sign off and approval of more than 1500 drawings through the Department of Health and Top End Health Service Chief Executive and board.



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OUR ACHIEVEMENTS

PROJECT HIGHLIGHTS

INFRASTRUCTURE, INVESTMENT AND CONTRACTS DIVISION

10 YEAR INFRASTRUCTURE PLAN

The department led the development of a plan to guide infrastructure planning and investment in the Northern Territory over 10 years and beyond.

The 10 Year Infrastructure Plan captures the challenges and opportunities facing a range of industry sectors in the Northern Territory and maps out the planned and proposed infrastructure projects over the next 10 years.

The detailed Infrastructure Plan was released along with the Northern Territory Government's Economic Development Framework and Infrastructure Strategy.

More than 1500 Territorians contributed to the Economic Development Framework after a series of Economic Summits were held across the Northern Territory to discuss major project priorities.

This feedback was used to identify the opportunities for major projects to improve infrastructure across the Northern Territory to accelerate economic development and attract private sector investment.

Northern Territory Government agencies and municipal and regional councils were integral to the development of the plan and provided comprehensive detail of their infrastructure priorities and projects over the 10 year horizon.



The 10 Year Infrastructure Plan will be refreshed annually.

PALMERSTON REGIONAL HOSPITAL

Construction of the Northern Territory's newest public hospital is on track with more than 240 people working on site at the \$169.7 million jointly funded Palmerston Regional Hospital in mid-2017.

The Top End's first new public hospital in almost 40 years will offer 116 hospital beds and deliver primary and community health care services to Territorians.

Construction is progressing well and the program is on schedule after Managing Contractor Lend

Lease began building on site in 2015.

In 2016-17, the ground floor slab pouring began, the main building structure was built and essential services were being installed.

The internal fit out works for the main buildings and wards continued, including mechanical, hydraulic, fire and electrical services, dividing walls, ceilings, floor covering and windows.

A total of \$114 million contracts have been awarded to the local market.



HENBURY SCHOOL

The new \$31.5 million Henbury School was completed in July 2016 for students with high support special needs.

The state-of-the-art, purpose-built special education school was built on the grounds of the Dripstone Middle School and caters for 120 middle and senior year students with high support special needs.

About 420 local jobs were created while the new school was

being constructed, which includes a large hydrotherapy pool, 100 kilowatt solar array system, extensive outdoor learning space with water features and a new air-conditioned hall.

Electronic roll-out seating in the hall allows the area to be used for sports and performing arts, while catering for the local school community outside of school hours.



ROYAL DARWIN HOSPITAL UPGRADES

The refurbishment of the paediatric wards at the Royal Darwin Hospital were completed in June 2017 as part of a \$64 million upgrade for the Northern Territory's Tertiary hospital.

The fifth floor of the hospital is now dedicated to paediatrics, bringing together services that were previously separated over two floors. The refurbishment was

staged to reduce the impact on patients and staff.

The upgrades are part of a joint Northern Territory and Australian Government funded upgrade which includes:

- upgrading wards 3B, 4B, 5A and 5B
- constructing a purpose-built treatment space for Allied Health Services

- enhancing the foyer and external front area
- upgrading outpatient and other public areas.

Remodelling the front foyer is continuing to improve patient flow through the reception area with gift shops, pharmacy and a new transit lounge.

PALMERSTON POLICE STATION DESIGN

A new \$26 million police station is being designed for Palmerston after the project was fast tracked with an extra \$11 million funding in Budget 2017.

The 24 hour police facility will include a large, modern police station, watch house and community centre.

Local business Ross Tonkin and Associates was awarded the \$1 million design tender in May 2017 and it is expected to be completed in late 2017.

Once the design and documentation tender is finalised a construction tender is expected to be released in early 2018. The designers will work with Northern Territory police to cater for policing needs in the Palmerston community and about 100 jobs are expected to be created during construction.



SUPPORTING MAJOR PROJECTS

The department supports economic growth in the Northern Territory by working with other Government agencies and proponents of major projects to provide advice on identifying suitable land, including Crown land for development.

The department has been working with proponents to provide advice and guidance for them to obtain the necessary approvals required for major projects under planning, building and land legislation to facilitate project development.

PLANNING REFORM

Planning Reform commenced investigations and preparation of a Discussion Paper to guide the community consultation process on potential reforms of the Planning system in the Northern Territory.



FLOOD MITIGATION

The department has progressed with a number of projects in Darwin and Katherine to minimise the impact of flooding.

Work progressed on flood mitigation projects in Wadham Lagoon, Ludmilla and Rapid Creek in 2016–17. Drainage works on Tiger Brennan Drive, Benison Road and Reichardt Road were completed while work began on redeveloping Dwyer Park to help control stormwater in the Sadgroves Creek catchment.

Work also began on a holding basin on RAAF Base Darwin to improve the flow of stormwater, which is expected to be completed in 2017.

A tender was awarded to construct high flow culverts under Whitewood Road as part of the Wadham Lagoon flood mitigation project and a design for the Marrara Triangle Detention Basin was completed for the Rapid Creek flood mitigation project.

The Alice Springs Flood Mitigation Report was released for public comment in 2016, a final report was made available to the community.

The report makes a number of recommendations to improve community safety and reduce the damage, disruption and costs associated with major flood events in Alice Springs. The department will continue to work on the recommendations.





KATHERINE LOGISTICS AND AGRIBUSINESS HUB

The department commenced investigations into the development of a Logistics and Agribusiness Hub in Katherine. Consultations will be a key aspect of the project in determining the land requirements to support business in the region. The department is also working with other Government agencies to deliver on this commitment.

KATHERINE AMBULANCE CENTRE

In 2015, \$25 million was committed to flood mitigation works for the Town of Katherine. As part of this commitment, \$7.6 million was identified for the construction of a new Ambulance Centre in Katherine outside of the flood zone.

Construction of the Katherine Ambulance Station commenced mid-2016 and the facility is scheduled to be officially opened by the Chief Minister in July 2017.

The new multi-purpose 1000m² ambulance station comprises a ground level building with offices, training room, crew

support facilities, ambulance parking bays, service bay and car wash facility. The building accommodates ambulance crew/staff on a 24 hour basis, provides accommodation for visiting staff, is a venue for training, provides workspace for disaster management personnel as a back up to Darwin and provides overflow disaster patient care facilities.

The Northern Territory Government has also committed \$8 million for the construction of a new Fire Station adjacent the new ambulance station on Chardon Street, with construction anticipated to commence in early 2018.

BARNESON BOULEVARD VISION

The design for a new entry to Darwin city has been finalised and preparations made to release the project to tender.

Barneson Boulevard will be constructed along with the duplication of Tiger Brennan Drive from Dinah Beach Road to McMinn Street.

The boulevard will create a new entry into Darwin's central business district with the design incorporating feedback from the community following consultation in 2016–17.

The consultation included:

- community workshops
- a specific workshop with the stakeholders from the local arts community
- a community survey was distributed to encourage public feedback on road concept
- four public information displays in the Smith Street Mall
- face to face meetings with key stakeholders.



The Department of Infrastructure, Planning and Logistics invited feedback from the public on landscaping concepts, urban enhancement and public art possibilities. This was launched on 25 September, with feedback collected through the "Have Your Say" website at www.haveyoursay.nt.gov.au.

The design includes a new four lane link into the city via the Tiger Brennan Drive intersection with Dinah Beach Road, dispersing traffic onto Cavenagh Street.

The design also includes wide footpaths and cycle ways, tree planting and landscaping to create shade and character and a sense of arrival into the CBD. To preserve and enhance a tropical shaded boulevard the Frog Hollows Park and the Old Darwin Primary School will be incorporated in the revitalisation master plan.

The large infrastructure project is expected to be released to tender in October 2017 and construction is expected to begin in December 2017.

MEREENIE LOOP – LARAPINTA DRIVE COMPLETED

Sealing the last critical section of the popular Mereenie Inner Loop tourist drive in Central Australia was completed in May 2017.

A 43 kilometre section of Larapinta Drive between Hermannsburg and Namatjira Drive was sealed with gravel pavement, drainage crossings installed and protection works upgraded after work began in June 2016.

The well-travelled Inner Loop now provides all year round tourist access to the magnificent West MacDonnell Ranges and connects the remote communities of Hermannsburg, Wallace Rockhole and Areyonga.



The \$24.5 million upgrade means the road, which was previously cut off during heavy rains, can be accessed by two and four wheel drive vehicles all year.

Also known as the Red Centre Way, the road upgrade is expected to boost tourism to the area, which already attracted 161 000 visitors in 2016.

DRIVERLESS BUS TRIAL

The Northern Territory's first driverless bus was successfully trialled at the Darwin Waterfront in 2016–17, carrying more than 3600 passengers to and from Stokes Hill Wharf.

The EasyMile EZ10 driverless bus can cater for passengers with reduced mobility including wheelchairs and prams and operates autonomously by following a virtual line mapped and loaded in the vehicle's software.

A trained operator was on board the vehicle at all times to ensure safe movement and provide advice on the vehicle to passengers. The vehicle is restricted to travel at 20 kilometres per hour.

The driverless bus uses sensors to scan the environment and to navigate on predefined routes, providing a low cost transport solution with zero carbon emissions.

The successful initial stage paved the way for a second and third trial, which will see the bus travel between the Waterfront restaurant precinct and parklands and then travel along Hughes Avenue to the top of The Esplanade in September 2017.

Evaluation of the trial will be undertaken prior to consideration of further trials in 2018.



ROAD SAFETY ACTION PLAN – TOWARDS ZERO

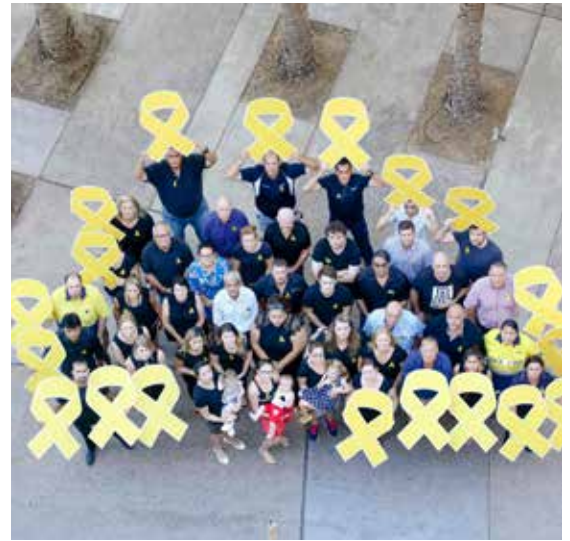
A discussion paper on how to reduce the Northern Territory's road toll to zero was released in May 2017 for public feedback.

The Northern Territory has the highest road toll per capita in the nation with almost 50 people killed and over 500 seriously injured on Northern Territory roads each year.

The discussion paper was developed by the department in partnership with the Motor Accidents Compensation Commission and NT Police.

It is based on a Towards Zero goal that no person is killed or seriously injured on Northern Territory roads.

Community forums were held across the Northern Territory, along with an online survey to give Territorians a chance to put forward their ideas and suggestions on how to improve road safety and reduce the road toll to zero.



RIDESHARING IN THE NT

The Northern Territory Government has paved the way for ridesharing services to begin in the Northern Territory.

Following consultation with industry, businesses and the community, the Ridesharing Steering Committee released a draft regulatory model.

The Steering Committee included drivers, taxi operators, Taxi Council, minibus and private hire industries, as well as organisations representing disability, Aboriginal, youth and senior sectors.

The regulatory model will provide for a level playing field for existing

taxi and ridesharing services to:

- reduce annual licence fees for commercial passenger vehicles
- retain the current cap on taxi licence numbers in Darwin and Alice Springs
- apply a \$1 trip levy to all taxi, private hire and ridesharing trips to offset the reduction in licence fees.

LOGISTICS MASTER PLAN

The Territory Wide Logistics Master Plan is being developed by the department in consultation with industry, peak organisations, infrastructure managers and government stakeholders.

The Master Plan will outline the Northern Territory Government's role within the sector and provide a framework for Government to partner with industry to promote investments that improve freight outcomes.

The Master Plan will target unlocking the Northern Territory's economic potential by establishing Darwin as Northern Australia's logistics hub and gateway to Asia, while ensuring

the Northern Territory's remote and regional centres are serviced by an efficient, resilient and adaptable logistics network to promote economic opportunity and social development.

The Developing the North agenda is linked to developing the Master Plan, as so much of the Northern Territory's economic potential relies upon improved freight networks.

Unlocking both the economic and social opportunities of remote Northern Australia is heavily reliant upon providing enabling logistic infrastructure.



AMALGAMATION TO CREATE ONE DEPARTMENT

As part of the creation of the Department of Infrastructure, Planning and Logistics in 2016, a new departmental structure was established. The process of creating the new structure was undertaken in accordance with Management of Change provisions outlined in the

Northern Territory Public Sector Enterprise Agreement.

A Change Management Committee was established to consult with staff and a consultative committee established to consult with union representatives. Other activities to

amalgamate former departments to create the new department included transfer of budget and financial management, information transfer of staffing and personnel records and the creation of a new data set for records management information.

REDESIGNING THE INTRANET

As part of creating the Department of Infrastructure, Planning and Logistics, previous departmental intranet sites were redesigned and modernised to make it easier to use.

The department's Information Business Systems unit had already started redeveloping the intranet when the department amalgamation occurred in September 2016. The intranet redevelopment project began

in early 2016 and involved reorganising and rewriting content to make it easier to understand, while adding search capabilities as part of a simplified and modern layout.

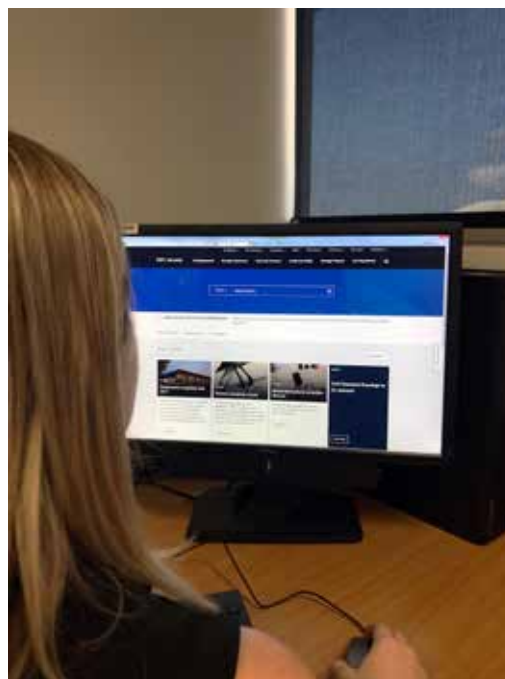
NEW TECHNOLOGY AND INNOVATIONS COMMITTEE TAPS INTO IDEAS

The department is tapping into the innovative ideas of its employees to identify ways that services to the community and business processes can be improved and streamlined.

In early 2017, the department held 'Innovation Workshops' across Darwin and all regions with over 130 staff attending. Workshops introduced the concept of innovation in the workplace and provided the forum for staff to identify how processes could be improved or new ideas could be used by the department. Over 400 items were identified, with innovative ideas including use

of smart devices in the field to record information, introducing Apps where the community can notify the department about issues such as pot holes or using 3D planning as part of considering new developments.

A Technology and Innovation Committee was also established with a focus on considering and progressing new ideas and solutions for the department.



REGIONAL HIGHLIGHTS

NORTHERN REGION

DARWIN

Palmerston Regional Hospital – more than 240 people were working on site at the \$169.7 million jointly funded Palmerston Regional Hospital in mid-2017 with structural steel roof framing and sheeting continuing, along with internal fitouts to all areas of the main building and wards, with \$102 million contracts released to the local market.

Housing – 92 community houses were upgraded across the Darwin region, including the communities of Gunbalanya, Maningrida and Wurrumiyanga.

15 community houses constructed across the Darwin Region, which include Maningrida and Wurrumiyanga Communities.

Tiger Brennan Drive – duplication of a 9.14 kilometre section of Tiger Brennan Drive between Woolner Road and Berrimah Road was completed to reduce traffic congestion and decrease commuting time between Palmerston and Darwin.

Vanderlin Drive duplication – The duplication of a 2.7 kilometre section of Vanderlin Drive between Mueller Road and McMillans Road

roundabout is progressing well, with completion expected in early December 2017.

The project will provide northern suburb's commuters with a duplicated carriageway from Casuarina to Karama and will reduce congestion and improve safety on this busy route.

The project includes intersection upgrades at Calytrix Road, Manunda Terrace and Kalymnos Drive, including the installation of traffic lights at the Kalymnos Drive/Vanderlin Drive intersection to improve safety and access.

KATHERINE

Planning for Katherine Logistics and Agribusiness Hub – positioned at the junction of two major Territory highways, Katherine will become the site of a major horticultural and agricultural site with a needs assessment underway to inform the creation of a transport and logistics hub.

Wadeye Police Station – a new police station, communications tower, boat shed and eight

two-story units and three four-bedroom houses were completed in Wadeye, while seven four-bedroom houses and two three-bedroom duplexes were still being built in June 2017.

Katherine Ambulance Centre – A significant portion of work to construct the new \$7.6 million facility is completed and it is scheduled to be opened by the Chief Minister by the end of July 2017.



NHULUNBUY

Nhulunbuy boarding facility – the \$20 million 'Dawur' boarding facility for students at Nhulunbuy High School was opened in May 2017 to provide one, two and four student bedrooms to improve education outcomes for 40 Aboriginal students, and includes a commercial kitchen, dining room, tuition room, multipurpose

art and music centres and sporting facilities.

Rocky Bottom Creek – the last low level crossing on the Central Arnhem Road was replaced with a bridge at Rocky Bottom Creek, which was opened in October 2016 to improve access to Nhulunbuy and other remote

Arnhem land communities during wet weather.

Housing – 19 community houses constructed across the East Arnhem region, which include Galiwinku and Umbakumba Communities.

REGIONAL HIGHLIGHTS

SOUTHERN REGION

ALICE SPRINGS

Netball stadium – the new state-of-the-art netball facility was completed and officially opened in Alice Springs in February 2017 and boasts four indoor netball courts that meet Netball Australia's national standards and a timber sprung floor with evaporative cooling.

Housing – 194 community houses were upgraded across the Alice region, including the communities of Atitjere, Engawala, Imanpa, Laramba, Nturiya, Santa Teresa, Titjikala, Willowra and Wilora.

Five community houses constructed across the Alice Region, which include Santa Teresa and Areyonga Communities.

Off-road school bus interchange – a new off road bus interchange was built at the Centralian Middle School to provide a much safer environment for students and allow for future expansion of the school bus network.



Mereenie Loop Upgrade – a 43 kilometre section of Larapinta Drive was sealed and now provides all year round tourist access to the magnificent West MacDonnell Ranges and connects the remote communities of Hermannsburg, Wallace Rockhole and Areyonga.

TENNANT CREEK

Planning for Tennant Creek integrated school – a tender to design a new preschool with integrated facilities was awarded to Zone A Pty Ltd in May 2017, with a tender expected to be released in October 2017 to build the 88 student preschool with its meeting rooms, visiting specialists

rooms, outdoor learning resources and amenities to deliver nutritional programs.

Housing – 58 community houses were upgraded across the Tennant Creek region, including in the communities of Ali Curung and Alpururulam in 2016–17.

DEPARTMENT PRIORITIES

THE DEPARTMENT'S PRIORITIES FOR 2017

PRIORITY 1

LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE.

ACTIONS:

Work with Territorians to deliver:

- 10 Year Infrastructure Plan for the Northern Territory.
- Planning for Darwin as the capital of Northern Australia and a world class tropical harbour city.
- Planning for Katherine as a logistics and agribusiness hub.
- Planning for Tennant Creek as a minerals and gas centre for the Northern Territory.
- Planning for Alice Springs as the nation's inland capital.
- Northern Territory-wide Logistics Master Plan.
- Northern Territory Road Safety Strategic Action Plan.
- Future planning for Weddell and Cox Peninsula in partnership with land owners.
- Support for the Northern Territory Planning Commission to fulfil its strategic planning role for the Northern Territory.

PRIORITY 2

DELIVER THE TERRITORY'S INFRASTRUCTURE PROGRAM.

ACTIONS:

- Manage and deliver government's extensive infrastructure program, from capital works to minor new works and maintenance.
- Grow the local economy through open and transparent procurement processes that support the Territory's Buy Local policy and maximise Aboriginal employment.
- Promote and report on Government's infrastructure priorities and achievements.
- Maintain and further develop data infrastructure to ensure accurate and up to date access to land information for government and industry.

PRIORITY 3

DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES.

ACTIONS:

- Work with industry and the community to develop a regulatory model to facilitate Ridesharing in the Northern Territory.
- Facilitate and review opportunities for autonomous vehicles in the Northern Territory, including vehicle trials and supporting positioning infrastructure and data.
- Implement Government's election commitment for free bus travel for senior Territorians.
- Undertake planning reform based on six principles that aim to provide a more transparent and planned approach to lands and planning policy in the Northern Territory.
- Reduce timeframes for planning and development approvals through new web based e-planning and e-survey processes.
- Work with key stakeholders to improve security on the public bus network.
- Streamline regulatory systems to reduce red tape, improve efficiencies and improve delivering services to clients.

PRIORITY 4

CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES.

ACTIONS:

- Establish a new organisational structure supported by robust corporate governance arrangements, strong leadership and efficient processes that support the department.
- Engage with staff to review business processes and modernise and streamline operations to continually improve service delivery.
- Develop programs to recruit, develop and retain employees that includes a focus on Aboriginal employment.
- Implement responses to the People Matter Survey, including revitalising the department's approach to Employee Performance Management and Development.

FINANCIAL SNAPSHOT

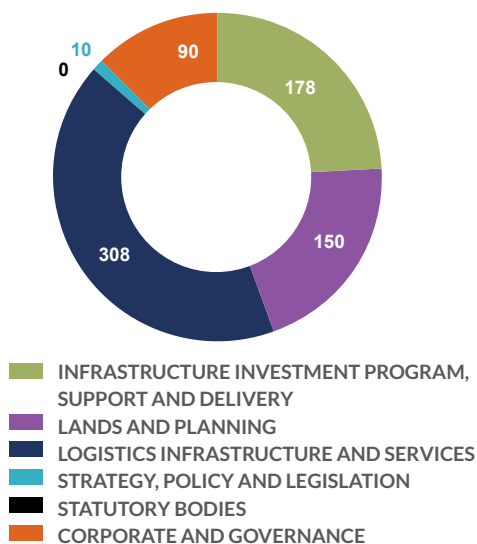
For the 2016–17 financial year, the Department of Infrastructure, Planning and Logistics operated with 736 full time equivalent (FTE) staff members and a budget of \$391.5 million. It provided services across six output groups: Infrastructure Investment Program, Support and Delivery, Lands and Planning, Logistics Infrastructure and Services, Strategy, Policy and Legislation, Statutory Bodies and Corporate and Governance.

A breakdown of the distribution of financial and FTE resources to each output group that enable the delivery of services to the community and government is detailed in the following charts.

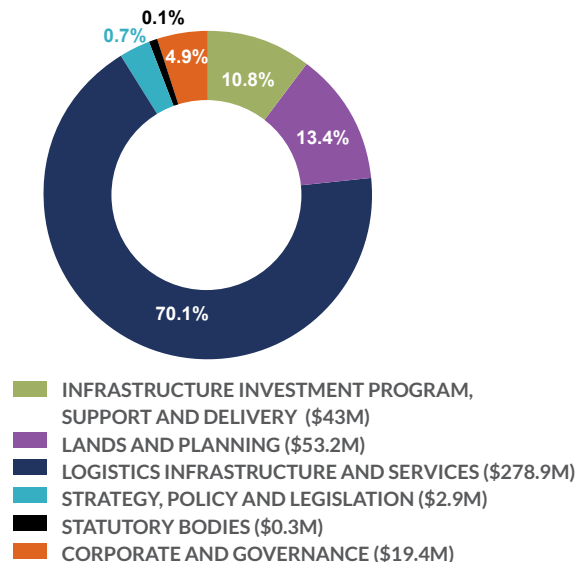
The department is funded mainly through output appropriation from the Northern Territory Government at a total of \$240 million; 82% of total income. Although the main source of funds is through appropriation, it is important to

note that the department also collects revenue on behalf of the government for Taxation revenue, grants and subsidies, regulatory services and royalties and rents totalling \$78.6 million in 2016–17. These funds are directed to the Central Holding Authority. The department also receipts cash through the sale of land, which totalled \$15.4 million in 2016–17 through its land portfolio of \$880 million.

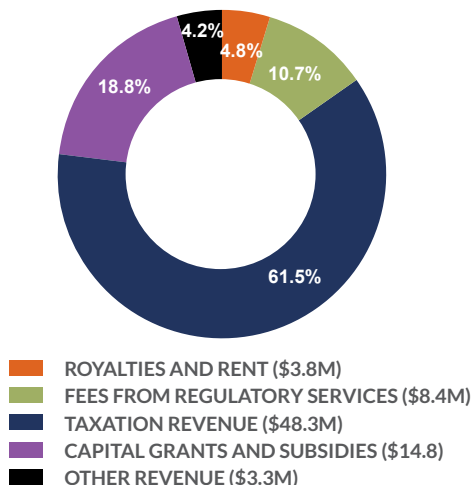
FTE BY OUTPUT GROUP



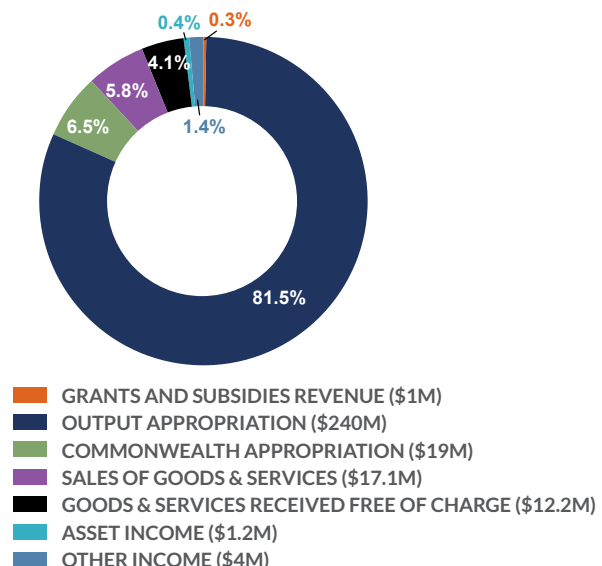
ACTUAL EXPENDITURE BY OUTPUT GROUP (\$M)



REVENUE COLLECTED ON BEHALF OF GOVERNMENT – CENTRAL HOLDING AUTHORITY (\$M)



2016–17 OPERATING INCOME (\$M)





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OUR PERFORMANCE



PERFORMANCE FINANCE SUMMARY

The Department of Infrastructure, Planning and Logistics classifies services under 18 outputs and six output groups. The department also provides corporate support services to the statutory body the Northern Territory Planning Commission.

The department had an annual budget of \$391.5 million for the 2016–17 year; an increase of \$18.7 million from the Mid-Year budget. The increase mainly resulted from non-cash expensing of capital works projects which do not meet the capitalisation criteria and are required to be expensed. This totalled \$19.4 million and was an accounting treatment to remove the value of the assets from the agency's balance sheet. In addition, there was an increase of \$3.6 million in depreciation following the capitalisation of completed

infrastructure assets. The increase was off-set by a decrease of \$5.5 million for expenditure tied to goods and services revenue previously received for program delivery fees and now included as a design program allocation on the capital works program.

The Department reported expenses for the financial year of \$397.7 million, which is higher than the final approved budget. The increase against budget is mainly due an accelerated repairs and maintenance program, including associated expenditure for disaster

maintenance and the non-cash asset expensing of capital works projects which do not meet the capitalisation criteria and are required to be expensed. The non-cash expenditure is required for accounting purposes in order to derecognise capital items from the department's balance sheet. The additional repairs and maintenance spent was in consultation with the Department of Treasury and Finance and maintained the whole of Government expenditure within program levels.

The budget movement and annual expenses for all outputs in the department are summarised in the following table.

| OUTPUT | 2016-17 Mid-Year Budget \$000 | 2016-17 Final Approved Budget \$000 | % change | 2016-17 Actuals \$000 | % change to Final Estimate |
|----------------------------------------------------------------|----------------------------------------|-------------------------------------------------|----------------------------|-----------------------------|-------------------------------------|
| INFRASTRUCTURE INVESTMENT PROGRAM, SUPPORT AND DELIVERY | 35 481 | 45 572 | 28.44%¹ | 42 954 | -5.74%⁵ |
| Infrastructure Investment Delivery | 28 427 | 22 543 | | 24 674 | |
| Program Support | 3 858 | 4 401 | | 4 457 | |
| Asset Management | 3 196 | 18 628 | | 13 823 | |
| LANDS AND PLANNING | 52 451 | 56 079 | 6.92%² | 53 170 | -5.19%⁶ |
| Land Development | 9 991 | 9 995 | | 10 047 | |
| Development Assessment Services | 3 927 | 3 906 | | 3 701 | |
| Crown Land Estate | 21 152 | 24 349 | | 21 272 | |
| Aboriginal Land | 1 297 | 1 317 | | 1 545 | |
| Lands Planning | 2 684 | 2 727 | | 2 855 | |
| Building Advisory Services | 3 939 | 3 921 | | 4 135 | |
| Land Information | 9 461 | 9 864 | | 9 615 | |
| LOGISTICS INFRASTRUCTURE AND SERVICES | 258 742 | 266 355 | 2.94%³ | 278 914 | 4.72%⁷ |
| Passenger Transport | 56 973 | 59 353 | | 58 478 | |
| Registration and Licensing | 16 705 | 12 346 | | 12 794 | |
| Road Safety and Compliance | 6 571 | 11 015 | | 10 175 | |
| Transport Planning and Delivery | 162 241 | 167 178 | | 182 796 | |
| Transport Assets | 16 252 | 16 463 | | 14 671 | |
| STRATEGY, POLICY AND LEGISLATION | 5 662 | 3 308 | -41.58%⁴ | 2 923 | -11.64%⁸ |
| Strategy, Policy and Legislation | 5 662 | 3 308 | | 2 923 | |
| STATUTORY BODIES | 539 | 522 | -3.15% | 293 | -43.87%⁹ |
| Northern Territory Planning Commission | 539 | 522 | | 293 | |
| CORPORATE AND GOVERNANCE | 19 898 | 19 705 | -0.97% | 19 403 | -1.53% |
| Corporate and Governance | 19 898 | 19 705 | | 19 403 | |
| TOTAL OUTPUT BUDGET | 372 773 | 391 541 | 5.03% | 397 657 | 1.56% |

PERFORMANCE FINANCE SUMMARY Continued

1. Infrastructure Investment Program, Support and Delivery increased from the Mid-Year budget to the final approved budget in June 2017. The increase mainly resulted from additional non-cash expensing of capital works projects which do not meet the capitalisation criteria and are required to be expensed. The increase was off-set by a decrease in expenditure tied to goods and services revenue previously received for program delivery fees which are no longer collected and now included as a design program allocation on the capital works program.
2. Lands and Planning increased from the Mid-Year budget mainly due to additional non-cash expensing of capital works projects which do not meet the capitalisation criteria and are required to be expensed.
3. Logistics Infrastructure and Services increased from the Mid-Year budget mainly due to depreciation being revised following the capitalisation of completed infrastructure assets and the internal transfer of grant funding for trial air services and the provision of category 5 aircraft rescue and firefighting at Royal Australian Air Force base in Tindal.
4. Strategy, Policy and Legislation decreased from Mid-Year budget due to the internal transfer of grant funding for trial air services and the provision of category 5 aircraft rescue and firefighting at Royal Australian Air Force base in Tindal.
5. Infrastructure Investment Program, Support and Delivery ended the year with a total expense of \$43 million against a final approved budget of \$45.6 million. Variance in actual expenses against budget was due to an underspend of \$3.7 million for asset related expenditure which did not occur in time. This was off-set by additional operational expenditure related to the delivery of the Government infrastructure program which is now included in capacity for design on the capital works program.
6. Lands and Planning ended the year with total expenses of \$53.2 million against a final approved budget of \$56.1 million. Variance in actual expenses against budget was due to an underspend of \$1.5 million for asset related expenditure which did not occur in time and an underspend in Infrastructure Related Consultancies of \$1.1 million to be carried into 2017-18 financial year.
7. Logistics Infrastructure and Services ended the year with a total expense of \$278.9 million against a final approved budget of \$266.4 million. Variance in actual expense against budget was mainly due to an accelerated repairs and maintenance program including expenditure associated with disaster maintenance.
8. Strategy, Policy and Legislation ended the year with a total expense of \$2.9 million against a final approved budget of \$3.3 million. Variance in actual expenses against budget was due to a lower than expected planning study expenses.
9. Northern Territory Planning Commission ended the year with a total of \$0.3 million against a final approved budget of \$0.5 million. Variance in actual expenses against budget is mainly due to the transitional period of appointing a new Planning Commissioner.

CHIEF EXECUTIVE EXECUTIVE SERVICES

The Executive Services unit provides high level administrative and communication support to help the Chief Executive to drive and achieve departmental outcomes.

Executive Services has two main functions – secretariat, and communication and engagement.

SECRETARIAT UNIT

The Secretariat unit plays a pivotal role in the relationship between the Minister's office and the department. The unit maintains records of ministerial correspondence, provides advice on preparing, handling and procedures for ministerial, Cabinet and parliamentary documents and supports the Chief Executive and staff. Secretariat works across the department and acts as a central focus for information on ministerial and government policy.

In addition, the Secretariat unit coordinates:

- departmental Cabinet submissions
- Budget Cabinet submissions
- comments on other department Cabinet submissions
- Legislative Assembly and Estimates Committee briefings
- quarterly forecasting of Cabinet business
- Cabinet decision implementation reporting
- election commitments reporting
- Boards and Committees reporting.

COMMUNICATION AND ENGAGEMENT UNIT

The Communication and Engagement unit provides communication, media relations and community engagement services to the department as part of the Executive Services unit.

Key services provided by the unit include:

- stakeholder and community relations services to support the delivery of departmental initiatives
- crisis and emergency response communication
- developing and implementing strategic communication plans and initiatives to keep the public and industry informed on regulatory, lands planning, logistics and infrastructure projects being managed by the department
- professional writing and design services and project managing outsourced design projects
- advertising design, production and management, including project signage
- sponsorship management
- event management

- after hours media management including maintaining the RoadReportNT and the NT Infrastructure, Planning and Logistics Facebook pages
- media management and ministerial liaison for media and communication strategies and media activities to keep the public and industry informed about departmental policies and initiatives
- media forecasting, proactive media services and management of reactive media for the department

Some of the key projects the Communication and Media unit provided services for in this financial year included:

- Palmerston Regional Hospital
- Darwin Netball Stadium consultation
- Palmerston Road Upgrades
- Tiger Brennan Drive duplication
- increasing the Motor Vehicle Registry's footprint on social media.



TEGAN BERG, DIRECTOR, EXECUTIVE SERVICES

Tegan oversees Executive Services for the department. This unit manages Ministerial, Cabinet and Parliamentary correspondence and the daily media management, communication strategies and stakeholder engagement for the department's projects and policies.

Tegan grew up in Darwin and has lived most of her life in the Northern Territory. Tegan has spent more than 10 years working for the Northern Territory Government and the Victorian State Government.

“I enjoy the diversity of my role and working with great people who are committed to achieving great outcomes for the agency. Not any one day is the same.”

2016–17 ACHIEVEMENTS

| PRIORITY: | ACHIEVEMENTS: |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE. | <ul style="list-style-type: none"> • Provided key communication and community relations assistance to implement key Northern Territory Government priority projects including Towards Zero and the Driverless Bus trial • Provided Northern Territory businesses, industry and community the opportunity to influence the development of the Northern Territory through stakeholder engagement and the Have Your Say platform |
| DELIVER THE TERRITORY'S INFRASTRUCTURE PROGRAM. | <ul style="list-style-type: none"> • Established and implemented a range of communication strategies to support projects being delivered in the infrastructure program • Kept the Northern Territory businesses, industry and community informed through proactive and reactive media and communication services • Provided and maintained an integral communication stream between the Minister's Office and the department • Established and maintained a working relationship with the Australian Government's Department of Infrastructure and Regional Development Media and Events business unit |
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES. | <ul style="list-style-type: none"> • Established the NT Infrastructure, Planning and Logistics Facebook page to improve and maintain a consistent communication channel with the public • Developed the Growing the Territory information video, providing the public with an inside view of projects and initiatives taking place across the Northern Territory |
| CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES. | <ul style="list-style-type: none"> • Improved overall productivity by identifying existing information forums that can be shared across divisions • Increased awareness of communication and media services across the department through more client face to face meetings and attendance at external client meetings • Rolled out HP Records Manager Ministerial Record Tracking System across the department due to Machinery of Government changes • Maintained quality control on all correspondence being received and sent to the Minister's office • Managed the department's adherence to deadlines and timeframes for Ministerial and Cabinet Office requests • Provided effective service delivery as a conduit to the Minister's office |

2017–18 PRIORITIES

COMMUNICATION AND ENGAGEMENT UNIT

Assist in the introduction and review of Northern Territory regulations such as:

- consultation about managing activities in Northern Territory Government road reserves.
- implement an equitable ridesharing model and wider commercial passenger vehicle reforms.
- Manage and implement communication strategies on key infrastructure projects, including:
 - Barneson Boulevard
 - Keep River Road

- Litchfield Park Road
- Adelaide River flood plains
- construction of a new rugby league stadium at Darwin's Marrara sporting complex
- a netball stadium.
- Manage the release of new and updated Motor Vehicle Registry Reforms to the community.

SECRETARIAT UNIT

- Ensure Ministerial requests are responded to within the allocated timeframe and are quality assured.
- Ensure the department adheres to timeframes allocated to meet Cabinet deadlines.
- Assist in the Budget Cabinet process.
- Coordinate reporting across the department on Cabinet Decision implementation, election commitments and Boards and Committees.

TRANSPORT AND CIVIL SERVICES DIVISION

The Transport and Civil Services Division connects the Northern Territory through our people, services, strategies and management of transport infrastructure. The Transport and Civil Services Division delivers

a transport system that is safe, efficient, sustainable, innovative, equitable and economical. The division is the Northern Territory Government's central transport authority responsible for the Northern Territory's transport

system from design, development and management of our transport infrastructure to regulation and licensing of the vehicles and people that use our transport networks.



CIVIL SERVICES

The Civil Services unit provides project management services to construct transport infrastructure including roads, bridges, aerodromes, barge landings and marine infrastructure for Territory-wide projects for capital works, minor new works and specific maintenance programs.

The unit:

- leads the Northern Territory in traffic engineering and operations, whole of life cycle asset management, bituminous surfacing and road operations and inspections
- provides strategic advice to government and non-government agencies on current and future issues ensuring a safe and efficient road network for all road users in the Northern Territory
- delivers works programs in partnership with industry to ensure efficient and effective work practices.

It is responsible for delivering a whole of life cycle asset management of the road network, including data collection, Road Asset Management systems and coordinating asset valuation of the road network to ensure the transport network meets the needs of the community and supports the economic development of the Northern Territory.

The group is central to providing support services for counter disaster planning and response within the Darwin region and manages the Road Reporting systems.

TRANSPORT PLANNING

The Transport Planning unit manages planning and funding for a range of transport infrastructure assets to ensure they meet the needs of the Northern Territory and that these assets embody the community expectations and principles of safety, quality, environmental responsibility, and value for money.

The unit aims to ensure Government is always responsive to the needs of the public, both by engaging in direct consultation with key representatives in industry and the community, and by collecting and analysing road asset and traffic data, and undertaking trending analysis to assist in undertaking transport planning on an ongoing basis.

The team:

- provides the strategic planning, direction and advice to Government on all transport planning matters
- implements measures to de-risk projects prior to delivery
- secures Australian Government funding available under various programs
- undertakes the management role for the National Partnership Agreement with the Australian Government.

ENGINEERING AND ENVIRONMENT SERVICES

The Engineering and Environment Services unit is a multi-disciplinary group that provides a range of

professional and statutory based services across the Northern Territory Government.

The unit provides:

- services in project development and planning, design and documentation, environmental management and approvals, cultural clearances, work health and safety, geotechnical services for civil works throughout the Northern Territory.
- documentation to assist project managers through the design phase of projects
- quality control processing of tenders and technical drawings.

CORRIDOR MANAGEMENT

The Corridor Management unit works with third parties, developers and their agents to provide clear direction on the standards required and processes to be followed in undertaking private land development works in relation to transport issues.

The unit collaborates internally and externally to assist in applying Northern Territory and Australian governments' governance frameworks including legislation, policy, land tenure, land administration, environment, approvals and clearances, frameworks and risk management to support delivery of the transport programs.

The team maintains relationships with Land Councils to identify opportunities to establish strategies that support investment and development and to realise potential and promote growth in Aboriginal communities by leveraging government and private investment in infrastructure projects.



REGIONS

Transport and Civil Services includes a number of regional staff across the Northern Territory to service our customers and manage the transport infrastructure network. Our regional teams are central to providing support services for counter disaster planning and response within the regions.

MOTOR VEHICLE REGISTRY

The Motor Vehicle Registry (MVR) is the Northern Territory's vehicle registration and driver licensing authority with responsibility for policy and registration and licensing customer services across the Northern Territory.

MVR manages a range of key functions and services, including:

- driver licensing/medical fitness to drive
- vehicle registration
- renewals and transfers (licences/vehicles)
- evidence of age cards
- administering the demerit point scheme
- information for senior drivers
- managing outsourced service providers including motorcycle

rider training providers (METAL) authorised driving examiners and Australia Post.

Functions of the MVR are aimed at supporting the community having safe, efficient and sustainable transport systems, which meets the community's needs and supports Government's goals for the economic and social development of the Northern Territory.

ROAD SAFETY AND COMPLIANCE

The Road Safety and Compliance unit is responsible for road safety education and awareness programs to support and deliver driver licensing and compliance with vehicle safety standards. This includes programs such as the DriveSafe NT Urban and DriveSafe NT Remote driver training, School based education and CHOICES.

The unit manages heavy vehicle compliance to ensure the trucks on our roads comply with weight and dimensional limits and that loads are secure. The unit achieves this by delivering:

- targeted road safety education
- targeted road safety awareness campaigns, activities and initiatives

- DriveSafe NT and Urban and DriveSafe NT Remote programs
- asset protection (for example road and bridges) through targeted and strategic on-road enforcement and weighbridge activities targeting mass, load restraint and dimension compliance
- vehicle inspection services and compliance assessment at vehicle standard centres across the Northern Territory
- vehicle awareness campaigns through roadside roadworthiness checks (in conjunction with NT Police)
- vehicle engineering and vehicle standards advice, assessment and approvals
- operational and technical policy advice and support relating to vehicle standards and compliance
- police requested inspections on vehicles that are involved in fatal and serious injury crashes
- approvals for the movement of oversize and over-mass vehicles on the road network
- facilitating major events on the road network including World Solar Challenge, Red Centre NATS and Finke Desert Race.

TRANSPORT AND CIVIL SERVICES DIVISION

Continued



PASSENGER TRANSPORT

The Passenger Transport unit oversees and manages the contracts for urban bus transport in Darwin and Alice Springs, school and special needs bus transport across the Northern Territory, remote bus services and ferry services to the Tiwi islands and Mandorah.

The unit is responsible for regulating the commercial passenger industry, including implementing the ridesharing regulations.

MARINE

The Marine unit is responsible for the functions of the Harbourmaster and Marine Safety.

The Regional Harbourmaster is the authority that provides regulatory functions and oversees port and pilotage operations in designated ports of the Northern Territory.

The Marine unit:

- undertakes shipping safety education campaigns
- works with the mining companies at Gove and Groote Eylandt
- facilitates pilotage authorities under the *Ports Management Act*.

LOUISE MCCORMICK, GENERAL MANAGER, TRANSPORT AND CIVIL SERVICES

Louise leads the new Transport and Civil Services Division which consolidates all areas of the Northern Territory Government public service relating to the transport system. Louise has brought together the strategic planning and delivery of transport infrastructure across the Northern Territory as well as motor vehicle licensing, road and marine safety and transport services.

Over the 12 years Louise has worked in the Northern Territory, she has been involved in planning and managing some of the Territory's largest transport infrastructure projects including Tiger Brennan Drive. She has also been instrumental in securing the Northern Territory's share of funding under the Northern Australian Roads and Beef Roads programs to support the Development of Northern Australia.



Louise is a Chartered Fellow of Engineers Australia in the civil and structural engineering disciplines as well as a Chartered Engineering Executive with experience in both the public and private sectors.

2016–17 ACHIEVEMENTS

| PRIORITY: | ACHIEVEMENTS: |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE.</p> | <ul style="list-style-type: none"> • Reintroduced speed limits on Northern Territory Roads from 21 November 2016 • Delivered the consultation process for the Towards Zero Road Safety Discussion Paper • Implemented outsourcing of training delivery of the METAL Program (From October 2016) • Consulted with transport and logistics stakeholders for the Transport and Logistics Sector in the 10 Year Infrastructure Plan • Undertook community consultation and planning on a number of projects including: <ul style="list-style-type: none"> – Barneson Boulevard project development and concept design – Coolalinga concept development for a longer term traffic management solution – desktop study for construction materials supply and intermodal transport facilities concept and locating in Tennant Creek for the proposed Mt Isa to Tennant Creek Rail Link – investment strategy for Outback Way – duplication of the Stuart Highway north of Alice Springs concept development – Katherine Heavy Vehicle Alternate Route planning – review of heavy vehicle access into the Pinelands industrial area – Cullen Bay Parking Management Strategy – Mandorah Jetty and Boat Ramp Planning Study – beginning a planning study for the future duplication of the Stuart Highway through Heavitree Gap, Alice Springs – feasibility study for Snell Street Extension – planning study for McMillans Road – traffic model for Darwin International Airport Masterplan – planning Infrastructure for future integrated ferry services study – planning for heavy vehicle access into Pinelands Industrial Precinct. • Worked alongside industry and third party developments for transport networks including <ul style="list-style-type: none"> – Project Sea Dragon – Northern Gas Pipeline – Gateway Shopping Centre – Coolalinga Shopping Centre • Northcrest • Truck Central |
| <p>DELIVER THE TERRITORY'S INFRASTRUCTURE PROGRAM.</p> | <p>In 2016–17, a total of \$294 million was spent on the transport program through capital works, minor new works and repairs and maintenance. Of this, \$274 million was for roads, and \$20 million related to Transport Assets.</p> <p>The following projects were successfully delivered in 2016–17:</p> <ul style="list-style-type: none"> • duplication of Tiger Brennan Drive between Woolner Road and Berrimah Road • Outback Way upgrades on various sections of the Plenty Highway and Tjukururu Road • constructing the Rocky Bottom Creek Bridge on the Central Arnhem Road • upgrading Palmerston main road entry points, including a new third lane on Roystonea Avenue, duplication of Temple Terrace and major upgrade to intersection of Roystonea Ave and Temple Terrace including duplication to Terry Drive • constructing bridges on Victoria Highway over Saddle Creek Crossing • Tanami Road Upgrades including strengthening and widening • Port Keats Road upgrade for flood immunity across the Moyle River flood plain • completing the sealing of Mereenie Inner Loop • constructing new cycle paths in Palmerston, Darwin and Alice Springs • designing the Lajamanu Road, Maryvale Road and Jungawa Road upgrades |

TRANSPORT AND CIVIL SERVICES DIVISION

Continued

| PRIORITY: | ACHIEVEMENTS: |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES. | <p>A number of new and existing services were rolled out over the 2016–17 financial year including:</p> <ul style="list-style-type: none"> • developing regulations to support ridesharing in the Northern Territory • introducing driverless vehicle technology in partnership with Darwin Waterfront Corporation • delivering DriveSafe NT Urban: road safety and licensing program • delivering DriveSafe NT Remote: road safety a licensing program for the bush • extending funding for the Remote Bus Program and trial new passenger services in priority regional and remote areas, with \$760 000 funding for 2017–18 • delivering ongoing vehicle enforcement and inspectorate activities in conjunction with industry and NT Police • working with industry to deliver new high productivity innovative heavy vehicle combinations • helping deliver major events including CentreNATs and Finke Dessert Race • delivering targeted road safety education, awareness campaigns, activities and initiatives • implementation of a number of MVR reform initiatives: <ul style="list-style-type: none"> – Personalised Plates online – Outsourcing of training delivery of the METAL program in the Darwin region – Online Portal Initiative – Delivery of MVR transactions via Australia Post – Call centre office refurbishment for future system enhancements – SMS reminders <p>A number of engineering and environmental services achievements include:</p> <ul style="list-style-type: none"> • major revision of Civil Standard Drawings, due for release later in 2017 • risk assessments for rock slope instability situations occurring during the wet season • improved environmental risk assessment processes and project follow-through audits • publication of Standard Specifications for Roadworks, Road Maintenance and Small Building Works • quality control processing of over 5000 tenders, and processing of 30 000 technical drawings |
| CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES. | <ul style="list-style-type: none"> • Integrated functions from two previous departments into one division to streamline transport infrastructure and services, planning and delivery • Identified areas of process and system synergy to create administrative efficiencies • Stakeholder consultation adopted as an integral element of project planning and delivery • Civil Services outsourced road inspections to industry through public tendering process • MVR completed a suite of publications (study resources) to complement the Driver Knowledge Test (DKT) screen based practice and theory tests – Learner, Motorcycle and Heavy Vehicle • MVR conducted Annual Customer Feedback Survey • MVR began occupying a Service Counter within Casuarina Post Office • MVR completed a functional realignment |

KEY PERFORMANCE INDICATORS

| Business Unit and Function Deliverables | 2016-17 Estimate | 2016-17 Actual | 2017-18 Budget |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|-------------------|
| CIVIL SERVICES | | | |
| Kilometres of new sealed roads | 167 | 104 | 308 |
| Kilometres of sealed roads upgraded | 53 | 31 | 99 |
| Kilometres of unsealed roads upgraded | 88 | 88 | 118 |
| Kilometres of resealed national highways | 174 | 174 | 210 |
| Kilometres of network resealed Territory roads | 299 | 299 | 310 |
| MOTOR VEHICLE REGISTRY | | | |
| Licenced drivers ⁷ | 156400 | 156560 | 156400 |
| Registered motor vehicles ⁸ | 193000 | 195994 | 193000 |
| Customer satisfaction MVR | 95% | 97.66% | 95% |
| Percentage of MVR transactions processed through alternative service channels including Australia Post | 49% | 49% | 51% |
| ROAD SAFETY AND COMPLIANCE | | | |
| Number of vehicles checked as part of on-road auditing | 21000 | 19018 | 21000 |
| Deliver community and school-based road safety education | 300 | 310 | 300 |
| Number of vehicle inspections at vehicle standards centres | NEW 2016-17 | 30862 | 30000 |
| PASSENGER TRANSPORT | | | |
| Deliver public bus services in Darwin, rural Darwin and Alice Springs in accordance with contractual requirements ⁶ | 4.8M km | 4.8M km | 4.8M km |
| Provide school bus services across the Northern Territory in accordance with contractual requirements ⁶ | 2.4M km | 2.4M km | 2.4M km |
| Provide customised transport solutions for students with identified special needs | 325 | 325 | 325 |
| Registered commercial passenger vehicles in the Northern Territory | 1302 | 1302 | 1302 |
| MARINE | | | |
| Marine survey and seafarer certificates issued ⁹ | 1650 | 1495 | 1326 |
| Marine certificates issued in accordance with agreed service delivery standards | 90% | 90% | 90% |
| TRANSPORT ASSETS | | | |
| Management of Government facilities | 1027 | 1027 | 1027 |

Refer to Appendix 3 for notations.

TRANSPORT AND CIVIL SERVICES DIVISION

Continued

2017–18 PRIORITIES

- Input into the delivery of the Northern Territory Road Safety Strategic Action Plan and the Territory-wide Logistics Master Plan.
- Finalise the review and implement the Authorised Inspector Scheme.
- Facilitate delivering elements of the 10 Year Infrastructure Plan.
- Manage and deliver the Northern Territory Government's extensive infrastructure program, from capital works to minor new works and maintenance.
- Facilitate and review opportunities for autonomous vehicles in the Northern Territory including vehicle trials and supporting positioning infrastructure and data.
- Implement free bus travel for senior Territorians.
- Work with stakeholders to improve security on the public bus network.
- Finalise Cullen Bay dredging to provide access for the
- Mandorah and Tiwi ferries to the ferry pontoon and terminal.
- Resolve land tenure arrangements for barge landings.
- Full implementation of ASNEX to support strategic and efficient asset management and transport infrastructure.
- Work towards a policy framework on the future management of remote aerodromes.
- Increase Aboriginal engagement within the workplace and business sector.
- Develop the Tennant Creek Entrance Statement through interpretative areas and information.
- Finalise a strategy for car parking at Cullen Bay in partnership with City of Darwin and the Cullen Bay Corporation.
- Finalise the 50 year ferry terminal study.
- Progress studies into the Mt Isa to Tennant Creek railway line.
- Continue a multi-jurisdictional and Australian Government \$100 million funding commitment to deliver the Outback Way project, which will support economic growth, the freight and tourism sectors and local communities using the east to west route.
- Progress studies into the Stuart Highway duplication through the Heavitree Gap in Alice Springs.
- Complete the Vanderlin Drive duplication project.
- Finalise the review and implementation of the Authorised Inspector Scheme.
- Help deliver the Solar Car Event.
- Deliver DriveSafe NT Remote and Urban programs.
- Deliver targeted road safety education, awareness campaigns, activities and initiatives.





BUILDING SERVICES

The Building Services unit provides a full suite of project and maintenance planning, design, project management and administration services to deliver the capital, minor works and repairs and maintenance programs for a range of Northern Territory Government departments across the Territory.

Project Management professionals across all regions deliver a variety of infrastructure projects and manage a range of contracts varying in complexity from complex managing contractor construction contracts to period and panel contracts for maintaining building assets.

The branch includes a Design Office which is made up of professionals in the disciplines of architecture, mechanical engineering, structural engineering and quantity surveying. Design officers work across the department to provide fit for purpose design solutions for infrastructure projects. The design office also plays a role in overseeing external design contracts.

The newly created Maintenance Planning unit incorporates the existing Building Asset Management System unit and provides asset-related services that support government departments to manage property portfolios, ensuring a consistent, systematic and independent building asset management service across Government.

PROGRAMMING

The Programming unit is responsible for managing, reporting and providing program advice on capital works, minor works and repairs and maintenance for most departments in the Northern Territory Government. An important aspect of their role is monitoring progress of expenditure against the program and informing the budget development process. Reports are provided on a regular basis to the Minister for Infrastructure Planning and Logistics and government departments for tracking purposes.

CONTRACTOR COMPLIANCE

The Contractor Compliance Unit (CCU) undertakes assessments and audits of construction project specific management plans for compliance to Conditions of Contract. The CCU also provides guidance to principal contractors, project managers and Government in relation to National Public Works, Minor New Works and period contract requirements and for leading the development of legislative and contractual compliance policies.

The purpose of auditing the Project Quality, Safety, Local Content, Indigenous Engagement (including the Indigenous Employment Provisional Sum scheme) and Nominated Sub-Contractor requirements of the Conditions of Contract is to determine whether appropriate management systems and controls are implemented by the Principal Contractor to fulfil the commitments provided in the Tender Response Schedule. These systems and controls must comply with applicable Northern Territory Government and/or Commonwealth of Australia Government laws, regulations, standards and contracts to deliver the agreed level of service and product to the client.

Following the end of financial year, Government approved \$500 000 in increased funding to provide additional resources in the Contractor Compliance and Audit unit which will provide a greater level of audit and reconciliation of IEPS claims and broader compliance with contract conditions.

Along with project managers, this unit plays an important role in ensuring the Government's Buy Local Policy is administered and maximises local employment opportunities.

INFRASTRUCTURE, INVESTMENT AND CONTRACTS

Continued



CONTRACT

Sub-Contractor Protections

The Contract unit has developed mechanisms to enhance existing protections for sub-contractors and strengthen the local construction industry.

This initiative seeks to minimise the existing risks to sub-contractors by moderating practices that are harmful to business, in particular, small and medium-sized Territory enterprises. The unit provides contract advice and leads engagement with external legal services providers.

Surety Bonds

Management of the surety bond process for the department provides additional security mechanism for Government contracts. As distinct from bank guarantees, with surety bonds, the developers'/contractors' assets remain unencumbered. This is significant because freeing up working capital has the potential to increase liquidity that can enhance industry's capacity to tender for additional projects and create more jobs and greater wealth.

Contractor Administration/ Liquidation

In the event contractors enter into administration or succumb to liquidation, the Contract unit actively seeks to minimise the consequential impacts upon stakeholders (including contractors and sub-contractors).

INFRASTRUCTURE, DEVELOPMENT AND SUPPORT SERVICES

The Infrastructure, Development and Support Services unit is responsible for consultation and development of the 10 Year Infrastructure Plan and the quarterly publication Construction Snapshot, including the publication and release of the associated data. The unit provides support to the department by developing and implementing technology based tools, such as:

- computer aided design
- project tools
- datasets and collating proposals to improve delivery of the infrastructure program for the Government.

PROCUREMENT, OPERATIONS AND DELIVERY

The Procurement, Operations and Delivery unit provides department staff with function training, strategic advice and operational support for all stages of procurement activities, to deliver a range of procurement outcomes in a timely manner. It provides support, facilitation and ensures governance compliance with the Government's regulatory frameworks and policies and demonstrate value for Northern Territory outcomes.

This unit delivered a suite of training workshops, which has been developed and delivered to over 760 staff to build procurement capability across the department.

The key functions of the team are to:

- develop and foster the skills of procurement professionals
- facilitate effective and timely procurement outcomes that meet the

department, and client, objectives

- provide support and oversight of procurement practice for all departmental staff
- improve the procurement capability and knowledge of program and middle managers
- develop and drive service improvement plans and comprehensive monitoring and reporting processes.

PALMERSTON REGIONAL HOSPITAL

The Palmerston Regional Hospital Project team is responsible for the design, construction and project management of the new hospital and act as the delivery agency and conduit between the Department of Health, Top End Health Services and Managing Contractor to ensure the delivery of a fit for purpose health facility in accordance with the project brief and Australasian Health Facility Guidelines. The team is responsible for the financial management of the construction contract and validates and approves all procurements and purchases made through the managing contract. The team is assisted by an independent quantity surveyor appointed to the unit.

The small and dynamic team has vast and varied qualifications in project, construction and contract management to ensure a suitable knowledge base for delivering a unique and significant project for the Northern Territory Government.

The team is supported by inter-department professionals in areas such as engineering, media and accounting functions.

LAND SERVICING AND ENGINEERING UNIT

The Land Servicing and Engineering unit provides comprehensive support to its internal client – Land Development – to deliver a range of Darwin based capital works programs to support the development of land in the Northern Territory.

The unit is made up of technical and engineering project management professionals, who provide project and contract management, design management and works delivery services to achieve handover of a diverse range of infrastructure to various third parties, such as Power Water Corporation, National Broadband Network and local road authorities.

Typical capital works projects delivered are trunk service infrastructure (headworks) such as high voltage reticulation, trunk water and sewer mains, sewer pump stations, spine roads, stormwater drain and flood mitigation works such as large stormwater detention systems.

HOUSING PROJECTS

Housing Projects provides the single point of client contact for the National Partnership Agreement for Remote Aboriginal Housing (NPRH), Government Employee Housing (GEH) and Urban Public Housing Program (UPHP). The unit provides project management and program delivery services for NPRH, GEH and Public Housing programs across the Northern Territory.

The unit is made up of program and project management professionals, who undertake project and contract management of upgrades, replacements, new builds and subdivisions to identified Remote and Urban Community Housing dwellings and associated Infrastructure in various communities across the Northern Territory.

REGIONAL – ALICE SPRINGS INFRASTRUCTURE AND INVESTMENT SERVICES

The Alice Springs regional team manages infrastructure delivery through the southern portion of the Northern Territory, covering the area from the South Australian border north to Barrow Creek and between the Western Australian and Queensland borders.

This work group delivers capital upgrades, minor new works and repairs and maintenance programs for government infrastructure throughout this jurisdiction. This includes work in major centres, remote communities, Northern Territory roads, transport infrastructure and national highways.

The team of 38 includes program and project managers, engineers, technically qualified staff and business support administrators.

REGIONAL – TENNANT CREEK INFRASTRUCTURE AND INVESTMENT SERVICES

The Tennant Creek regional team stretches from Borroloola, down to Camooweal on the Queensland border, north to Newcastle Waters, south to Barrow Creek and across the Sandover Highway to Alpururulam, with a total area of approximately 240 000 square kilometres.

The core function of the group is to administer building, roads repairs and maintenance, minor new works and capital works programs across the Barkly region. We have the technical skills to provide clients with technical assessments, cost estimates, projects that require design consultancy services, contract procurement and contract supervision.

These works are managed and supervised by the Regional Director, three building services staff, four civil works staff and four project and contract administration staff.

BRETT BROGAN, GENERAL MANAGER, INFRASTRUCTURE, INVESTMENT AND CONTRACTS



Brett and his team are responsible for delivering the Northern Territory's infrastructure program, procurement, programming capital works and coordinating minor works, repairs and maintenance for Northern Territory Government assets.

Brett has lived in the Northern Territory for more than 30 years and has worked in the Northern Territory Government since 2000, including holding executive roles in the departments of Chief Minister, Lands, Planning and Environment and Infrastructure.

He has a Bachelor of Science, and post graduate qualifications in resource management/planning, urban and regional planning, public sector management and project management.

“ We are entrusted with a big responsibility. I really appreciate the role we play providing jobs for Territorians in delivering the infrastructure program. We need to make sure we design, build and maintain assets that work as efficiently as possible to enable the delivery of services. ”

INFRASTRUCTURE, INVESTMENT AND CONTRACTS

Continued

2016–17 ACHIEVEMENTS

| PRIORITY: | ACHIEVEMENTS: |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE. | <ul style="list-style-type: none"> Delivered a rolling 10 Year Infrastructure Plan, which formed out of the Economic Summits held in November 2016. The plan was launched in conjunction with Economic Development Framework on Tuesday 20 June 2017. Delivering the 10 Year Infrastructure Plan included: <ul style="list-style-type: none"> portfolio Directors having a key role in ensuring client business priorities were represented in the 10 Year Infrastructure Plan implementing rolling Conditions of Contract audit program to support the delivery of the infrastructure program ensuring regional requirements were included in the 10 Year Infrastructure Plan to coordinate and target infrastructure delivery throughout the region into the future. The Building Services unit established the Maintenance Planning unit, incorporating the existing Building Asset Management System unit, to improve asset-related services to client departments including developing asset maintenance plans Implemented the Sub-Contractor Protection initiative Implemented capped weighting to price, and a minimum weighting to local content across all procurements Introduced evidence-based performance reporting to Executive Management Board – including Local vs Interstate award, Select vs Public Tender Process and average days to award Continual pipeline of work delivered across the Northern Territory with regular media briefs and information by region on current tenders at market and award information Provided high level support to Land Development for forthcoming consultancies for future designs for Darwin based land development Managed bespoke design delivery for purpose built flood mitigation infrastructure across Darwin to resolve long-term flooding issues in the region Created an infrastructure planning group including Department of Infrastructure, Planning and Logistics, Department of Housing Community Development and Power and Water Corporation representatives to facilitate the current NPRH and future \$1.1 billion housing program An Indigenous Employment Provisional Sum (IEPS) Verification Unit was established to improve governance for certifying and approving IEPS claims Provided regional input and perspective in the planning phase of proposed developments within the region while monitoring resource capacity of industry to deliver |



| PRIORITY: | ACHIEVEMENTS: |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DELIVER THE TERRITORY'S INFRASTRUCTURE PROGRAM. | <ul style="list-style-type: none"> • Delivered a record expenditure of \$844.64 million on the infrastructure program, including fast tracked projects brought forward by Government to stimulate the construction industry • Delivered the \$5 million Steel Stimulus Package brought forward by the Northern Territory Government to support the local steel fabrication industry • Created projects in the Asset Information System for the works program including capital works, design list, forward works and new year projects to allow continued project development • Undertook regular audits for work health and safety, quality management, Aboriginal development and local content/industry participation to ensure compliance with legislation, policy and contractual agreements • Developed a disaster application for information gathering immediately after an incident and integration to the Web Emergency Operations Centre • Procurement, Operations and Delivery processed an average of 35 tenders to market each week, awarded 110 contracts per month and conducted 45 debriefs per month <ul style="list-style-type: none"> – During the 2016-2017 financial year, a total of 1184 quotations and tenders were awarded across all contract types in Tiers 2, 3, 4 and 5, with a total award value of \$461 923 125 – Of these, 856 were construction contracts awarded to Territory Enterprise's at a value of \$407 937 717 • Palmerston Regional Hospital project awarded \$114 million worth of trade packages to the local Northern Territory businesses • Land Servicing and Engineering completed: <ul style="list-style-type: none"> – handover of trunk infrastructure to support land development in East Palmerston, including water mains, sewer mains and high voltage – handover achieved for completed headworks to support Palmerston Regional Hospital development • Delivered significant and rapid flood damage repair throughout communities and the road network after the December 2016 and January 2017 rain events |

INFRASTRUCTURE, INVESTMENT AND CONTRACTS

Continued

| PRIORITY: | ACHIEVEMENTS: |
|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES. | <ul style="list-style-type: none"> • Utilised the Treasures Directions, Infrastructure series to provide advice to internal and external stakeholders around program management, including publishing a new client procured works policy • Created panel contracts for contract auditors to support the delivery of the Government's infrastructure program • Implemented contractor compliance reports that support industry in meeting the deliverables expressed in the contract • Procurement, Operations and Delivery team developed a website to ensure visibility for planned forward works projects https://dipl.nt.gov.au/infrastructure/projects/planned-projects. The team reviewed Procurement Reforms including the process for shortlisting tenders based on completeness of response, local content, past performance, level of risk and not price alone, which are now in place • Efficiency measures that became effective 1 June 2017 included: <ul style="list-style-type: none"> – allowing tenders to be released to market, and to close, on any working day to remove the bottleneck for industry of several tenders closing on the one day, and potentially submitting for the wrong project • Palmerston Regional Hospital team maintained strict project timelines • Land Servicing and Engineering team worked in close partnership with Land Development at the start of planning works to provide support to help scope and analyse proposed works, including managing comprehensive flood modelling, options analysis and consultation with affected landowners and relevant authorities • Housing Project teams provided strategic procurement engagement to ensure long-term engagement of existing community resources, and to identify and develop Aboriginal Business Enterprises • Regional office maximised the use of Aboriginal Business Enterprises in remote communities, also ensuring high local business participation in delivering construction and maintenance projects in a co-ordinated and efficient method across all regional communities |
| CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES. | <ul style="list-style-type: none"> • Building Services unit developed the Infrastructure, Investment and Contracts and Improvement Group working with officers to improve processes and delivery output • Programming unit acted on feedback around the Business Intelligence reports to ensure that they meet the needs of department staff by requesting enhancements and new report development • An open line of communication was established between the department and the Principal Contractor to assess and improve mandated project plans before works started • Contractor Compliance unit improved reporting and was established between the department and NT Worksafe on workplace safety incidents • Contractor Compliance team engaged with the department's construction project managers to build capacity on interpreting and monitoring Condition of Contract requirements • Contract unit communicated the Government's position in respect of: <ul style="list-style-type: none"> – the Sub-Contractor Protection initiative, including its efficacy and continued viability – the availability of alternative forms of contract security (e.g. Surety Bonds) • Procurement, Operations and Delivery unit delivered a suite of training workshops. This has been developed and delivered to 343 staff to build procurement capability across the department. Round two of the training will begin in July 2017 with another 330 nominations • Implemented a Panel Contract for Project Management Services for the Housing Program to engage and develop locally based graduate project managers through to full certification • Engage all regional staff in delivering the entire regional program and provide targeted training to staff aimed at reinforcing skills required for their role. Continued staff development including engagement of graduate engineers |

KEY PERFORMANCE

| Infrastructure, Investment and Contracts Deliverables | 2016-17 Estimate | 2016-17 Actual | 2017-18 Budget |
|-----------------------------------------------------------------|---------------------|-------------------|-------------------|
| INFRASTRUCTURE, INVESTMENT AND DELIVERY | | | |
| Deliver projects on time. | 85% | 85% | 85% |
| Award construction contracts to local enterprises. ¹ | 95% | 95% | 95% |
| Building assets inspected. ² | 15% | 12% | 50% |

Refer to Appendix 3 for notations.

INFRASTRUCTURE, INVESTMENT AND CONTRACTS Continued



2017–18 PRIORITIES

- Through the newly formed Maintenance Planning unit, expand and improve the range of asset-related services provided to clients using a combination of internal and outsourced resources.
- \$26 million for a new Palmerston Police Station to begin in 2017–18: A design contract was awarded to local Architect Ross Tonkin and Associates and a construction tender will be advertised in late 2017 with a construction contract awarded in early 2018.
- \$12 million for a free Multi Story Carpark at Royal Darwin Hospital (RDH) to begin in 2017–18: A contract for document, design and construct was awarded to local company Sunbuild Pty Ltd.
- \$15 million brought forward for the PET Scanner project at Royal Darwin Hospital to begin in 2017–18: A contract to construct the PET Scanner facility was awarded to local company Sitzler Pty Ltd in August 2017.
- \$5 million new funding for 12 new chemotherapy chairs at the Alan Walker Cancer Care Centre to commence 2017–18: A contract to design and document 12 new chemotherapy chairs at the Alan Walker Cancer Care Centre was awarded to local firm DKJ Architects. A construction contract will be released in October and construction is scheduled to begin in January 2018.
- \$25 million for a new home for Rugby League at Warren Park: Tenders to document, design, and construct the new rugby facility have been prepared and the department awaits the outcome of community consultation before advertising the tender for design, document and construction.
- \$18 million for new netball courts in Darwin, co-funded by the Northern Territory and Australian governments: Tenders to document, design and construct the new Darwin netball facility have been prepared and the department is finalising the documents following the outcome of community consultation.
- \$6.5 million for the Tennant Creek Integrated school: A contract to design the Tennant Creek Integrated School was awarded to local architectural firm Zone A with a construction tender to be released in October 2017 and construction expected to begin in early 2018.
- Museum of the Northern Territory: The tender for the scoping study and concept design for a new Museum of the Northern Territory at Myilly Point on the site of the Old Darwin Hospital is to be released in July, with consultation and design to progress over the next 12 months.
- Continue to deliver a pipeline of work across the Territory and regularly engage with industry discussing current tenders at market and award information being published by Region. In addition, encourage industry to visit the newly developed website comprising of planned forward works projects <https://dipl.nt.gov.au/infrastructure/projects/planned-projects>
- Work with the Department of Trade Business and Innovation on the development of a new Aboriginal Contracting Framework.
- Construction of the New Palmerston Regional Hospital remains on target for completion in March 2018, a significant portion of works that runs in parallel to the construction hand over is the Health commissioning and operational readiness of the completed facility. The department will work with the client agencies to ensure the training and hand over of essential infrastructure is managed post practical completion. This will be achieved by assisting with a smooth transitional handover from the design and construction phase to occupation in July 2018.
- Implement changes in the Contractor Compliance unit to increase capabilities and capacity to support the delivery of infrastructure across the Northern Territory. The unit aims to significantly improve audit functions and develop more robust internal and external compliance for Conditions of Contract requirements.

LANDS AND PLANNING DIVISION

The Lands and Planning division provides strategic and long-term integrated land and infrastructure planning that supports community needs, sustainable economic development and future growth across the Northern Territory. The division also captures, manages and provides access to geospatial data and land-related information for the Northern Territory and provides a

range of regulatory and customer services in relation to land and the built environment, including providing administrative support to a number of statutory boards. The division is also responsible for the Crown land estate and provides management and administration services including the release of land to meet commercial and community needs.

The division's services are delivered across the Northern Territory through offices in Darwin, Katherine and Alice Springs. The two regional offices service a combined area of approximately 1.2 million square kilometres, including the towns of Ti Tree, Tennant Creek, Elliott, Borroloola, Daly Waters, Larrimah, Mataranka, Timber Creek, Pine Creek and Kalkarindji.

BUILDING ADVISORY SERVICES

Building Advisory Services is responsible for the administration of the *Building Act* and *Plumbers and Drainers Licensing Act* (except provisions relating to regulation and licensing of occupations), and the *Swimming Pool Safety Act*. It also administers the Home Building Certification Fund (HBCF). The unit employs a range of administrative, professional and technical staff and provides the following services to members of the public and industry, and other Government departments:

- advice and assistance on regulatory requirements and processes
- swimming pool barrier advice and certification services
- assessment and rectification services for existing HBCF policies
- compliance and enforcement services for the *Building Act* and *Swimming Pool Safety Act*.

Building Advisory Services also provides administrative support to the Building Advisory Committee, Building Appeals Board, Valuation Board of Review Panel and the Swimming Pool Safety Review Committee.

LAND INFORMATION GROUP

Land Information Group provides geospatial and valuation advice, with supporting geospatial data, systems and mapping to



support the Northern Territory Government, land development industry, business and the public. The group provides infrastructure for cadastral, geodetic, positioning and geospatial data systems that are used extensively throughout Government and the community. Through the innovative use of technology and process, the group delivers land information and geospatial data online and through a range of desktop and mobile devices, in real time. Land Information Group systems provide base-level and enhanced land information to underpin the Northern Territory's economic development.

Land Information Group incorporates the following four functional areas:

- Geospatial Services – provides specialised digital data services and mapping, including advanced 3D visualisation of current, planned and conceptual city

models.

- NT Land Information Systems – provides a consolidated shared service for geospatial data infrastructure, enterprise licensing across Government for geospatial products and services, and manages contracts.
- Survey Branch – provides survey advice, maintains and develops cadastral, geodetic and positioning infrastructure, administers the *Licensed Surveyors Act* and *Place Names Act*, and manages Northern Territory street addressing.
- Valuation Services – provides valuation advice, statutory valuation services and valuation rolls for land rating, and administers the *Valuation of Land Act*.

The Land Information Group employs a range of administrative, professional and technical staff.

LANDS AND PLANNING DIVISION

Continued



PLANNING

Planning is responsible for undertaking strategic and long-term integrated land use planning as well as providing development control processes under the *Planning Act*. The work of the Planning unit supports the community's needs, sustainable economic development and the future growth of the Northern Territory.

The Planning unit includes professional staff and is supported by administration officers that undertake a variety of customer service, compliance, secretariat and community engagement activities.

The work unit offers an integrated approach to statutory and strategic planning and provides the following services to members of the public and industry, other Government departments and statutory bodies:

- processing planning applications for development or rezoning of land
- advice and assistance on regulatory requirements and processes
- preparation of land use plans and policies
- administering public consultation processes in relation to land use plan and policy development
- compliance and enforcement services for the *Planning Act*.

The Planning unit also provides administrative support to the Development Consent Authority and the Northern Territory Planning Commission.

CROWN LAND ESTATE

The Crown Land Estate unit administers approximately 55000 square kilometres of vacant Crown land across the Northern Territory, including management and maintenance, such as managing weeds, fire breaks and drains to meet legislative responsibilities under the *Weeds Management Act*, *Fire and Emergency Act* and *Bushfires Management Act*.

The Crown Land Estate unit is responsible for the sale and grant of Crown land through public competitive processes and direct

application, to support economic development and the delivery of community infrastructure. The unit acquires land to deliver strategic infrastructure, such as roads and service corridors, and to support Government initiatives. It administers approximately 700 Crown leases and special purposes leases including 98 through the Alice Springs Southern Region office and 157 through the Katherine Northern region office.

The unit administers the Frances Bay Mooring Basin and associated wharves, including Fisherman's Wharf, Raptis Wharf, Hornibrooks Wharf and Careening Poles and the Sadgroves Creek Moorings. These facilities provide important services to the commercial fishing fleet and other marine industries.





ABORIGINAL LAND

The Aboriginal Land unit works in consultation with the Department of the Attorney-General and Justice and other Northern Territory Government departments, to progress and resolve Aboriginal land claims, native title claims, Community Living Area applications and other Aboriginal land matters relating to the Crown Estate.

The unit is responsible for:

- researching and preparing reports on land claims lodged pursuant to the *Aboriginal Land Rights (NT) Act*
- researching and coordinating information on native title matters, including providing reports for native title proceedings in the Federal Court
- negotiating settlement of land claims and resolving government and private detriment
- negotiating and implementing native title settlements
- processing applications for Aboriginal Community Living Areas pursuant to Part 8 of the *Pastoral Land Act*
- developing, populating and maintaining a tenure history database for use in native title proceedings.

The unit works towards resolving all claims to Crown land under

the *Aboriginal Land Rights (NT) Act* (ALRA), and the *Native Title Act*.

LAND DEVELOPMENT

The Land Development unit plans for and delivers the infrastructure required to support the development of land across the Northern Territory. This includes major headworks infrastructure to support the development of land in the Greater Darwin region and subdivision of Crown land within regional towns.

Land Development supports the Northern Territory Planning Commission's development of land use and area plans by integrating infrastructure with land use planning. The unit supports the administration of land development leases with technical support and administers a number of road and stormwater assets, including in Johnston, Zuccoli, Berrimah Farm and Kilgariff.

Land Development is implementing the recommendations of the Darwin, Katherine and Alice Springs Flood Mitigation Advisory Committees to mitigate the impact of flooding across the Northern Territory. The unit is also responsible for developing policy, including the Subdivision Development Guidelines.

LEAH CLIFFORD, GENERAL MANAGER LANDS AND PLANNING

Leah and her team lead land development for the Northern Territory by developing strategic plans and policies so Government can meet current and emerging needs for land and infrastructure. The division also provides development and regulatory control. The division also plays a central role in managing the Northern Territory's Crown land estate and develops and maintains geospatial information used to support long-term planning and land release. Supporting statutory boards and committees is also a key aspect of the division's work.

Living in the Northern Territory all her life, including five years in Alice Springs, Leah began her career in the Northern Territory Government as a trainee and has worked in senior leadership and executive positions in several departments, including Lands, Planning, Housing, Transport and Infrastructure.

Leah has tertiary qualifications in economics, post graduate qualifications in town planning and management, and masters-level qualifications in public policy. Leah is also a graduate of the Australian and New Zealand School of Government (ANZSOG) Executive Fellows Program.



“I enjoy the diversity of work in the Lands and Planning Division and working with a team of committed staff on the delivery of services and projects across the Territory.”

LANDS AND PLANNING DIVISION

Continued

2016–17 ACHIEVEMENTS

| PRIORITY: | ACHIEVEMENTS: |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE. | <ul style="list-style-type: none"> Commenced public consultation on the Northern Territory's Planning Commission's development of Area Plans for Howard Springs, Coolalinga, Central Palmerston and Central Alice Springs Planning Reform commenced investigations and preparation of a Discussion Paper to guide the community consultation process on potential reforms of the Planning system in the Northern Territory Incorporated the Alice Springs Regional Land Use Plan into the Northern Territory Planning Scheme Participated in national building forums and commenced an internal review of composite panels used in building construction Continued a program of planning for future land release to allow Government to respond to variable market demand Supported the NT Planning Commission's development of Land Use and Area Plans across the Northern Territory with integrated infrastructure planning Undertook planning to develop the towns of Kalkarindji and Elliot, and subdivision planning for land development in regional towns across the Northern Territory Undertook flood mitigation planning in Darwin, Katherine and Alice Springs to implement approved recommendations of their respective Flood Mitigation Advisory Committees' reports to mitigate the impact of flooding on the community Conducted a survey of woody weeds in the Katherine River corridor to inform the development of a woody weed management plan |
| DELIVER THE TERRITORY'S INFRASTRUCTURE PROGRAM. | <ul style="list-style-type: none"> Migrated the Integrated Land Information System (ILIS) to modern information technology infrastructure hosted within the Northern Territory as the platform for current, authoritative and reliable Northern Territory land and spatial information Completed infrastructure investigations to identify upgrades required to facilitate long-term growth in association with the ongoing development of area plans for Howard Springs, Coolalinga/Freds Pass, central Palmerston and central Alice Springs Conducted infrastructure investigations for the Frances Bay Mooring Basin Offered a grant of Crown land to support development of a new international standard tennis centre in Darwin Progressed negotiations toward Indigenous Land Use Agreements for residential development in three regional centres Lodged five native title non-claimant applications in the Federal Court to enable land developments to proceed Delivered headworks infrastructure to support land development in Zuccoli and the Palmerston Regional Hospital Completed headworks for Katherine East Stage 2 future development Completed headworks, servicing and subdivision works for the industrial subdivision in Katherine East to support the Katherine ambulance and fire stations Completed servicing and subdivision works for industrial and residential land releases in Tennant Creek Commenced subdivision works on vacant Crown land on Cyprus Street in Katherine to create three residential lots for future release Constructed detention basins and new trunk drains to mitigate flooding in the Darwin region |
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES. | <ul style="list-style-type: none"> Participated in national Building Codes Committee and Plumbing Codes Committee meetings and the Australian Building Codes Board meetings Progressed the review of the <i>Swimming Pool Safety Act</i> and Regulations Worked with industry and implemented the alternative pathways for the certification of buildings legislative reform including the delivery of a multi-media platform education and awareness campaign Increased the number of fully digitised building files from 17 per cent of 55 200 files to 27 per cent of 56 800 files Enhanced the Survey Approvals Online system as the online gateway for the public and industry for all survey related transactions Delivered aerial imagery and topographic information programs across Government and investigated technologies to enrich the quality, coverage and accuracy of our geospatial data Acquired data for the Katherine Flood Mitigation Advisory Committee Began migrating to the new Geocentric Datum of Australia 2020 for the department's geospatial data Implemented the Northern Territory Geodetic Survey System to provide online access to information on survey marks |

| PRIORITY: | ACHIEVEMENTS: |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES (CONTINUED). | <ul style="list-style-type: none"> • Migrated the Place Names Reserve List from a legacy system into the Integrated Land Information System • Investigated a replacement 3D-visualisation tool for use across Government • Extended the Northern Territory Government address validation and geocoding service to national coverage • Completed the 2016 Wagait, Coomalie and Katherine Unimproved Capital Value programs • Commenced an online Notice of Valuation distribution project • Provided professional advice to the Development Consent Authority, the Northern Territory Planning Commission and the Minister for Infrastructure, Planning and Logistics on development, exceptional development permit, planning scheme amendment and concurrent applications • Expanded the capacity of online systems to allow for the lodgement of planning scheme amendment, concurrent and exceptional development permit applications through the OneStopShop website • Provided improved public access to the planning system, including through the online availability of reports to the Northern Territory Planning Commission relating to planning scheme amendment and exceptional development permit applications • Streamlined planning approval processes, including a simplified application process for low risk certificate of compliance applications, allowing faster clearance of development permit conditions • Continued to manage development agreements for new residential and industrial subdivisions at Zuccoli, Humpty Doo, College Road, Berrimah Farm and Katherine East • Finalised three grants of land for community infrastructure and progressed 10 others to support community needs and expectations • Finalised four direct sales of Crown land and progressed 33 others to support economic growth • Developed new licences to use the Frances Bay Mooring Basin and associated wharves. • Progressed the Northern Territory Government's Capital Acquisition Program to meet Government land needs • Released an Expression of Interest for the former Katherine Sports and Recreation Club, Lot 3017, Town of Katherine • Facilitated a capital grant agreement of \$250000 to the Katherine Town Council to build extensions to the Don Dale Pavilion for use as an all-purpose community centre in Katherine • Released eight residential and two commercial lots in the regional town of Kalkarindji • Managed implementation of two Indigenous Land Use Agreements • Completed two Aboriginal land claims and progressed a further seven • Provided tenure history reports for six pastoral leases and two town native title claims • Completed seven consent determinations of native title over pastoral leases • Ongoing development of the Subdivision Development Guidelines with intensive stakeholder consultation to provide certainty and efficiency in land development |
| CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES. | <ul style="list-style-type: none"> • Staff trained in scanning procedures for building files, strengthening organizational capacity to deliver accurate digital building records to the public • Enhanced the Survey Approvals Online system and expanded the capacity of on line systems to allow for the lodgement of various planning applications • Improved internal reporting mechanisms and processes to monitor delivery timeframes and identify business improvement opportunities • Delivered information sessions across the organisation on building regulation and requirements to enhance understanding and awareness of obligations • Developed a database to assist in the preparation of tenure history reports, to provide a single, easily accessed record of the Territory tenure history • Community consultation and stakeholder engagement enhanced as an integral component of Lands Planning • Commenced investigations and preparations of a discussion paper to guide a community consultation process on potential reforms of the planning system in the Northern Territory • Staff have undertaken training and are supported to develop the skills required to implement the Division's priorities |

LANDS AND PLANNING DIVISION

Continued

KEY PERFORMANCE INDICATORS

| Business Unit and Function Deliverables | 2016–17 Estimate | 2016–17 Actual | 2017–18 Budget |
|--------------------------------------------|---------------------|-------------------|-------------------|
|--------------------------------------------|---------------------|-------------------|-------------------|

LAND SERVICES

Land and land-related information is available, managed and used to support sustainable economic development in the Northern Territory. Outputs: Building Advisory Services and Land Information Group

| | | | |
|----------------------------------|-----|-----|-----|
| Client satisfaction ¹ | 90% | 96% | 90% |
|----------------------------------|-----|-----|-----|

BUILDING ADVISORY SERVICES

Manage the regulatory framework to enable swimming pool barriers and structures within proclaimed building areas to achieve safety, structural, fire, health and amenity standards and provide support for statutory boards.

| | | | |
|------------------------------------------------------------------------|-------|--------|-------|
| Building practitioners audited | 50 | 43 | 50 |
| Investigated complaints finalised ² | 80 | 67 | 100 |
| Swimming pool safety barrier inspections undertaken | 900 | 1 100 | 900 |
| Swimming pool safety barrier inspections undertaken within three weeks | 90% | 100% | 90% |
| Total building approvals lodged ³ | 9 000 | 10 924 | 9 000 |
| Percentage of permits lodged online | 95% | 95% | 95% |

LAND INFORMATION GROUP

Provide land-related geographical spatial data and information, and a consistent framework of land information policy, standards and distribution networks to service Government, business and the community.

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------|-----|-------|-----|
| Availability of access to the Northern Territory Integrated Land Information System (NTILIS) environment meets defined standards | 99% | 100% | 99% |
| Survey plans approved in six working days | 90% | 91% | 90% |
| Aerial photographs and mapping projects acquired in accordance with established refresh cycle | 95% | 97.5% | 95% |

Refer to Appendix 3 for notations.

KEY PERFORMANCE INDICATORS Continued

| Business Unit and Function Deliverables | 2016-17 Estimate | 2016-17 Actual | 2017-18 Budget |
|--------------------------------------------|---------------------|-------------------|-------------------|
|--------------------------------------------|---------------------|-------------------|-------------------|

PLANNING

Provide development assessment and control processes under the *Planning Act* and strategic and long-term integrated planning that supports community needs, sustainable economic development and future growth of the Northern Territory.

| | | | |
|---------------------------------------------------------------------------------------------------------|-----|-----|-----|
| Number of new Planning Scheme amendments received | 20 | 20 | 17 |
| Major land use and urban planning projects undertaken to cater for future growth | 10 | 10 | 12 |
| Applications processed under the <i>Planning Act</i> (excludes Planning Scheme Amendments) ⁴ | 800 | 728 | 800 |
| Includes Development Applications, Variations, Extensions etc | | | |
| Average processing time for development applications (no. of days) | 55 | 55 | 56 |

CROWN LAND ESTATE

Manage the Crown Estate including providing land to support economic development and provide advice and related administrative activities on land.

| | | | |
|---------------------------------------------------------------------------------------------------------------|------|------|------|
| Crown land parcels across the Northern Territory managed for public safety and to meet statutory requirements | 3624 | 3624 | 3624 |
| Crown leases managed to ensure compliance with conditions | 702 | 704 | 700 |
| Release infill/greenfield sites for residential development | 8 | 8 | 5 |
| Release infill/greenfield sites for community purpose, commercial and industrial development | 8 | 8 | 8 |

ABORIGINAL LAND

Progress, resolve and provide advice on Aboriginal land claims, native title claims, community living area applications and other Aboriginal land matters to the Crown Estate.

| | | | |
|----------------------------------------------------------------------------|----|----|----|
| Native title, land claim and Aboriginal land issues progressed or resolved | 25 | 25 | 23 |
|----------------------------------------------------------------------------|----|----|----|

Refer to Appendix 3 for notations.

LANDS AND PLANNING DIVISION

Continued



2017–18 PRIORITIES

BUILDING ADVISORY SERVICES

- Progress the department review of the Swimming Pool Safety Reform to improve the effectiveness and operations of the *Swimming Pool Safety Act* and Regulations.
- Continue to increase access to building files online through a progressive file digitisation program including in the Katherine and Alice Springs regional offices.
- Ensure legislation and policy is contemporary and adequate to appropriately regulate and support industry needs and community expectation.
- Participated in national building forums and commenced an internal review of composite panels used in building construction.

LAND INFORMATION GROUP

- Maintain and further develop data infrastructure to ensure accurate and up to date access to land information for Government, industry and the public.

- Develop enhancements to Survey Approvals Online to facilitate reduced timeframes for approvals.
- Develop and launch Place Names Online to allow submissions from the public and developers to be completed using a web-enabled application.
- Formally assess potential solutions and identify a preferred 3D visualisation tool for the Northern Territory Government.
- Continue migrating the department's geospatial data to the new Geocentric Datum of Australia 2020 and test applications to transform other Land Information Group data sets.
- Provide aerial imagery and topographic information to map products and data services across Government.
- Integrate the Northern Territory Geodetic Survey System with Survey Approvals Online to better capture and manage geodetic observations received through the online survey lodgement process.
- Implement the online Notice of Valuation distribution project.
- Complete the Unimproved Capital Value programs for the Darwin

and Palmerston local government areas, Darwin Waterfront Precinct and Darwin rates area.

- Review the current Northern Territory statutory valuation service delivery model and framework.

PLANNING

- Commence planning reform to identify and initiate improvements to the planning system in the Northern Territory.
- Support the Northern Territory Planning Commission to complete the following Area Plan projects across the Territory:
 - Central Palmerston
 - Coolalinga Rural Activity Centre
 - Humpty Doo Rural Activity Centre
 - Berry Springs Rural Activity Centre
 - Central Darwin
 - Central Alice Springs
 - Tennant Creek.

- Commence a review of the development assessment criteria for mixed use development in Zone C (Commercial) and residential development in Zones MR (Medium Density Residential) and HR (High Density Residential).
- Continue to expand and enhance the capabilities of the eDA online system, including a review of the newly released planning scheme amendment, concurrent and exceptional development permit applications module.
- Provide professional advice to the Development Consent Authority, the Northern Territory Planning Commission and the Minister for Infrastructure, Planning and Logistics on development, exceptional development permit, planning scheme amendment and concurrent applications.

CROWN LAND ESTATE

- Progress the sale of Crown land sites in accordance with the release of Crown Land Policy.
- Progress the sale or lease of Crown land sites to facilitate the delivery of development projects and community infrastructure.
- Progress the Northern Territory Government's Capital Acquisition Program to facilitate delivering Government projects and initiatives.
- Monitor Crown leases and licences issued for development and community purposes.
- Manage Crown land to meet the needs of Government and the community.
- Manage the Frances Bay Mooring Basin and associated wharves to provide services to maritime industries.
- Manage development agreements for residential and industrial subdivisions at Zuccoli, Humpty Doo, College Road, Berrimah Farm and Katherine East.
- Support and provide advice to Government agencies and proponents on the delivery of major projects and land tenure.



- Progress the release of industrial and residential land in Tennant Creek.
- Manage future options to develop the former Katherine Sports and Recreation Club site.
- Progress the second sub-stage of the Katherine East residential land release project.
- Support the construction of the new Katherine Fire Station by providing appropriate land tenure arrangements.

ABORIGINAL LAND

- Produce tenure history reports for all pastoral leases programmed for consent determination of native title.
- Continue discussions with Land Councils toward the resolution of native title in major remote towns and the pastoral estate.
- Continue to resolve outstanding land claims under the *Aboriginal Land Rights (NT) Act*.
- Continue to develop a comprehensive database of historical land tenure in the Northern Territory.

LAND DEVELOPMENT

- Undertake structure planning for Kalkarindji, Timber Creek and Ti Tree to support infrastructure

planning and subdivision design for land supply in these towns.

- Progress infrastructure and development planning for the Katherine Logistics and Agribusiness Hub, Katherine East Neighbourhood Centre, Arumbera industrial development and Holtze.
- Undertake preliminary investigations and discussions to support the future of Weddell and Cox Peninsula.
- Deliver infrastructure projects on the Capital Works Program including Palmerston East, Berrimah North and works associated with the Palmerston Regional Hospital.
- Continue to implement approved recommendations of the Darwin, Katherine and Alice Springs Flood Mitigation Advisory Committees including hydraulic modelling, design and delivery of flood mitigation infrastructure.
- Continue to manage Lands and Planning's infrastructure assets.
- Continue to develop the Subdivision Development Guidelines.

The Strategy, Policy and Legislation Division provides high level strategic and policy advice to the Northern Territory Government and is responsible for developing and implementing strategic policy.

The division, which is made up of two units, delivers the legislative reform program for the Department of Infrastructure, Planning and Logistics.

The division participates in, and represents, the Northern Territory's position on national transport reforms to ensure remote Australia's issues are considered and incorporated into the Council of Australian Governments' reforms.



STRATEGIC POLICY

The Strategic Policy unit provides strategic advice to Government through the development of strategic policy and plans, in consultation with stakeholders.

The unit provides input into whole of Government initiatives, submissions and reports on major policies, strategies, and reforms, including conducting relevant research and analysis.

The unit supports the Minister for Infrastructure, Planning and Logistics at the Transport and Infrastructure Council and advocates the Northern Territory's position through national forums including the Heavy Vehicle Road Reform, Land Transport Market Reform and Austroads Taskforces.

In addition, the unit is responsible for:

- developing and implementing road safety policy
- conducting project assessments and analysis
- developing policy and programs for active transport (walking, cycling and public transport)
- departmental contributions to Northern Territory Government policy development such as climate change and energy.

LEGISLATION AND REFORM

The Legislation and Reform unit provides legislative and policy advice, inputs into lands and building legislation administered by the department and assists divisions seeking legal advice and statutory interpretation of issues.

The unit reviews and amends transport legislation to ensure legislative frameworks are streamlined, relevant, contemporary and meet appropriate standards (including commercial passenger vehicle licensing and regulation services, road transport regulation, marine and ports regulatory framework and traffic safety and road rules).

The unit develops and implements national and local transport legislative reforms to drive economic and social development and advocates for the Northern Territory's position during the ongoing national legislative review and reform process.

NICK PAPANDONAKIS, EXECUTIVE DIRECTOR, STRATEGY, POLICY AND LEGISLATION

Nick leads the centralised policy unit, which provides strategic policy, reform and legislation support across the Department of Infrastructure, Planning and Logistics.

Born in Darwin, Nick has worked in various agencies over a 30-year career in the Northern Territory Government. Working in the transport sector for more than 10 years, he has led reforms in a number of areas, including transport services and planning, road safety and major projects.

Nick has qualifications in business and law.



"I love working with a dedicated team to help divisions achieve the department's strategic objectives."

2016–17 ACHIEVEMENTS

| PRIORITY: | ACHIEVEMENTS: |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE. | <ul style="list-style-type: none"> Developed the 'Towards Zero' Road Safety discussion paper Developed the draft concept Batchelor Aerodrome Master Plan Supported the development of the Ridesharing Options Paper and the Steering Committee consultation process, and began a review of the taxi operating costs model Facilitated the removal of open speed limits in the Northern Territory Started developing a Territory-wide Logistics Master Plan Led the implementation of the National Remote and Regional Transport Strategy, including the delivery of key actions in relation to National Remote Aerodromes and a Community Transport Framework Finalised the Austroads research report 'Reforming Remote and Regional Road Funding in Australia' Continued to support policies and programs to encourage cycling and walking across the Northern Territory |
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES. | <ul style="list-style-type: none"> Developed and implemented the Commercial Passenger Vehicle Legislation Amendment Regulations 2016, which capped the electronic payment surcharge in taxis at five per cent and allowed taxi fares to be prepaid Reviewed and implemented revised heavy vehicle registration charges Continued to support the Two Year Trial Centre-run Air Service for Katherine and Tennant Creek |
| CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES | <ul style="list-style-type: none"> Enhance the department's corporate governance through the implementation of a new policy for, and register of, legal advice relating to infrastructure, planning and logistics matters Drive the department's legislative reform program to ensure legislation is relevant, contemporary and streamlined to reduce regulatory burden both internal and external to the department |

| Business Unit and Function Deliverables | 2016–17 Estimate | 2016–17 Actual | 2017–18 Estimate |
|-----------------------------------------|------------------|----------------|------------------|
|-----------------------------------------|------------------|----------------|------------------|

STRATEGY, POLICY AND LEGISLATION

| | | | |
|----------------------------------------------------|-----|-----|-----|
| Policy advice measured by stakeholder satisfaction | 90% | 90% | 90% |
|----------------------------------------------------|-----|-----|-----|

2017–18 PRIORITIES

- Deliver the Northern Territory Road Safety Strategic Action Plan.
- Finalise the Territory-wide Logistics Master Plan.
- Reform the regulation of the Commercial Passenger Vehicle industry including legalisation of ridesharing.
- Finalise the review of the taxi operating costs model.
- Amend the traffic regulations to allow for the effective management of activities in the road reserve.
- Amend transport legislation to enable a safe, efficient and sustainable transport system that meets community needs.
- Review the outcomes of the Two Year Trial Centre-run Air Service for Katherine and Tennant Creek.
- Finalise delivering key actions from the National Remote and Regional Transport Strategy.
- Coordinate departmental contributions to Northern Territory Government policy development.
- Develop strategic policies to support active transport across the Northern Territory.
- Represent the Northern Territory's interests in the national transport reform agenda.

Corporate Services division supports the operational performance of the department by providing specialist services and advice in the areas of financial management and office services, human resources, work health and safety, information technology, information management and governance, including internal audit and risk management.

FINANCE AND OFFICE SERVICES

Finance and Office Services facilitates best practice financial management and governance across the Department of Infrastructure, Planning and Logistics through effective financial management and policy advice, together with fleet and general property and facilities services. This is achieved by using, and educating staff about corporate systems and policies that are in line with the *Financial Management Act* and Treasurer's Directions. The unit is responsible for ensuring the department meets its statutory financial reporting requirements by completing end of year financial statements and annual budgets.

HUMAN RESOURCES AND WORK HEALTH AND SAFETY

Human Resource (HR) Services promotes best practice in all aspects of HR by providing high level advice and support to staff and management on employee relations, work health and safety, and workforce development and planning matters.

INFORMATION TECHNOLOGY, FREEDOM OF INFORMATION AND RECORDS

Information and Business Systems (IBS) drives technology capability across the department, providing information communication technology (ICT) project management and governance services, device management, and business systems integration and support to the department. IBS provides critical information management services to the department, ensuring Northern Territory Government data is stored, protected and accessed in accordance with the *Northern Territory Information Act* and related privacy principles.

GOVERNANCE

Corporate Services ensures that the governance arrangements of the department are robust and respond to emerging needs. Governance includes establishing terms of reference for internal boards and committees and managing the department's audit and risk management function.

Internal audit is an independent and objective review and advisory service that:

- provides assurance to the Chief Executive and the Executive Leadership Team that the department's financial and operational controls, which are designed to manage its risks and achieve its objectives, are operating in an efficient, effective and ethical manner
- helps management to improve the organisation's business performance.

RISK MANAGEMENT

Risk management is a separate governance function to internal audit, with management responsible for implementing effective risk management strategies. It is applied at all levels of the department and addresses the uncertainties found in the organisational environment to minimise, monitor and control the probability or impact of unforeseen events.



SARAH TEMPLE, EXECUTIVE DIRECTOR, CORPORATE SERVICES

Sarah leads a multi-disciplinary team of staff providing corporate services to the department and shared services, including human resource, financial and information management as well as technology, property and audit and risk management.

Beginning her career with the Northern Territory Government as a graduate, Sarah worked in human resources before taking on the role as corporate and business services Executive Director for the departments of Transport and Lands, Planning and the Environment.

Sarah has a Bachelor of Business in Management and Accounting and has lived and worked in the Northern Territory since moving here as a young child.



"I enjoy the diversity of this role and the broad range of issues that Corporate Services manages.

"I enjoy working with people and teams to identify areas where improvements can be made to how we deliver services to the department and the community."

2016-17 ACHIEVEMENTS

| PRIORITY: | ACHIEVEMENTS: |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LONG-TERM PLANNING THAT INTEGRATES COMMUNITY NEEDS WITH GOVERNMENT PRIORITIES AND INDUSTRY BEST PRACTICE. | <ul style="list-style-type: none"> Coordinated development of the 2017 DIPL Priorities document Coordinated the department's first Senior Leader's Forum attended by over 50 senior executives in the department. The forum included presentations from the Minister and building and construction industry representatives as well as presentations on innovation and business process improvement |
| DELIVER THE TERRITORY'S INFRASTRUCTURE PROGRAM. | <ul style="list-style-type: none"> Engaged probity advisers on five civil services projects to ensure the tenders conform to procurement regulations and processes to achieve value for money |
| DELIVER INNOVATIVE, WELL-REGULATED AND SUSTAINABLE SERVICES. | <ul style="list-style-type: none"> Conducted eight audits and reviews relating to the adequacy, efficiency and effectiveness of department governance, risk and controls that helped promote business process improvements within the department Finalised consolidation of former public agency websites into central Northern Territory Government platform Introduced updated electronic forms on the department's intranet Enhanced key transport systems to support Government initiatives in Commercial Passenger Vehicle reform, Motor Vehicle Registry online services and statistical data sharing and reporting capability |
| CREATE AN ORGANISATION WITH THE VALUES, CAPACITY AND CAPABILITY TO DELIVER EFFECTIVE SERVICES. | <ul style="list-style-type: none"> Implemented organisational structure realignment resulting from the 2016 Machinery of Government changes Coordinated training delivery, including Cross Cultural Awareness, Appropriate Workplace Behaviours, Combat Bullying - Call It Like It Is, Dealing with the Tough Stuff, Government Procurement and Contracting and Project Management and e-Recruit electronic recruitment system to increase usage and create efficiencies Recruited and inducted six new trainees into the department's Early Careers Program and continued to support 27 trainees already undertaking programs Developed a Work Health and Safety (WHS) Framework for the department including creating a suite of WHS documents to support the various departmental WHS Worksites Committees e.g. Terms of Reference, Consultation Policy and Procedure Coordinated the annual department influenza vaccination program across the Northern Territory, with more than 280 employees receiving a free influenza vaccination Implemented a new HR reporting framework with relevant informative dashboard reports Allocated the personnel budget based on current needs and redistributed efficiencies from Corporate and Governance across service areas Successfully relocated 199 staff over 19 individual stages in and between Energy House and Highway House, including; <ul style="list-style-type: none"> relocating Transport and Civil Services work units from Energy House to Highway House relocating Infrastructure Investment and Contracts work units within Highway House realigned Corporate Services work units between Highway House and Energy House. Completed reconfigurations at Highway House and Energy House including extensive staff consultation, concept design and 100 per cent design documentation completed for reconfigurations in readiness for tendering Supported the information and communication technology (ICT) and records changes to support formation of the Department of Infrastructure, Planning and Logistics following Machinery of Government changes |

CORPORATE SERVICES

Continued

2017-18 PRIORITIES

- Implement amalgamated and updated HR, Finance and IT Delegations across the department.
- Introduce updated electronic forms on the department's intranet.
- Update all HR policies and procedures in accordance with relevant legislation.
- Implement financial policy improvements and consistency across the department.
- Complete the office relocation project to reduce the footprint of the department to create operational efficiencies.
- Continue to provide advice and support to Work Health and Safety (WHS) Worksite Committees, managers and employees on WHS matters.
- Continue the review of WHS policies and procedures.
- Train health and safety representatives and officers.
- Develop and implement the Performance and Development Framework across the department.
- Roll out a revised Employment Program to suit the department's workforce planning requirements.
- Implement and monitor an Appropriate Workplace Behaviours Program.
- Continue to deliver valued client services across the department in accordance with the Client Services Framework.
- Continue to help improve workplace culture through various initiatives.
- Implement the 2017-18 Strategic Internal Audit Plan.
- Complete the development of the Risk Management Framework.
- Facilitate strategic risk assessment.
- Continue to develop the on-line Risk Register.
- Finalise the Fraud Risk Policy and review the Gifts and Benefits Policy.
- Develop and implement new department probity services guidelines.





CORPORATE GOVERNANCE



GOVERNANCE FRAMEWORK

GOVERNANCE IS UNDERPINNED BY OUR ACCOUNTABILITY, PLANNING, PERFORMANCE AND COMPLIANCE ACTIVITIES

Good corporate governance refers to the systems that control an organisation, how it operates and the mechanisms by which it and its people are held to account. The Department of Infrastructure,

Planning and Logistic's governance framework has been developed to guide the actions of individuals by providing clarity and direction about appropriate behaviour and decision making.



The department is governed by nine principles that provide the foundation for our self-diagnostic process to assess our maturity and areas of opportunity to improve. They are:

1: Government and public sector relationships – the department's relationship with the government is clear.

2: Management and oversight – the department's management and oversight are accountable and have clearly defined responsibilities.

3: Organisational structure – the department's structure serves its operations.

4: Operations – the department plans its operations to achieve goals.

5: Ethics and integrity – ethics and integrity are embedded in the department's values and operations.

6: People – the department's leadership in people management contributes to individual and organisational achievements.

7: Finance – the department safeguards financial integrity and accountability.

8: Communication – the department communicates with all parties in a way that is accessible, open and responsive.

9: Risk management – the department identifies and manages its risk.

ACCOUNTABILITY AND STANDARDS

As a public sector organisation, the department's Chief Executive is required to meet operating and reporting requirements specified in the *Public Sector Employment and Management Act*, *Financial*

Management Act and *Information Act*. The Chief Executive is supported by the Executive Management Board and Executive Leadership Team through a clearly defined administrative structure. As needs

change and restructures occur, the organisational chart, which clearly articulates the accountability pathway is updated and published on the intranet.

EXECUTIVE BOARDS AND COMMITTEE

EXECUTIVE MANAGEMENT BOARD

The Executive Management Board (EMB) supports the Chief Executive to deliver government priorities by providing leadership, strategic direction and guidance to ensure the department is responsive to changing community and business needs.

The EMB meets on a weekly basis.

Membership as at 30 June 2017

| Members | Position |
|------------------------|----------------------------------------------------------|
| Andrew Kirkman (Chair) | Chief Executive |
| Leah Clifford | General Manager Lands and Planning |
| Brett Brogan | General Manager Infrastructure, Investment and Contracts |
| Louise McCormick | General Manager Transport and Civil Services |
| Sarah Temple | Executive Director Corporate Services |
| Nick Papandonakis | Executive Director Strategy, Policy and Legislation |
| Tegan Berg | Director Executive Services |

2016–17 Achievements included:

- creating a high level organisational structure
- developing a regional reporting framework
- undertaking a Budget review
- developing the DIPL Priorities 2017 document.

EXECUTIVE LEADERSHIP TEAM

The role of the Executive Leadership Team (ELT) is to assist the Chief Executive to oversee and manage strategic, compliance, regulatory and governance matters of the department. The ELT has a performance monitoring and advisory role that encompasses

considering, discussing and approving strategies, initiatives and issues that impact on divisions or the department as a whole.

Under the Work Health and Safety (WHS) Framework, the ELT act as the WHS Steering Committee and

monitor activity and issues arising from WHS Worksite Committees (refer to the Our People, Creating a Safe and Supportive Work Environment for further information).

The ELT meets on a monthly basis.

Membership as at 30 June 2017

| Members | Position |
|------------------------|----------------------------------------------------------|
| Andrew Kirkman (Chair) | Chief Executive |
| Leah Clifford | General Manager Lands and Planning |
| Brett Brogan | General Manager Infrastructure, Investment and Contracts |
| Louise McCormick | General Manager Transport and Civil Services |
| Sarah Temple | Executive Director Corporate Services |
| Nick Papandonakis | Executive Director Strategy, Policy and Legislation |
| Tegan Berg | Director Executive Services |
| Bruce Michael | Executive Director Planning and Development |
| Fabio Finocchiaro | Executive Director Lands Services |
| Robert Pemble | Executive Director Civil Services |
| Simon Saunders | Executive Director Transport Services |
| John Harrison | Executive Director Building Services |
| Monica Birkner | Executive Director Programming, Reform and Compliance |
| Fotis Papadakis | Chief Financial Officer |
| Sandra Butcher | Director HR Services |
| Jaqueline Bohn | Regional Director Infrastructure Alice Springs |
| Stephen Brooks | Regional Coordinator Southern Region |
| Phil Harris | Regional Coordinator Northern Region |
| Darcy Dunbar | Regional Manager Tennant Creek |
| George Hutchinson | Regional Manager Nhulunbuy |

2016–17 Achievements included:

- regular review of reporting on the department's budget and financial performance, staffing, workforce development, work health and safety, information technology and records management, audit and risk management activities
- consideration and approval for a new Work Health and Safety Framework
- consideration of a review of the Early Careers and Employment Programs.

2017–18 Priorities include:

- endorsing the redevelopment of the intranet
- providing input into the 2018 graduate program
- reviewing a new risk management framework
- monitoring the WHS Framework.

The Executive Leadership Team provides governance and leadership to a number of committees that support our key objectives and purpose. This relationship is identified in the figure below.

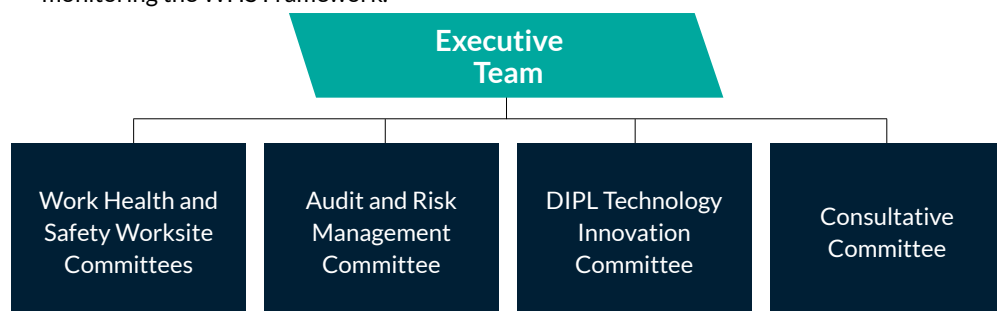


Figure 1: Committees supporting the Executive Leadership Team

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (ARMC) was established in February 2017 to ensure the Chief Executive has clear, comprehensive, independent advice on the effectiveness of

the department's governance structures, systems and processes.

The ARMC is empowered to investigate any relevant matter with unrestricted access to department

records, facilities and personnel. It has the authority to engage independent counsel as it deems necessary, to effectively discharge its duties.

Membership as at 30 June 2017

| Members | Position | Department |
|-----------------------------|----------------------------------------------------------|------------------------------------------------------|
| Graham Symons (Chair) | External | |
| Brett Brogan | General Manager Infrastructure, Investment and Contracts | Department of Infrastructure, Planning and Logistics |
| Leah Clifford | General Manager Lands and Planning | Department of Infrastructure, Planning and Logistics |
| Louise McCormick | General Manager Transport and Civil Services | Department of Infrastructure, Planning and Logistics |
| Karen Elligett | External - Executive Director, Corporate Services | Department of Housing and Community Development |
| Observers | Position | Department |
| Sarah Temple | Executive Director, Corporate Services | Department of Infrastructure, Planning and Logistics |
| Natalie Scott | Principal Auditor | NT Auditor-General's Office |
| Fotis Papadakis | Chief Financial Officer | Department of Infrastructure, Planning and Logistics |
| Jenny Medwell | Director Audit and Risk Management Services Unit | Department of Infrastructure, Planning and Logistics |
| Len Kiely | Director Contractor Compliance | Department of Infrastructure, Planning and Logistics |
| Petra Holgate (Secretariat) | Executive/Risk Management Officer, Corporate Services | Department of Infrastructure, Planning and Logistics |

2016-17 Achievements included:

- establishing the committee Terms of Reference and 2016-17 Work Plan, which outlines the key activities and areas of focus for the committee over the next 18 months
- helping to develop a Strategic Internal Audit Plan for 2016-17
- reviewing various internal and external audit reports, noting the progress on audits completed and monitoring the progress of any actions arising from the audit recommendations.

2017-18 Priorities include:

- reviewing and providing feedback on the draft Risk Management Framework and Online Risk Register
- reviewing the department's Strategic Business Risk Assessment.

TECHNOLOGY AND INNOVATION COMMITTEE

The role of the Department of Infrastructure, Planning and Logistics Technology and Innovation Committee (DTIC) is to:

- ensure a robust Information and Communication Technology (ICT) Governance framework is in place for managing assets, investment and projects involving technology
- encourage a culture of innovation within the department.

Project reviews are conducted online, while the DTIC meets every six to eight weeks to consider and encourage ideas from staff around the department to grow, improve or encourage those ideas to develop further.

Membership as at 30 June 2017

| Members | Position | Division |
|----------------------------|---------------------------------------------------------|------------------------------------------|
| Sarah Temple (Chair) | Executive Director Corporate Services | Corporate Services |
| Donald Young | Director Information and Business Systems | Corporate Services |
| Phillip Rudd | Director NT Land Information Systems | Lands and Planning |
| Richard Smith | Senior Director Land Information | Lands and Planning |
| David Kerslake | Project Delivery Manager | Transport and Civil Services |
| Glenda Thornton | Director Motor Vehicle Registry | Transport and Civil Services |
| Jo Cruickshank | Senior Policy Analyst | Strategy, Policy and Legislation |
| Wendy York | Director Infrastructure, Development and Support | Infrastructure, Investment and Contracts |
| Andy Roberts | Manager Products and Services, Land Information Systems | Regional Representative |
| Jami Godfrey (Secretariat) | Manager Business Improvement | Corporate Services |

Projects considered/reviewed by the DTIC in 2016–17 included:

- Innovation Culture
- Information and Technology Innovation Workshops
- Disaster Recovery Mobile Application
- Vehicle Accident Database consolidation (Department of Infrastructure, Planning and Logistics and Northern Territory Police)
- Performance Conversations
- Weigh Bridge Mobile Application.

CONSULTATIVE COMMITTEE

The Consultative Committee was established in September 2016 to consult with unions on significant changes arising from the Machinery of Government changes to form the Department of Infrastructure, Planning and Logistics. The committee's role is to consult about significant matters and manage change. The committee is chaired by the Chief Executive and includes departmental representatives, union officials and union delegates.

The committee met four times during 2016–17.

Membership as at 30 June 2017

| Members | Position |
|------------------------------|--------------------------------------------------------------|
| Andrew Kirkman (Chair) | Chief Executive |
| Brett Brogan | General Manager Infrastructure, Investment and Contracts |
| Louise McCormick | General Manager Transport and Civil Services |
| Sarah Temple | Executive Director Corporate Services |
| Simon Saunders | Executive Director Transport Safety and Services |
| Sandra Butcher | Director HR Services |
| Departmental Representatives | |
| Chris Allinson | Australian Manufacturing Workers Union (AMWU) Union Delegate |
| Kieran Dineen | AMWU Union Delegate |
| Frank Spencer | AMWU Union Delegate |
| Lloyd Pumpa | AMWU Union Delegate |
| Feroz Mohamed Ibrahim | Community and Public Sector Union (CPSU) Union Delegate |
| Robert Haakmeester | CPSU Union Delegate |
| Trent Goodwin | CPSU Union Delegate |
| Union Representatives | |
| Kay Densley | CPSU Branch Secretary |
| Lucas Hemsley | CPSU Organiser |
| Wayne Kurnorth | CPSU Organiser |
| Bryan Wilkins | AMWU Branch Secretary |

REGULATORY AND LEGISLATIVE ADVISORY BOARDS AND COMMITTEES

Regulatory and legislative advisory boards and committees are listed in the appendices.

STRATEGY AND PLANNING

CREATING LINKS BETWEEN OUR PRIORITIES AND OPERATIONAL DELIVERY



CORPORATE REPORTING FRAMEWORK

The corporate planning framework links our vision with the Department of Infrastructure, Planning and Logistic's (DIPL) purpose and context. The framework provides links to annual performance reporting and is underpinned by accountabilities and values.

We translate our priorities and actions from divisional plans into business unit plans and then into individual performance plans for each member of our team.

The department's annual report assesses our performance against our priorities and is linked to our budget position as reported in Budget Paper 3.

DIPL PRIORITIES 2017

The DIPL Priorities 2017 document defines the department's vision and guides our activities and actions. It reflects the Northern Territory Government's priorities and the ways in which our department contributes to those overarching goals.

The department has four priorities:

Priority 1 – Long-term planning that integrates community needs with government priorities and industry best practice.

Priority 2 – Deliver the Territory's Infrastructure Program.

Priority 3 – Deliver innovative, well-regulated and sustainable services.

Priority 4 – Create an organisation with the values, capacity and capability to deliver effective services.

These priorities will continue in the longer term and are likely to form part of the Department of Infrastructure, Planning and Logistic's Strategic Plan 2018–2021. This longer term plan will be developed during 2017–18 and will reflect priorities from the Government's Economic Development Framework.

OPERATIONS AND PERFORMANCE

MONITORING OPERATIONS AND PERFORMANCE THROUGH PLANNING AND REGULAR REPORTING

ACTION PLANS

Work units use annual business plans to outline priority projects and focus areas for the year ahead. General Managers and Executive Directors use these plans to report on and monitor divisional performance using an Agency Performance Report that is tabled at Executive Leadership Team meetings on a monthly basis.

SYSTEMS AND PROCEDURES

The department uses online forms and systems to streamline internal business processes. These systems are used for processing approvals related to procurement, finance, invoicing, accounting, credit cards, recruitment, employment and travel.

FINANCIAL REPORTING

The Finance and Office Services Unit regularly reports to the Chief Executive, Executive Management Board, Executive Leadership Team, General Managers, Executive Directors and Directors on departmental and divisional financial performance. The suite of monthly finance reports includes:

- detailed reporting on the department's financial position
- expenditure at agency and divisional levels
- monitoring of capital works, repairs and maintenance and minor new works spending.

EMPLOYEE PERFORMANCE REVIEWS

Following anecdotal feedback, supported by results of the 2016 Northern Territory Public Sector People Matter Survey, the department is developing a new Employee Performance and Development Framework to increase the use and effectiveness of performance agreements. This important project is driven by the need to have a performance management system that is valued by all who have to use it. The focus of the new system moves away from detailed and lengthy forms and is around employees having 'performance conversations', and creating a culture where these conversations are the norm. It is expected that the department will transition to the new system in July 2018.

INTERNAL/EXTERNAL REPORTING

As a public sector agency, the department is required to prepare a variety of reports for external reporting purposes. The annual report is one of the department's key performance reports, in addition to information included in budget papers and financial reports prepared for the public sector by the Department of Treasury and Finance. The department also submits information for inclusion in the State of the Service Report prepared by the Office of the Commissioner of Public Employment.

Internal reporting is focused on preparing monthly reports for the Executive Leadership Team. These reports include reports on financial performance, staffing, procurement, travel, fleet, freedom of information, information technology (IT) projects, risk and audit and work health and safety. These reports are reviewed regularly and modified to enhance readability or to add or amend the type of information presented.

CONTROLS AND COMPLIANCE

ENSURING ADEQUATE INTERNAL CONTROLS ARE IN PLACE AND MONITORING COMPLIANCE WITH THOSE CONTROLS

GOVERNANCE FRAMEWORK

The governance framework was reviewed following the department amalgamation – corporate reporting templates and a corporate reporting calendar were also prepared and updated.

MONITORING PERFORMANCE AND RISKS THROUGH AUDITS AND REVIEWS

The quality of our control systems is monitored as part of Corporate Services' Divisional Plan. Internal and external audits, performance audits, financial statement audits and assurance reviews are conducted to determine the accuracy and reliability of information and provide:

- an independent assessment of selected areas of the department
- an assurance about public sector financial reporting, administration and accountability.

The department conducted eight internal audits during 2016–17 and the Northern Territory Auditor-General conducted 11 audits and reviews.

INTERNAL AUDIT AND RISK MANAGEMENT

Internal audit is a key pillar of governance in the department and a valuable tool to manage risk effectively. Risk management is an integral part of the management process and incorporates the principles of corporate governance, accountability, communication and strategic alignment.

Internal audit is a service function that provides key stakeholders with a range of risk-based activities to assess whether the department is operating satisfactorily. It also enables the department's Audit and Risk Management Committee and Executive Leadership Team to determine if appropriate risk and internal control mechanisms are in place for a strong risk and compliance culture.

The department uses a co-sourced service delivery model. Internal audits are conducted by a combination of in-house staff and a sole service provider managed in-house by the department. This arrangement provides an independent and objective assurance and advisory service to the department. This arrangement provides assurance to the Chief Executive and the committee that the department's financial and operational controls:

- manage organisational risk
- achieve organisational objectives
- operate efficiently, effectively and in an ethical manner
- assist management to improve business performance.

INTERNAL AUDITS

There were eight internal audits conducted in 2016–17 related to:

- All of Government Travel Policy Framework Compliance (four audits)
- Review of the Business Process for Contractor Performance Report
- 2016 Review of Probity Recommendations
- Miscellaneous Payments Report
- Cabinet Information Security Measures Annual Compliance.

EXTERNAL AUDITS

External audits play a major role in the way the department is held accountable for its financial, compliance and performance outputs. External audits are conducted by outside entities, usually the Auditor-General of the Northern Territory, however, other providers can be used. The Auditor-General reports directly to the Northern Territory Parliament twice a year and releases reports publicly.

The 11 external audits finalised in 2016–17 were:

- Procurement Review (2014)
- Tiger Brennan Drive Project Management System
- End of Year Review (three audits)
- Federal Interstate Registration Scheme – Interstate Road Transport Acquittal
- Black Spot Program Acquittal
- Performance Management System Audit – Gifts and Benefits
- Agency Compliance audit
- Fraud Assessment Framework Review
- Excess Leave Entitlements.

RISK MANAGEMENT

The previous department's frameworks were reviewed and a new framework for the department is being developed for consideration by the Chief Executive, Audit and Risk Management Committee (ARMC), Executive Management Board and the Executive Leadership Team.

COMPLIANCE AND REPORTING

The department has a number of internal control mechanisms designed to mitigate risks in the workplace.

| | |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conflict of interest: | <p>Whether real or perceived, conflicts of interest erode confidence in the integrity of the organisation. Executive Directors and Directors are responsible for ensuring staff declare any conflicts, which are reported to the department's ARMC.</p> <p>In addition all Directors and above make their annual declaration. Three declarations of interests were made by departmental officers in 2015–16.</p> |
| Gifts and benefits: | <p>The department must be open, accountable and its actions defensible when dealing with acceptance of gifts and benefits. Executive Directors and Directors are responsible for ensuring that staff declare gifts and benefits to the Chief Executive for approval.</p> <p>31 gifts and benefits were declared by departmental officers during 2015–16.</p> |
| Whistle-blowers: | <p>Staff are regularly reminded that they can report wrongdoing through whistle-blower legislation. The Executive Director Corporate Services is the department's 'Protected Disclosure Officer'. No public interest disclosures were lodged regarding the department's officers in 2016–17.</p> |

CODE OF CONDUCT

Through internal training programs such as the Corporate Induction Program and regular communication via department-wide emails, staff are regularly reminded of their responsibility to act in accordance with the Northern Territory Public Sector Code of Conduct. Where an employee acts in contravention of the Code of Conduct, the department may start disciplinary proceedings.

DELEGATIONS

The Chief Executive delegates certain powers to other employees under the *Financial Management Act*, the *Public Sector Employment and Management Act*, the *Contracts Act* and the *Procurement Act*.

The Chief Executive has established the following delegations:

- Financial delegations
- Human Resources delegations
- Procurement and Contracts delegations.

Business unit delegations include the following delegations operating in business units:

- Land Administration delegations (various Acts)
- Planning delegations (*Planning Act*).

All of these delegations were reviewed during the year in response to changes in position titles and due to the Chief Executive lowering or increasing delegation levels.

RECORDS AND INFORMATION



RECORDS AND ARCHIVES MANAGEMENT

The Department of Infrastructure, Planning and Logistics has a complete and robust records and archives framework that meets the requirements of the Northern Territory Records Management Standards and the *Information Act*.

The department holds a range of record sets that are captured, managed and disposed of, or archived, in accordance with the *Information Act*. Departmental record sets include:

- building files
- planning and development applications
- Crown land files
- Place Names
- Government works procurement and projects
- motor vehicle registration and licensing transactions
- administrative files
- survey plans.

ACCESS TO INFORMATION

In accordance with the *Information Act*, the department has policies and procedures so individuals can access records and information held by the department.

A total of 32 applications to access information were accepted and processed by the department in 2016–17. This included 28 applications for government information and four applications for personal information, this is an increase from 14 for the previous year.

The department received several other applications for Government information during the year, which were not accepted because the applicants were able to obtain relevant information via standard administrative processes, which is the preferred process where possible.

The department has publications and information available to the public free of charge. These can be found on our website:

www.dipl.nt.gov.au/publications

There is no application fee for personal information. However, for other types of requests there is an application fee of \$30 (including GST) that must be made before an application is accepted. There are search, processing and copying fees that apply to both applications for Government and personal information.

For more information about the department's freedom of information policies and procedures, visit

www.nt.gov.au/law/rights/freedom-of-information.



OUR PEOPLE

OUR PEOPLE

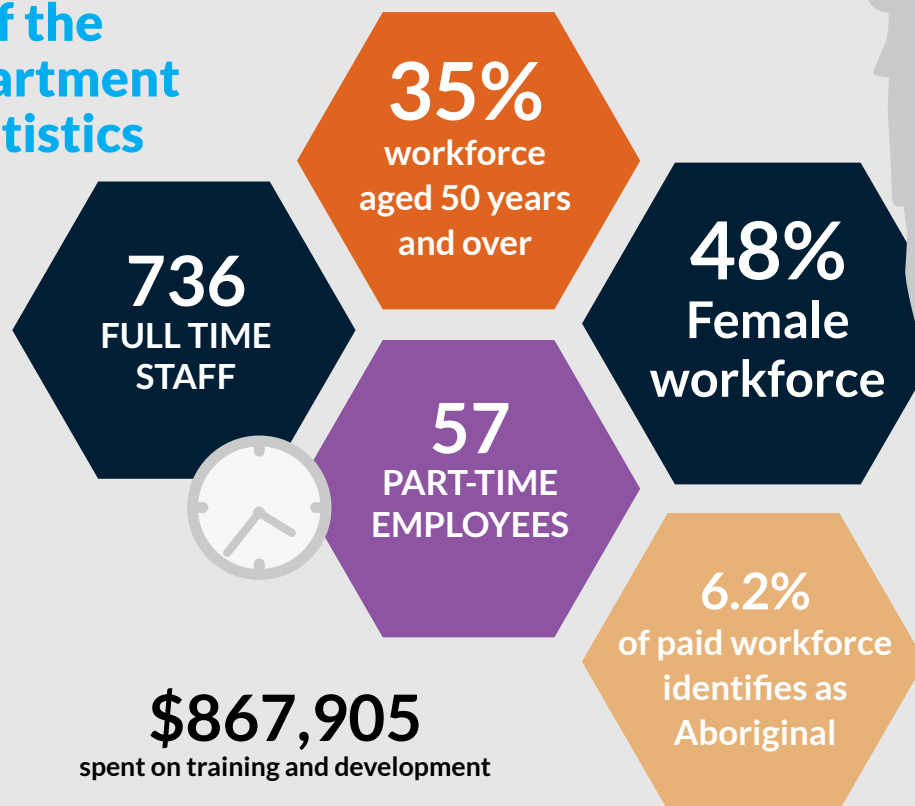
OUR GOAL IS TO CREATE HIGH-PERFORMING TEAMS, CREATE THE RIGHT WORK ENVIRONMENT AND RECRUIT AND RETAIN THE RIGHT PEOPLE.

The capacity of our workforce is critical to how successful we are in achieving our goals as a department.

The Department of Infrastructure, Planning and Logistics is committed to building a capable and professional workforce, supported by a strong and positive workplace culture. The department's people priorities in 2016–17 were to:

- create high-performing diverse teams
- create the right environment
- recruit and retain the right people.

Overview of the Department Statistics



STAFFING NUMBERS

| Division | 2016–17 |
|------------------------------------------|------------|
| Executive Services | 17 |
| Corporate Services | 63 |
| Strategy, Policy and Legislation | 11 |
| Lands and Planning | 151 |
| Infrastructure, Investment and Contracts | 180 |
| Transport and Civil Services | 313 |
| Total FTE | 736 |
| TOTAL HEADCOUNT | 797 |

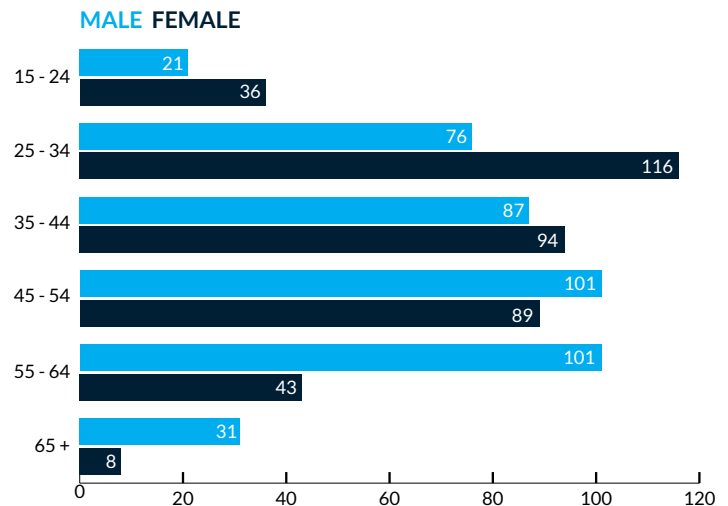
The Department of Infrastructure, Planning and Logistics was formed in September 2016 after a change in Government. The current department is made up of the former Departments of Lands, Planning and the Environment (less Environment and Heritage), Transport and Infrastructure.

EQUAL EMPLOYMENT OPPORTUNITY

The department is committed to being an inclusive and welcoming organisation. Some of our key statistics include:

- 48% of the workforce is female with 30 women in senior roles at SAO2 level and above
- 47 staff (6.2%) identify as Aboriginal employees with five Aboriginal staff in senior roles SAO1, SAO2 and ECO1 level
- 35% of our employees were 50 years and over
- the majority of females were in the 25–34 year age group
- the majority of males were in the 45–54 and 55–64 year age group
- 46 staff (6%) employees identify as being from a non-English speaking background
- 11 staff (1%) identify as having a disability.

Age distribution of staff at 30 June 2017



PAY CLASSIFICATION OF ABORIGINAL EMPLOYEES

at 30 June 2017

| Paid Classification | Female | Male |
|--------------------------------------------------------|--------|-----------|
| Administrative Officer 2 | 3 | 1 |
| Administrative Officer 3 | 8 | 3 |
| Administrative Officer 4 | 3 | 2 |
| Administrative Officer 5 | 1 | - |
| Administrative Officer 5 (Rostered) | - | 1 |
| Administrative Officer 6 | 1 | - |
| Administrative Officer 7 | 2 | - |
| Senior Administrative Officer 1 | 1 | 2 |
| Senior Administrative Officer 2 | 1 | - |
| Executive Contract Officer 1 | - | 1 |
| Professional 2 | 1 | - |
| Port Service Worker 4 | - | 1 |
| Technical 1 | 2 | 4 |
| Technical 2 | - | 1 |
| Technical 3 | 1 | 3 |
| Technical 4 | - | 2 |
| Technical 5 | - | 1 |
| Technical 6 | - | 1 |
| Total paid aboriginal employees at 30 June 2017 | | 47 |
| Total Paid Employees | | 761 |
| % Aboriginal | | 6.2% |
| Agency target at 30 June 2017 | | 6.5% |

ENCOURAGING DIVERSITY AND FLEXIBILITY CONTINUED

WORK LIFE BALANCE

Flexible work arrangement options are supported by the department as they are a valuable tool to help achieve greater productivity, as well as supporting employees to improve the balance they may need between work and personal commitments.

In 2016–17, the department supported work life balance for employees by providing a number of flexible working options including:

- 57 employees working part-time
- 51 employees took the option of recreation leave at half pay
- three employees purchased leave.

Other initiatives available to staff across the department were:

- flexible working hours to accommodate family commitments
- home-based work arrangements
- transition to retirement plans.

HEALTH AND WELLBEING INITIATIVES

The department is committed to providing staff with opportunities to balance work commitments with family, community and cultural responsibilities. A number of initiatives were promoted throughout the year.

Initiatives for 2016–17 included:

- Flu injections – the department offers free flu vaccinations on an annual basis, with 280 staff vaccinated.
- Psychological Wellness Program – Critical Incident/ Wellness Management sessions were delivered on an as needs basis. The program offers employees guidance on how to prevent

psychological injuries occurring in the course of duty. Employees also have access to a guideline enabling them to monitor their own psychological resilience through the wellness programs and trauma counselling. Nine employees were able to access this program in 2016–17.

- Health, Wealth and Wellbeing Seminars were delivered in July 2016 with 55 employees from across the regions attending. The seminars were designed to cover every aspect of a person's wellbeing, from physical and mental to finance and fulfilment. Employees who attend the program are able to access one-on-one life coaching sessions and receive follow-up Life Plans.
- Yogalates – a weekly exercise program encourages staff to be more active in their lunch break and to take a step in the right direction of improving their health.
- Health Insurance – consultants from various health insurers offer one on one meetings with interested employees to discuss their health insurance needs annually.

PEOPLE MATTERS SURVEY

The Northern Territory Public Sector (NTPS) People Matter Survey took place in 2016. The survey seeks to improve NTPS productivity, client responsiveness and employee wellbeing across the NTPS. The previous People Matter Survey took place in October 2014.

Results from the 2016 survey highlighted the following five areas of focus by the department.

1. Appropriate workplace behaviour and prevention of bullying in the workplace.

2. Feedback and performance management.
3. Employee engagement and job satisfaction.
4. Leading change.
5. Application of merit in selection processes.

As a result the following actions were taken:

- design of the My Performance Conversation Framework
- redesign of an Appropriate Workplace Behaviours Program, including rolling out the Combat Bullying & Dealing with the Tough Stuff Workshops
- continued promotion of the Simplified Recruitment: Merit Selection Training and Special Measures Information program through the Office of the Commissioner for Public Employment
- promotion and delivery of other training initiatives, including Managing Challenging Conversations in the Workplace, Managing Change in Uncertain Times, Unconscious Bias, and Anti-Discrimination, Harassment and Bullying, Preventing Discrimination, Harassment and Bullying for Managers and Supervisors.

RECRUITMENT OF NEW EMPLOYEES

Recruitment processes continue to be managed in accordance with the Simplified Recruitment procedures launched across the Northern Territory Public Sector (NTPS) in July 2015.

In the 2016–17 year, 122 employees were recruited and began working with the department, including 68 new NTPS commencements and 54 Northern Territory Government department transfers in.

INDUCTION OF NEW EMPLOYEES

Inductions programs are conducted for all new staff who join the department to ensure they are aware of their obligations and entitlements as employees of the department and the NTPS more broadly. Induction sessions are delivered by Human Resources (HR) throughout the year. Work units are responsible for inducting employees into their place of work and welcoming them to the department.

RETENTION AND SEPARATIONS

The total number of separations across the department for 2016–17 was 193, including 119 employees who resigned from the NTPS and 74 who transferred to other Government agencies.

RECRUITMENT TRAINING

The NTPS online recruitment and advertising portal, eRecruit training, has been rolled out across the department, which has eliminated the use of paper based recruitment forms.

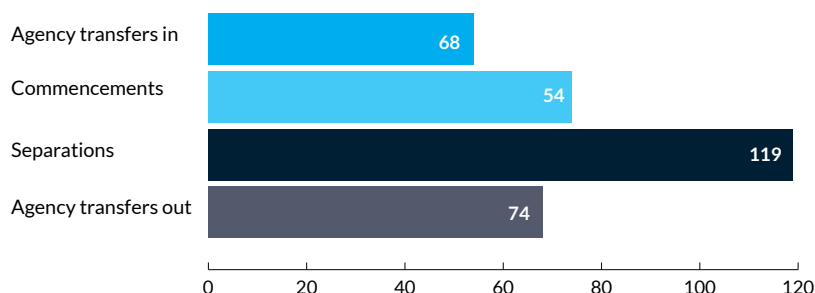
The NTPS Merit Selection training continued to be offered across the department to ensure all selection panels were trained in the Simplified Merit Selection Recruitment Process that was implemented across the NTPS in 2015.

Selection panel members were able to attend the Merit Selection Training, either face to face at the Office of the Commissioner for Public Employment, or online through the MyLearning portal.

In the 2016–17 year:

- 37 employees attended eRecruit training
- 73 employees attended NTPS Merit Selection Recruitment training and/or NTPS eLearning Selection training.

Commencements and Separations for 2016–17



LEARNING AND PROFESSIONAL DEVELOPMENT

TRAINING AND DEVELOPMENT

In 2016–17, the department invested \$867,905 in learning and development programs and initiatives with employees attended sessions across a wide range of corporate training, both accredited and non-accredited, including:

- 'Combat Bullying – Call It Like It Is'
- Dealing with the Tough Stuff
- Performance Management
- Cross cultural awareness
- Freedom of Information and Privacy
- Managing Media
- My Development
- eRecruit
- Simplified Recruitment
- Machinery of Government
- Practical Policy Design in the NTPS
- Work Health and Safety Officer
- Better Ministerials
- Dealing with the Tough Stuff
- Men @ Work
- Advanced Government Decision Making
- Punctuation Unpacked
- Investigation Fundamentals
- Health, Wealth & Wellbeing Seminar
- Appropriate Workplace Behaviour
- Managing Challenging Conversations in the Workplace
- Managing Change in Uncertain Times.

'COMBAT BULLYING – CALL IT LIKE IT IS'

The 'Combat Bullying – Call It Like It Is' program continued to be delivered across the department with 203 employees attending. The program is an anti-bullying program designed for all employees to equip them with the necessary skills and knowledge to understand how individual behaviour can impact others in the working environment. It also focuses on how to seek guidance and support to address bullying issues.

The workshop covers:

- understanding appropriate behaviour in the workplace, as well as uncovering some myths vs realities around workplace bullying
- reducing the confusion about performance management discussions versus bullying behaviour
- understanding why and how poor behaviours and poor performance should be addressed, and the role everyone plays in engendering effective workplace behaviour
- the opportunity to reflect on your own behaviour
- the skills, tools and framework to 'face up' to poor behaviours professionally and assertively.

Feedback provided by participants indicated that overall the Combat Bullying workshops improved employees' understanding and increased employees' confidence in managing bullying in the workplace. At the conclusion of the workshop, employees reported a significant increase in their skills to 'combat bullying' in the workplace.

DEALING WITH THE TOUGH STUFF

Fifty eight employees attended 'Dealing with the Tough Stuff' program during 2016–17. The program is for supervisors and above who manage work teams. The program focuses on the skills and knowledge that can be applied when dealing with tough conversations with team members. The workshop offers insight into the human behaviours that influence how we tackle difficult issues with employees and supporting strategies and techniques to address situations appropriately and confidently.

The workshop covers:

- science of human behaviour
- non-verbal and advanced communication techniques
- tools for de-personalising tough feedback
- strategies for overcoming resistance and defensiveness
- tips for finding the best way to be assertive in any situation.

MEN @ WORK

Eighteen men from across the department completed the second half of this four day program. This series of workshops enable men to share and explore the many aspects they experience in the workplace and in maintaining work life balance. It allows the men to take personal control over their work and life interactions and inspires them to have a more positive perspective and develop new ways of responding to the day-to-day challenges they experience.



UNDERGRADUATE AND POST GRADUATE STUDY

Fourteen employees were provided with support in further studies at undergraduate and post graduate level. The areas of study included:

- Executive Master of Business Administration
- Masters of Business Administration
- Graduate Certificate in Development Planning
- Graduate Diploma Project Management
- Certified Public Accountant (CPA) Program
- Bachelor of Law/ Unit of Competency Cultural Intelligence
- Bachelor of Spatial Science Honours, majoring in GIS
- Bachelor of Creative Arts & Industries (Communication/ Public Relations/ Marketing)
- Bachelor of Spatial Science
- Bachelor of Law.

CERTIFICATE AND DIPLOMA STUDY

- Advanced Diploma of Conveyancing
- Diploma of Quality Auditing
- Diploma of Human Resources
- Certificate IV in Government Investigations
- Certificate IV in Training and Assessment
- Certificate IV in Government (Procurement and Contracting)
- Certificate IV in Accounting
- Certificate IV in Civil Construction Supervision
- Certificate IV in Leadership & Management
- Certificate III in Civil Construction
- Certificate in Project Management

TRAINING AND DEVELOPMENT EXPENDITURE

| | 2016-17 |
|--------------------------------------------------------------|--------------|
| Total employees (FTE) | 736 |
| Total training and development expense | \$867,905 |
| Total personnel expenditure | \$88,598,372 |
| Training and development costs as % of personnel expenditure | 1% |
| Training expenditure per employee (FTE) | \$1179 |

SUMMARY OF STUDIES ASSISTANCE RECEIVED

| | 2016-17 |
|----------------------------------------|----------|
| Employees Receiving Studies Assistance | 8 |
| Total Reimbursed | \$27 883 |
| Average Reimbursement | \$2 145 |

LEADERSHIP CAPABILITY DEVELOPMENT – LEADERSHIP INITIATIVES

Developing workforce capacity is critical to overcoming challenges such as skills shortages, an ageing workforce and changing societal values. The department invested in its leaders to strengthen leadership capability and promote effective decision making to assist leaders to navigate through the inevitable complexities and challenges that will arise along the way.

The Office of the Commissioner for Public Employment (OCPE) provided a range of leadership and management programs to build the leadership and managerial capability of the Northern Territory Public Sector (NTPS) workforce.

During 2016–17:

- two employees participated in the Executive Fellows Program through Australian and New Zealand School of Government (ANZSOG) Programs
- three employees participated in the Public Sector Management Program
- three employees participated in the Future Leaders Program
- one employee participated in the Future Leaders Network.

ANZSOG PROGRAMS

The Australian and New Zealand School of Government (ANZSOG) and the OCPE work in partnership to develop leadership programs tailored for the NTPS. During the year, the department supported a number of executive staff to participate in the following programs:

EXECUTIVE FELLOWS PROGRAM

In 2016–17 two executives undertook the Executive Fellows Program, which is designed to increase their strategic awareness, build strong executive networks and develop a perspective across Government and to develop executive level abilities to contribute positively in delivering the economic, social and governance responsibilities for all Territorians.

PUBLIC SECTOR MANAGEMENT PROGRAM

The Public Sector Management Program is a joint venture between the Australian, state and local governments across Australia. The program is designed to enhance the existing knowledge, skills, attitudes and behaviours of middle and senior managers to improve public sector outcomes. One employee began the program in 2016–17 and two employees completed the program during the period.

FUTURE LEADERS PROGRAM

The department supported three employees to participate in the Future Leaders Program, which is targeted at AO7 – SAO2 and equivalent level staff. The program was created by the OCPE to develop leaders for the future and improve succession planning, as well as promote mobility and learning across the sector. This program is an investment in the capability of talented people to deliver strategic needs for the future.

FUTURE LEADERS NETWORK

The Future Leaders Network program is a two-year professional development program designed to attract and retain talented young people in the NTPS. The sector- wide initiative, coordinated by the OCPE, provides networking, peer support and development opportunities for exceptional public servants aged 30 years and under who meet or exceed the behaviours identified under Capability and Leadership Framework 7 in the NTPS Capability and Leadership Framework.

The Network promotes engagement among young NTPS employees and is one of the key initiatives responding to the issue of an ageing workforce and the projected scarcity of experienced senior public sector leaders. The employees were given the opportunity to interact with high-level decision-making bodies, including Chief Executives.

One staff member from the department was accepted into the Future Leaders' Network.

BUILDING CAPABILITIES OF EMPLOYMENT

EMPLOYMENT PROGRAMS

The department's employment programs address succession planning issues by creating a supply of trained employees to meet the current and future needs of the department. The programs target entry-level recruits, including graduates, scholarship holders and trainees.

GRADUATE DEVELOPMENT PROGRAM

The Graduate Development Program (GDP) is the entry level pathway for recent university graduates who have completed a degree level qualification and are ready to start their career within the department's professional and administrative streams.

The GDP has been offered as a one to two year temporary employment program aimed at various disciplines within the department. The program is structured to support and complement a graduate's academic learning through work and development activities including workplace rotations, formal training, individual development plans and opportunities to network within the industry.

The department had 12 graduates during the 2016–17 reporting period. Five graduates were directly appointed to positions with the department in early 2017 after successfully completing their development program.

| Employment Program Name | Number of participants 2016–17 |
|---------------------------------------|--------------------------------|
| Graduate Development Program | 12 |
| Engineering Co-Op Scholarship Program | 14 |
| Technical Trainee Program | 14 |
| Aboriginal Employment Program | 4 |
| Vacation Employment | 3 |
| Work Experience | 8 |

ENGINEERING SCHOLARSHIP PROGRAM

The Engineering Scholarship Program is a joint initiative of the Department of Infrastructure, Planning and Logistics and Charles Darwin University (CDU). The Scholarship is designed to attract and maintain Northern Territory based students by offering full time tertiary study at CDU, accompanied by work experience placements within the department for the duration of their tertiary study.

In 2016–17, the department sponsored 14 Engineering Scholarships with two students completing their degree in December 2016.

CHARLES DARWIN UNIVERSITY / NORTHERN TERRITORY GOVERNMENT PARTNERSHIP AGREEMENT

An ongoing Partnership Agreement between the Northern Territory Government and Charles Darwin University continues to benefit the department, which is dedicated to developing local professionals in associated fields.

As a testament to the strong relationship between the department and CDU School of Engineering

and Information Technology, the department extended its sponsorship of the Chair of Structural Engineering, David Lilley for this reporting period.

Professor David Lilley works one day each week in the Palmerston office and his wide range of knowledge and experience is of great benefit to the department and its staff.

VACATION EMPLOYMENT

Vacation Employment provides full time university students with the opportunity to gain paid work experience during university holiday breaks. The program provides an introduction to the civil construction industry. A variety of positions are available so students can develop a range of skills and participate in the department's major Northern Territory projects in a supportive environment. Vacation employment gives students an insight into the workings of the NTPS and helps develop skills and knowledge relevant to their study.

Vacation Employment opportunities are offered twice a year, from June to July and from October to February.

BUILDING CAPABILITIES OF EMPLOYMENT CONTINUED

TECHNICAL TRAINEE PROGRAM

The Technical Trainee program is designed to incorporate both full time employment and VET training within the department. Technical Traineeships are a great way to embark on a career. Participants complete a nationally recognised Certificate IV level qualification and have industry exposure to gain employment in their field of study. The department had 14 participants during 2016–17.

ABORIGINAL EMPLOYMENT PROGRAM

As part of the department's commitment to the Northern Territory Government's Aboriginal Employment and Career Development Strategy 2015–2020, four people participated in the Aboriginal Employment Program (AEP). The AEP is a key engagement pathway to increase employment and development opportunities for Aboriginal Territorians in the NTPS.

Participants complete a 20 week pre-employment training and support program that incorporates accredited training with on the job work experience and mentoring. Participants who successfully complete the program attain a Certificate II in Business and are offered fixed term employment with the department for a minimum of six months at an AO1 or AO2 level.

WORK EXPERIENCE

The department provides work experience opportunities to secondary and tertiary students to help their studies and career aspirations. The work experience program offers students:

- contacts within the industry that may help with future development opportunities
- the opportunity to test whether their chosen career path is suited to them
- employer references for future employment opportunities.

Eight students participated in work experience during 2016–17.

RECOGNITION AND ACHIEVEMENTS

RECOGNISING SERVICE MILESTONES

The 2016 Northern Territory Public Sector (NTPS) Recognition of Milestones was celebrated at events hosted by Ministers in both Darwin and Alice Springs during October. The milestones recognise the achievement for 30, 35, 40 and 50 plus years of service in the NTPS.

The following seven employees from the department attended the hosted events:

30 YEARS OF SERVICE

- Dennis Powley (Civil Services),
- Riza Broadhurst (Motor Vehicle Registry)
- Viki Smith (Corporate Services)

35 YEARS OF SERVICE

- Ian Hambour (Motor Vehicle Registry)

40 YEARS OF SERVICE

- Ronald Assan (Civil Services)
- Neville Muggeridge (Civil Services Katherine)

50 YEARS OF SERVICE

- Terry Gadsby (South Region - Survey)

The department congratulates these employees for their commitment and contribution to the NTPS.

STAR RECRUIT

Southern region graduate surveyor Tim Langford received a prestigious award for a project he completed last year as part of his final year of study for a Bachelor of Engineering (Surveying) with Honours.

Tim, who joined the Alice Springs office in 2016, won the University Student Project of the Year at the 2016 Surveying and Spatial Industries Award.

As Tim was also in the final year of his scholarship as a trainee hydrographer with the Port of Newcastle in his home town, he undertook a related research project. It explored the possibility of using ellipsoidally referenced surveying to determine vertical position using existing resources/equipment, and determining the quality of data in comparison to the current method of tidal correction.

He titled the research project 'Ellipsoidally Referenced Surveying for Hydrographic Surveying at the Port of Newcastle'.

OUTSTANDING SERVICE

Geoff Horni was awarded the 2016 Chief Minister's Public Sector Medal. This award forms part of the Northern Territory Government's commitment to excellence within the public sector, by recognising individuals who provide an outstanding service for the betterment of the Northern Territory. Geoff began working with the NTPS in February 1981.

MASTERING ENGINEERING

Timothy Mathas, a Graduate Trainee for the department, recently completed his Masters in Professional Engineering (Civil). Timothy has been studying for the past five years and started working with the department this year on the Roper and Wilton Bridges.

CONGRATULATIONS

Congratulations to the Urban Asphalt team who recently won a Construction/Engineering Award at the 2016 Project Management Achievement Awards. The team won the award for their project management of the 2015-16 Urban Asphalt Replacement

on Various Roads and Highways project.

The project ensures that asphalt surfaces on major urban arterial roads remain in a safe and usable condition for all road users. The overall outcome is the upgrade of these roads with new asphalt wearing courses that are economical, skid resistant, durable and accepted by the client and road users.

The project is complex due to the high risks associated with traffic management and the challenging management of stakeholders.

RECOGNISING WOMEN IN CONSTRUCTION NORTHERN TERRITORY

Hutchinson Builders Award for Project Development and Contribution to Management Highly Commended: Kristin Grumelart (NTG)

Women working in the Northern Territory construction industry were celebrated at an awards ceremony hosted by the National Association of Women in Construction (NAWIC).

About 90 people attended the 2016 Crystal Vision Awards in Darwin. The NAWIC Crystal Vision Awards are held annually to showcase the achievements and industry advancements of women in the building sector, with the Department of Infrastructure, Planning and Logistics a proud Event Partner. Awards were presented across six categories with 18 high calibre nominations received.

CREATING A SAFE AND SUPPORTIVE WORK ENVIRONMENT

WORK HEALTH SAFETY AND WELLBEING

The department is committed to providing a safe and healthy working environment for all employees. During the year, the department developed and implemented a new work health and safety (WHS) framework that includes a Work Health and Safety Steering Committee and eight WHS Worksite Committees.

These committees are guided by a Terms of Reference and give staff a forum to raise any workplace health and safety matter for discussion and action. All Worksite Committees report to the WHS Steering Committee, which includes the department's Executive Leadership Team.

Under the WHS Framework a number of procedures were revised during the year including the:

- WHS Policy
- WHS Consultation Procedure
- WHS Worksite Committee Terms of Reference
- WHS Communication Guideline
- Workplace Hazard Inspection Checklist
- WHS Induction
- First Aid in the Workplace.

INCIDENTS AND WORKERS COMPENSATION

As at 30 June 2017, the department had eight workers' compensation claims, of which three were carried over from previous years. There was one serious injury, illness or dangerous incident that required notification to the Regulator in accordance with section 35 of the *Work Health and Safety (National Harmonisation) Act*.

A total of 56 incidents were reported during 2016–17.

Total incidents by mechanism group as at 30 June 2017

| | |
|-----------------------------|----|
| Being Hit by Objects* | 10 |
| Biological Factors | 1 |
| Body Stressing | 1 |
| Chemicals and Substances | 1 |
| Environmental Factors | 1 |
| Hitting Objects | 2 |
| Mental Factors | 8 |
| Slips, Trips and Falls | 13 |
| Vehicle Incidents and Other | 19 |

*Includes incidents such as lift doors closing on employee, near misses, verbal/ physical assault.

Workers Compensation claims by mechanism group as at 30 June 2017

| | |
|-----------------------------|----------|
| Slips, Trips and Falls | 5 |
| Mental Factors | 1 |
| Vehicle Incidents and Other | 2 |
| Totals | 8 |

REPORTING AGAINST EMPLOYMENT INSTRUCTIONS

| Department Action 2016–17 | |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number One – Filling Vacancies | For the 2016–17 period, the Department of Infrastructure, Planning and Logistics advertised 152 (ongoing and fixed period) positions. The department had 122 staff commence/transfers in and 193 separations/transfers out. There were no promotion appeals lodged for the period. |
| Number Two – Probation | <p>The department has a current Probation Policy and flow chart consistent with the <i>Public Sector Management Act</i> and relevant awards.</p> <p>New ongoing employees in the department are advised of the probation process by the Department of Corporate Information Services (DCIS) as part of their Offer of Employment. This process is explained further during induction and in the department's information pack for new employees and available on the intranet. The employee's manager monitors probationary reports and timeframes.</p> <p>No employee's probation was extended during the 2016–17 reporting period.</p> |
| Number Three – Natural Justice | The principles of natural justice are communicated to all employees. Natural justice is adhered to in all dealings with employees and reflected in internal policies and procedures. |
| Number Four – Employee Performance Management and Development Systems | <p>The department's performance management system My Development Plan (MyDP) and Plan Do Review (PDR) integrate the department's planning framework and objectives with employees' work priorities and aligns with the department's Strategic Plan and objectives.</p> <p>During the year this process was reviewed and updated to include regular performance conversations between managers and employees.</p> |
| Number Five – Medical Examinations | Six employees were directed to attend an examination by a health practitioner for the 2016–17 period. |
| Number Six – Employee Performance and Inability | <p>The department's performance management system provides a framework for managers and staff to document where performance improvement is required. Human Resource Services staff support managers dealing with under-performance issues and help managers and staff to improve performance</p> <p>No inability action was taken during 2016–17.</p> |
| Number Seven – Discipline | <p>The department's discipline policy and procedure is available to all staff on the intranet.</p> <p>Seven disciplinary actions were taken during 2016–17.</p> |
| Number Eight – Internal Department Complaints and Section 59 Grievance Reviews | <p>The department's grievance policy and procedure is available to all staff on the intranet. Human Resources provide advice and support to managers and staff to deal with grievances.</p> <p>The department received seven internal department complaints and one Section 59 Grievances Reviews for the 2016–17 period.</p> |

REPORTING AGAINST EMPLOYMENT INSTRUCTIONS CONTINUED

| Department Action 2016–17 | |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number Nine – Employment Records | <p>The Department of Corporate and Information Services (DCIS) stores all personnel files. The department complies with the DCIS policy regarding access to these files. Any requests to access employee records are made through the Director of Human Resources.</p> <p>Four requests were lodged for employee information under the <i>Freedom of Information Act</i> in 2016–17.</p> |
| Number Ten – Equality of Employment Opportunity Programs | <p>The department's Equal Employment Opportunity Management Policy was developed and implemented in September 2011.</p> <p>Details of the department's Aboriginal Employment and Career Development programs and initiatives are reported in the annual report.</p> |
| Number Eleven – Occupational Health and Safety Standards Programs | <p>The department has a Work Health and Safety (WHS) Committee to ensure WHS compliance. The details of the WHS activities are reported in the annual report. Current obligations, policies and procedures are available to all staff on the intranet.</p> |
| Number Twelve – Code of Conduct | <p>New employees are given a copy of Employment Instruction No.12 – Code of Conduct during the corporate induction as part of their commencement package and it is available on the intranet. In-house training sessions of Appropriate Workplace Behaviour are provided to promote compliance with the Code of Conduct.</p> <p>The Transit Safety Unit has its own Code of Conduct, which complements the Northern Territory Public Sector Code of Conduct.</p> |
| Number Thirteen – Appropriate Workplace Behaviour | <p>The department is committed to providing all employees with a safe and healthy workplace, free from inappropriate behaviours such as bullying, harassment and discrimination.</p> <p>Training is provided to all staff on the Code of Conduct, Combat Bullying, Dealing with the Tough Stuff and Performance Management. The training provides useful tools and resources for staff to use in their working environments.</p> <p>Three formal complaints were made about inappropriate workplace behaviours during the reporting period.</p> |
| Number Fourteen – Redeployment and Redundancy Procedures | <p>The department acts in accordance with redeployment and redundancy procedures as set out under the Enterprise Agreement and Employment Instruction 14.</p> <p>In 2016–17, no employees became redeployees.</p> |
| Number 15 – Special Measures | <p>The department has six positions where a special measures plan applies in the DriveSafe team.</p> <p>The department also continues to participate in specific Aboriginal Early Careers Programs to meet identified targets.</p> |



FINANCIAL PERFORMANCE

FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2017

The Department of Infrastructure, Planning and Logistics (the Department) works with Territory businesses, industry and the community to plan, regulate, facilitate and construct integrated, sustainable, development and works across the Territory.

The agency is responsible for:

- strategic planning to focus the direction for land use, transport networks and infrastructure to meet the community's needs and support future growth of the Territory
- delivering the Territory's infrastructure program and providing services as the Territory's central construction agency, including strategic infrastructure planning
- managing land belonging to government and developing, maintaining and holding land related spatial information and data used to support long-term planning
- road safety policies, strategies, regulatory and customer services that promote and ensure safe, efficient and sustainable transport systems
- evaluating the benefits of emerging transport technologies including autonomous vehicles
- supporting a number of statutory committees and boards related to the agency's functions and responsibilities.

The department's output groups are Infrastructure Investment Program, Support and Delivery; Lands and Planning; Logistics Infrastructure and Services; Strategy, Policy and Legislation; Statutory Bodies; Corporate and Governance. Refer to Note 3 of the Financial Statements for reporting by output groups.

OPERATING STATEMENT (FINANCIAL PERFORMANCE)

The department reports an operating deficit of \$103.1 million against a budgeted deficit of \$100.7 million. Deficit results are planned as depreciation expenses (\$65.8 million actual result) are not funded through output appropriation under the Territory's Financial Management Framework. The deficit also includes approved use of cash balances from prior year commitments and end of year approvals for accelerated repairs and maintenance expenditure and non-cash expenses relating to the expenditure of completed works that do not meet the capitalisation criteria, all of which increase the budgeted deficit.

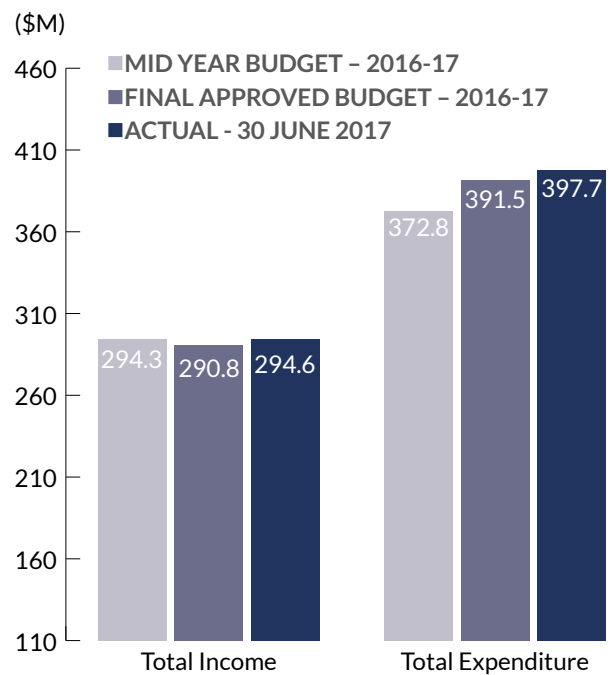
FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2017

SUMMARY OF FINANCIAL PERFORMANCE

The graph summarises changes in total income and total expenditure over the 2016–17 financial year. The first budget for the amalgamated department that was published in the Mid-Year Report, and the final approved budget that was revised in June 2017, as any final changes are compared against the actual result as at June 2017.

It should be noted that the significant increase in expenditure from the original budget was due to accelerated repairs and maintenance expenditure of \$5.9 million, including associated expenditure for disaster maintenance, and repairs and maintenance non-cash expensing of capital works projects which do not meet the capitalisation criteria and are required to be expensed. The normal accounting treatment is to remove the value of the assets that do not meet the capitalisation criteria from the department's balance sheet. In this case the value of the assets is \$16.5 million.



FINANCIAL STATEMENT OVERVIEW

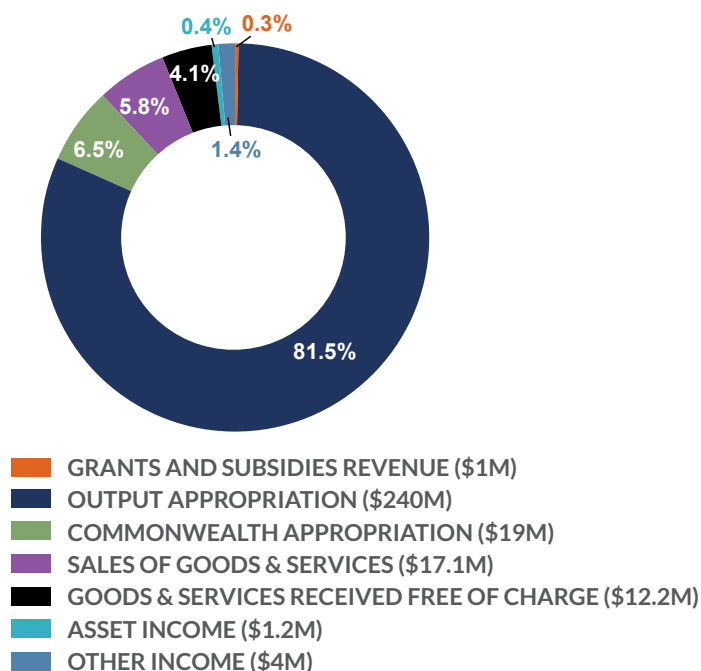
FOR THE YEAR ENDED 30 JUNE 2017

OPERATING INCOME

Total operating income for 2016–17 was \$294.6 million, being \$3.8 million higher than the final approved budget. The main source of funding was output appropriation \$240 million, followed by Commonwealth appropriation \$19.1 million. The Commonwealth funds primarily relate to repairs and maintenance on National Highways. Revenue was also derived from the sales of goods and services, current and capital grants revenue, profit from land sales and other income consisting of goods and services received free of charge (for notional shared services), interest and miscellaneous revenue.

The increase in revenue against the budget is mainly attributed to additional Commonwealth appropriation provided for the Black Spot Program \$1.8 million, miscellaneous income \$1.7 million from the recovery of non-acquitted grants as obligations under the grant agreement were not fulfilled and gain on disposal of assets \$1.2 million due to profit on sale of land which is not budgeted for.

2016–17 OPERATING INCOME PROFILE (\$M)



FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2017

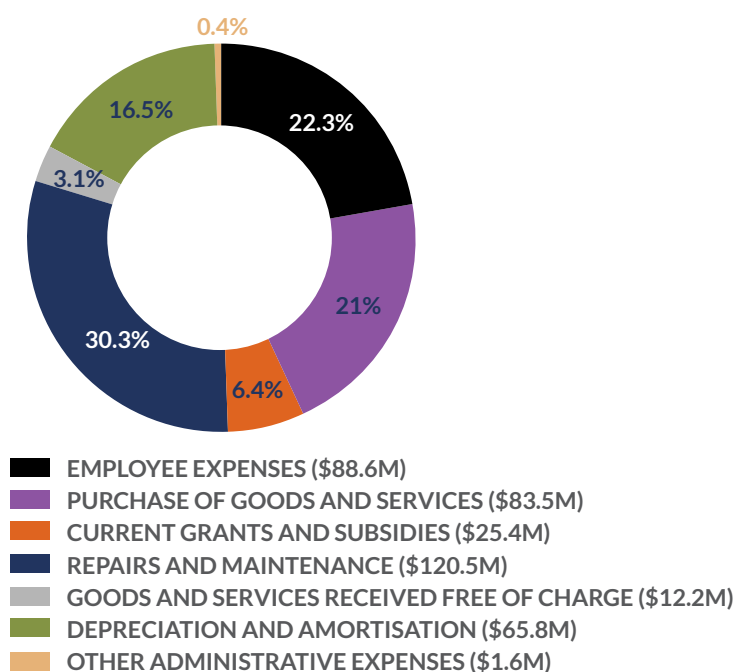
OPERATING EXPENSES

Total operating expenses for 2016–17 were \$397.7 million. Repairs and maintenance expenditure of \$120.5 million constitutes the greatest proportion of this cost followed by employee expenses of \$88.6 million, with purchases of goods and services (including property management) of \$83.5 million, grants and subsidies of \$25.4 million, goods and services received free of charge of \$12.2 million, depreciation and amortisation of \$65.8 million, and other administrative expenses of \$1.6 million.

The increase against budget is mainly due to additional repairs and maintenance expenditure. The high repairs and maintenance costs arise due to the substantial investment in Territory roads undertaken by the department on both the Territory and National Network. Also included in repairs and maintenance expenses are costs related to transport assets such as barge landings and aerodromes and associated expenditure for disaster maintenance. Total repairs and maintenance in 2016–17 of \$120.5 million was predominantly funded by the Territory with the Commonwealth contributing \$16.9 million.

Provision of public transport is a significant component of operating expenditure with a total of \$50 million spent on providing public transportation services, primarily bus and ferry transport. A notable achievement was that personnel expenditure came in on budget for the year. This was achieved by using natural attrition to contain costs within approved budget.

2016–17 OPERATING EXPENSE PROFILE (\$M)



FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2017

EXPENDITURE TREND

The table below shows actual spend against the total approved budget in 2016–17.

| | 2016–17 | | | |
|--------------------------------------------------------------------|---------------|------------------------------|-----------------|---------------|
| | Actual \$M | Final Approved Budget \$M | Variance \$M | Variance % |
| OPERATING EXPENSES | | | | |
| Employee expenses | 88.6 | 88.7 | (0.1) | (0.1%) |
| Purchases of goods and services (including property management) | 83.5 | 82.1 | 1.4 | 1.7% |
| Repairs and maintenance | 120.5 | 114.6 | 5.9 | 5.1% |
| Other administrative expenses | 1.6 | - | 1.6 | 100.0% |
| Grants and Subsidies | 25.4 | 29.1 | (3.7) | (12.7%) |
| Depreciation and amortisation | 65.8 | 64.4 | 1.4 | 2.2% |
| Goods and Services received free of charge | 12.2 | 12.6 | (0.4) | (3.2%) |
| Total | 397.7 | 391.5 | 6.2 | 1.6% |

Overall, the department spent \$6.2 million more than budgeted. Variances in spending occurred across all categories of operating expense with the largest variation occurring in repairs and maintenance costs as part of stimulating the economy.

Key expense variations to the final approved budget are highlighted below:

- Repairs and maintenance expenses were \$5.9 million higher mainly due to an accelerated repairs and maintenance expenditure, including associated expenditure for disaster maintenance.
- Other administrative expenses were \$1.5 million higher due to the non-cash community land grant to Catholic Education, which is due to the accounting treatment of derecognising the value of the asset.
- Grants and subsidies expenses were \$3.7 million lower than budget mainly due to the Regional Economic Infrastructure Fund (REIF) program. Milestones for the program as per the current agreements were not met and as a result payments were not processed and commitments have carried forward into the 2017–18 financial year with appropriate allocated budget carried forward.

FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2017

BALANCE SHEET

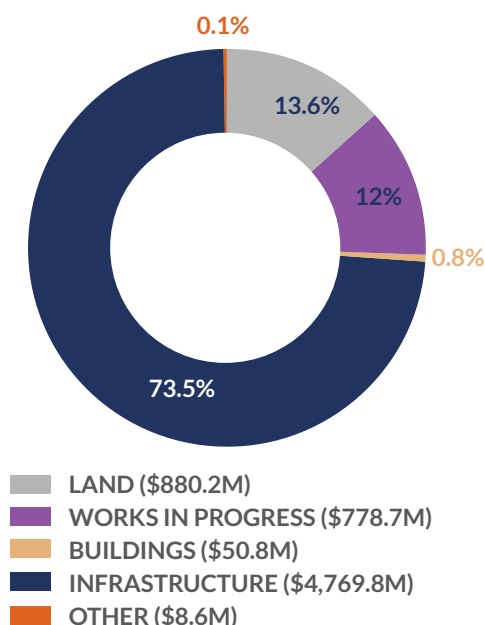
The Balance Sheet shows the department's net worth and financial position. The department held assets totalling \$6.8 billion at 30 June 2017.

The largest component of the department's asset profile relates to infrastructure assets of \$4.8 billion, which are predominantly Territory road network assets inclusive of roads and bridges. Also included in infrastructure assets are transport assets, such as barge landings, aerodromes and marine infrastructure. The department re-valued some transport assets in accordance with its internal revaluation policy, which resulted in an increase in value for transport assets by \$42.9 million. The department maintains the valuation of these assets in line with Treasurer's Directions and accounting principles.

Another significant component of the asset profile is land, primarily crown land. In 2016-17, the department re-valued land in accordance with the internal revaluation policy, which resulted in a decrease in value for land by \$14.3 million. The land portfolio includes vacant crown land which is managed by the department as the Crown Land administrator to meet the current and future land requirements of the Northern Territory Government.

Construction (work in progress) is \$778.7 million as the department plays a lead role in planning, constructing and maintaining Government infrastructure across the Northern Territory. This value represents the current collective value of works which are yet to be completed and transferred to each appropriate host department.

ASSET PORTFOLIO – PROPERTY, PLANT AND EQUIPMENT (\$M)



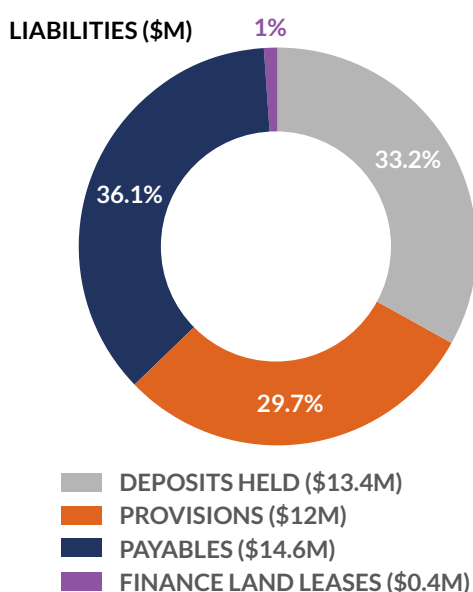
FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2017

LIABILITIES

The Department held liabilities of \$40.3 million as at 30 June 2017 comprising of deposits held in trust, payables and provisions.

In 2016–17 the department continued to maintain a strong financial position, with liabilities representing approximately 0.6% of total assets.



STATEMENT OF CASH FLOW

The Statement of Cash Flows represents cash received and applied during the year from operating, investing and financing activities. The table below summarises the movement of cash over the year.

The department held cash and deposits of \$269.1 million at year end which will be utilised in future years to meet the department's obligations such as carrying out works on the Infrastructure Program including Commonwealth capital works expenditure and carry-over items including grant commitments from prior years, infrastructure related expenses not spent in time and Commonwealth capital works expenses.

The cash position during the year is predominantly impacted by timing of payments, carryovers of unspent funds and timing of Commonwealth funding. The large variances in budget are due to the treatment and impact on the cash flows as a result of agency transfer adjustments from the previous entities which have now been amalgamated.

CASH FLOW MOVEMENT SUMMARY

| | 2016–17 | | | |
|---------------------------------|------------|---------------------------|--------------|------------|
| | Actual \$M | Final Approved Budget \$M | Variance \$M | Variance % |
| CASH FLOW | | | | |
| Cash at beginning of year | 218.6 | 218.6 | - | - |
| Cash received | 1,444.6 | 1,225.2 | 219.4 | 17.9% |
| Less cash spent | 1,394.1 | 1,129.5 | 264.6 | 23.4% |
| Cash at end of reporting period | 269.1 | 314.3 | (45.2) | (14.4%) |

CAPITAL SPEND

In 2016–17, the department spent a total of \$569.8 million in capital expenditure. The figure includes expenditure for the majority of Northern Territory Government departments due to funding for the capital works program held within the department. Works completed in 2016–17 for other government departments are transferred from the department's balance sheet.

CERTIFICATION OF THE FINANCIAL STATEMENT

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2017 and the financial position on that date.

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



ANDREW KIRKMAN
Chief Executive

31 August 2017



FOTIS PAPADAKIS
Chief Financial Officer

31 August 2017

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

| | Note | 2017 \$'000 |
|-----------------------------------------------------------|----------|------------------|
| INCOME | | |
| Grants and subsidies revenue | | |
| Current | | 43 |
| Capital | | 1,000 |
| Appropriation | | |
| Output | | 240,034 |
| Commonwealth | | 19,045 |
| Sales of goods and services | | 17,060 |
| Interest revenue | | 40 |
| Goods and services received free of charge | 4 | 12,219 |
| Gain on disposal of assets | 5 | 1,195 |
| Other income | | 3,947 |
| TOTAL INCOME | 3 | 294,583 |
| EXPENSES | | |
| Employee expenses | | 88,598 |
| Administrative expenses | | |
| Purchases of goods and services | 6 | 77,436 |
| Repairs and maintenance | | 120,513 |
| Property management | | 6,054 |
| Depreciation and amortisation | 11, 12 | 65,812 |
| Other administrative expenses ⁽¹⁾ | | 13,790 |
| Grants and subsidies expenses | | |
| Current | | 9,270 |
| Capital | | 13,159 |
| Community service obligations | | 3,005 |
| Interest expenses | 22 | 19 |
| TOTAL EXPENSES | 3 | 397,657 |
| NET DEFICIT | | (103,074) |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified to net deficit | | |
| Changes in asset revaluation surplus | 20 | 3,860,772 |
| Other reserves | 20 | 16,249 |
| Transfers from reserves | | (263,724) |
| TOTAL OTHER COMPREHENSIVE INCOME | | 3,613,297 |
| COMPREHENSIVE RESULT | | 3,510,223 |

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

(1) Includes DCIS goods and services received free of charge

BALANCE SHEET

AS AT 30 JUNE 2017

| | Note | 2017 \$'000 |
|--------------------------------------|------|------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and deposits | 8 | 269,121 |
| Receivables | 9 | 14,750 |
| Prepayments | | 1,154 |
| Assets held for sale | 10 | 16,832 |
| Total Current Assets | | 301,857 |
| Non-Current Assets | | |
| Advances and investments | | 1,401 |
| Property, plant and equipment | 11 | 6,488,130 |
| Heritage and cultural assets | 12 | 274 |
| Other assets | 13 | 17,387 |
| Total Non-Current Assets | | 6,507,193 |
| TOTAL ASSETS | | 6,809,050 |
| LIABILITIES | | |
| Current Liabilities | | |
| Deposits held | 15 | 13,364 |
| Payables | 16 | 14,576 |
| Borrowings and advances | 17 | 5 |
| Provisions | 18 | 12,045 |
| Total Current Liabilities | | 39,989 |
| Non-Current Liabilities | | |
| Borrowings and advances | 17 | 358 |
| Total Non-Current Liabilities | | 358 |
| TOTAL LIABILITIES | | 40,348 |
| NET ASSETS | | 6,768,702 |
| EQUITY | | |
| Capital | | 3,880,749 |
| Reserves | 20 | 3,891,963 |
| Accumulated funds | | (1,004,009) |
| TOTAL EQUITY | | 6,768,702 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

| | Note | Equity at 1 July \$'000 | Comprehensive result \$'000 | Transactions with owners in their capacity as owners \$'000 | Equity at 30 June \$'000 |
|--------------------------------------------------|------|-------------------------------|-----------------------------------|-------------------------------------------------------------------------|--------------------------------|
| 2016-17 | | | | | |
| Accumulated Funds | | (637,211) | (103,074) | - | (740,285) |
| Transfers from reserves | | - | (263,724) | - | (263,724) |
| | | (637,211) | (366,798) | - | (1,004,009) |
| Reserves | | 14,942 | - | - | 14,942 |
| Asset revaluation reserve | | - | 3,860,772 | - | 3,860,772 |
| Other reserves | | - | 16,249 | - | 16,249 |
| | 20 | 14,942 | 3,877,021 | - | 3,891,963 |
| Capital – Transactions with Owners | | 1,243,699 | | | 1,243,699 |
| Equity injections | | | | | |
| Capital appropriation | | - | - | 360,634 | 360,634 |
| Equity transfers in | | - | - | 2,204,704 | 2,204,704 |
| Other equity injections | | - | - | 554,384 | 554,384 |
| Specific purpose payments | | - | - | 33,095 | 33,095 |
| National partnership payments | | - | - | 115,486 | 115,486 |
| Commonwealth – capital | | - | - | 24,571 | 24,571 |
| Equity withdrawals | | | | | |
| Capital withdrawal | | - | - | (467,572) | (467,572) |
| Equity transfers out | | - | - | (188,252) | (188,252) |
| | | 1,243,699 | - | 2,637,049 | 3,880,749 |
| TOTAL EQUITY AT END OF FINANCIAL YEAR | | 621,430 | 3,510,223 | 2,637,049 | 6,768,702 |

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL PERFORMANCE

| | Note | 2017 \$'000 |
|----------------------------------------------|------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating Receipts | | |
| Grants and subsidies received | | |
| Current | | 43 |
| Capital | | 1,000 |
| Appropriation | | |
| Output | | 240,034 |
| Commonwealth | | 19,045 |
| Receipts from sales of goods and services | | 79,319 |
| Interest received | | 40 |
| Total Operating Receipts | | 339,481 |
| Operating Payments | | |
| Payments to employees | | (82,249) |
| Payments for goods and services | | (247,931) |
| Grants and subsidies paid | | |
| Current | | (9,270) |
| Capital | | (13,159) |
| Community Service Obligations | | (3,005) |
| Interest paid | | (19) |
| Total Operating Payments | | (355,633) |
| Net Cash Used In Operating Activities | 21 | (16,152) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investing Receipts | | |
| Proceeds from asset sales | 5 | 15,377 |
| Total Investing Receipts | | 15,377 |
| Investing Payments | | |
| Purchases of assets | | (569,888) |
| Advances and investing payments | | (965) |
| Total Investing Payments | | (570,852) |
| Net Cash Used In Investing Activities | | (555,475) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Financing Receipts | | |
| Deposits received | | 1,567 |
| Equity injections | | |
| Capital appropriation | | 360,634 |
| Commonwealth appropriation | | 173,152 |
| Other equity injections | | 554,384 |
| Total Financing Receipts | | 1,089,737 |
| Financing Payments | | |
| Finance lease payments | | (4) |
| Equity withdrawals | | (467,572) |
| Total Financing Payments | | (467,577) |
| Net Cash From Financing Activities | | 622,160 |
| Net increase/(decrease) in cash held | | 50,534 |
| Cash at beginning of financial year | | 218,588 |
| CASH AT END OF FINANCIAL YEAR | 8 | 269,121 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. OBJECTIVES AND FUNDING

The Department of Infrastructure, Planning and Logistics works with Territory businesses, industry and the community to plan, regulate, facilitate and construct integrated, sustainable, development and works across the Territory. The department also supports a number of statutory committees and boards related to the agency's functions and responsibilities. Additional information on key functional responsibilities of the department can be found in the Performance Reporting and Financial Statement Summary section of the Annual Report.

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

a) Machinery of Government Changes

Transfers In

Details of Transfer: The previous Department of Infrastructure, Department of Transport and the Department of Lands, Planning and the Environment were amalgamated to create the Department of Infrastructure, Planning and Logistics.

The statutory body of the Northern Territory Environment Protection Authority (NTEPA) and the Environment Output were transferred to the Department of Environment and Natural Resources. Similarly, the Statutory Body Darwin Waterfront and the Heritage Unit were transferred to the Department of Tourism and Culture. These transfers are excluded below.

Basis of Transfer: Administrative Arrangements Order 12 September 2016

Date of Transfer: Effective from 1 July 2016

The assets and liabilities transferred as a result of this change were as follows:

| | \$'000 |
|-------------------------------|------------------|
| ASSETS | |
| Cash | 104,019 |
| Receivables | 8,094 |
| Property, Plant and Equipment | 5,735,981 |
| Other assets | 17,762 |
| TOTAL ASSETS | 5,865,856 |
| LIABILITIES | |
| Deposits held | 10,481 |
| Payables | 11,034 |
| Provisions | 6,422 |
| TOTAL LIABILITIES | 27,937 |
| NET ASSETS | 5,837,919 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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

- I. a Certification of the Financial Statements;
- II. a Comprehensive Operating Statement;
- III. a Balance Sheet;
- IV. a Statement of Changes in Equity;
- V. a Cash Flow Statement; and
- VI. applicable explanatory notes to the financial statements.

b) Basis of Accounting

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

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

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

The following new and revised accounting standards and interpretations were effective for the first time in 2016–17:

AASB 124 Related Party Disclosures

This standard applies to not-for-profit sector for the first time in 2016–17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

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

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

AASB 16 Leases

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from contracts with customers

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

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

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

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

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

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

c) Reporting Entity

The financial statements cover the department as an individual reporting entity. The Department of Infrastructure, Planning and Logistics is a Northern Territory department established under the *Interpretation Act Administrative Arrangements Order*.

The principal place of business of the department is 18 – 20 Cavenagh Street Darwin.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Agency and Territory Items

The financial statements of the department include income, expenses, assets, liabilities and equity over which the Department has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government-controlled entities.

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

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

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of Government, these items have been separately disclosed in Note 27 – Schedule of Administered Territory Items.

e) Comparatives

As a result of the administrative arrangements announced on the 12th of September 2016, comparative information is not presented. Data provided in the financial statements incorporates transferred functions from the former Department of Lands, Planning and the Environment; the Department of Transport and the Department of Infrastructure and is effective as at 1 July 2016.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2016–17 as a result of management decisions.

h) Accounting Judgments and Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

i) Goods and Services Tax

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

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

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

j) Contributions by and Distributions to Government

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

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

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

| | Note | Infrastructure Investment Program, Support and Delivery | Lands and Planning | Infrastructure and Services | Logistics | Strategy, Policy and Legislation | Statutory Bodies | Corporate and Governance | Total |
|----------------------------------------------------|-------|------------------------------------------------------------------|-----------------------|--------------------------------|----------------|-------------------------------------|---------------------|-----------------------------|------------------|
| | | 2017 \$'000 | 2017 \$'000 | 2017 \$'000 | 2017 \$'000 | 2017 \$'000 | 2017 \$'000 | 2017 \$'000 | 2017 \$'000 |
| INCOME | | | | | | | | | |
| Grants and subsidies revenue | | | | | | | | | |
| Current | | - | - | 43 | - | - | - | - | 43 |
| Capital | | - | - | - | - | - | - | 1,000 | 1,000 |
| Appropriation | | | | | | | | | |
| Output | | 24,315 | 35,832 | 158,494 | 2,998 | 506 | 17,889 | 240,034 | 240,034 |
| Commonwealth | | - | - | 19,045 | - | - | - | 19,045 | 19,045 |
| Sales of goods and services | | 60 | 4,084 | 12,333 | - | - | 583 | 17,060 | 17,060 |
| Interest revenue | | - | 20 | - | 20 | - | - | 40 | 40 |
| Goods and services received free of charge | 4 | 3,039 | 2,550 | 5,029 | 164 | 16 | 1,421 | 12,219 | 12,219 |
| Gain on disposal of assets | 5 | - | 1,158 | 37 | - | - | - | 1,195 | 1,195 |
| Other income | | 35 | 1,439 | 730 | 1 | - | 1,742 | 3,947 | 3,947 |
| TOTAL INCOME | | 27,449 | 45,083 | 195,711 | 3,183 | 522 | 22,635 | 294,583 | 294,583 |
| EXPENSES | | | | | | | | | |
| Employee Expenses | | 21,935 | 18,074 | 35,041 | 1,421 | 172 | 11,955 | 88,598 | 88,598 |
| Administrative Expenses | | | | | | | | | |
| Purchases of goods and services | 6 | 3,262 | 7,660 | 59,938 | 1,032 | 103 | 5,441 | 77,436 | 77,436 |
| Repairs and maintenance | | 12,566 | 6,642 | 101,305 | - | - | - | 120,513 | 120,513 |
| Property management | | 206 | 3,078 | 2,132 | 18 | 2 | 618 | 6,054 | 6,054 |
| Depreciation and amortisation | 11,12 | 1,344 | 4,753 | 59,579 | 136 | - | - | 65,812 | 65,812 |
| Other Administrative Expenses | | 2 | 1,599 | 22 | - | - | (51) | 1,572 | 1,572 |
| Grants and Subsidies Expenses | | | | | | | | | |
| Current | | - | 1,582 | 7,536 | 152 | - | - | 9,270 | 9,270 |
| Capital | | 600 | 4,227 | 8,332 | - | - | - | 13,159 | 13,159 |
| Community service obligations | | - | 3,005 | - | - | - | - | 3,005 | 3,005 |
| Goods and services received free of charge | | 3,039 | 2,550 | 5,029 | 164 | 16 | 1,421 | 12,219 | 12,219 |
| Interest Expenses | 21 | - | - | - | - | - | 19 | 19 | 19 |
| TOTAL EXPENSES | | 42,954 | 53,170 | 278,914 | 2,923 | 293 | 19,403 | 397,657 | 397,657 |
| NET DEFICIT | | (15,505) | (8,087) | (83,203) | 260 | 229 | 3,232 | (103,074) | (103,074) |
| OTHER COMPREHENSIVE INCOME | | | | | | | | | |
| Items that will not be reclassified to net deficit | | | | | | | | | |
| Changes in Asset Revaluation Surplus | | - | 767,881 | 3,092,891 | - | - | - | 3,860,772 | 3,860,772 |
| Other reserves | | - | 16,249 | - | - | - | - | 16,249 | 16,249 |
| Transfers from reserves | | - | 80,616 | (344,340) | - | - | - | (263,724) | (263,724) |
| TOTAL OTHER COMPREHENSIVE INCOME | | - | 864,746 | 2,748,551 | - | - | - | 3,613,297 | 3,613,297 |
| COMPREHENSIVE RESULT | | (15,505) | 856,659 | 2,665,348 | 260 | 229 | 3,232 | 3,510,223 | 3,510,223 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP (CONTINUED)

Income

Income encompasses both revenue and gains.

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

Grants and Other Contributions

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

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

Appropriation

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

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then onpassed to the relevant agencies as Commonwealth appropriation.

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

Sale of Goods

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

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- 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 department; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

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

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

Interest Revenue

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

Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP (CONTINUED)

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or a 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. Refer also to Note 5.

Contributions of Assets

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

Administered Income

The department collects taxes, fines and regulatory fees on behalf of the Territory. The department does not gain control over assets arising from these collections, consequently no income is recognised in the department's financial statements. Accordingly, these amounts are disclosed as income in Note 27 Schedule of Administered Territory Items.

2017
\$'000

4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

| | |
|---------------------------------------------------------|---------------|
| Department of Corporate and Information Services | 12,219 |
| TOTAL GOODS AND SERVICES RECEIVED FREE OF CHARGE | 12,219 |

5. GAIN ON DISPOSAL OF ASSETS

| | |
|---------------------------------------------------------------------|--------------|
| Net proceeds from the disposal of non-current assets ⁽¹⁾ | 15,377 |
| Less: Carrying value of non-current assets disposed | (14,219) |
| Gain on the disposal of non-current assets | 1,158 |
| Proceeds from sale of minor assets | 37 |
| TOTAL GAIN ON DISPOSAL OF ASSETS | 1,195 |

(1) Includes the sales from Land Held for Sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2017
\$'000

6. PURCHASES OF GOODS AND SERVICES

The net deficit has been arrived at after charging the following expenses:

Goods and services expenses:

| | |
|------------------------------------------------------|---------------|
| Agency service arrangements – (mainly bus contracts) | 47,746 |
| Information technology charges | 11,101 |
| Consultants ⁽¹⁾ | 3,968 |
| Motor vehicle expenses | 2,723 |
| Communications | 1,678 |
| Memberships | 1,138 |
| Survey, drafting and drilling | 1,127 |
| Marketing and promotion ⁽²⁾ | 868 |
| Training and study | 868 |
| Freight | 668 |
| Legal expenses ⁽³⁾ | 663 |
| Official duty fares | 661 |
| Bank charges | 428 |
| Accommodation | 370 |
| Travelling allowance | 364 |
| Regulatory, Advisory boards, committees | 353 |
| Document production | 173 |
| Advertising ⁽⁴⁾ | 162 |
| Recruitment ⁽⁵⁾ | 90 |
| Other | 2,287 |
| TOTAL | 77,436 |

(1) Includes marketing, promotion and IT consultants.

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

(3) Includes legal fees, claim and settlement costs.

(4) Does not include recruitment advertising or marketing and promotion advertising.

(5) Includes recruitment-related advertising costs

Repairs and Maintenance Expense

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

Interest Expense

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

7. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

| | Agency | | Territory Items | |
|---------------------------------------------------------------------------------|--------------|----------|-----------------|----------|
| | 2017 | No. of | 2017 | No. of |
| | \$'000 | Trans. | \$'000 | Trans. |
| Write-offs, Postponements and Waivers Under the Financial Management Act | | | | |
| Represented by: | | | | |
| <i>Amounts written off, postponed and waived by Delegates</i> | | | | |
| Irrecoverable amounts payable to the Territory or an agency written off | 8 | 8 | 1 | 2 |
| Losses or deficiencies of money written off | - | - | - | - |
| Public property written off | - | - | - | - |
| Waiver or postponement of right to receive or recover money or property | - | - | - | - |
| Total Written Off, Postponed and Waived by Delegates | 8 | 8 | 1 | 2 |
| <i>Amounts written off, postponed and waived by the Treasurer</i> | | | | |
| Irrecoverable amounts payable to the Territory or an agency written off | - | - | - | - |
| Losses or deficiencies of money written off | - | - | - | - |
| Public property written off | - | - | - | - |
| Waiver or postponement of right to receive or recover money or property | - | - | - | - |
| Total Written Off, Postponed and Waived by the Treasurer | - | - | - | - |
| Write-offs, Postponements and Waivers Authorised Under Other Legislation | - | - | - | - |
| Gifts Under the Financial Management Act | - | - | - | - |
| Gifts Authorised Under Other Legislation ^(a) | 1,500 | 1 | - | - |
| Ex Gratia Payments Under the Financial Management Act | - | - | - | - |

(a) Gifted under provisions of the Crown Lands Act.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2017
\$'000

8. CASH AND DEPOSITS

| | |
|--------------------------------|----------------|
| Cash on hand | 28 |
| Cash at bank | 269,093 |
| TOTAL CASH AND DEPOSITS | 269,121 |

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 26.

9. RECEIVABLES

Current

| | |
|---------------------------------------|---------------|
| Accounts receivable | 6,872 |
| Less: Allowance for impairment losses | (177) |
| | 6,695 |
| Interest receivables | |
| GST receivables | 8,028 |
| Other receivables | 27 |
| TOTAL RECEIVABLES | 14,750 |

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

The allowance for impairment losses represents the amount of receivables the department estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 22 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

Prepayments

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

Advances and Investments

Advances and investments include the Home Building Certification Fund (HBCF). The HBCF provides cover to policy holders in the event that building works are non-compliant with the National Construction Code of Australia from a period of ten years from the completion of the building. The fund was managed by the Territory Insurance Office (TIO) on behalf of the Northern Territory Government since inception. On 31 December 2012 the HBCF ceased issuing new policies and was replaced by the Residential Building Cover package. During 2012-13, the Department provided a loan to the Master Builders Association (NT) towards the Fidelity Fund Scheme for Residential Building Cover. As of 1 July 2013 the HBCF is in run-off and is managed by the Department, with policies under the HBCF remaining valid until the ten year cover period expires.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2017
\$'000

10. ASSETS HELD FOR SALE

| | |
|-----------------------------------|---------------|
| Land ⁽¹⁾ | 16,832 |
| TOTAL ASSETS HELD FOR SALE | 16,832 |

Land held for sale consists of those assets which it has been determined are available for sale in their present condition, and their sale is highly probable within the next twelve months.

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 continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probable within one year from the date of classification.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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11. PROPERTY, PLANT AND EQUIPMENT

Land

| | |
|---------------|---------|
| At fair value | 880,200 |
|---------------|---------|

Buildings

| | |
|--------------------------------|-----------|
| At fair value | 171,677 |
| Less: Accumulated depreciation | (120,862) |
| | 50,815 |

Infrastructure

| | |
|--------------------------------|-------------|
| At fair value | 7,896,336 |
| Less: Accumulated depreciation | (3,126,578) |
| | 4,769,758 |

Construction (Work in Progress)

| | |
|---------------------|---------|
| At capitalised cost | 778,723 |
|---------------------|---------|

Plant and Equipment

| | |
|--------------------------------|---------|
| At fair value | 16,789 |
| Less: Accumulated depreciation | (9,528) |
| | 7,261 |

Computer Software

| | |
|--------------------------------|---------|
| At capitalised cost | 4,477 |
| Less: Accumulated depreciation | (3,542) |
| | 935 |

Computer Hardware

| | |
|--------------------------------|---------|
| At capitalised cost | 1,488 |
| Less: Accumulated depreciation | (1,432) |
| | 56 |

Transport Equipment

| | |
|--------------------------------|------|
| At capitalised cost | 116 |
| Less: Accumulated depreciation | (83) |
| | 33 |

Land Under Finance Lease

| | |
|--------------------------------|------|
| At capitalised cost | 401 |
| Less: Accumulated depreciation | (52) |
| | 349 |

| | |
|--------------------------------------------|------------------|
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 6,488,130 |
|--------------------------------------------|------------------|

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Land \$'000 | Buildings \$'000 | Infrastructure \$'000 | Construction (Work in Progress) \$'000 | Plant and Equipment \$'000 | Computer Software \$'000 | Computer Hardware \$'000 | Transport Equipment \$'000 | Land Under Finance Lease \$'000 | Total \$'000 |
|--|----------------|---------------------|--------------------------|-------------------------------------------------|----------------------------------|--------------------------------|--------------------------------|----------------------------------|------------------------------------------|-----------------|
|--|----------------|---------------------|--------------------------|-------------------------------------------------|----------------------------------|--------------------------------|--------------------------------|----------------------------------|------------------------------------------|-----------------|

2017 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016–17 is set out below:

| | | | | | | | | | | |
|------------------------------------------------|----------|---------|-----------|-----------|---------|-------|------|------|------|-----------|
| Carrying Amount as at 1 July 2016 | 6,480 | 10,817 | - | 399,310 | 2,386 | - | 9 | - | 359 | 419,361 |
| Additions | 950 | - | - | 569,266 | 651 | 532 | 61 | 20 | - | 571,480 |
| Disposals | (14,219) | - | - | - | - | - | - | - | - | (14,219) |
| Depreciation | - | (3,584) | (60,714) | - | (1,066) | (393) | (14) | (28) | (10) | (65,809) |
| Additions from administrative restructuring | 862,887 | 42,634 | 4,548,520 | 248,752 | 6,463 | 265 | - | 41 | - | 5,709,562 |
| Additions/(Disposals) from asset transfers | 15,717 | 2,710 | 230,411 | (438,605) | (1,173) | 531 | - | - | - | (190,409) |
| Revaluation increments/ (decrements) | (925) | (1,762) | 51,541 | - | - | - | - | - | - | 48,854 |
| Transfer to/from assets held for sale | 9,310 | - | - | - | - | - | - | - | - | 9,310 |
| Carrying Amount as at 30 June 2017 | 880,200 | 50,815 | 4,769,758 | 778,723 | 7,261 | 935 | 56 | 33 | 349 | 6,488,130 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Acquisitions

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

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

Complex Assets

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.

Subsequent Additional Costs

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

Construction (Work in Progress)

As part of the financial management framework, the department is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for all capital works is provided directly to the department and the cost of construction work in progress is recognised as an asset of the department. Once completed, capital works assets are transferred to the relevant Northern Territory Government department. On transfer the capital works are either capitalised to the department's Fixed Asset Register to the extent they meet capitalisation criteria, expensed, or where undertaken for other parties such as Local Government or Councils are gifted as capital grants (for example, Commonwealth funded Black Spot works on council roads).

Land Under Roads

Land under roads is land roadways and road reserves including land under footpaths, nature strips and median strips. The department has elected to recognise all land under roads in accordance with AASB 116 where all the asset recognition criteria have been met.

Revaluations and Impairment

Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that 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;

Land is generally revalued to Unimproved Capital Value (UCV). Utilising a three year rolling revaluation plan, most land is revalued annually to UCV which is deemed to equate to fair value.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

The fair value of the department's infrastructure assets is based on their depreciated replacement cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

The unique nature of some of the heritage and cultural assets may preclude reliable measurement. Such assets have not been recognised in the financial statements.

Refer to Note 14: Fair Value Measurement of Non-Financial Assets for additional disclosures.

Impairment of Assets

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

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the department determines the asset's recoverable amount. 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.

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

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 20 provides additional information in relation to the asset revaluation surplus.

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2017. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions as outlined below except for transport related infrastructure assets where the Northern Territory Department of Treasury and Finance have approved the use of non-prescribed useful lives where relevant:

| | 2017 |
|-------------------------------------------|----------------------------|
| Buildings | 20 - 50 years |
| Infrastructure | |
| Bridges | 70 years |
| Sealed pavement | 40 years |
| Unsealed pavement | 8 years |
| Road formation | Infinite – not depreciated |
| Street lights and traffic control systems | 15 - 20 years |
| Transport assets | 5 – 50 years |
| Plant and Equipment ⁽¹⁾ | 2 - 15 years |
| Leased Plant and Equipment | Lease term |
| Aboriginal Land Under Finance Lease | 40 years |
| Heritage and Cultural Assets | 100 years |

(1) Includes computer software, computer hardware and transport equipment.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

12. HERITAGE AND CULTURAL ASSETS

| | 2017 \$'000 |
|---------------------------------------------|----------------|
| Carrying amount | |
| At fair value | 320 |
| Less: Accumulated depreciation | (46) |
| Written down value – 30 June | 274 |
| Reconciliation of movements | |
| Carrying amount as at 1 July | - |
| Additions from Administrative Restructuring | 277 |
| Depreciation | (3) |
| Carrying amount as at 30 June | 274 |

Heritage and Cultural Assets Valuation

Refer to Note 14: Fair Value measurement of Non-Financial Assets for additional disclosures.

The fair value of these assets was determined based on any restrictions on asset use. Where reliable market values were not available, the fair value of agency assets was based on their depreciated replacement cost.

Impairment of Heritage and Cultural assets

Agency heritage and cultural assets were assessed for impairment as at 30 June 2017. No impairment adjustments were required as a result of this review.

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. A lease asset and 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.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating Leases

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

13. OTHER ASSETS

Leases As A Lessor

The Department has a 99 year lease arrangement for the Port of Darwin. External advice sought on the classification and accounting for the lease arrangement determined that the lease was a finance lease in accordance with AASB 117. As a result the department de-recognised the Port land and infrastructure and recognised the net investment in the leased assets as a finance lease receivable. The net investment represents the department's gross investment in the lease discounted at the implicit interest rate. Finance lease income will be recognised periodically.

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

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 is exceeded. No contingent rental was received during the year.

Under the terms of the lease, the leased assets will revert to the Territory at the end of 99 years. 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.

The lease term states 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.

| | 2017 \$'000 |
|----------------------------------------------------------------------------------------------------------------|----------------|
| Finance lease receivable | 17,387 |
| <i>Future minimum lease receipts under the finance lease are receivable for each of the following periods:</i> | |
| Not later than one year | 1,218 |
| Between one and five years | 5,786 |
| Later than five years | 13,198,833 |
| Gross investment in the lease | 13,223,223 |
| Less: Unearned finance income | (13,205,836) |
| NET INVESTMENT IN THE LEASE | 17,387 |

As the lease premium has been prepaid, the balance of the 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 2017, no impairment losses have been recorded on the finance lease receivables.

On 30 June 2017, the Territory Government agreed to retain the 20 per cent equity interest in the Port of Darwin. Under the revised terms of the shareholding, the Territory does not have any right to participate in the distributions of capital or income of the Port of Darwin group trusts.

Although the 20 per cent equity interest does not satisfy criteria for consolidation or recognition as a joint venture or associate, it is considered a financial asset.

This financial asset has been initially measured at fair value based on expected cashflows and for 2016-17 is valued at nil. The financial asset will be subsequently re-measured for any changes in fair value in future reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

14. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a) Fair Value Hierarchy

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

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total Fair Value \$'000 |
|----------------------------------------|-------------------|-------------------|-------------------|----------------------------|
| 2016-17 | | | | |
| Asset Classes | | | | |
| Land (Note 11) | - | 880,200 | - | 880,200 |
| Buildings (Note 11) | - | - | 50,815 | 50,815 |
| Infrastructure (Note 11) | - | - | 4,769,758 | 4,769,758 |
| Plant and Equipment (Note 11) | - | - | 8,285 | 8,285 |
| Heritage and Cultural Assets (Note 12) | - | - | 274 | 274 |
| Assets Held for Sale (Note 10) | - | 16,832 | - | 16,832 |
| Total | - | 897,032 | 4,829,132 | 5,726,164 |

There were no transfers between Level 1 and Levels 2 or 3 during 2016-17.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2016-17 are:

| | Level 2 Techniques | Level 3 Techniques |
|------------------------------|-----------------------|-----------------------|
| Asset Classes | | |
| Land | Market | - |
| Buildings | - | Cost |
| Infrastructure | - | Cost |
| Plant and Equipment | - | Cost |
| Heritage and Cultural Assets | - | Cost |
| Assets Held for Sale | Market | - |

Level 2 fair values of land were based on market evidence of sales price per square metre of comparable land.

Level 3 fair values of infrastructure were determined by computing their depreciated replacement costs because an active market does not exist for such assets. Generally, depreciated replacement costs are based on a combination of internal records of the structural capacity of the asset, adjusted for standard replacement costs.

Transport related infrastructure assets were revalued as at 30 June 2017. Aquenta Consulting Pty Ltd, civil construction cost estimation service professionals, provided unit rates representative of NT current industry standard market rates for this revaluation.

Buildings and Heritage and Cultural assets have been valued on a depreciated replacement cost basis. Plant and Equipment, Computer Software and Hardware are based on depreciated cost, and assessed for impairment on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

14. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONTINUED)

c) Additional Information for Level 3 Fair Value Measurements

Reconciliation of Recurring Level 3 Fair Value Measurements

| | Buildings \$'000 | Infrastructure \$'000 | Plant and Equipment \$'000 | Heritage and Cultural \$'000 | Total \$'000 |
|----------------------------------------------------------|---------------------|--------------------------|----------------------------------|------------------------------------|------------------|
| 2016-17 | | | | | |
| Fair value as at 1 July 2016 | 10,817 | - | 2,395 | - | 13,212 |
| Additions | 47,757 | 4,778,931 | 7,921 | 277 | 4,834,886 |
| Disposals | (2,413) | - | (530) | - | (2,943) |
| Transfers from Level 2 | - | - | - | - | - |
| Transfers to Level 2 | - | - | - | - | - |
| Depreciation | (3,584) | (60,714) | (1,501) | (3) | (65,802) |
| Gains/losses recognised in net surplus/deficit | - | - | - | - | - |
| Gains/losses recognised in other comprehensive income | (1,762) | 51,541 | - | - | 49,779 |
| Fair value as at 30 June 2017 | 50,815 | 4,769,758 | 8,285 | 274 | 4,829,132 |

Sensitivity analysis

Given the large number of agency assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost would generally result in a higher fair value and greater consumption of economic benefit lowers fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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\$'000

15. DEPOSITS HELD

| | |
|------------------------------------|---------------|
| Recoverable works | 7,977 |
| Accountable officers trust account | 1,402 |
| Land sales deposits | 1,330 |
| Other deposits held | 2,655 |
| TOTAL DEPOSITS HELD | 13,364 |

Deposits held includes the Accountable Officers Trust Account (AOTA), clearing monies and non-Government works, which consist of financial obligations payable within the next twelve months. The AOTA is for the receipt of monies to be held in trust in accordance with Section 7 of the *Financial Management Act*. Clearing monies are public monies held in transit. Non-Government works are transactions relating to a recoverable works project which will not become a Northern Territory Government asset upon completion. Refer also to Note 26.

16. PAYABLES

| | |
|--------------------------------------|---------------|
| Accounts payable | 1,311 |
| Accrued expenses | 8,677 |
| Accrued expenses – works in progress | 4,587 |
| Other payables | 1 |
| TOTAL PAYABLES | 14,576 |

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

17. BORROWINGS AND ADVANCES

| | |
|--------------------------------------|------------|
| Current | |
| Finance leases on Aboriginal land | 5 |
| | 5 |
| Non-Current | |
| Finance lease on Aboriginal land | 358 |
| | 358 |
| TOTAL BORROWINGS AND ADVANCES | 363 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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\$'000

18. PROVISIONS

Current

Employee benefits

| | |
|---------------------------------|---------------|
| Recreation leave | 9,011 |
| Leave loading | 1,322 |
| Other employee benefits | 198 |
| <i>Other current provisions</i> | |
| Other provisions | 1,514 |
| TOTAL PROVISIONS | 12,045 |

The Department employed 736 full time employees as at 30 June 2017.

Employee Benefits

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

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

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including the Department of Infrastructure, Planning and Logistics and as such no long service leave liability is recognised in the department's financial statements.

Superannuation

Employees' superannuation entitlements are provided through the:

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

The Department makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in the Department's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

19. COMMITMENTS

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

| | 2017 | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|
| | Internal ^(a) \$'000 | External \$'000 |
| (i) Capital Expenditure Commitments | | |
| Capital expenditure commitments primarily related to the construction of buildings, infrastructure and road networks. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows ^(b) : | | |
| Within one year | - | 157,777 |
| Later than one year and not later than five years | - | 21,912 |
| Later than five years | - | - |
| | - | 179,689 |
| (ii) Operating Lease Commitments | | |
| The agency leases property under non-cancellable operating leases expiring from 1 to 5 years. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated. The agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows: | | |
| Within one year | 1,385 | - |
| Later than one year and not later than five years | 1,428 | - |
| Later than five years | - | - |
| | 2,813 | - |
| (iii) Other Expenditure Commitments | | |
| Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows: | | |
| Within one year | - | 49,861 |
| Later than one year and not later than five years | - | 45,069 |
| Later than five years | - | - |
| | - | 94,930 |

(a) Internal commitments are to entities controlled by the Northern Territory Government whereas external commitments are to third parties external to the Northern Territory Government.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

20. RESERVES

Asset Revaluation Surplus

(i) Nature and purpose of the asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

(ii) Movements in the asset revaluation surplus

| | |
|--------------------------------------|------------------|
| Balance as at 1 July | 14,942 |
| Increment – land | 778,806 |
| Increment – buildings | 12,380 |
| Increment – infrastructure | 3,078,442 |
| Transfer to accumulated funds - land | (8,856) |
| | 3,860,772 |
| (iii) Movements in other reserves | |
| Increment – other | 16,249 |
| | 16,249 |
| Net Movements | 3,877,021 |
| BALANCE AS AT 30 JUNE | 3,891,963 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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\$'000

21. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of agency 'Cash and deposits' of \$269,121,365 recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Deficit to Net Cash from Operating Activities

| | |
|---------------------------------------------|------------------|
| Net Deficit | (103,074) |
| <i>Non-cash items:</i> | |
| Depreciation and amortisation | 65,812 |
| Asset donations/gifts | 1,500 |
| Gain on disposal of assets | (1,158) |
| Repairs and maintenance/Minor new works | 16,482 |
| <i>Changes in assets and liabilities:</i> | |
| (Increase) in receivables | (9,592) |
| (Increase) in prepayments | (71) |
| (Increase) in other assets | (1,138) |
| Increase in payables | 9,103 |
| Increase in provision for employee benefits | 5,265 |
| Increase in other provisions | 693 |
| Increase in other liabilities | 26 |
| NET CASH FROM OPERATING ACTIVITIES | (16,152) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

22. FINANCIAL INSTRUMENTS

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

a) Categorisation of Financial Instruments

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

| | Fair value through profit and loss - Designated at fair value \$'000 | Financial assets - Loans and receivables \$'000 | Financial Liabilities - amortised cost \$'000 | Total \$'000 |
|------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|-----------------|
| Cash and deposits | - | 269,121 | - | 269,121 |
| Receivables ¹ | - | 6,695 | - | 6,695 |
| Advances | - | 1,401 | - | 1,401 |
| Other assets -Finance lease | 16,249 | 1,138 | - | 17,387 |
| Total Financial Assets | 16,249 | 278,355 | - | 294,604 |
| Deposits held ¹ | - | - | 3,985 | 3,985 |
| Payables ¹ | - | - | 14,576 | 14,576 |
| Finance lease liabilities | - | - | 363 | 363 |
| Total Financial Liabilities | - | - | 18,924 | 18,924 |

¹ total amounts disclosed exclude statutory amounts.

Classification of Financial Instruments

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

Financial assets are classified into the following categories:

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

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL); and
- financial liabilities at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

22. FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the instrument forms part of a group of financial instruments, 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 liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

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

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

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 being 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

22. FINANCIAL INSTRUMENTS (CONTINUED)

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 agency enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The agency 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 agency, 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.

b) Credit Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

22. FINANCIAL INSTRUMENTS (CONTINUED)

Receivables

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

| | Aging of Receivables \$'000 | Aging of Impaired Receivables \$'000 | Net Receivables \$'000 |
|---------------------------------------------------------------|-----------------------------------|-----------------------------------------------|------------------------------|
| Internal Receivables^(a) | | | |
| 2016-17 | | | |
| Not overdue | 3,616 | - | 3,616 |
| Overdue for less than 30 days | - | - | - |
| Overdue for 30 to 60 days | - | - | - |
| Overdue for more than 60 days | - | - | - |
| Total | 3,616 | - | 3,616 |
| Reconciliation of the Allowance for Impairment Losses | | | |
| Opening | | - | |
| Written off during the year | | - | |
| Recovered during the year | | - | |
| Increase/(Decrease) in allowance recognised in profit or loss | | - | |
| Total | | - | |
| External Receivables^(a) | | | |
| 2016-17 | | | |
| Not overdue | 1,663 | - | 1,663 |
| Overdue for less than 30 days | - | - | - |
| Overdue for 30 to 60 days | 18 | - | 18 |
| Overdue for more than 60 days | 1,575 | (177) | 1,398 |
| Total | 3,256 | (177) | 3,079 |
| Reconciliation of the Allowance for Impairment Losses | | | |
| Opening | | (48) | |
| Additions from administrative restructuring | | (65) | |
| Written off during the year | | 6 | |
| Increase in allowance recognised in profit or loss | | (70) | |
| Total | | (177) | |

Internal receivables are from entities controlled by the Northern Territory Government whereas external receivables are from third parties external to the Northern Territory Government.

22. FINANCIAL INSTRUMENTS (CONTINUED)

c) Liquidity Risk

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

The following tables detail the department's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

2017 Maturity analysis for financial assets and liabilities

| | Variable Interest Rate | | | Fixed Interest Rate | | | Total | Weighted Average |
|------------------------------------|------------------------|--------------|-------------------|---------------------|--------------|-------------------|----------------|------------------|
| | Less than a Year | 1 to 5 Years | More than 5 Years | Less than a Year | 1 to 5 Years | More than 5 Years | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Assets | | | | | | | | |
| Cash and deposits | - | - | - | - | - | 269,121 | 269,121 | |
| Receivables | - | - | - | - | - | 6,695 | 6,695 | |
| Advances | 945 | - | - | 390 | - | - | 1,401 | 3.74% |
| Other assets - finance lease | - | - | - | - | - | 17,387 | 17,387 | 7.00% |
| Total Financial Assets | 945 | - | - | 390 | - | 17,387 | 275,882 | 294,604 |
| Liabilities | | | | | | | | |
| Deposits held | - | - | - | - | - | - | 3,985 | 3,985 |
| Payables | - | - | - | - | - | - | 14,576 | 14,576 |
| Finance lease liabilities | - | - | - | - | - | 363 | - | 4.72% |
| Total Financial Liabilities | - | - | - | - | - | 363 | 18,561 | 18,924 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

22. FINANCIAL INSTRUMENTS (CONTINUED)

d) Market Risk

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

(i) Interest Rate Risk

The Department of Infrastructure, Planning and Logistics is exposed to interest rate risk on departmental financial assets. Aboriginal land under finance lease arrangements have been established on a fixed interest rate.

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on the Department of Infrastructure, Planning and Logistics profit or loss and equity.

| | Profit or Loss and Equity | |
|-------------------------------------|----------------------------------------|----------------------------------------|
| | 100 basis points increase \$'000 | 100 basis points decrease \$'000 |
| 30 June 2017 | | |
| Financial assets – receivable loans | 9 | (9) |
| NET SENSITIVITY | 9 | (9) |

(ii) Price Risk

The Department of Infrastructure, Planning and Logistics is not exposed to price risk as the department does not hold any financial instruments impacted by price risk.

(iii) Currency Risk

The Department of Infrastructure, Planning and Logistics is not exposed to currency risk as the department does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

e) Net Fair Value

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

22. FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost;
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument; 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.

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

| | Total Carrying Amount \$'000 | Net Fair Value Level 1 \$'000 | Net Fair Value Level 2 \$'000 | Net Fair Value Level 3 \$'000 | Net Fair Value Total \$'000 |
|------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| 2017 | | | | | |
| Financial Assets | | | | | |
| Cash and deposits | 269,121 | 269,121 | - | - | 269,121 |
| Receivables | 6,695 | 6,695 | - | - | 6,695 |
| TOTAL FINANCIAL ASSETS | 275,816 | 275,816 | - | - | 275,816 |
| Financial Liabilities | | | | | |
| Deposits held | 3,985 | 3,985 | - | - | 3,985 |
| Payables | 14,576 | 14,576 | - | - | 14,576 |
| TOTAL FINANCIAL LIABILITIES | 18,561 | 18,561 | - | - | 18,561 |

There were no changes in valuation techniques during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

23. RELATED PARTIES

i) Related Parties

The Department of Infrastructure, Planning and Logistics is a Government administrative entity and is wholly owned and controlled by the Territory Government. Related parties of the department include:

the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly; and

spouses, children and dependants who are close family members of the Portfolio Minister or KMP; and

all public sector entities that are controlled and consolidated into the whole of Government financial statements; and

any entities controlled or jointly controlled by KMP's or the Portfolio Minister or controlled or jointly controlled by their close family members.

ii) Key Management Personnel (KMP)

Key management personnel of the Department of Infrastructure, Planning and Logistics are those persons having authority and responsibility for planning, directing and controlling the activities of the department. These include the Minister of Infrastructure, Planning and Logistics, the Chief Executive Officer and the 3 members of the executive team of the Department of Infrastructure, Planning and Logistics.

iii) Remuneration of Key Management Personnel

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

The aggregate compensation of key management personnel of the Department of Infrastructure, Planning and Logistics is set out below:

| | 2017 \$'000 |
|---------------------|----------------|
| Short-term benefits | 998 |
| Post-term benefits | 91 |
| TOTAL | 1,089 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

23. RELATED PARTIES (CONTINUED)

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

The department's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation and on-passed Commonwealth national partnership and specific purpose payments.

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

| | Revenue from related parties year \$'000 | Payments to related parties year \$'000 | Amounts owed by related parties year \$'000 | Amounts owed to related parties year \$'000 |
|-------------------------------|---------------------------------------------------|--------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Related Party | | | | |
| All NT Government departments | 14,806 | 36,444 | 3,571 | 2,451 |
| Associates | - | - | - | - |
| Subsidiaries | - | - | - | - |

Most of the department's transactions with other government entities are not individually significant. Transactions which were significant with other government entities are listed as follows:

- \$1 million revenue received from the Department of the Chief Minister for a contribution towards the Ramingining multipurpose hall cyclone shelter project,
- \$1.337 million grant payment to support the operations of the Darwin wharf precinct through the Darwin Waterfront Corporation,
- \$3.005 million community service obligation payment to the Land Development Corporation to progress the Marine Industry Park, Katherine Business Park and Tiwi Islands development projects,
- \$12.219 million in notional revenue and expenditure related services received free of charge from the Department of Corporate and Information Services.

There are no other related party transactions to disclose. Previous Ministers and Chief Executive Officers were not assessed as they did not materially impact the Department of Infrastructure, Planning and Logistics which was established on 12 September 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent Liabilities

The Department of Infrastructure, Planning and Logistics has entered into agreements which contain indemnity clauses. The contingent liabilities arising from the indemnities are unquantifiable, but expected to be immaterial. However, for all the events that would give rise to the liabilities the department has comprehensive risk management procedures in place. Legal proceedings or disputes in which the department is a party are not separately disclosed. Due to the wide variety and nature of individual cases, and the uncertainty of any potential liability means that no value can be attributed to individual cases until such time as the courts make a decision so as to not prejudice the outcome of the proceeding or dispute.

b) Contingent Assets

The Department of Infrastructure, Planning and Logistics had no contingent assets as at 30 June 2017. Legal proceedings or disputes in which the department is a party are not separately disclosed which may give rise to a contingent asset. Due to the wide variety and nature of individual cases, and the uncertainty of any potential asset means that no value can be attributed to individual cases until such time as the courts make a decision so as to not prejudice the outcome of the proceeding or dispute.

25. EVENTS SUBSEQUENT TO BALANCE DATE

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

26. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

| | Opening Balance 1 July 2016 \$'000 | Transfers In from Administrative Restructuring \$'000 | Receipts \$'000 | Payments \$'000 | Closing Balance 30 June 2017 \$'000 |
|------------------------------|---------------------------------------------|-------------------------------------------------------------------|--------------------|--------------------|-------------------------------------------|
| Nature of Trust Money | | | | | |
| Retention/Security deposits | - | (4,072) | (20) | 3,082 | (1,010) |
| Liquidated damages | (12) | - | - | 12 | - |
| Bank guarantees | (358) | - | (34) | - | (392) |
| TOTAL | (370) | (4,072) | (54) | 3,094 | (1,402) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

27. SCHEDULE OF ADMINISTERED TERRITORY ITEMS

The following Territory items are managed by department on behalf of the Government and are recorded in the Central Holding Authority (refer Note 2(d)).

| | 2017 \$'000 |
|----------------------------------------------|----------------|
| TERRITORY INCOME AND EXPENSES | |
| Income | |
| Taxation revenue | 48,373 |
| Grants and subsidies revenue | |
| Capital | 14,763 |
| Fees from regulatory services | 8,417 |
| Royalties and rents | 3,769 |
| Other income | 3,285 |
| Total Income | 78,608 |
| Expenses | |
| Central Holding Authority income transferred | 78,608 |
| Total Expenses | 78,608 |
| Territory Income less Expenses | - |
| TERRITORY ASSETS AND LIABILITIES | |
| Assets | |
| Other receivables | 300 |
| Total Assets | 300 |
| Liabilities | |
| Central Holding Authority income payable | 275 |
| Unearned Central Holding Authority income | 26 |
| Total Liabilities | 300 |
| Net Assets | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

28. BUDGETARY INFORMATION

| | 2016-17 Actual | 2016-17 Original Budget | Variance | Note |
|----------------------------------------------------|-------------------|-------------------------------|------------------|------|
| Comprehensive Operating Statement | \$'000 | \$'000 | \$'000 | |
| INCOME | | | | |
| Grants and subsidies revenue | | | | |
| Current | 43 | - | 43 | |
| Capital | 1,000 | - | 1,000 | 1 |
| Appropriation | | | | |
| Output | 240,034 | 239,434 | 600 | |
| Commonwealth | 19,045 | 17,292 | 1,753 | 2 |
| Sales of goods and services | 17,060 | 22,735 | (5,675) | 3 |
| Interest revenue | 40 | 61 | (21) | |
| Goods and services received free of charge | 12,219 | 12,581 | (362) | |
| Gain on disposal of assets | 1,195 | - | 1,195 | 4 |
| Other income | 3,947 | 2,231 | 1,716 | 5 |
| TOTAL INCOME | 294,583 | 294,334 | 249 | |
| EXPENSES | | | | |
| Employee expenses | 88,598 | 88,712 | (114) | |
| Administrative expenses | | | | |
| Purchases of goods and services | 83,490 | 87,282 | (3,792) | 6 |
| Repairs and maintenance | 120,513 | 95,207 | 25,306 | 7 |
| Depreciation and amortisation | 65,812 | 60,536 | 5,276 | 8 |
| Other administrative expenses | 1,572 | - | 1,572 | 9 |
| Grants and subsidies expenses | | | | |
| Current | 9,270 | 7,878 | 1,392 | 10 |
| Capital | 13,159 | 17,572 | (4,413) | 11 |
| Community service obligations | 3,005 | 3,005 | - | |
| Goods and services received free of charge | 12,219 | 12,581 | (362) | |
| Interest expenses | 19 | - | 19 | |
| TOTAL EXPENSES | 397,657 | 372,773 | 24,884 | |
| NET DEFICIT | (103,074) | (78,439) | (24,635) | |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified to net deficit | | | | |
| Changes in asset revaluation surplus | 3,860,772 | - | 3,860,772 | |
| Other reserves | 16,249 | - | 16,249 | |
| Transfers from reserves | (263,724) | - | (263,724) | |
| TOTAL OTHER COMPREHENSIVE INCOME | 3,613,297 | - | 3,613,297 | |
| COMPREHENSIVE RESULT | 3,510,223 | (78,439) | 3,588,662 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

28. BUDGETARY INFORMATION (CONTINUED)

Comprehensive Operating Statement Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred.

1. Contribution towards Ramining multipurpose hall cyclone shelter project.
2. Additional funding received from the Commonwealth for the Black Spot Program.
3. Sales of goods and services revenue is under budget mainly due to previously received revenue for program delivery fees which are no longer collected and is reflected in the revised budget.
4. Gain on disposal of assets is mainly due to profit on the sale of land which is not budgeted for.
5. Mainly due to the recovery of non-acquitted grants, as obligations under the grant agreement were not fulfilled.
6. Purchases of goods and services and property management expenses are budgeted together as one line item. The underspend mainly relates to budgeted expenditure tied to goods and services revenue previously received for program delivery fees, for which the decreases are reflected in the revised budget.
7. Additional repairs and maintenance expenditure due to the accounting treatment of non-cash expenditure associated with capital works projects which did not meet the capitalisation criteria, and expenditure associated with disaster maintenance which is reflected in the revised budget.
8. Additional depreciation expense resulting from the capitalisation of infrastructure assets.
9. Other administrative expenses resulting from the non-cash community land grant to Catholic Education.
10. Current grants are over budget due to the department being obligated to continue payments for the reporting officer function at remote aerodromes and payments made to the Commonwealth Department of Defence to provide an alternative destination for international carriers in the event of an emergency, some of which is reflected in the revised budget.
11. Capital grants underspend is mainly due to the Regional Economic Infrastructure Fund (REIF) Program. Milestones as per the current agreements were not met and as a result payments were not processed and are subject to a carryover budget request.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

28. BUDGETARY INFORMATION (CONTINUED)

| | 2016-17 Actual | 2016-17 Original Budget | Variance | Note |
|--------------------------------------|-------------------|-------------------------------|------------------|------|
| Balance Sheet | \$'000 | \$'000 | \$'000 | |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and deposits | 269,121 | 264,454 | 4,667 | 1 |
| Receivables | 14,750 | 13,249 | 1,501 | 2 |
| Prepayments | 1,154 | 252 | 902 | 3 |
| Assets held for sale | 16,832 | - | 16,832 | |
| Total Current Assets | 301,857 | 277,955 | 23,902 | |
| Non-Current Assets | | | | |
| Advances and investments | 1,401 | 1,424 | (23) | |
| Property, plant and equipment | 6,488,130 | 6,736,648 | (248,518) | 4 |
| Heritage and cultural assets | 274 | - | 274 | |
| Other assets | 17,387 | 16,249 | 1,138 | 5 |
| Total Non-Current Assets | 6,507,193 | 6,754,321 | (247,128) | |
| TOTAL ASSETS | 6,809,050 | 7,032,276 | (223,226) | |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Deposits held | 13,364 | 22,279 | (8,915) | 6 |
| Payables | 14,576 | 14,587 | (11) | |
| Borrowings and advances | 5 | - | 5 | |
| Provisions | 12,045 | 12,509 | (464) | |
| Total Current Liabilities | 39,989 | 49,375 | (9,385) | |
| Non-Current Liabilities | | | | |
| Borrowings and advances | 358 | 367 | (9) | |
| Total Non-Current Liabilities | 358 | 367 | (9) | |
| TOTAL LIABILITIES | 40,348 | 49,742 | (9,394) | |
| NET ASSETS | 6,768,702 | 6,982,534 | (213,832) | |
| EQUITY | | | | |
| Capital | 3,880,749 | 4,118,066 | (237,317) | 7 |
| Reserves | 3,891,963 | 3,852,698 | 39,265 | |
| Accumulated funds | (1,004,009) | (988,230) | (15,779) | |
| TOTAL EQUITY | 6,768,702 | 6,982,534 | (213,832) | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

28. BUDGETARY INFORMATION (CONTINUED)

Balance Sheet Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred.

1. Cash at bank budgeted reflects the opening balance of the 2015–16 financial year with budget movements factored in. This is a calculated field at each year end in the budget papers. It has increased over the period mainly due to Commonwealth grant payments that have not yet been spent.
2. Receivables is a calculated field where the original budget reflects the opening balances of the 2015–16 financial year and has since been updated.
3. Prepayments mainly relates to the purchase of land from the Land Development Corporation.
4. Reflects the transfer of completed capital works.
5. Recognition of Darwin Port long term lease which will be adjusted in the budget once the opening balances are reflected in the revised estimate.
6. Deposits held is a calculated field where the original budget reflects the opening balances of the 2015–16 financial year and has since been updated.
7. Capital is a calculated field where the original budget reflects the opening balances of the 2015–16 financial year and reflects the impact of the transfer of completed capital works projects.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

28. BUDGETARY INFORMATION (CONTINUED)

| | 2016-17 Actual | 2016-17 Original Budget | Variance | Note |
|---------------------|-------------------|-------------------------------|----------|------|
| Cash Flow Statement | \$'000 | \$'000 | \$'000 | |

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Receipts

Grants and subsidies received

| | | | | |
|---------|-------|---|-------|---|
| Current | 43 | - | 43 | |
| Capital | 1,000 | - | 1,000 | 1 |

Appropriation

| | | | | |
|-------------------------------------------|----------------|----------------|------------------|---|
| Output | 240,034 | 239,434 | 600 | |
| Commonwealth | 19,045 | 17,292 | 1,753 | 2 |
| Receipts from sales of goods and services | 79,319 | 232,134 | (152,815) | 3 |
| Interest received | 40 | 61 | (21) | |
| Total Operating Receipts | 339,481 | 488,921 | (149,440) | |

Operating Payments

| | | | | |
|----------------------------------------------|------------------|------------------|----------------|---|
| Payments to employees | (82,249) | (82,273) | 24 | |
| Payments for goods and services | (247,931) | (387,505) | 139,574 | 4 |
| Grants and subsidies paid | | | | |
| Current | (9,270) | (7,769) | (1,501) | 5 |
| Capital | (13,159) | (17,387) | 4,228 | 6 |
| Community service obligations | (3,005) | (3,005) | - | |
| Interest paid | (19) | - | (19) | |
| Total Operating Payments | (355,633) | (497,939) | 142,306 | |
| Net Cash Used in Operating Activities | (16,152) | (9,018) | (7,134) | |

CASH FLOWS FROM INVESTING ACTIVITIES

Investing Receipts

| | | | | |
|---------------------------------|---------------|---------------|-----------------|---|
| Proceeds from asset sales | 15,377 | 32,951 | (17,574) | 7 |
| Total Investing Receipts | 15,377 | 32,951 | (17,574) | |

Investing Payments

| | | | | |
|----------------------------------------------|------------------|------------------|----------------|---|
| Purchases of assets | (569,888) | (674,008) | 104,120 | 8 |
| Advances and investing payments | (965) | (987) | 22 | |
| Total Investing Payments | (570,852) | (674,995) | 104,142 | |
| Net Cash Used in Investing Activities | (555,475) | (642,044) | 86,568 | |

CASH FLOWS FROM FINANCING ACTIVITIES

Financing Receipts

| | | | | |
|---------------------------------|------------------|----------------|----------------|---|
| Deposits received | 1,567 | 10,482 | (8,915) | |
| Equity injections | | | | |
| Capital appropriation | 360,634 | 349,232 | 11,402 | |
| Commonwealth appropriation | 173,152 | 242,008 | (68,856) | |
| Other equity injections | 554,384 | 144,471 | 409,913 | 9 |
| Total Financing Receipts | 1,089,737 | 746,193 | 343,544 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

28. BUDGETARY INFORMATION (CONTINUED)

Cash Flow Statement (Continued)

| | 2016-17 Actual \$'000 | 2016-17 Original Budget \$'000 | Variance \$'000 | Note |
|-------------------------------------------|-----------------------------|-----------------------------------------|--------------------|------|
| Financing Payments | | | | |
| Finance lease payments | (4) | - | (4) | |
| Equity withdrawals | (467,572) | (49,264) | (418,308) | 10 |
| Total Financing Payments | (467,577) | (49,264) | (418,313) | |
| Net Cash from Financing Activities | 622,160 | 696,929 | (74,769) | |
| Net increase in cash held | 50,534 | 45,867 | 4,667 | |
| Cash at beginning of financial year | 218,588 | 218,587 | 1 | |
| CASH AT END OF FINANCIAL YEAR | 269,121 | 264,454 | 4,667 | |

Cash Flow Statement Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred.

1. Contribution towards Ramingining multipurpose hall cyclone shelter project.
2. Additional funding received from the Commonwealth for the Black Spot Program.
3. Variance is due to the mapping of agency restructure transfers. Receipts offset by payments.
4. Variance is due to the mapping of agency restructure transfers. Payments offset by receipts.
5. Current grants are over budget due to the Department being obligated to continue payments for the reporting officer function at remote aerodromes and payments made to the Commonwealth Department of Defence to provide an alternative destination for international carriers in the event of an emergency, some of which is reflected in the revised budget.
6. Capital grants underspend is mainly due to the Regional Economic Infrastructure Fund (REIF) Program. Milestones as per the current agreements were not met and as a result payments were not processed.
7. Asset sales are under budget mainly due to the large once off sale anticipated to be settled in the 2016-17 year. However, settlement is to be concluded in the 2017-18 financial year.
8. The revised budget changed the timing of capital works expenditure between years.
9. Variance is the result of agency restructure adjustments.
10. Variance is the result of agency restructure adjustments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

29. BUDGETARY INFORMATION: ADMINISTERED TERRITORY ITEMS

In addition to the specific departmental operations which are included in the financial statements, the Department administers or manages other activities and resources on behalf of the Territory such as royalties and rents on Crown Land and land related regulatory fees and charges as well as collection fees from regulatory services for registration and licensing associated with road users. The Department does not gain control over assets arising from these collections, consequently no income is recognised in the Department's financial statements. The transactions relating to these activities are reported as administered items in this note.

| | 2016-17 Actual | 2016-17 Original Budget | Variance | Note |
|------------------------------|-------------------|-------------------------------|----------|------|
| Administered Territory Items | \$'000 | \$'000 | \$'000 | |

TERRITORY INCOME AND EXPENSES

Income

| | | | | |
|-------------------------------|---------------|---------------|----------------|---|
| Taxation revenue | 48,373 | 48,568 | (195) | |
| Grants and subsidies revenue | | | | |
| Capital | 14,763 | 15,496 | (733) | 1 |
| Fees from regulatory services | 8,417 | 9,294 | (877) | 2 |
| Royalties and rents | 3,769 | 3,785 | (16) | |
| Other income | 3,285 | 3,090 | 195 | |
| Total Income | 78,608 | 80,233 | (1,625) | |

Expenses

| | | | | |
|----------------------------------------------|---------------|---------------|----------------|---|
| Central Holding Authority income transferred | 78,608 | 80,233 | (1,625) | 3 |
| Total Expenses | 78,608 | 80,233 | (1,625) | |
| Territory Income Less Expenses | - | - | - | |

TERRITORY ASSETS AND LIABILITIES

Assets

| | | | | |
|-------------------------------|------------|------------|-------------|--|
| Royalties and rent receivable | 300 | 310 | (10) | |
| Other receivables | - | 12 | (12) | |
| Total Assets | 300 | 322 | (22) | |

Liabilities

| | | | | |
|-------------------------------------------|------------|------------|-------------|--|
| Central Holding Authority income payable | 275 | 322 | (47) | |
| Unearned Central Holding Authority income | 26 | - | 26 | |
| Total Liabilities | 300 | 322 | (22) | |
| Net Assets | - | - | - | |

Administered Territory Item Notes:

The following note descriptions relate to variances greater than 10 per cent or \$500,000 or where multiple significant variances have occurred.

1. Capital grants are lower than originally budgeted due to an approved decrease in Commonwealth funding for the Roads to Recovery program.
2. Fees from regulatory services are lower than anticipated across a number of services.
3. Refer to 1 & 2 above.



APPENDICES

APPENDIX 1

LEGISLATION

Legislation and administrative responsibilities

Since the formation of the Department in September 2016, the following pieces of legislation have been administered under the ministerial portfolio of Infrastructure , Planning and Logistics.

Acts

1. *Aboriginal Land Act*
2. *Aerodromes Act Repeal Act*
3. *AustralAsia Railway Corporation Act*
4. *AustralAsia Railway (Special Provisions) Act*
5. *AustralAsia Railway (Third Party Access) Act*
6. *Building Act (except provisions relating to the regulation and licensing of occupations)*
7. *Commercial Passenger (Road) Transport Act*
8. *Control of Roads Act*
9. *Crown Lands Act (except section 79)*
10. *Crown Lands Freehold (Conversion from Crown Leasehold) Act*
11. *Darwin Port Corporation Act*
12. *Lands Acquisition Act*
13. *Lands Acquisition (Pastoral Leases) Act*
14. *Licensed Surveyors Act (except provisions relating to the regulation and licensing of occupations)*
15. *Marine Act*
16. *Marine Safety (Domestic Commercial Vessel) (National Uniform Legislation) Act*
17. *Miscellaneous Acts Amendment (Aboriginal Community Living Areas) Act*
18. *Motor Vehicles Act (except Part V)*
19. *Northern Territory Land Corporation Act*
20. *Palmerston Development Authority Act Repeal Act*
21. *Pastoral Land Act (provisions about Aboriginal community living areas)*
22. *Place Names Act*
23. *Planning Act*
24. *Plumbers and Drainers Licensing Act (except provisions relating to the regulation and licensing of occupations)*
25. *Ports Management Act*
26. *Public Transport (Passenger Safety) Act*
27. *Rail Safety (National Uniform Legislation) Act*
28. *Road Transport Reform (Vehicles and Traffic) (Northern Territory) Act*
29. *Special Purposes Leases Act*
30. *Swimming Pool Safety Act*
31. *Traffic Act*
32. *Valuation of Land Act*

APPENDIX 2

REPORTING AGAINST EMPLOYMENT INSTRUCTIONS

| Employment instruction and annual reporting requirements | Department Action 2016–17 |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number One – Filling Vacancies | For the 2016–17 period, the Department of Infrastructure, Planning and Logistics advertised 152 (ongoing and fixed period) positions. The department had 122 staff commence/transfers in and 193 separations/transfers out. There were no promotion appeals lodged for the period. |
| Number Two – Probation | <p>The department has a current Probation Policy and flow chart consistent with the <i>Public Sector Management Act</i> and relevant awards.</p> <p>New ongoing employees in the department are advised of the probation process by the Department of Corporate Information Services (DCIS) as part of their Offer of Employment. This process is explained further during induction and in the department's information pack for new employees and available on the intranet. The employee's manager monitors probationary reports and timeframes.</p> <p>No employee's probation was extended during the 2016–17 reporting period.</p> |
| Number Three – Natural Justice | The principles of natural justice are communicated to all employees. Natural justice is adhered to in all dealings with employees and reflected in internal policies and procedures. |
| Number Four – Employee Performance Management and Development Systems | The department's performance management system My Development Plan (MyDP) and Plan Do Review (PDR) integrate the department's planning framework and objectives with employees' work priorities and aligns with the department's Strategic Plan and objectives. During the year this process was reviewed and updated to include regular performance conversations between managers and employees. |
| Number Five – Medical Examinations | Six employees were directed to attend an examination by a health practitioner for the 2016–17 period. |
| Number Six – Employee Performance and Inability | <p>The department's performance management system provides a framework for managers and staff to document where performance improvement is required. Human Resource Services staff support managers dealing with under-performance issues and help managers and staff to improve performance</p> <p>No inability action was taken during 2016–17.</p> |
| Number Seven – Discipline | <p>The department's discipline policy and procedure is available to all staff on the intranet.</p> <p>Seven disciplinary actions were taken during 2016–17.</p> |
| Number Eight – Internal Agency Complaints and Section 59 Grievance Reviews | The department's grievance policy and procedure is available to all staff on the intranet. Human Resources provide advice and support to managers and staff to deal with grievances. |

APPENDIX 2

CONTINUED

| Employment instruction and annual reporting requirements | Department Action 2016–17 |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number Nine – Employment Records | The Department of Corporate and Information Services (DCIS) stores all personnel files. The department complies with the DCIS policy regarding access to these files. Any requests to access employee records are made through the Director of Human Resources. Four requests were lodged for employee information under the <i>Freedom of Information Act</i> in 2016–17. |
| Number Ten – Equality of Employment Opportunity Programs | The department's Equal Employment Opportunity Management Policy was developed and implemented in September 2011. Details of the department's Aboriginal Employment and Career Development programs and initiatives are reported in the annual report. |
| Number Eleven – Occupational Health and Safety Standards Programs | The department has a Work Health and Safety (WHS) Committee to ensure WHS compliance. The details of the WHS activities are reported in the annual report. Current obligations, policies and procedures are available to all staff on the intranet. |
| Number Twelve – Code of Conduct | New employees are given a copy of Employment Instruction No.12 – Code of Conduct during the corporate induction as part of their commencement package and it is available on the intranet. In-house training sessions of Appropriate Workplace Behaviour are provided to promote compliance with the Code of Conduct. The Transit Safety Unit has its own Code of Conduct, which complements the Northern Territory Public Sector Code of Conduct. |
| Number Thirteen – Appropriate Workplace Behaviour | The department is committed to providing all employees with a safe and healthy workplace, free from inappropriate behaviours such as bullying, harassment and discrimination. Training is provided to all staff on the Code of Conduct, Combat Bullying, Dealing with the Tough Stuff and Performance Management. The training provides useful tools and resources for staff to use in their working environments. Three formal complaints were made about inappropriate workplace behaviours during the reporting period. |
| Number Fourteen – Redeployment and Redundancy Procedures | The department acts in accordance with redeployment and redundancy procedures as set out under the Enterprise Agreement and Employment Instruction 14. In 2016–17, no employees became redeployees. |

APPENDIX 3

KEY PERFORMANCE INDICATOR NOTATIONS

1. New measure.
2. The variation is due to a system upgrade to be implemented in 2017-18.
3. Excludes planning scheme amendments.
4. The variation reflects timeframes associated with upskilling new audit and investigations staff.
5. Includes building permits, occupancy permits and plumbing-only certifications.
6. Number of service kilometres delivered.
7. All licence categories including commercial passenger vehicle, provisional and learner.
8. All vehicle types including motorcycles, trailers, trucks and commercial passenger vehicles.
9. One-off increase is due to demand from other jurisdictions.
10. Measure prepared by AustRoads. Represents users' perceptions of the performance of each attribute measured on a performance scale of 1 = very dissatisfied to 5 = very satisfied.
11. Includes bus stops, shelters and interchanges, boat ramps, jetties, pontoons and transport access, remote aerodromes, road safety centres, motor vehicle registries, motorcycle education, training and licensing facilities, and weighbridges.



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