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## Financial Report

Department of Corporate and Digital  
Development

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# Financial statement overview

## For the year ended 30 June 2025

The Department of Corporate and Digital Development (DCDD) supports all government agencies by delivering corporate and digital services, providing expert advice, developing transformative solutions and managing the Territory Government's digital environment.

As a shared services provider, DCDD charges for its services. The cost to deliver DCDD services is passed on to departments via a cost allocation model. Budget for notional charges is recorded in client agency budgets, and goods and services received free of charge are recognised in agencies' ledgers. For government business divisions (GBDs) and other government enterprises, DCDD services are actually charged on a cost recovery basis. More information on DCDD's cost allocation model is in Appendix A.

DCDD manages a portfolio of major digital projects on behalf of other agencies. Budget for these projects is regarded as non-discretionary as it is provided either directly by government, or by budget transfer from agencies specifically to deliver ICT projects for client agencies. These funds are spent and accounted for separately from the rest of the agency's operations.

## Financial performance (Comprehensive Operating Statement)

DCDD's financial performance for the year is presented in 2 ways. Table 1 compares the department's performance with the final approved budget, and Table 2 compares performance with the previous year. Both tables highlight the total income and expense movements, with more detailed analysis and commentary provided in tables 3 to 5 showing income and expenses by category.

**Table 1: 2024–25 Final Budget and Performance**

	2024–25		
	Final Budget	Actual	Variation
	\$000	\$000	\$000
Income	402 620	406 618	3 998
Expenses	442 550	435 438	7 112
<b>Surplus/(Deficit)</b>	<b>(39 930)</b>	<b>(28 820)</b>	<b>11 110</b>
<b>Comprehensive result</b>	<b>(39 930)</b>	<b>(28 820)</b>	<b>11 110</b>

DCDD's operating financial performance for the year showed a \$28.8 million deficit compared with the final budget estimated deficit of \$39.9 million. DCDD's improved result is primarily due to revised timing of delivery of major ICT projects, likely to be incurred in 2025–26.

Major ICT projects managed by DCDD include Acacia, with the Department of Health; Education Management Transformation Program, with the Department of Education and Training; and the new Territory Revenue Office system, RevConnect, with the Department of Treasury and Finance.

**Table 2: 2023–24 and 2024–25 Performance**

	Actual		Variation
	\$000		\$000
	2023–24	2024–25	
Income	371 522	406 618	35 096
Expenses	397 347	435 438	(38 091)
<b>Surplus/(Deficit)</b>	<b>(25 825)</b>	<b>(28 820)</b>	<b>(2 995)</b>
<b>Comprehensive result</b>	<b>(25 825)</b>	<b>(28 820)</b>	<b>(2 995)</b>

DCDD’s change in operating performance from a deficit of \$25.8 million in 2023–24 to a deficit of \$28.8 million in 2024–25 is a result of increases in both income and expenditure, as DCDD provided more services and delivered more projects to agencies in the 2024–25 financial year.

## Income

DCDD is funded through a combination of appropriation and goods and services income from GBDs and government owned corporations.

**Table 3: Income by Category**

Year	Output Appropriation		Goods and Services		Other Income <sup>1</sup>		Grants		Goods and Services Received FOC <sup>2</sup>		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
<b>2024–25</b>	338 396	83.2	46 548	11.4	21 392	5.3	-	-	282	0.1	406 618	100
<b>2023–24</b>	311 065	83.7	45 371	12.2	12 993	3.5	1 864	0.5	229	0.1	371 522	100

<sup>1</sup> Other income primarily includes cost recoveries.

<sup>2</sup> Relates to DLI repairs and maintenance received free of charge.

Income received for the 2024–25 financial year was \$406.7 million compared to \$371.5 million in previous year, an increase of \$35.1 million.

Output appropriation was higher in 2024–25 than the previous year primarily due to budget transfers from NT Police Force and the Attorney-General’s Department as staff and functions transferred into DCDD, as well as indexation for property leasing costs, and funding for new ICT projects.

The increase in other income primarily relates to higher cost recoveries for projects undertaken on behalf of agencies and one-off ICT revenues.

## Expenses

DCDD expenses are primarily related to employee and digital (ICT) costs, reflecting DCDD’s management of government’s ICT systems, networks, infrastructure and major digital transformation initiatives. Depreciation is a substantial expenditure as a result of the adoption of AASB 16 – Leases and subsequent recognition of right-of-use assets, mainly relating to DCDD’s property leasing responsibilities on behalf of government agencies.

**Table 4: Expenses by Category**

Year	Employee		Digital		Depreciation		Operational		Property		Grants		Other <sup>1</sup>		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2024-25	158 177	36.3	132 811	30.5	95 639	22.0	14 395	3.3	12 466	2.9	1 887	0.4	20 063	4.6	435 438	100
2023-24	144 079	36.3	120 814	30.4	90 967	22.9	12 046	3.0	10 417	2.6	3 155	0.8	15 869	4.0	397 347	100

<sup>1</sup> Other expenses includes services free of charge, write-offs and interest expenses.

Employee expenses increased primarily as a result of:

- the transfer of corporate services functions from NT Police Force and transfer of the Fines Recovery Unit from the Attorney-General's Department into DCDD
- increased salary costs in enterprise agreements and the higher superannuation guarantee rate, and increased costs of processing enterprise agreements
- ICT projects moving to business-as-usual operations.

Digital expenses, which include IT charges such as IT contractors, and hardware and software costs, form the majority of DCDD's operational expenses and are therefore, shown separately in the table above. Digital expenses were greater in 2024-25 primarily due to an increase in ICT related projects undertaken by DCDD on behalf of other agencies.

DCDD spent \$81.9 million on major digital projects across the following categories:

- employee – \$6.9 million
- operational – \$32.5 million
- capital – \$42.5 million.

Other expenses, specifically interest expenses for leases under AASB 16 – Leases, increased as a result of lease extensions under the leased property stimulus scheme.

## 2024-25 Expenses and Final Budget by Output

Budget is allocated and reported in Budget Papers by output and output groups. DCDD's output groups include:

- Corporate Support Development – professional, responsive and consistent corporate services, high quality, value-adding solutions and trusted advice that enables agencies to focus on core business and delivering government priorities. It includes whole of government services relating to workforce, payroll, finance, procurement, information management, property leasing and fines recovery
- Digital Government Development – transformative customer-focused digital solutions and services operating in a secure and controlled ICT environment, leveraging technology and connectivity to improve government service delivery. It includes network services across government, agency business systems and support, whole of government systems, data services, web and digital communications, ICT projects, strategy and policy, and telecommunications advocacy
- Corporate and Shared Services – improved organisational performance through strategic leadership and governance, and the provision of corporate services functions for DCDD as an agency.

Table 5: 2024-25 Final Budget and Expenses by Output

OUTPUT GROUP/ OUTPUT	Final Budget	Actual	Variation
	\$000	\$000	\$000
<b>CORPORATE SUPPORT DEVELOPMENT</b>			
Workforce services	30 914	30 435	479
Employment services	20 424	21 166	(743)
Procurement services	9 229	8 315	914
Information management services	11 736	11 134	603
Finance services	8 051	7 837	214
Property leasing services	117 937	116 444	1 493
Fines recovery unit	2 721	2 758	(37)
<b>CORPORATE SUPPORT DEVELOPMENT - TOTAL</b>	<b>201 012</b>	<b>198 089</b>	<b>2 923</b>
<b>DIGITAL GOVERNMENT DEVELOPMENT</b>			
ICT network services	48 775	48 195	580
Agency business systems and support services	76 658	75 886	772
Across-government systems and support services	27 289	26 981	308
Digital projects	53 105	49 634	3 471
Data services	12 877	13 274	(397)
Digital communications	3 478	3 526	(48)
Digital connectivity and strategy	9 410	9 869	(459)
<b>DIGITAL GOVERNMENT DEVELOPMENT - TOTAL</b>	<b>231 592</b>	<b>227 365</b>	<b>4 227</b>
<b>CORPORATE AND SHARED SERVICES</b>			
Corporate and governance	7 831	7 954	(122)
Shared services received	321	242	79
Shared services provided	1 794	1 788	5
<b>CORPORATE AND SHARED SERVICES - TOTAL</b>	<b>9 946</b>	<b>9 984</b>	<b>(38)</b>
<b>TOTAL</b>	<b>442 550</b>	<b>435 438</b>	<b>7 112</b>

## Financial statement - DCDD

The primary output variations were:

- Employment services – increased costs of delivering payroll services and enterprise agreement processing
- Procurement services and information management services – lower than anticipated expenditure due to challenges in recruiting and maintaining workforce
- Property leasing services – lower than anticipated depreciation and interest expense in accordance with AASB – 16 Leases
- ICT network services – primarily related to unspent grants
- Agency business systems and support services – deferred ICT costs mostly relating to licensing and contractors
- Digital projects – revised delivery timeframes for major ICT projects, with costs to be incurred in 2025–26.

## Financial position (Balance Sheet)

The Statement of Financial Position details the balances of DCDD's assets, liabilities and equity at the end of the financial year. The table below compares DCDD's financial position as at 30 June 2025 with the position at 30 June 2024.

**Table 6: 2023–24 and 2024–25 Financial Position**

	2023–24	2024–25	Variation
	\$000	\$000	\$000
<b>ASSETS</b>			
Current assets	72 016	69 083	(2 933)
Non-current assets	955 645	1 004 335	48 690
<b>TOTAL ASSETS</b>	<b>1 027 661</b>	<b>1 073 418</b>	<b>45 757</b>
<b>LIABILITIES</b>			
Current liabilities	126 274	137 788	(11 514)
Non-current liabilities	551 170	568 214	(17 044)
<b>TOTAL LIABILITIES</b>	<b>677 444</b>	<b>706 002</b>	<b>(28 558)</b>
<b>NET ASSETS</b>	<b>350 217</b>	<b>367 416</b>	<b>17 199</b>
Equity	350 217	367 416	17 199
<b>TOTAL EQUITY</b>	<b>350 217</b>	<b>367 416</b>	<b>17 199</b>

DCDD's net asset position at the end of 2024–25 was \$367.4 million, an increase of \$17.2 million compared with the previous year. The increase largely relates to new right-of-use assets recognised under AASB16 – Leases and government investment in the delivery of major ICT digital projects. Liabilities increased primarily due to increases in payables, unearned revenue relating to Commonwealth funding and extension of leases on a number of commercial properties in line with the leased property stimulus scheme.

DCDD's major assets as at 30 June 2025 primarily comprised property, plant and equipment (right-of-use assets and computer hardware), intangible assets (computer software), and cash and deposits. Major liabilities included leased property liabilities, accrued expenses and payables, and provision for employee entitlements.

# Certification of the financial statements

We certify that the attached financial statements for the Department of Corporate and Digital Development have been prepared based on proper accounts and records in accordance with Australian Accounting Standards and with the requirements as prescribed in the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2025 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.



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Catherine Weber

*Chief Executive*

29 August 2025

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Michael Smid

*A/Chief Financial Officer*

29 August 2025

# Comprehensive operating statement

For the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
<b>INCOME</b>			
Taxation revenue			
Grants and subsidies revenue			
Capital	4	-	1 864
Appropriation	5		
Output		338 081	311 065
Commonwealth (excluding capital appropriation)		315	-
Sales of goods and services	6	46 548	45 371
Gain on lease extinguishment <sup>1</sup>		3 347	-
Goods and services received free of charge	7	282	229
Other income	8	18 045	12 993
<b>TOTAL INCOME</b>	<b>3</b>	<b>406 618</b>	<b>371 522</b>
<b>EXPENSES</b>			
Employee expenses	9	158 177	144 079
Administrative expenses			
Property management		12 466	10 417
Purchases of goods and services	10	147 207	132 860
Repairs and maintenance			
Depreciation and amortisation	17, 18	95 639	90 967
Other administrative expenses <sup>2</sup>		286	248
Grants and subsidies expenses			
Current	11a	137	155
Capital	11b	1 750	3 000
Interest expenses	12	19 776	15 621
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>435 438</b>	<b>397 347</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(28 820)</b>	<b>(25 825)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>(28 820)</b>	<b>(25 825)</b>

<sup>1</sup> Gain on lease extinguishment due to lease liability termination of various leased properties.

<sup>2</sup> Department of Logistics and Infrastructure repairs and maintenance service charges.

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

# Balance sheet

As at 30 June 2025

	Note	2025 \$000	2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	14	39 731	45 208
Receivables	16	29 352	26 808
<b>Total current assets</b>		<b>69 083</b>	<b>72 016</b>
<b>Non-current assets</b>			
Receivables	16	1 778	2 365
Property, plant and equipment	17, 25	644 237	627 898
Intangibles	18, 25	358 320	325 382
<b>Total non-current assets</b>		<b>1 004 335</b>	<b>955 645</b>
<b>TOTAL ASSETS</b>		<b>1 073 418</b>	<b>1 027 661</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deposits held	19	956	215
Payables	20	28 089	23 230
Borrowings and advances - lease liabilities	21	77 785	77 437
Provisions	22	23 373	22 692
Other liabilities	23	7 585	2 700
<b>Total current liabilities</b>		<b>137 788</b>	<b>126 274</b>
<b>Non-current liabilities</b>			
Borrowings and advances - lease liabilities	21	568 214	551 170
<b>Total non-current liabilities</b>		<b>568 214</b>	<b>551 170</b>
<b>TOTAL LIABILITIES</b>		<b>706 002</b>	<b>677 444</b>
<b>NET ASSETS</b>		<b>367 416</b>	<b>350 217</b>
<b>EQUITY</b>			
Capital		425 626	379 607
Accumulated funds		(58 210)	(29 390)
<b>TOTAL EQUITY</b>		<b>367 416</b>	<b>350 217</b>

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 2025

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
<b>2025</b>					
Accumulated funds		(28 607)	(28 821)	-	(57 427)
Transfers from reserves		(783)	-	-	(783)
		(29 390)	(28 821)	-	(58 210)
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation		354 892	-	30 074	384 966
Equity transfers in		104 296	-	4 273	108 569
Other equity injections		56 329	-	12 902	69 231
Equity withdrawals					
Capital withdrawal		(77 489)	-	(641)	(78 130)
Equity transfers out		(58 421)	-	(589)	(59 010)
		379 607	-	46 019	425 626
<b>Total equity at end of financial year</b>		<b>350 217</b>	<b>(28 821)</b>	<b>46 019</b>	<b>367 416</b>
<b>2024</b>					
Accumulated funds		(2 782)	(25 825)	-	(28 607)
Transfers from reserves		(783)	-	-	(783)
		(3 565)	(25 825)	-	(29 390)
<b>Capital – transactions with owners</b>					
Equity injections					
Capital appropriation		319 229	-	35 663	354 892
Equity transfers in		103 969	-	326	104 295
Other equity injections		42 014	-	14 315	56 329
Equity withdrawals					
Capital withdrawal		(76 711)	-	(778)	(77 489)
Equity transfers out		(55 134)	-	(3 286)	(58 420)
		333 367	-	46 240	379 607
<b>Total equity at end of financial year</b>		<b>329 802</b>	<b>(25 825)</b>	<b>46 240</b>	<b>350 217</b>

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 2025

	Note	2025 \$000	2024 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating receipts</b>			
Grants and subsidies received			
Capital		-	1 864
Appropriation received	5		
Output		338 081	311 065
Commonwealth (excluding capital appropriation)		7 015	-
Receipts from sales of goods and services		106 172	103 050
<b>Total operating receipts</b>		<b>451 268</b>	<b>415 979</b>
<b>Operating payments</b>			
Payments to employees		(156 902)	(142 851)
Payments for goods and services		(198 646)	(196 472)
Grants and subsidies paid			
Current		(137)	(155)
Capital		(1 750)	(3 000)
Interest paid		(19 776)	(15 621)
<b>Total operating payments</b>		<b>(377 211)</b>	<b>(358 099)</b>
<b>Net cash from/(used in) operating activities</b>	15	<b>74 057</b>	<b>57 880</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing payments</b>			
Purchases of non-financial assets		(45 659)	(55 601)
<b>Total investing payments</b>		<b>(45 659)</b>	<b>(55 601)</b>
<b>Net cash from/(used in) investing activities</b>		<b>(45 659)</b>	<b>(55 601)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing receipts</b>			
Deposits received		741	153
Equity injections			
Capital appropriation	5,15	30 074	35 663
Commonwealth capital appropriation	5,15	(1 815)	2 700
Other equity injections	15	13 400	14 968
<b>Total financing receipts</b>		<b>42 400</b>	<b>53 484</b>
<b>Financing payments</b>			
Finance Lease payments	15	(75 634)	(78 452)
Equity withdrawals	15	(641)	(778)
<b>Total financing payments</b>		<b>(76 275)</b>	<b>(79 230)</b>
<b>Net cash from/(used in) financing activities</b>	15	<b>(33 875)</b>	<b>(25 746)</b>
Net increase/(decrease) in cash held		(5 477)	(23 467)
Cash at beginning of financial year		45 208	68 675
<b>CASH AT END OF FINANCIAL YEAR</b>	14	<b>39 731</b>	<b>45 208</b>

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

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# 1. Objectives and funding

The objective of the Department of Corporate and Digital Development (DCDD) is to support all government agencies by delivering corporate and digital services, providing expert advice, developing transformative solutions and managing the Territory Government's digital environment.

In the digital services discipline, DCDD delivers a full range of digital services from network architecture and cyber security, through agency and across government digital systems management, data management and digital projects delivery, to ICT infrastructure, telecommunications and end user support.

In the corporate services discipline, DCDD provides end-to-end support services across workforce management, procurement and contract services, information management, fines recovery, along with payroll, finance services and property leasing management.

DCDD is predominantly funded by appropriations, as most services are provided to NTG agencies free of charge. However, government owned corporations and similar public trading enterprises are charged for services provided. Operations of the Fines Recovery Unit (FRU), which transferred into DCDD in September 2024, are funded by receipts from its enforcement activities, rather than appropriation.

The financial statements encompass all funds through which DCDD controls resources to carry out its functions and deliver its outputs.

Note 3 provides summary financial information in the form of an Operating Statement by output group.

## Machinery of government changes

The FRU transferred into DCDD following the Administrative Arrangement Order (AAO) in September 2024.

Other functions transferred into DCDD in the 2024–25 financial year through administrative variations during the budget cycle.

### Transfers in

Agency	Output appropriation transferred (\$000)
Northern Territory Fire and Emergency Services web services ( <i>administrative variation</i> )	205
Northern Territory Police Force various functions ( <i>administrative variation</i> )	5 767
Attorney-General's Department – DCDD Fines Recovery Unit (AAO)	2 819
<b>Total</b>	<b>8 791</b>

DCDD did not transfer any functions out in the 2024–25 financial year.

## 2. Statement of material accounting policy information

### a) Statement of compliance

These financial statements are general purpose financial statements and have been prepared in accordance with the requirements of the *Financial Management Act 1995*, related Treasurer's Directions and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. The *Financial Management Act 1995* requires the DCDD to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements should include:

- a certification of the financial statements
- a comprehensive operating statement
- a balance sheet
- a statement of changes in equity
- a cash flow statement and
- applicable explanatory notes to the financial statements.

#### **Standards and interpretations effective from 2024–25 financial year**

Several amendments and interpretations have been issued that apply to the current reporting period but are considered to have no or minimal impact on public sector reporting.

#### **Standards and interpretations issued but not yet effective**

No Australian accounting standards have been adopted early for 2024–25 financial year.

Several amendments interpretations have been issued that apply to future reporting periods but are considered to have no or minimal impact on public sector reporting.

### b) Agency and Territory items

The financial statements of DCDD include income, expenses, assets, liabilities and equity over which DCDD has control (agency items) and is able to utilise to further its own objectives. Certain items, while managed by the agency, are administered 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 30 – Schedule of administered Territory items.

### c) 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.

### d) 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 1995* 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	Corporate Support Development		Digital Government Development			Corporate and Shared Services			Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>											
Grants and subsidies revenue											
Capital	4	-	-	-	1 864	-	-	-	-	-	1 864
Appropriation	5										
Output		172 299	159 981	122 389	124 881	43 393	26 203	338 081	311 065		
Commonwealth		-	-	315	-	-	-	315	-		
Sales of goods and services	6	10 555	8 235	34 558	35 777	1 435	1 359	46 548	45 371		
Gain on lease extinguishment		3 347	-	-	-	-	-	3 347	-		
Goods and services received free of charge	7	-	-	-	-	282	229	282	229		
Other income	8	1 554	788	16 235	11 988	256	217	18 045	12 993		
<b>TOTAL INCOME</b>		<b>187 754</b>	<b>169 004</b>	<b>173 497</b>	<b>174 510</b>	<b>45 366</b>	<b>28 008</b>	<b>406 618</b>	<b>371 522</b>		
<b>EXPENSES</b>											
Employee expenses	9	74 005	68 206	75 838	69 932	8 334	5 941	158 177	144 079		
Administrative expenses											
Property management		11 489	9 783	687	406	290	228	12 466	10 417		
Purchases of goods and services	10	9 194	9 703	136 934	122 279	1 079	878	147 207	132 860		
Depreciation and amortisation	17,18	83 624	85 344	12 015	5 623	-	-	95 639	90 967		
Other administrative expenses <sup>1</sup>		-	-	4	13	282	235	286	248		
Grants and subsidies expenses											
Current	11a			137	155			137	155		
Capital	11b			1 750	3 000			1 750	3 000		
Interest expenses	12	19 776	15 621	-	-	-	-	19 776	15 621		
<b>TOTAL EXPENSES</b>		<b>198 089</b>	<b>188 657</b>	<b>227 365</b>	<b>201 408</b>	<b>9 985</b>	<b>7 282</b>	<b>435 438</b>	<b>397 347</b>		
<b>NET SURPLUS/(DEFICIT)</b>		<b>(10 334)</b>	<b>(19 653)</b>	<b>(53 868)</b>	<b>(26 898)</b>	<b>35 381</b>	<b>20 726</b>	<b>(28 820)</b>	<b>(25 825)</b>		
<b>OTHER COMPREHENSIVE INCOME</b>											
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>											
<b>COMPREHENSIVE RESULT</b>		<b>(10 334)</b>	<b>(19 653)</b>	<b>(53 868)</b>	<b>(26 898)</b>	<b>35 381</b>	<b>20 726</b>	<b>(28 820)</b>	<b>(25 825)</b>		

<sup>1</sup> Includes DLI repairs and maintenance service charges.

This comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.

DCDD is predominantly funded by parliamentary appropriations for the provision of outputs. Outputs are the services provided, or goods produced by an agency for users external to the agency. They support the delivery of the agency's objectives and or statutory responsibilities. The above table disaggregates revenue and expenses that enable delivery of services by output group which form part of the balances of the agency.

## 4. Grants and subsidies revenue

Grants revenue is recognised at fair value exclusive of GST in accordance with the requirements of AASB 15 - Revenue from Contracts with Customers or AASB 1058 - Income of Not-for-Profit Entities.

To determine if a grant should be accounted for under AASB 1058 or AASB 15, the department must determine if the relevant agreement is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing whether the performance obligations are 'sufficiently specific', the department has applied significant judgement by performing a detailed analysis of the terms and conditions contained in the grant agreement, including accompanying documentation (e.g. activity work plans) and where necessary holding discussions with relevant parties.

Income recognition from grants received by the department has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Where assessed as AASB 15, revenue is initially deferred as unearned contract revenue liability, included in Note 23 Other liabilities, when received in advance and recognised as or when the performance obligations are satisfied.

Where grant agreements do not meet criteria above, it is accounted for under AASB 1058 and is recognised upfront on receipt of funding.

Capital grants with enforceable contracts and sufficiently specific obligations are deferred as an unearned capital grants liability, included in Note 23 Other liabilities, when received and subsequently recognised progressively as revenue as or when the agency satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the point in time the asset is acquired and control transfers to the agency.

While DCDD received \$1.9 million grant revenue in 2023-24, none was recognised in 2024-25. Funds received from the Commonwealth in 2024-25 for mobile connectivity projects were recognised as unearned revenue, rather than grants and subsidies revenue, since performance obligations were not satisfied in the reporting year.

## 5. Appropriation

Appropriation recorded in the operating statement includes output appropriation and Commonwealth appropriation received for the delivery of services.

	2025			2024		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output	-	338 081	338 081	-	311 065	311 065
Commonwealth	-	315	315	-	-	-
<b>Total appropriation in the operating statement</b>	<b>-</b>	<b>338 396</b>	<b>338 396</b>	<b>-</b>	<b>311 065</b>	<b>311 065</b>

Appropriation recorded in the cashflow statement includes capital appropriation and Commonwealth capital appropriation received for the delivery of assets to be retained by the agency.

	2025			2024		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Capital	-	30 074	30 074	-	35 663	35 663
Commonwealth	5 200	-	5 200	2 700	-	2 700
<b>Total appropriation in the cashflow statement</b>	<b>5 200</b>	<b>30 074</b>	<b>35 274</b>	<b>2 700</b>	<b>35 663</b>	<b>38 363</b>

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

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 passed on to the relevant agencies as Commonwealth appropriation.

Where Commonwealth appropriation received has an enforceable contract with sufficiently specific performance obligations, the transaction is accounted for under AASB 15 as revenue from contracts with customers. In this case, revenue is recognised as and when goods and or services are transferred to the customer or third-party beneficiary. Otherwise, revenue is recognised when the agency gains control of the funds. DCDD received Commonwealth appropriation in 2024–25 to support delivery of mobile connectivity projects and digital projects.

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

## Financial statement - DCDD

	2025	2024
	\$000	\$000
<b>Type of good and service:</b>		
Regulatory services	-	-
Service delivery	-	-
Construction services	4 000	2 700
Other	1 200	-
<b>Total revenue from contracts with customers</b>	<b>5 200</b>	<b>2 700</b>
<b>Type of customer:</b>		
Commonwealth Government	-	-
State and Territory Government	-	-
Non-government entities	5 200	2 700
<b>Total revenue from contracts with customers</b>	<b>5 200</b>	<b>2 700</b>
<b>Timing of transfer of goods and services:</b>		
Overtime	5 200	2 700
Point in time	-	-
<b>Total revenue from contracts with customers</b>	<b>5 200</b>	<b>2 700</b>

## Summary of changes to budget appropriations

The following table presents changes to budgeted appropriations authorised during the current financial year together with explanations for significant changes. It compares the amounts originally identified in the *Appropriation (2024-2025) Act 2024* with revised appropriations as reported in 2025-26 Budget Paper No. 3 Agency Budget Statements and the final end of year appropriation.

The changes within this table relate only to appropriation and do not include agency revenue (for example, goods and services revenue and grants received directly by the agency) or expenditure. Refer to Note 31 Budgetary information for detailed information on variations to the agency's actual outcome compared to budget for revenue and expenses.

	Original 2024-25 budget appropriation (a)	Revised 2024-25 budget appropriation (b)	Change to budget appropriation (b-a)	Note	Final 2024-25 budget appropriation (d)	Change to budget appropriation (d-b)	Note
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Output	356 443	338 681	(17 762)	1	338 081	(600)	
Capital	16 980	29 574	12 594	2	30 074	500	
Commonwealth	-	4 500	4 500	3	4 500	-	
<b>Total appropriation</b>	<b>373 423</b>	<b>372 755</b>	<b>(668)</b>		<b>372 655</b>	<b>(100)</b>	

Output and capital appropriations reflect funding as a direct result of government-approved decisions, with actual funding received by DCDD in line with the budgeted amounts.

Commonwealth appropriation reflects funding anticipated to be received from the Commonwealth for both operational and capital purposes. As Commonwealth appropriations are largely recognised as or when performance obligations are satisfied, the actual amounts received by DCDD and reported in these financial statements may vary from the budgeted amounts reported in this table.

The following are explanations of changes over \$1 million or where there is a significant offset resulting in net changes under \$1 million.

Note 1: Mainly due to property leasing parameter adjustments, machinery of government transfers in, offset by category of cost changes and transfers between years for digital projects.

Note 2: Primarily related to category of cost adjustments to transfer operational funding to capital for digital projects.

Note 3: Funding for Regional Roads Australia Mobile Project (RRAMP) and Aged care screening project.

## 6. Sales of goods and services

	2025			2024		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Fees from regulatory services	-	2 488	2 488	-	-	-
ICT infrastructure program	-	31 100	31 100	-	30 359	30 359
Corporate services charges	-	6 867	6 867	-	8 659	8 659
Property – recovery of costs	-	4 979	4 979	-	5 304	5 304
Salary sacrifice administrative fee	-	1 114	1 114	-	1 049	1 049
<b>Total sales of goods and services</b>	-	<b>46 548</b>	<b>46 548</b>	-	<b>45 371</b>	<b>45 371</b>

### Fees from regulatory services

Revenue from regulatory fees include fees for the issue of licences and is generally recognised when the agency satisfies its performance obligations or upfront on receipt of cash for licences with a term less than 12 months or a low value of \$10,000 or less.

DCDD’s revenue from regulatory services relate to fees for the enforcement of fines and penalties by the Fines Recovery Unit. Revenue is recognised upfront on receipt of cash payments.

### Sale of goods and service delivery revenue

Sale of goods and service delivery revenue comprise income from rendering of services, and sales of goods and services. These are recognised at fair value, exclusive of GST.

#### Sales of goods

Revenue from sales of goods is recognised when DCDD satisfies a performance obligation by transferring the promised goods.

Revenue from these sales are based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is no element of financing present as sales are made with a short credit term.

DCDD sale of goods revenue includes:

**ICT infrastructure program** – a program to manage the supply of ICT hardware to agencies, including desktops, laptops, printers, telephone handsets, servers and multi-functional devices. Revenue is recognised as DCDD satisfies its performance obligation when services are performed, with the payments typically due a month after.

#### Rendering of services

Revenue from rendering of services is recognised when DCDD satisfies the performance obligation by transferring promised services.

DCDD services revenue includes:

**Corporate services charges** – services are billed to agencies through a costing allocation model which covers the wide range of corporate services that DCDD provides. Data on services performed for each NTG agency is collected on a monthly basis and applied to determine agency charges. Revenue is recognised as DCDD satisfies its performance obligation when services are performed for agencies. Where payments are required, the payments are typically due a month after being charged.

**Property – recovery of costs** – includes funds received from agencies for rent, cleaning, security and management fees. Revenue is recognised as DCDD satisfies its performance obligation when these services are performed, with the payments typically due a month after.

**Salary sacrifice administrative fee** – fees charged by DCDD for the work undertaken to facilitate personal salary packaging arrangements for NTPS employees. Revenue is recognised as DCDD satisfies its performance obligation when these services are performed, with the payments typically due a month after.

## 7. Goods and services received free of charge

	2025	2024
	\$000	\$000
Repairs and maintenance - DLI Notional Charges	282	229
<b>Total goods and services received free of charge</b>	<b>282</b>	<b>229</b>

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

Repairs and maintenance expenses incurred on the agency's assets and costs associated with administration of these expenses are centralised and in the Department of Logistics and Infrastructure on behalf of the agency, and form part of goods and services received free of charge by the agency.

## 8. Other income

	2025			2024		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Miscellaneous revenue - ICT Services	-	4 016	4 016	-	3 215	3 215
Miscellaneous revenue - Digital Services (projects)	-	12 220	12 220	-	7 654	7 654
Miscellaneous revenue - other	-	1 809	1 809	-	2 124	2 124
<b>Total other income</b>	<b>-</b>	<b>18 045</b>	<b>18 045</b>	<b>-</b>	<b>12 993</b>	<b>12 993</b>

### Miscellaneous revenue

Miscellaneous revenue includes reimbursements, and project cost recoveries. Where funding is received for agreements that are enforceable and contain sufficiently specific performance obligations for the agency to transfer goods or services to the grantor or third-party beneficiary, the transaction is accounted for under AASB 15 as revenue from contracts with customers. Where this criterion is not met, revenue is generally accounted for under AASB 1058 and income is generally recognised upfront on receipt of funding.

DCDD pays for goods and services on behalf of other agencies and these expense recoveries primarily includes management costs for digital projects.

DCDD satisfies performance obligations when the goods or services have been completely delivered. Subsequently, DCDD recovers the expenditure from agencies through the issuance of invoices, with revenue recognised when payment is received.

## 9. Employee benefits expense

	2025	2024
	\$000	\$000
Salaries and wages	134 181	122 385
Long service leave	(64)	(107)
Superannuation expenses	15 214	13 620
Workers compensation	-	-
Fringe benefits tax	404	359
Payroll tax	8 442	7 822
<b>Total employee benefits expense</b>	<b>158 177</b>	<b>144 079</b>

The number of full-time equivalent employees for 2024–25 was 1,161 (2023–24: 1,159).

Salaries and wages are recognised in the reporting period when the employee renders services to the Territory Government. It includes recreation leave, labour hire costs, allowances and other benefits, which are recognised in the reporting period when employees are entitled to the benefit or when incurred.

The recognition and measurement policy for employee benefits is detailed in Note 20: Payables and Note 22: Provisions.

## 10. Purchases of goods and services

	2025	2024
	\$000	\$000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
<b>Goods and services expenses:</b>		
Information technology charges and communications <sup>1</sup>	133 235	120 978
Telecommunications	1 821	1 703
Contractors and Consultants <sup>2</sup>	4 477	3 704
Advertising <sup>3</sup>	7	9
Marketing and promotion <sup>4</sup>	155	233
Document production	4	2
Legal expenses <sup>5</sup>	923	577
Recruitment <sup>6</sup>	59	168
Training and study	1 432	1 039
Official duty fares	370	184
Travelling allowance	88	88
Equipment expenses – other	422	402
Other	4 215	3 773
<b>Total purchases of goods and services</b>	<b>147 207</b>	<b>132 860</b>

<sup>1</sup> Includes ICT hardware and software, ICT contractors and consultants, and IT charges.

<sup>2</sup> Includes other contractors and consultants.

<sup>3</sup> Does not include recruitment advertising or marketing and promotion advertising.

<sup>4</sup> Includes advertising for marketing and promotion, but excludes marketing and promotion consultants expenses, which are incorporated in the contractors and consultants category.

<sup>5</sup> Includes legal fees, claim and settlement costs.

<sup>6</sup> Includes recruitment-related advertising costs.

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

# 11. Grant and subsidies expenses

## a) Current grant and subsidy expense

	2025	2024
	\$000	\$000
<b>Current grants</b>		
Private and not-for-profit sector	137	155
<b>Total current grants</b>	<b>137</b>	<b>155</b>
<b>Total current grant and subsidy expense</b>	<b>137</b>	<b>155</b>

Current grants expenses are intended to finance the current activities of the recipient for which no economic benefits of equal value are receivable in return. Current grant expense for DCDD in 2024–25 relates to telecommunications projects.

Subsidies are payments aimed at reducing all or part of the costs of an activity. DCDD did not provide any subsidies in the 2024–25 and 2023–24 financial years.

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

## b) Capital grant expense

	2025	2024
	\$000	\$000
Local government	-	500
Private and not-for-profit sector	1 750	2 500
<b>Total</b>	<b>1 750</b>	<b>3 000</b>

Capital grant expenses are transfers made to a recipient for the purpose of acquiring or constructing a new physical asset or upgrading an existing physical asset, for which no economic benefits of equal value are receivable in return. It also includes the transfer of existing agency assets to another entity for which no economic benefits of equal value are receivable in return. Capital grant expenses for DCDD largely comprise of broadband network and mobile connectivity projects in the Northern Territory.

Capital grant expenses are recognised in the reporting period in which they are paid or payable, exclusive of the amount of GST. Where an existing agency asset is transferred to a recipient, the transaction is recognised when the agency transfers control of asset to the recipient.

## 12. Interest expenses

	2025	2024
	\$000	\$000
Interest from lease liabilities	19 776	15 621
<b>Total</b>	<b>19 776</b>	<b>15 621</b>

Interest expenses for DCDD relates to lease liabilities in accordance with AASB 16 - Leases.

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

The following table presents all write-offs, waivers, postponements, gifts and ex gratia payments approved under the *Financial Management Act 1995* (FMA) or other legislation that the agency administers.

	Agency				Territory items				Note
	2025 \$000	No. of trans.	2024 \$000	No. of trans.	2025 \$000	No. of trans.	2024 \$000	No. of trans.	
<b>Authorised under the <i>Financial Management Act 1995</i></b>									
<b><i>Write offs, postponements and waivers approved by the Treasurer</i></b>									
Irrecoverable money written off	-	-	-	-	-	-	-	-	
Losses or deficiencies of money written off	-	-	5	1	-	-	-	-	1
Value of public property written off	-	-	-	-	-	-	-	-	
Postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-	
Waiver of right to receive or recover money or property	-	-	-	-	-	-	-	-	
<b>Total write offs, postponements and waivers approved by the Treasurer</b>	-	-	<b>5</b>	<b>1</b>	-	-	-	-	
<b><i>Write offs, postponements and waivers approved by delegates</i></b>									
Irrecoverable money written off	-	-	-	-	-	-	-	-	
Losses or deficiencies of money written off	1	1	-	-	-	-	-	-	
Value of public property written off	4	2	13	4	-	-	-	-	
Postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-	
Waiver of right to receive or recover money or property	-	-	-	-	-	-	-	-	
<b>Total written off, postponed and waived approved by delegates</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>4</b>	-	-	-	-	
<b>Total write-offs, postponements and waivers</b>	<b>5</b>	<b>3</b>	<b>18</b>	<b>5</b>	-	-	-	-	

Notes (write-off):

1. Relates to loss of money due to an irrecoverable salary overpayment.

DCDD had no waivers, postponements, gifts and ex gratia payments for the 2024–25 financial year.

## Write-off

Write-offs reflect the removal from accounting records the value of public money or public property owing to, or loss sustained by the Territory or agency. It refers to circumstance where the Territory or an agency has made all attempts to pursue the debt, however, is deemed irrecoverable due to reasons beyond the Territory or an agency's control. Write-offs result in no cash outlay and are accounted for under 'Other administrative expenses' in the comprehensive operating statement.

## Waiver

Waivers reflect the election to forgo a legal right to recover public money or receive public property. Once agreed with and communicated to the debtor, it will have the effect of extinguishing the debt and renouncing the right to any future claim on that public money or public property. Waivers result in no cash outlay and are accounted for under 'Current grants and subsidies expense' in the comprehensive operating statement.

## Postponement

A postponement is a deferral of a right to recover public money or receipt of public property from its due date. This has no effect on revenues or expenses recognised but may affect cash inflows or assets in use.

## Gifts

A gift is an asset or property, deemed surplus to government's requirements, transferred to a suitable recipient, without receiving any consideration or compensation, and where there is no constructive or legal obligation for the transfer. Gifted property is accounted under 'Other administrative expenses' in the comprehensive operating statement.

## Ex gratia

Ex gratia payments or act-of-grace payments are gratuitous payments where no legal obligation exists. Ex gratia payments can only be approved by the Treasurer. Ex gratia payments result in cash outlay and are accounted for under 'Purchases of goods and services' in the comprehensive operating statement.

## 14. Cash and deposits

	2025	2024
	\$000	\$000
Cash on hand	30	32
Cash at bank	39 701	45 176
<b>Total cash and deposits</b>	<b>39 731</b>	<b>45 208</b>

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 19.

## 15. Cash flow reconciliation

### a) Reconciliation of cash

The total of agency 'Cash and deposits' of \$39.7 million recorded in the balance sheet is consistent with that recorded as 'Cash' in the cash flow statement.

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

	2025	2024
	\$000	\$000
<b>Net surplus/(deficit)</b>	(28 820)	(25 825)
<i>Non-cash items:</i>		
Depreciation and amortisation	95 639	90 967
Asset write-offs/write-downs	4	13
Gain/loss on disposal of assets	(3 347)	-
<i>Changes in assets and liabilities:</i>		
Decrease/increase in receivables	(1 957)	(591)
Decrease/increase in payables	5 157	(7 633)
Decrease/increase in provision for employee benefits	522	673
Decrease/increase in other provisions	159	276
Decrease/increase in other liabilities	6 700	-
<b>Net cash from/(used in) operating activities</b>	<b>74 057</b>	<b>57 880</b>

## b) Reconciliation of liabilities arising from financing activities

	Cash flows						Other		
	1 July	Equity injection/ withdrawal	Appropriation	Lease liabilities repayments	Deposit received	Total cash flows	Other	Total other	30 June
<b>2025</b>		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	215	-	-	-	741	741	-	-	956
Provisions	22 692	-	-	-	-	-	681	681	23 373
Lease liabilities	628 607	-	-	(75 634)	-	(75 634)	93 026	93 026	645 999
Other	379 607	12 759	28 259	-	-	41 018	5 001	5 001	425 626
<b>Total</b>	<b>1 031 121</b>	<b>12 759</b>	<b>28 259</b>	<b>(75 634)</b>	<b>741</b>	<b>(33 875)</b>	<b>98 708</b>	<b>98 708</b>	<b>1 095 954</b>

	Cash flows						Other		
	1 July	Equity injection/ withdrawal	Appropriation	Lease liabilities repayments	Deposit received	Total cash flows	Other	Total other	30 June
<b>2024</b>		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	62	-	-	-	153	153	-	-	215
Provisions	21 742	-	-	-	-	-	950	950	22 692
Lease Liabilities	595 273	-	-	(78 452)	-	(78 452)	111 786	111 786	628 607
Other <sup>1</sup>	333 367	14 190	38 363	-	-	52 553	(6 313)	(6 313)	379 607
<b>Total</b>	<b>950 444</b>	<b>14 190</b>	<b>38 363</b>	<b>(78 452)</b>	<b>153</b>	<b>(25 746)</b>	<b>106 423</b>	<b>106 423</b>	<b>1 031 121</b>

<sup>1</sup> Prior year figures for equity injections/withdrawal were amended from the published version to reflect correct reconciliation.

## c) Non-cash financing and investing activities

### Lease transactions

During the financial year, DCDD recorded right-of-use asset for property leases in buildings for \$10 million (2024: \$76 million).

## 16. Receivables

	2025	2024
	\$000	\$000
<b>Current</b>		
Accounts receivable	2 575	1 596
Less: loss allowance	-	-
	2 575	1 596
Interest receivables	-	-
GST receivables	3 489	2 809
Prepayments	22 954	21 586
Other receivables	334	817
	29 352	26 808
<b>Non-current</b>		
Prepayments	1 778	2 365
Other receivables	-	-
	1 778	2 365
<b>Total receivables</b>	<b>31 130</b>	<b>29 173</b>

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

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

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful.

## Accrued contract revenue

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

DCDD has no accrued contract revenues.

## Prepayments

Prepayments represent payments made in advance of receipt of goods and services. Prepayments are recognised on an accrual basis and amortised over the period in which the economic benefits from these assets are received. DCDD prepayments relate to ICT products, which include hardware, software, licences and related support services.

## Credit risk exposure of receivables

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

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information, including macroeconomic factors.

In accordance with the provisions of the FMA, receivables are written off when based on demonstrated actions to collect, there is no reasonable expectation of recovery for reasons beyond the agency's control.

The loss allowance for receivables at reporting date represents the amount of receivables the agency estimates is likely to be uncollectible and is considered doubtful. Ageing analysis as at the reporting date are disclosed below. DCDD recognised no loss allowance for receivables for 2024-25 and 2023-24 from the assessment of expected credit losses.

Internal receivables reflect amounts owing from entities controlled by the Northern Territory Government (NTG) such as other agencies, government business divisions and government owned corporations. External receivables reflect amounts owing from third parties which are external to NTG.

Ageing analysis

Internal receivables	2025				2024			
	Gross receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
Not overdue	1 394	-	-	1 394	1 435	-	-	1 435
Overdue for less than 30 days	67	-	-	67	119	-	-	119
Overdue for 30 to 60 days	23	-	-	23	22	-	-	22
Overdue for more than 60 days	1 023	-	-	1 023	-	-	-	-
<b>Total internal receivables</b>	<b>2 507</b>	<b>-</b>	<b>-</b>	<b>2 507</b>	<b>1 576</b>	<b>-</b>	<b>-</b>	<b>1 576</b>
<b>External receivables</b>								
Not overdue	1	-	-	1	-	-	-	-
Overdue for less than 30 days	22	-	-	22	-	-	-	-
Overdue for 30 to 60 days	8	-	-	8	-	-	-	-
Overdue for more than 60 days	37	-	-	37	20	-	-	20
<b>Total external receivables</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>

Total amounts disclosed exclude statutory amounts and prepayments as these do not meet the definition of a financial instrument and therefore will not reconcile the receivables note. It also excludes accrued contract revenue where no loss allowance has been provided.

## Reconciliation of loss allowance for receivables

DCDD recognised no loss allowance for receivables for 2024–25 and 2023–24 from the assessment of expected credit losses.

# 17. Property, plant and equipment

## Total property, plant and equipment

	2025	2024
	\$000	\$000
<b>Construction (work in progress)</b>		
At capitalised cost	11	326
	11	326
<b>Plant and equipment</b>		
At fair value	45 608	37 425
Less: accumulated depreciation	(18 584)	(15 478)
	27 024	21 947
<b>Computer hardware</b>		
At cost	16 407	15 151
Less: accumulated depreciation	(12 476)	(11 717)
	3 931	3 434
<b>Transport Equipment</b>		
At fair value	32	-
Less: accumulated depreciation	(13)	-
	19	-
<b>Leased property, plant and equipment</b>		
At capitalised cost	897 491	887 623
Less: accumulated depreciation	(284 239)	(285 432)
	613 252	602 191
<b>Total property, plant and equipment</b>	<b>644 237</b>	<b>627 898</b>

## Reconciliation of carrying amount of property, plant and equipment

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

	Computer hardware	Transport Equipment	Plant and equipment	Construction (WIP) Infrastructure	Leased property, plant and equipment	Total
<b>2025</b>	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July	3 434	-	21 947	326	602 191	627 898
Additions	189	-	-	-	82 445	82 634
Disposals	-	-	-	-	(498)	(498)
Depreciation expense – asset owned	(1 791)	(4)	(3 142)	-	-	(4 937)
Amortisation expense – right-of-use asset	-	-	-	-	(80 568)	(80 568)
Additions/disposals from administrative restructuring	-	-	-	-	-	-
Additions/disposals from asset transfers	2 100	23	8 221	(315)	(4 245)	5 784
Revaluation increments/decrements	-	-	-	-	13 928	13 928
Impairment losses reversed	(2)	-	(3)	-	-	(5)
<b>Carrying amount as at 30 June</b>	<b>3 931</b>	<b>19</b>	<b>27 024</b>	<b>11</b>	<b>613 252</b>	<b>644 237</b>

	Computer hardware	Transport Equipment	Plant and equipment	Construction (WIP) Infrastructure	Leased property, plant and equipment	Total
<b>2024</b>	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July	3 731	-	25 541	22	575 014	604 308
Additions	2 400	-	(2 095)	-	54 934	55 239
Disposals	-	-	-	-	(8 747)	(8 747)
Depreciation expense – asset owned	(2 574)	-	(2 628)	-	-	(5 202)
Amortisation expense – right-of-use asset	-	-	-	-	(82 847)	(82 847)
Additions/disposals from administrative restructuring	-	-	-	-	-	-
Additions/disposals from asset transfers	(114)	-	1 133	304	-	1 323
Revaluation increments/decrements	-	-	-	-	65 598	65 598
Impairment losses reversed	(9)	-	(4)	-	-	(13)
Lease incentives	-	-	-	-	(1 761)	(1 761)
<b>Carrying amount as at 30 June</b>	<b>3 434</b>	<b>-</b>	<b>21 947</b>	<b>326</b>	<b>602 191</b>	<b>627 898</b>

## Acquisitions

Property, plant and equipment are initially recognised at cost.

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.

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

## Construction (work in progress)

As part of the financial management framework, Department of Logistics and Infrastructure (DLI) is responsible for managing general government capital works projects on a whole of government basis. Therefore, appropriation for capital works is provided directly to DLI and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to the agency.

## Revaluation of assets

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

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less depreciation, which is deemed to equate to fair value.

## Depreciation and amortisation expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated using the straight-line method over their estimated useful lives. Assets are depreciated from the date of acquisition or from the time an asset is completed and held ready for use.

The estimated useful lives for each class of asset are in accordance with the agency's determination as follows:

	2025	2024
Plant and equipment	10 years	10 years
Leased plant and equipment	5 years	5 years
Right of use	2 to 15 years	2 to 15 years
Computer hardware	3 to 6 years	3 to 6 years

## Right-of-use asset

The agency assesses at contract inception whether a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and hence contains a lease.

The agency recognises lease liabilities representing an obligation to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The agency recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use).

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If ownership of the leased asset transfers to the agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are subsequently measured at fair value which approximates costs less accumulated amortisation and accumulated impairment losses.

Right-of-use assets are subject to remeasurement principles consistent with the lease liability. This includes applying indexation and market rent review. Right-of-use assets are also revalued where a trigger or event may indicate their carrying amount does not equal fair value.

The agency applies the inter-governmental leases recognition exemption as per the Treasurer's Direction – Leases and recognises these as an expense on a straight-line basis over the lease term. These largely relate to the lease of:

- motor vehicles from NT Fleet
- training centres with the Department of Education and Training
- government centres with the Department of Logistics and Infrastructure.

### Leases that have significantly below-market terms and conditions principally to enable the agency to further its objectives

The agency has 2 peppercorn leases (\$1 per annum), as follows:

- Palmerston Leisure Centre has an initial lease term of 3 years with a 2 year option and is being utilised as a Youth Drop-in Centre. The expiry date for this lease is 30 June 2026.
- Part Lot 837 (A) Wurrumiyanga has an initial lease term of 3 years with a 2 year option and is being utilised as hybrid office and short-term accommodation space to conduct regional operations and service delivery hub for Department of the Chief Minister and Cabinet. The expiry date for this lease is 30 June 2026.

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the agency to further its objectives, are measured at cost and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The following amounts were recognised in the comprehensive operating statement for the year in respect of leases where the agency is the lessee:

	2025	2024
	\$000	\$000
Depreciation expense of right-of-use assets	80 568	82 847
Interest expense on lease liabilities	19 776	15 621
Expense relating to short-term leases	3 286	1 599
Expense relating to leases of low-value assets	-	-
Variable lease payments, not included in the measurement of lease liabilities	-	-
Intergovernmental leases (not applicable to GBDs)	366	348
Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
<b>Total amount recognised in the comprehensive operating statement</b>	<b>103 996</b>	<b>100 415</b>

# 18. Intangibles

## a) Total intangibles

	2025	2024
	\$'000	\$'000
<b>Intangibles with a finite useful life</b>		
<b>Computer software</b>		
Gross carrying amount	109 896	25 375
Less: accumulated amortisation	(30 791)	(21 472)
Carrying amount at 30 June	79 105	3 903
<b>Software work in progress</b>		
At capitalised cost	279 215	321 479
<b>Total intangibles</b>	<b>358 320</b>	<b>325 382</b>

Intangible assets for DCDD are comprised of computer software.

Intangible assets are initially measured at cost. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

Intangible assets arising from configuration and customisation costs for an application software in a Software-as-a-Service (SaaS) arrangement are only recognised where the services create a separately identifiable software code from which the agency has the power to both obtain the future economic benefits and restrict others' access to those benefits.

There is no active market for any of the agency's intangible assets. As such, intangible assets are subsequently recognised and carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangibles with limited useful lives are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised.

The estimated useful lives for finite intangible assets are in accordance with agency's determination as follows:

	2025	2024
Computer software – general (off the shelf)	2 to 5 years	2 to 5 years
Computer software – corporate systems	2 to 20 years <sup>1</sup>	5 to 10 years

<sup>1</sup> Useful life of finite intangible assets was revised in accordance with DCDD Non-financial Assets Policy – Intangibles (2025).

Intangible assets with finite useful life are assessed for indicators of impairment on an annual basis. If any indicator of impairment exists, the agency determines the asset's recoverable amount. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Agency intangible assets were assessed for impairment as at 30 June 2025. No impairment adjustments were required as a result of this review.

## b) Reconciliation of carrying amount of intangibles

	Computer software	Software work in progress	Total
2025	\$000	\$000	\$000
<b>Intangibles with a finite useful life</b>			
Carrying amount at 1 July	3 903	321 479	325 382
Additions	-	45 172	45 172
Disposals	-	-	-
Additions/disposals from administrative restructuring	-	-	-
Additions/disposals) from asset transfers	85 336	(87 436)	(2 100)
Amortisation	(10 134)	-	(10 134)
<b>Carrying amount as at 30 June</b>	<b>79 105</b>	<b>279 215</b>	<b>358 320</b>

  

	Computer software	Software work in progress	Total
2024	\$000	\$000	\$000
<b>Intangibles with a finite useful life</b>			
Carrying amount at 1 July	6 742	269 435	276 177
Additions	79	55 217	55 296
Disposals	-	-	-
Additions/disposals from administrative restructuring	-	-	-
Additions/disposals) from asset transfers	(2 918)	(3 173)	(6 091)
<b>Carrying amount as at 30 June</b>	<b>3 903</b>	<b>321 479</b>	<b>325 382</b>

## 19. Deposits held

	2025	2024
	\$000	\$000
Accountable officer's trust account	610	-
Clearing money	247	215
Other	99	-
<b>Total deposits held</b>	<b>956</b>	<b>215</b>

Deposits held mainly comprise Accountable Officer's Trust Account (AOTO), clearing money and other deposits held.

The AOTO holds trust monies established under legislation held by the by the agency on behalf of others for a specific purpose and not for use in operations of government. These primarily include collections by the Fines Recovery Unit (FRU) and unrepresented cheques.

Clearing money is public money in transit that is payable to another entity. These funds typically do not contribute to the operations of the agency. Clearing money balances for DCDD relate to taxation activities.

Other deposits held comprise FRU receipts for victim's levy due to be paid out in the next financial year.

## 20. Payables

	2025	2024
	\$000	\$000
Accounts payable	2 485	3 882
Accrued salaries and wages	3 776	3 185
Other accrued expenses	21 828	15 865
Other payables	-	298
<b>Total payables</b>	<b>28 089</b>	<b>23 230</b>

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

Salaries and wages that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the amounts expected to be paid.

## 21. Borrowings and advances – lease liabilities

	2025	2024
	\$000	\$000
<b>Current</b>		
Lease liabilities	77 785	77 437
	<b>77 785</b>	<b>77 437</b>
<b>Non-current</b>		
Lease liabilities	568 214	551 170
	<b>568 214</b>	<b>551 170</b>
<b>Total lease liabilities</b>	<b>645 999</b>	<b>628 607</b>

At the commencement date of the lease where the agency is the lessee, the agency recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Variable lease payments which depend on an index or a rate are included in the lease liabilities, otherwise, are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the agency's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

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After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The following table presents liabilities under leases.

	2025	2024 <sup>1</sup>
	\$000	\$000
Balance at 1 July	628 607	595 273
Additions/remeasurements	93 027	111 786
Interest expenses	19 776	15 621
Payments	(95 411)	(94 073)
<b>Balance at 30 June</b>	<b>645 999</b>	<b>628 607</b>

<sup>1</sup> Prior year figures have been amended from the published version to reflect correct reconciliation.

The agency had total cash outflows for leases of \$95.4 million in 2025 (\$94.1 million in 2024).

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

	2025		2024	
	Internal	External	Internal	External
Not later than one year	789	1 483	687	496
Later than one year and not later than 5 years	518	-	534	-
Later than 5 years	-	-	1	-
	<b>1 307</b>	<b>1 483</b>	<b>1 222</b>	<b>496</b>

## 22. Provisions

	2025	2024
	\$000	\$000
<b>Current</b>		
<i>Employee benefits</i>		
Recreation leave	17 347	16 940
Leave loading	2 264	2 105
Recreation leave airfares	79	122
Other provisions	3 683	3 525
	<b>23 373</b>	<b>22 692</b>
<b>Total Provisions</b>	<b>23 373</b>	<b>22 692</b>

### Employee benefits

Provision for employee benefits include wages and salaries and recreation leave accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of recreation leave and other employee benefit liabilities that fall due within 12 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 12 months of the reporting date are measured at present value of estimated future cash flows, calculated using the appropriate government bond rate and taking into consideration expected future salary and wage levels, experience of employee departures and periods of service.

All recreation leave is classified as a current liability.

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

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including DCDD, and therefore no long service leave liability is recognised within these 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 agency 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 therefore not recognised in agency financial statements.

## 23. Other liabilities

	2025	2024
	\$000	\$000
<b>Other liabilities</b>		
<b>Current</b>		
Unearned contract revenue liability	6 700	-
Unearned capital grants liability	885	2 700
	<b>7 585</b>	<b>2 700</b>
<b>Total other liabilities</b>	<b>7 585</b>	<b>2 700</b>

### Unearned contract revenue liability

Unearned contract revenue liability relates to consideration received in advance from Commonwealth grants to support delivery of mobile connectivity to regional and remote communities of the Northern Territory. Funds amounting to \$4.0 million were received in 2024–25, combined with a \$2.7 million transfer from unearned capital grants liability, comprise the \$6.7 million balance of unearned contract revenue liability as at 30 June 2025. No revenue was recognised in 2024–25 financial year since no performance obligation was fulfilled in the reporting year, and expenditure will commence in 2025–26.

The agency anticipates to recognise as revenue, unearned contract revenue liability in accordance with the time bands below:

	2025	2024
	\$000	\$000
Not later than one year	5 500	-
Later than one year and not later than 5 years	1 200	-
Later than 5 years	-	-
<b>Total</b>	<b>6 700</b>	<b>-</b>

### Unearned capital grants liability

Unearned capital grants liability relates to contributions to enable the agency to acquire or construct a non-financial asset to be controlled by the agency, received in advance of the agency satisfying the performance obligation. The unearned capital grants liability balance is predominantly made up of funding for the Aged Care Screening project and National Healthcare ID project.

The table below is a reconciliation of unearned capital grants liability.

	2025	2024
	\$000	\$000
Carrying amount at 1 July	2 700	-
Less: transfer to unearned contract revenue liability	(2 700)	-
Add: receipt of cash during the financial year	885	2 700
Less: income recognised during the financial year	-	-
<b>Carrying amount at 30 June</b>	<b>885</b>	<b>2 700</b>

The agency anticipates to recognise capital grant revenue, for unearned capital grants liability in accordance with the time bands below:

	2025	2024
	\$000	\$000
Not later than one year	885	2 700
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>885</b>	<b>2 700</b>

## 24. Capital commitments<sup>1</sup>

Capital commitments represent future obligations or cash outflows primarily related to the construction of assets that can be reliably measured and arise out of a contractual arrangement and typically binds the agency to performance conditions. Commitments are not recognised as liabilities on the balance sheet.

Commitments may extend over multiple reporting periods and may result in payment of compensation or return of funds if obligations are breached.

Capital expenditure commitments primarily relate to hardware/software for digital projects.

These contracts are expected to be payable as follows:

	2025	2024
	\$000	\$000
Not later than one year	14 813	62 141
Later than one year and not later than 5 years	45 927	6 970
Later than 5 years	-	-
<b>Total capital expenditure commitments (exclusive of GST)</b>	<b>60 740</b>	<b>69 111</b>
<i>Plus: GST recoverable</i>	6 074	6 911
<b>Total capital expenditure commitments (inclusive of GST)</b>	<b>66 814</b>	<b>76 022</b>

<sup>1</sup> Excludes amounts recognised as unearned revenue in the agency's financial records.

## 25. Fair value measurement

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

DCDD's property, plant and equipment, computer software and computer hardware are recognised at cost less depreciation or amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

## 26. 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.

DCDD's financial instruments include cash and deposits, receivables, payables and finance lease liabilities. It excludes statutory receivables arising from taxes including tax receivables, GST input tax credits recoverable, and fines and penalties, which do not meet the definition of financial instruments as per AASB 132 - Financial instruments: Presentation.

DCDD has limited exposure to financial risks as discussed below.

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

### a) Categories of financial instruments

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

	Category	2025 \$000	2024 \$000
Cash and deposits	Amortised cost	39 731	45 208
Receivables <sup>1</sup>	Amortised cost	2 575	1 596
<b>Total financial assets</b>		<b>42 306</b>	<b>46 804</b>
Deposits held <sup>1</sup>	Amortised cost	247	215
Payables <sup>1</sup>	Amortised cost	2 485	4 180
Lease liabilities	Amortised cost	645 999	628 607
<b>Total financial liabilities</b>		<b>648 731</b>	<b>633 002</b>

<sup>1</sup>Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

#### Financial assets at amortised cost

Financial assets categorised at amortised cost are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

The agency's financial assets categorised at amortised cost include cash and deposits and receivables.

## Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. The agency's financial liabilities categorised at amortised cost include all accounts payable, deposits held and lease liabilities.

### b) Credit risk

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

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 creditworthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

Credit risk relating to receivables is disclosed in Note 16.

### c) Liquidity risk

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

The following tables detail the agency's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet, which are based on discounted cash flows.

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### Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
2025	\$000	\$000	\$000	\$000	\$000
<b>Liabilities</b>					
Deposits held <sup>1</sup>	247	247			247
Payables <sup>1</sup>	2 485	2 485			2 485
Lease liabilities	645 999	97 410	331 105	325 672	754 187
<b>Total financial liabilities</b>	<b>648 731</b>	<b>100 142</b>	<b>331 105</b>	<b>325 672</b>	<b>756 919</b>

<sup>1</sup> Amounts disclosed exclude statutory amounts and accruals (such as AOTA, accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not reconcile the balance sheet.

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
2024	\$000	\$000	\$000	\$000	\$000
<b>Liabilities</b>					
Deposits held <sup>1</sup>	215	215			215
Payables <sup>1</sup>	4 180	4 180			4 180
Lease liabilities	628 607	92 716	327 432	285 936	706 084
<b>Total financial liabilities</b>	<b>633 002</b>	<b>97 111</b>	<b>327 432</b>	<b>285 936</b>	<b>710 479</b>

<sup>1</sup> Amounts disclosed exclude statutory amounts and accruals (such as AOTA, accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not reconcile the balance sheet.

## d) Market risk

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

### i. Interest rate risk

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

DCDD is not exposed to interest rate risk as agency financial assets and financial liabilities, with the exception of leases are non-interest bearing. Lease arrangements are established on a fixed interest rate and therefore do not expose DCDD to interest rate risk.

### ii. Price risk

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

### iii. Currency risk

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

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

## 27. Related parties

### a) Related parties

DCDD 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
- close family members of the portfolio minister or KMP including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMPs or the portfolio minister or controlled or jointly controlled by their close family members.

### b) Key management personnel

Key management personnel of DCDD are those persons having authority and responsibility for planning, directing and controlling the activities of DCDD. KMPs for DCDD include the Minister, the Chief Executive Officer, members of the Executive Management Board (EMB), and members of the Finance Governance Committee (FGC).

### c) Remuneration of key management personnel

The details below exclude the salaries and other benefits of the Minister as the Minister's remunerations and allowances are payable by the Department of the Legislative Assembly and are consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of DCDD is set out below:

	2025	2024
	\$000	\$000
Short-term benefits	3 837	3 572
Post-employment benefits	393	392
Long-term benefits	-	-
Termination benefits	-	-
<b>Total remuneration of key management personnel</b>	<b>4 230</b>	<b>3 964</b>

## d) 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.

<b>2025</b>	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
Related party	\$000	\$000	\$000	\$000
<i>All NTG departments</i>	141 319	37 358	2 672	4 268

  

<b>2024</b>	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
Related party	\$000	\$000	\$000	\$000
<i>All NTG departments</i>	134 542	36 863	2 298	4 804

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

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. DCDD had no other related party transactions in excess of \$10,000.

## 28. Contingent liabilities and contingent assets

DCDD had no contingent liabilities or contingent assets in 2024-25 and 2023-24.

## 29. Events subsequent to balance date

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

## 30. Schedule of administered Territory items

In addition to operating revenues controlled and utilised by an agency to fund its activities that are included in the financial statements, the agency also acts on behalf of the Territory Government in the management of administered items. These include fines, penalties and fees from regulatory services. DCDD is unable to use administered items to further its own objectives without authorisation.

Administered items are transferred to and reported by the Central Holding Authority, as the parent entity of government. Administered income and expenses are not recognised in the agency's operating statement but are reported separately in accordance with Australian accounting standards.

The following Territory items are managed by DCDD on behalf of the government and are recorded in the Central Holding Authority (refer to Note 2d).

	2025	2024
	\$000	\$000
<b>TERRITORY INCOME AND EXPENSES</b>		
<b>Income</b>		
Other income	15 420	-
<b>Total income</b>	15 420	-
<b>Expenses</b>		
Other administrative expenses	15 420	-
<b>Total expenses</b>	15 420	-
<b>Territory income less expenses</b>	-	-

Territory items relate to the Fines Recovery Unit which transferred to DCDD in September 2024. Comparative data is not available.

## 31. Budgetary information

The following tables present the variation between the 2024–25 original budgeted financial statements, as reported in 2024–25 Budget Paper No. 3 Agency Budget Statements and the 2024–25 actual amounts reported in the financial statements, together with explanations for significant variations.

The variations within these tables do not include changes to budgeted appropriations from 2024–25 original budget to 2024–25 final budget. Refer to Note 5a for summary changes to budget appropriations.

### Comprehensive Operating Statement

	2025 Actual	2025 Original budget	Variance	Note
	\$000	\$000	\$000	
<b>INCOME</b>				
Appropriation				
Output	338 081	356 443	(18 362)	
Commonwealth	315	-	315	
Sales of goods and services	46 548	49 549	(3 001)	
Interest revenue	3 347	-	3 347	1
Goods and services received free of charge	282	321	(39)	
Other income	18 045	7 723	10 322	2
<b>TOTAL INCOME</b>	<b>406 618</b>	<b>414 036</b>	<b>(7 418)</b>	
<b>EXPENSES</b>				
Employee expenses	158 177	143 006	(15 171)	
Administrative expenses				
Purchases of goods and services	159 673	195 476	35 803	
Depreciation and amortisation	95 639	88 835	(6 804)	
Other administrative expenses	286	321	35	
Grants and subsidies expenses				
Current	137	1 225	1 088	3
Capital	1 750	1 864	114	
Interest expenses	19 776	20 278	502	
<b>TOTAL EXPENSES</b>	<b>435 438</b>	<b>451 005</b>	<b>15 567</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>(28 820)</b>	<b>(36 969)</b>	<b>8 149</b>	
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>COMPREHENSIVE RESULT</b>	<b>(28 820)</b>	<b>(36 969)</b>	<b>8 149</b>	

Notes:

The following note descriptions relate to variances greater than 20%.

1. Variance relates to gains from termination of various leased properties.
2. Increase in other income primarily reflects higher than anticipated cost recovery of \$9.2 million for digital projects undertaken on behalf of agencies and \$1.1 million for electricity, courier services and training courses.
3. Relates to unspent grants.

## Balance Sheet

	2025 Actual	2025 Original budget	Variance	Note
	\$000	\$000	\$000	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and deposits	39 731	16 082	23 649	1
Receivables	6 398	8 137	(1 739)	2
Prepayments	22 954	18 472	4 482	3
<b>Total current assets</b>	<b>69 083</b>	<b>42 691</b>	<b>26 392</b>	
<b>Non-current assets</b>				
Prepayments	1 778	1 971	(193)	
Property, plant and equipment	644 237	579 906	64 331	
Intangibles	358 320	354 478	3 842	
<b>Total non-current assets</b>	<b>1 004 335</b>	<b>936 355</b>	<b>67 980</b>	
<b>TOTAL ASSETS</b>	<b>1 073 418</b>	<b>979 046</b>	<b>94 372</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Deposits held	956	65	(891)	4
Payables	28 089	30 560	2 471	
Borrowings and advances	77 785	78 616	831	
Provisions	23 373	22 237	(1 136)	
Other liabilities	7 585	-	(7 585)	5
<b>Total current liabilities</b>	<b>137 788</b>	<b>131 478</b>	<b>(6 310)</b>	
<b>Non-current liabilities</b>				
Borrowings and advances	568 214	502 070	(66 144)	
<b>Total non-current liabilities</b>	<b>568 214</b>	<b>502 070</b>	<b>(66 144)</b>	
<b>TOTAL LIABILITIES</b>	<b>706 002</b>	<b>633 548</b>	<b>(72 454)</b>	
<b>NET ASSETS</b>	<b>367 416</b>	<b>345 498</b>	<b>21 918</b>	
<b>EQUITY</b>				
Capital	425 626	415 514	10 112	
Reserves	-	-	-	
Accumulated funds	(58 210)	(70 016)	11 806	
<b>TOTAL EQUITY</b>	<b>367 416</b>	<b>345 498</b>	<b>21 918</b>	

### Notes:

The following note descriptions relate to variances greater than 20%.

1. Variance primarily relates to an opening balance adjustment and funding received for digital projects which will be carried over to 2025–26.
2. Variance in receivables reflects normal business activity including a reduction in GST receivable and other receivables.
3. Variance primarily relates to an increase in software licensing prepayments for ICT Services and Agency Business Systems.
4. Primarily relates to the transfer of the Fines Recovery Unit function to DCDD.
5. Unearned revenue relating to Commonwealth funding for telecommunications and digital projects.

## Cash flow statement

	2025 Actual	2025 Original budget	Variance	Note
	\$000	\$000	\$000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Operating receipts</b>				
Appropriation				
Output	338 081	356 443	(18 362)	
Commonwealth (excluding capital appropriation)	7 015	-	7 015	1
Receipts from sales of goods and services	106 172	57 272	48 900	2
<b>Total operating receipts</b>	<b>451 268</b>	<b>413 715</b>	<b>37 553</b>	
<b>Operating payments</b>				
Payments to employees	(156 902)	(143 006)	(13 896)	
Payments for goods and services	(198 646)	(195 476)	(3 170)	
Grants and subsidies paid				
Current	(137)	(1 225)	1 088	3
Capital	(1 750)	(1 864)	114	
Interest paid	(19 776)	(20 278)	502	
<b>Total operating payments</b>	<b>(377 211)</b>	<b>(361 849)</b>	<b>(15 362)</b>	
<b>Net cash from/(used in) operating activities</b>	<b>74 057</b>	<b>51 866</b>	<b>22 191</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Investing payments</b>				
Purchases of non-financial assets	(45 659)	(32 754)	(12 905)	4
<b>Total investing payments</b>	<b>(45 659)</b>	<b>(32 754)</b>	<b>(12 905)</b>	
<b>Net cash from/(used in) investing activities</b>	<b>(45 659)</b>	<b>(32 754)</b>	<b>(12 905)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Financing receipts</b>				
Deposits received	741	-	741	
Equity injections				
Capital appropriation	30 074	16 980	13 094	4
Commonwealth capital appropriation	(1 815)	-	(1 815)	1
Other equity injections	13 400	11 500	1 900	
<b>Total financing receipts</b>	<b>42 400</b>	<b>28 480</b>	<b>13 920</b>	
<b>Financing payments</b>				
Lease liabilities payments	(75 634)	(72 695)	(2 939)	
Equity withdrawals	(641)	-	(641)	
<b>Total financing payments</b>	<b>(76 275)</b>	<b>(72 695)</b>	<b>(3 580)</b>	
<b>Net cash from/(used in) financing activities</b>	<b>(33 875)</b>	<b>(44 215)</b>	<b>10 340</b>	
Net increase/(decrease) in cash held	(5 477)	(25 103)	19 626	
Cash at beginning of financial year	45 208	41 185	4 023	
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>39 731</b>	<b>16 082</b>	<b>23 649</b>	

Notes:

The following note descriptions relate to variances greater than 20%.

1. Funds received from the Commonwealth for the Regional Roads Australia Mobile Program, Aged Care Screening and National Healthcare ID projects.
2. The variance primarily relates to unbudgeted GST receipts and Commonwealth paid parental leave, receipts from the Fines Recovery Unit and ICT project recoveries.
3. Relates to unspent grants.
4. Variance relates to realignment of project expenditure in accordance with accounting standards.

## 32. Budgetary information: Administered Territory items

The following table presents the variation between the 2024–25 original budget for administered items as reported in 2024–25 Budget Paper No. 3 Agency Budget Statements and the 2024–25 actual amounts disclosed in Note 30 of these financial statements together with explanations for significant variations.

### Administered Territory items

	2025 Actual	2025 Original budget	Variance	Note
	\$000	\$000	\$000	
<b>TERRITORY INCOME AND EXPENSES</b>				
<b>Income</b>				
Other income	15 420	-	15 420	1
<b>Total income</b>	15 420	-	15 420	
<b>Expenses</b>				
Other administrative expenses	15 420	-	(15 420)	1
<b>Total expenses</b>	15 420	-	(15 420)	
<b>Territory income less expenses</b>	-	-	-	

Notes:

1. Territory items relate to the Fines Recovery Unit which transferred to DCDD in September 2024, after the 2024–25 Budget Paper No. 3 was published.