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**Financial Report
NT Fleet**

Financial Statement Overview

For the year ended 30 June 2024

Financial Performance (Comprehensive Operating Statement)

NT Fleet operates the Northern Territory Government vehicle fleet, except for Northern Territory Police, Fire and Emergency Service vehicles. NT Fleet provides safe, cost efficient, fit-for-purpose vehicles that support agencies' business requirements.

The financial performance of NT Fleet is presented in two ways. Table 1 compares NT Fleet's 2023-24 performance with the final budget for the year and Table 2 compares performance between the current year and previous year. More details are provided in subsequent commentary and analysis in Tables 3 and 4. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 5 and related commentary.

Table 1: 2023-24 Final Budget and Performance

	2023-24		
	Actual \$000	Final Budget \$000	Variation \$000
Income	45 354	44 975	379
Expenses	(32 869)	(31 497)	(1 372)
Net Surplus before Tax	12 485	13 478	(993)
Income Tax Expense	(3 746)	(4 043)	297
Net Surplus after Tax	8 739	9 435	(696)
Comprehensive Result	8 739	9 435	(696)
Dividend (Nil)	-	-	-

NT Fleet achieved an operating result for 2023-24 of \$8.7 million after tax, which was a \$0.7 million lower on the final budget estimate of \$9.4 million.

NT Fleet will pay an income tax equivalent of \$3.7 million to government for 2023-24.

Table 2: 2023-24 and 2022-23 Performance

	2023-24	2022-23	Variation
	\$000	\$000	\$000
Income	45 354	42 960	2 394
Expenses	(32 869)	(30 421)	(2 448)
Net Surplus before Tax	12 485	12 539	(54)
Income Tax Expense	(3 746)	(3 762)	16
Net Surplus after Tax	8 739	8 777	(38)
Other Comprehensive Income	-	-	-
Comprehensive Result	8 739	8 777	(38)

NT Fleet realised a \$38K decrease in net surplus after tax compared to the previous financial year as a result of increased income offset by increased expenses.

Income

NT Fleet sources its primary income from vehicle lease charges. The vehicle lease income, classified under the income category of goods and services in Table 3 below represented 81.1 per cent of NT Fleet's total income, with the remainder made up of gain on disposal of assets, interest and other income.

Table 3: Income by Category

Year	Goods and Services		Gain on Disposal of Assets		Interest Revenue		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2023-24	36 763	81.1	7 790	17.2	302	0.7	499	1	45 354	100
2022-23	35 177	81.9	6 529	15.2	556	1.3	698	1.6	42 960	100

Income grew mainly due to gains on disposal of assets resulting from higher than anticipated sale prices of vehicles at auctions. A decrease in other income is due to lower recovered losses on sales from agencies as compensation receipts.

Expenses

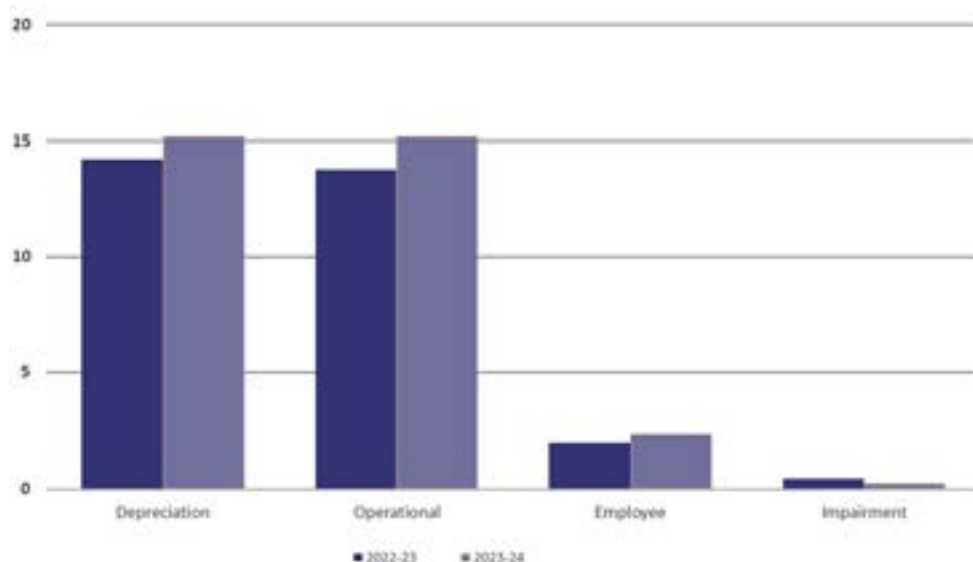
NT Fleet incurred the majority of its expenses on depreciation and operational costs for the fleet.

Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Impairment		Interest		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2023-24	15 146	46.0	15 163	46.1	2 317	7.1	243	0.7	0	-	32 869	100
2022-23	14 214	46.7	13 765	45.3	1 988	6.5	453	1.5	1	-	30 421	100

Depreciation expenses increased as a result of the increased number of vehicles managed. The increase in operational expenses is mainly due to increased repair and maintenance and motor vehicle registration expenses. In 2022/23, NT Fleet started to recognise asset impairment expenses which resulted in compensation receipts recovered from agencies for loss on sales.

Figure 1: Expenses by category



Balance Sheet

The Statement of Financial Position details the balances of the assets, liabilities and equity of NT Fleet at the end of the financial year. The table below compares NT Fleet's financial position as of 30 June 2024 with the position as at 30 June 2023.

Table 5: 2023-24 and 2022-23 Financial Position

	2023-24	2022-23	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	7 985	22 503	(14 518)
Non-Current Assets	124 224	102 268	21 956
TOTAL ASSETS	132 209	124 771	7 438
LIABILITIES			
Current Liabilities	8 458	14 149	5 691
Non-Current Liabilities	-	-	-
TOTAL LIABILITIES	8 458	14 149	5 691
NET ASSETS	123 751	110 622	13 129
Equity	123 751	110 622	13 129
TOTAL EQUITY	123 751	110 622	13 129

NT Fleet's net asset position at the end of 2023-24 was \$123.8 million, compared with the previous year's position of \$110.6 million, an increase of \$13.2 million.

This improvement is mainly due to an increase in non-current assets. The \$14.5 million decrease in current assets is due to decreases in cash and assets held for sales. An increase of \$22 million in non-current assets is due to the movement of property, plant and equipment. A decrease of \$5.7 million in current liability is mainly resulted from the dividend exemption. The decrease in total liabilities is offset by an increase in the total assets.

Major assets on 30 June 2024 included:

Current Assets

- \$3.3 million cash and deposits
- \$4 million receivables and prepayments
- \$0.7 million assets held for disposal

Non-Current Assets

- \$121 million property, plant and equipment (mainly motor vehicles)
- \$3.2 million intangibles (computer software)

Major liabilities at 30 June 2024 included:

- \$4.3 million payables and accrued expenses
- \$3.8 million income tax provision
- \$0.4 million provision for employee entitlements

Certification of the Financial Statements

We certify that the attached Financial Statements for NT Fleet 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 2024 and the financial position on that date.

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



Catherine Weber
Chief Executive
19 September 2024



Rex Schoolmeester
Chief Financial Officer
19 September 2024



Auditor-General
Independent Auditor's Report
to the Minister for Corporate and Digital Development

NT Fleet

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Opinion

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2024, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Fleet as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of NT Fleet in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Chief Executive of the Department of Corporate and Digital Development is responsible for the other information. The other information comprises the information included in NT Fleet's financial statement overview for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Chief Executive for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of NT Fleet to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate NT Fleet or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of NT Fleet.



Auditor-General

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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of NT Fleet.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of NT Fleet to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however, future events or conditions may cause NT Fleet to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.


Jara K Dean
Auditor-General for the Northern Territory

Darwin, Northern Territory

20 September 2024

Comprehensive Operating Statement

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
INCOME			
Sales of goods and services	3	36 763	35 177
Interest revenue		302	556
Gain on disposal of assets	5	7 790	6 529
Other income	6	499	698
TOTAL INCOME		45 354	42 960
EXPENSES			
Employee expenses		2 317	1 988
Administrative expenses			
Property management		276	116
Purchases of goods and services	8	14 887	13 649
Depreciation and amortisation	17,18,19	15 146	14 214
Other administrative expenses		243	453
Interest expenses	9	-	1
TOTAL EXPENSES		32 869	30 421
NET SURPLUS/(DEFICIT)		12 485	12 539
SURPLUS BEFORE INCOME TAX			
		12 485	12 539
Income tax expense	11	3 746	3 762
NET SURPLUS		8 739	8 777
COMPREHENSIVE RESULT		8 739	8 777

The Comprehensive Operating Statement is to be read in conjunction with the notes to the Financial Statements.

Balance Sheet

As at 30 June 2024

		2024	2023
	Note	\$000	\$000
ASSETS			
Current Assets			
Cash and deposits	12	3 275	17 262
Receivables	14	3 981	3 719
Assets held for sale	20	729	1 522
Total Current Assets		7 985	22 503
Non-Current Assets			
Property, plant and equipment	17	121 018	99 219
Intangibles	19	3 206	3 049
Total non-current assets		124 224	102 268
TOTAL ASSETS		132 209	124 771
LIABILITIES			
Current Liabilities			
Payables	21	4 260	5 696
Unearned revenue		15	3
Income tax liabilities	23	3 746	3 762
Provisions	24	437	4 688
Total current liabilities		8 458	14 149
TOTAL LIABILITIES		8 458	14 149
NET ASSETS		123 751	110 622
EQUITY			
Capital	26	565	565
Accumulated funds	26	123 186	110 057
TOTAL EQUITY		123 751	110 622

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 2024

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2023-24					
Accumulated funds	26	110 057	8 740	-	118 797
Dividends payable	24	-	-	4 389	4 389
		110 057	8 740	4 389	123 186
Capital – Transactions with Owners					
Equity injections		565	-	-	565
Equity transfers in		-	-	-	-
		565	-	-	565
TOTAL EQUITY AT END OF FINANCIAL YEAR	26	110 622	8 739	4 389	123 751
	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2022-23					
Accumulated funds	26	105 669	8 777	-	114 446
Dividends payable	24	-	-	(4 389)	(4 389)
		105 669	8 777	(4 389)	110 057
Capital – Transactions with Owners					
Equity injections		565	-	-	565
Equity transfers in		-	-	-	-
		565	-	-	565
TOTAL EQUITY AT END OF FINANCIAL YEAR	26	106 234	8 777	(4 389)	110 622

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 2024

	Note	2024 \$000	2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		36 812	35 644
GST receipts		5 465	4 868
Interest received		344	527
Total operating receipts		42 621	41 039
Operating payments			
Payments to employees		(2 184)	(1 942)
Payments for goods and services		(14 937)	(13 950)
GST payments		(5 204)	(4 992)
Interest paid		-	(1)
Income tax paid		(3 762)	(3 375)
Total operating payments		(26 087)	(24 260)
Net cash from/(used in) operating activities	13a	16 534	16 779
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Proceeds from asset sales	5	17 567	13 124
Total investing receipts		17 567	13 124
Investing payments			
Purchases of assets	17, 19	(48 088)	(24 528)
Total investing payments		(48 088)	(24 528)
Net cash from/(used in) investing activities		(30 521)	(11 404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing payments			
Finance lease payments	13b	-	(200)
Dividends paid	13b	-	(3 938)
Total financing payments		-	(4 138)
Net cash from/(used in) financing activities		-	(4 138)
Net increase/(decrease) in cash held		(13 987)	1 237
Cash at beginning of financial year		17 262	16 025
CASH AT END OF FINANCIAL YEAR	12	3 275	17 262

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

NT Fleet manages the light and heavy vehicle fleet for Northern Territory Government agencies, except Northern Territory Police, Fire and Emergency Services. Management of the Northern Territory Government vehicle fleet incorporates acquisition, vehicle leasing, maintenance, disposal and agency fleet services.

Key functional responsibilities are:

- delivering a low-cost and fit-for-purpose passenger and light commercial vehicle fleet in accordance with the Northern Territory Government Vehicle Policy Framework.
- managing supply and service contracts.
- managing the disposal of vehicles, plant and equipment.
- providing agency fleet services.

Funding is received predominantly from vehicle lease income derived from client agencies.

Machinery of government changes

The Agency Fleet Services function moved from the Department of Corporate and Digital Development (DCDD) to NT Fleet in the 2023-24 financial year. Employee and operational funding were transferred through administrative variations during the budget cycle, and the movements did not arise from revisions to the Administrative Arrangement Order by government.

A total of \$0.2 million in 2023-24 and \$0.9 million ongoing output appropriation was transferred from DCDD to agencies to pay for the service.

2. Statement of material accounting policies

a) Statement of compliance

The Financial Statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires NT Fleets to prepare Financial Statements for each year ended 30 June based on the form determined by the Treasurer. The form of NT Fleet's Financial Statements should include:

1. Certification of the Financial Statements
2. Comprehensive Operating Statement
3. Balance Sheet
4. Statement of Changes in Equity
5. Cash Flow Statement
6. applicable explanatory notes to the Financial Statements.

b) Basis of accounting

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

Except where stated, the Financial Statements have been prepared in accordance with the historical cost convention.

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

Standards and interpretations effective from 2023-24 financial year

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates has been applied for the first time from 2023-24.

The amendments in AASB 2021-2 require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments have not resulted in any changes to the accounting policies themselves, they have impacted accounting policy information disclosed in the Financial Statements. Accordingly, accounting policies that are not considered 'material' have now been removed from the Financial Statements.

Several other 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 2023-24 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.

c) Reporting entity

The Financial Statements cover NT Fleet as an individual reporting entity.

NT Fleet is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act 1978* and specified in the Administrative Arrangements Order.

The principal place of business of the GBD is Lot 5441 Armidale Street, Woolner NT 0820.

NT Fleet has no controlled entities.

d) NT Fleet and Territory items

The Financial Statements of NT Fleet include income, expenses, assets, liabilities and equity over which the NT Fleet has control (NT Fleet items) and is able to utilise to further its own objectives. Certain items, while managed by agencies, are administered, controlled and recorded by the Territory rather than agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority.

NT Fleet held no Territory items

e) Comparatives

Where necessary, comparative information for the 2022-23 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

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

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2023-24 financial year as a result of management decisions.

h) Accounting judgments and estimates

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

There were no material changes adopted during 2023-24.

i) Taxation

NT Fleet is required to pay income tax on its accounting surplus at the company tax equivalent rate of 30 per cent in accordance with the requirements of the Treasurer's Directions, NT Tax Equivalents Regime.

j) Contributions by and distributions to government

NT Fleet may receive contributions from government where the government is acting as owner of NT Fleet. Conversely, NT Fleet 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 NT Fleet as adjustments to equity.

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

k) Dividends

NT Fleet has provided for a dividend payable at the rate of 50 per cent of net profit after tax in accordance with the Northern Territory Government's dividend policy. However dividends have been exempted for three years from 2022-23.

3. Sales of goods and services

	2024			2023		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Hire revenue (from vehicle leases)	-	30 799	30 799	-	29 735	29 735
Recoverable repairs and maintenance	-	5 752	5 752	-	5 442	5 442
Agency fleet services	-	212	212	-	-	-
Total sales of goods and services	-	36 763	36 763	-	35 177	35 177

Sale of goods

NT Fleet typically acquires and registers fit-for-purpose vehicles for customers/agencies.

NT Fleet satisfies its performance obligations when the control of a vehicle is transferred to a customer/agency under a lease arrangement.

NT Fleet issues monthly tax invoices to customers for lease payments which are due within 30 days. Hire revenue arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature (AASB 16).

Rendering of services

NT Fleet manages various repair and maintenance services for leased vehicles throughout the lease term. Unscheduled repair and maintenance costs are recovered from agencies after vehicles have been serviced in accordance with lease terms and conditions.

NT Fleet charges fees for agency fleet service functions since those functions have moved from DCDD to NT Fleet in April 2024.

4. Goods and services received free of charge

NT Fleet is a government business division and does not receive goods and services free of charge.

5. Gain on disposal of assets

	2024	2023
	\$000	\$000
Net proceeds from the disposal of non-current assets	17 567	13 124
Less: Carrying value of non-current assets disposed	(9 777)	(6 595)
Gain on the disposal of non-current assets	7 790	6 529
Total gain on disposal of assets	7 790	6 529

Disposing of vehicles

Gain on disposal of assets comprises profits from disposing of lease vehicles after they are returned from customers. Pickles Auctions Pty Ltd (Pickles) provides auction services for NT Fleet under a disposal contract.

The contract requires Pickles to pay all proceeds of the auction sale into a trust account on the first banking day after completion of the sale. Once all proceeds are deposited pending settlement, Pickles is required to provide a detailed statement of services within five working days from the last day of the auction sale. Successful bidders are not provided with vehicles until payments have been made in full. NT Fleet then issues the recipient-created-tax invoices to Pickles and clears the clearing account.

Sale profits or losses are then recognised as a gain or loss on disposal of assets. These transactions neither create performance obligations nor give rise to liabilities for NT Fleet as income is recognised on receipt after vehicles are sold.

NT Fleet's performance obligations are typically satisfied at the time the asset is sold.

6. Other income

	2024			2023		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Compensation for impairment	-	243	243	-	503	503
Refund for cancellation of registration	-	256	256	-	195	195
Total other income	-	499	499	-	698	698

Rental income

Rental income arising from operating leases incidental to the core functions of the department is accounted for on a straight-line basis over the lease term. NT Fleet had no operating leases that resulted in rental income.

Miscellaneous revenue

Miscellaneous revenue for NT Fleet includes refunds for motor vehicle registration cancellations and compensation receipts from agencies with respect to recoverable loss on sales.

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.

Donated assets

Donated assets include assets received at below fair value or for nil consideration that can be measured reliably. These are recognised as revenue at their fair value when control over the assets is obtained, normally either on receipt of the assets or on notification the assets have been secured.

NT Fleet had no donated assets for the 2023-24 financial year.

7. Employee benefits expense

	2024 \$000	2023 \$000
Salaries and wages	2 034	1 763
Superannuation expenses	230	192
Workers compensation	-	3
Fringe benefits tax	9	1
Payroll tax	44	29
Total employee benefits expense	2 317	1 988

The number of full-time equivalent employees for 2023-24 was 26 (2022-23: 20).

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 21, Payables and Note 24, Provisions.

8. Purchases of goods and services

	2024 \$000	2023 \$000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and services expenses:		
Contractors and consultants ¹	48	48
Audit fess	54	48
Training and study	34	13
Official duty fares	4	5
Travelling allowance	1	2
Information technology charges and communications	1 052	979
Insurance premiums	2 146	1 884
Motor vehicle expenses	10 108	9 255
Other	1 440	1 415
Total	14 887	13 649

¹Includes IT contractors and IT consultants.

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.

9. Interest expense

	2024	2023
	\$000	\$000
Interest from lease liabilities	-	1
Total	-	1

Interest expense in 2022-23 relates to lease liabilities in accordance with AASB 16.

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

Write-off

Write-offs reflect the removal from accounting records of the value of public money or public property owing to, or loss sustained by the Territory or agency. It refers to circumstances 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 forego 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. All ex-gratia payments are 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.

NT Fleet had no write-offs, postponements, waivers, and gifts or ex-gratia payments for the year ended 30 June 2024 or 30 June 2023.

11. Income tax expense

	2024	2023
	\$000	\$000
Prima facie income tax expense calculated at 30% of the surplus before income tax	3 746	3 762
	3 746	3 762

12. Cash and deposits

	2024	2023
	\$000	\$000
Cash on hand	-	7
Cash at bank	3 275	17 255
	3 275	17 262

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.

13. Cash flow reconciliation

a. Reconciliation of cash

The total of NT Fleet's cash and deposits of \$3.3 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

	2024	2023
	\$000	\$000
Net surplus	8 739	8 777
Non-cash items:		
Depreciation and amortisation	15 146	14 214
(Gain)/loss on disposal of assets ¹	(7 547)	(6 076)
Changes in assets and liabilities:		
(Decrease)/Increase in receivables and prepayments	(262)	(791)
Decrease/(Increase) in payables	324	223
Decrease/(Increase) in provision for employee benefits	102	45
Decrease/(Increase) in other provisions	19	385
Decrease/(Increase) in other liabilities	12	2
Net cash from operating activities	16 534	16 779

¹Net gain on disposal of assets: total gain of \$7 790 thousand less impairment of assets, \$243 000.

b. Reconciliation of liabilities arising from financing activities

	Cash flows				Non-cash flows		
	1 July	Payments	Lease liabilities repayments	Total cash flows	Other	Total other	30 June
2024	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends paid	-	-	-	-	-	-	-
Lease liabilities		-	-	-	-	-	-
Equity injections/withdrawals	565	-	-	-	-	-	565
Total	565	-	-	-	-	-	565

	Cash flows				Non-cash flows		
	1 July	Payments	Lease liabilities repayments	Total cash flows	Other	Total other	30 June
2023	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends paid	3 938	(3 938)	-	(3 938)	4 388	4 388	4 388
Lease liabilities	200	-	(200)	(200)	-	-	-
Equity injections/withdrawals	565	-	-	-	-	-	565
Total	4 703	(3 938)	(200)	(4 138)	4 388	4 388	4 953

c. Non-cash financing and investing activities

Lease transactions

During the financial year, NT Fleet recorded no right-of-use assets for the leased property, plant and equipment.

14. Receivables

	2024	2023
	\$000	\$000
Current		
Accounts receivable	357	255
Less: loss allowance	-	-
	357	255
Interest receivables	11	54
Prepayments	2 163	2 061
GST receivables	102	363
Other receivables	1 348	986
Total receivables	3 981	3 719

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

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

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

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

Based on the assessment, NT Fleet's accounts receivable are 100 per cent collectible.

Accrued contract revenue

Accrued contract revenue relates to NT Fleet's right to consideration in exchange for works completed but not invoiced at the reporting date. Once NT Fleet'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.

NT Fleet has no accrued contract revenue and contract receivables as NT Fleet revenue is recognised under AASB 16 leases and other revenue.

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. NT Fleet's prepayments mostly comprise motor vehicle registration fees and commercial insurance policy premiums.

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. NT Fleet 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 and reconciliation of loss allowance for receivables as at the reporting date are disclosed below.

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

Ageing analysis

	2024				2023			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
Internal receivables								
Not overdue	145	-	-	145	198	-	-	198
Overdue for less than 30 days	40	-	-	40	6	-	-	6
Overdue for 30 to 60 days	34	-	-	34	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
Total internal receivables	219	-	-	219	204	-	-	204
External receivables								
Not overdue	10	-	-	10	51	-	-	51
Overdue for less than 30 days	122	-	-	122	-	-	-	-
Overdue for 30 to 60 days	6	-	-	6	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
Total external receivables	138	-	-	138	51	-	-	51

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

Reconciliation of loss allowance for receivables

NT Fleet recognised no loss allowance for receivables in 2023-24 and 2022-23 from the assessment of expected credit losses.

15. Advances and investments

NT Fleet had no advances paid, equity accounted investments and investment in shares for the 2023-24 and 2022-23 financial years.

16. Other financial assets

a) NT Fleet as a lessor

Finance leases

Leases under which NT Fleet assumed substantially all the risks and rewards of ownership of an asset are classified as finance leases.

Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee (intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on NT Fleet's net investment in the lease.

NT Fleet has no finance leases as lessor for the 2023-24 and 2022-23 financial years.

Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NT Fleet owned vehicles and plant and equipment are leased to general government and non-government agencies under operating lease arrangements with rentals payable monthly. Lease payments include the capital cost, registration fee, administration fee, Automobile Association of the NT (AANT) fee, scheduled repairs and maintenance cost, financing rate and Community Benefit Levy.

Future minimum rentals receivable (undiscounted) under non-cancellable operating leases as of 30 June are as follows

	2024	2023
	\$000	\$000
Not later than one year	28 360	19 705
Later than one year and not later than five years	60 188	38 040
Later than five years	2 364	1 284
Total	90 912	59 029

17. Property, plant and equipment

a. Total property, plant and equipment

	2024	2023
	\$000	\$000
Motor vehicles – light		
At cost	127 066	113 444
Less: accumulated depreciation	(33 815)	(38 468)
	93 251	74 976
Motor vehicles – heavy		
At cost	52 380	49 030
Less: accumulated depreciation	(25 578)	(25 342)
	26 802	23 688
Leasehold improvement		
At cost	1 189	687
Less: accumulated depreciation	(224)	(133)
	965	554
Leased property, plant and equipment		
At capitalised cost	-	785
Less: accumulated amortisation	-	(785)
	-	-
Total property, plant and equipment	121 018	99 219

Reconciliation of carrying amount of property, plant and equipment

Property, plant and equipment includes right-of-use assets under AASB 16 Leases and service concession assets under AASB 1059. Further information on right-of-use assets is disclosed in Note 18. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of year is set out below:

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
2024	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July	74 976	23 688	554	-	99 219
Additions	37 190	7 929	502	-	45 621
Disposals	(8 691)	(1 087)	-	-	(9 778)
Depreciation expense – asset owned	(10 570)	(3 933)	(91)	-	(14 594)
Amortisation expense – right-of-use asset	-	-	-	-	-
Impairment losses	(243)	-	-	-	(243)
Asset transfers	3 321	1 648	-	-	4 969
Depreciation transfers	(2 733)	(1 443)	-	-	(4 176)
Carrying amount as at 30 June	93 251	26 802	965	-	121 018

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
2023	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July	70 079	21 798	85	196	92 159
Additions	21 266	6 625	484	-	28 375
Disposals	(6 082)	(513)	-	-	(6 595)
Depreciation expense – asset owned	(9 748)	(3 768)	(15)	-	(13 531)
Amortisation expense – right-of-use asset	-	-	-	(196)	(196)
Impairment losses	(290)	(163)	-	-	(453)
Asset transfers	2 619	519	-	-	3 138
Depreciation transfers	(2 868)	(810)	-	-	(3 678)
Carrying amount as at 30 June	74 976	23 688	554	-	99 219

b) Reconciliation of property, plant and equipment held and used by NT Fleet

A reconciliation of the carrying amount of property, plant and equipment (vehicle) held and used by NT Fleet (Director NT Fleet, Executive Contract Officer) to deliver its outputs and services to the public is set out below.

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
2024	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July	33	-	-	-	33
Additions	-	-	-	-	-
Depreciation/amortisation expense	(5)	-	-	-	(5)
Carrying amount as at 30 June	28	-	-	-	28

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
2023	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July	-	-	-	-	-
Additions	35	-	-	-	35
Depreciation/amortisation expense	(2)	-	-	-	(2)
Carrying amount as at 30 June	33	-	-	-	33

c) Reconciliation of property, plant and equipment where the agency is a lessor under operating leases

A reconciliation of the carrying amount of property, plant and equipment where NT Fleet is a lessor under operating leases is set out below. These assets are leased by public and non-government organisations for the purpose of providing services to the community.

	Motor vehicles light	Motor vehicles heavy	Total
2024	\$000	\$000	\$000
Carrying amount as at 1 July	74 943	23 688	98 631
Additions	40 511	9 577	50 088
Disposals	(8 691)	(1 087)	(9 778)
Depreciation/amortisation expense	(13 298)	(5 376)	(18 674)
Impairment losses	(243)	-	(243)
Carrying amount as at 30 June	93 222	26 802	120 024

	Motor vehicles light	Motor vehicles heavy	Total
2023 ¹	\$000	\$000	\$000
Carrying amount as at 1 July	70 079	21 798	91 877
Additions	23 850	7 144	30 994
Disposals	(6 082)	(513)	(6 595)
Depreciation/amortisation expense	(12 614)	(4 578)	(17 192)
Impairment losses	(290)	(163)	(453)
Carrying amount as at 30 June	74 943	23 688	98 631

¹2022-23 reporting has been realigned to be consistent with 2023-24 reporting.

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.

Complex assets

A physical non-financial asset capable of disaggregation into separate and identifiable significant components which have different useful lives. The 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 Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on a whole of government basis. NT Fleet's capital works are managed by DIPL and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to NT Fleet.

Revaluations and impairment

Vehicles, 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 amortisation, which is deemed to equate to fair value.

An impairment loss is recognised in expenses when a loss on sale is recoverable from an agency in a case of damage or loss of the leased asset.

Depreciation and amortisation expense

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

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

	2024	2023
Vehicles – light	4-5 years	4-5 years
Vehicles – heavy	5-10 years	5-10 years
Leasehold improvements	10 years	10 years
Right-of-use assets	Lease term	Lease term

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 disclosed above includes the useful lives of right-of-use assets under AASB 16. For further details, refer to Note 18.

18. NT Fleet as a lessee

NT Fleet leases office accommodation, with the lease contract made for a fixed period of 20 years. The contract is managed by the Northern Territory Government to whom NT Fleet makes monthly lease payments. The agreement expired on 30 June 2023 and it is still under negotiation to make a similar agreement.

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain the leases will be entered into a new agreement.

NT Fleet did not hold low value assets with a fair value of \$10 000 or less when new and not subject to a sublease arrangement.

Right-of-use assets

The following table presents reconciliation of right-of-use assets (including concessionary leases) included in the carrying amounts of property, plant and equipment at Note 17.

NT Fleet has no carrying amount of right-of used assets in 2023-24 as the property lease has expired on 30 June 2023 and the agreement is still under negotiation.

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
2024			
Balance as at 1 July	-	-	-
Depreciation expense	-	-	-
Carrying amount as at 30 June	-	-	-

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
2023			
Balance as at 1 July	196	-	196
Depreciation expense	(196)	-	(196)
Carrying amount as at 30 June	-	-	-

The following amounts were recognised in the statement of comprehensive income for the year in respect of leases where NT Fleet is the lessee:

	2024	2023
	\$000	\$000
Depreciation expense of right-of-use assets	-	(196)
Interest expense on lease liabilities	-	(1)
Income from subleasing right-of-use assets	-	-
Total amount recognised in the comprehensive operating statement	-	(197)

Recognition and measurement

NT Fleet 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.

NT Fleet 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.

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2024	2023
Building	10 years	10 years
Transport equipment	2 to 4 years	2 to 4 years

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 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.

19. Intangibles

a) Total intangibles

	2024	2023
	\$000	\$000
Intangibles with a finite useful life		
Computer software		
Gross carrying amount	6 080	5 371
Less: accumulated amortisation	(2 874)	(2 322)
Carrying amount at 30 June	3 206	3 049
Total intangibles	3 206	3 049

NT Fleet capitalised enhancements made to Fleet Business Systems in 2023-24 and 2022-23.

Intangible assets for NT Fleet are comprised of computer software.

NT Fleet recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the costs of the asset can be measured reliably. 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.

Intangible assets for NT Fleet are stated at historical cost less depreciation, which is deemed to equate to fair value.

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 determined in accordance with the Treasurer's Directions and are determined as follows:

	2024	2023
Computer software	2 to 10 years	2 to 10 years

As the historical cost less amortisation is deemed to equate to fair value, no impairment was recognised for the year ended 30 June 2024.

b) Reconciliation of carrying amount of intangibles

	Computer software	Other intangibles	Software work in progress	Total
2024	\$000	\$000	\$000	\$000
Intangibles with a finite useful life				
Carrying amount at 1 July	3 049	-	-	3 049
Additions	709	-	-	709
Amortisation	(552)	-	-	(552)
Carrying amount as at 30 June	3 206	-	-	3 206

	Computer software	Other intangibles	Software work in progress	Total
2023	\$000	\$000	\$000	\$000
Intangibles with a finite useful life				
Carrying amount at 1 July	2 931	-	-	2 931
Additions	605	-	-	605
Amortisation	(487)	-	-	(487)
Carrying amount as at 30 June	3 049	-	-	3 049

20. Assets Held for Sale

	2024	2023
	\$000	\$000
Motor vehicles – light	539	1 127
Motor vehicles – heavy	190	395
Total assets held for sale	729	1 522

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

These assets are measured at the asset's carrying amount. The carrying amounts of these financial assets and liabilities approximates their fair value. These assets are not depreciated. Non-current assets held for sale have been recognised in the Financial Statements as current assets which equate to fair values.

21. Payables

	2024	2023
	\$000	\$000
Accounts payable	3 310	5 061
Accrued salaries and wages	60	45
Other accrued expenses	890	590
Other payables		
Total payables	4 260	5 696

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 NT Fleet. 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.

22. Borrowings and advances

Lease liabilities

NT Fleet has no lease liabilities in 2023-24 as they ceased on 30 June 2023.

At the commencement date of the lease where NT Fleet is the lessee, NT Fleet 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.

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.

NT Fleet has no cash outflows for leases in 2023-24 (\$201 726 in 2023).

NT Fleet had no future minimum lease payments under non-cancellable leases recorded as liability for 2023-24.

23. Income tax liabilities

	2024	2023
	\$000	\$000
Income tax liabilities	3 746	3 762
Total Income tax liabilities	3 746	3 762

24. Provisions

	2024	2023
	\$000	\$000
Current		
<i>Employee benefits</i>		
Recreation leave	306	218
Leave loading	46	33
Other employee benefits	1	-
Other current provisions		
Provision for dividends	-	4 389
Provision for fringe benefits tax	2	-
Provision for superannuation	59	32
Provision for payroll tax	23	16
Total provisions	437	4 688
Reconciliations of provision for dividends		
Balance as at 1 July	4 389	3 937
Additional provisions recognised	(4 389)	4 389
Reductions arising from payments	-	(3 937)
Balance as at 30 June	-	4 389

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 NT Fleet 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.

NT Fleet 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 NT Fleet's Financial Statements.

25. Commitments

Commitments represent future obligations or cash outflows 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.

Internal commitments reflect commitments with entities controlled by the Northern Territory Government such as other agencies, government business divisions and government owned corporations. External commitments reflect those to third parties which are external to the Northern Territory Government.

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

a) Capital expenditure commitments¹

Capital expenditure commitments primarily relate to vehicles ordered. These contracts are expected to be payable as follows:

	2024		2023	
	Internal \$000	External ¹ \$000	Internal \$000	External \$000
Not later than one year	-	32 546	-	23 444
Later than one year and not later than five years	-	654	-	24 624
Later than five years	-	-	-	-
Total capital expenditure commitments (exclusive of GST)	-	33 200	-	48 068
Plus: GST recoverable	-	3 320	-	4 807
Total capital expenditure commitments (inclusive of GST)	-	36 520	-	52 875

¹Excludes amounts recognised as unearned revenue in the agency's financial records.

b, Other non-cancellable contract commitments

NT Fleet have no other non-cancellable contract commitments.

26. Equity

Equity represents the residual interest in the net assets of NT Fleet. The Northern Territory Government's ownership interest in NT Fleet is held in the Central Holding Authority.

	2024	2023
	\$000	\$000
Capital		
Balance as at 1 July	565	565
Balance as at 30 June	565	565
Accumulated Funds		
Balance as at 1 July	110 057	105 669
Surplus for the period	8 740	8 777
Dividends payable	4 389	(4 389)
Balance as at 30 June	123 186	110 057
Total Equity	123 751	110 622

27. 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.

NT Fleet recognises its vehicles, leasehold improvements and computer software at cost less depreciation and amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

28. 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.

NT Fleet's financial instruments include cash and deposits, receivables and payables. 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.

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

a) Categories of financial instruments

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

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	\$000	\$000			
2024					
Cash and deposits	-	-	3 275	-	3 275
Receivables ¹	-	-	357	-	357
Total financial assets	-	-	3 632		3 632
Payables ¹	-	-	3 310	-	3 310
Lease liabilities	-	-	-	-	-
Total financial liabilities	-	-	3 310	-	3 310

¹Total amounts disclosed exclude statutory amounts, prepaid expenses and accrued items.

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	\$000	\$000			
2023					
Cash and deposits	-	-	17 262	-	17 262
Receivables ¹	-	-	255	-	255
Total financial assets	-	-	17 517	-	17 517
Payables ¹	-	-	5 061	-	5 061
Lease liabilities	-	-	-	-	-
Total financial liabilities	-	-	5 061	-	5 061

¹Total amounts disclosed exclude statutory amounts, prepaid expenses and accrued items.

Categories of financial instruments

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.

NT Fleet's financial assets categorised at amortised cost include receivables and advances paid.

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 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.

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

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents NT Fleet'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 14, Receivables and Note 15, Advances and Investments.

c) Liquidity Risk

Liquidity risk is the risk NT Fleet will not be able to meet its financial obligations as they fall due. NT Fleet'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 NT Fleet's bank account to meet various current employee and supplier liabilities. NT Fleet'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 NT Fleet's ability to meet its financial obligations.

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

Maturity analysis for financial liabilities

2024	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Payables ¹	3 310	3 310	-	-	3 310
Lease Liabilities	-	-	-	-	-
Total financial liabilities	3 310	3 310	-	-	3 310

¹Amounts 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 be recognised in the balance sheet.

2023	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Payables ¹	5 061	5 061	-	-	5 061
Lease liabilities	-	-	-	-	-
Total financial liabilities	5 061	5 061	-	-	5 061

¹Amounts 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 be recognised in the balance sheet.

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.

NT Fleet has limited exposure to interest rate risk as NT Fleet's financial assets and financial liabilities, with the exception of leases, are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk.

Sensitivity analysis

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

	100 basis points
	\$000
30 June 2024	
Financial assets – cash at bank	±33
Net sensitivity	±33
30 June 2023	
Financial assets – cash at bank	±173
Net sensitivity	±173

(ii) Price risk

NT Fleet is not exposed to price risk as NT Fleet 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.

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

Borrowings and capital purchases

NT Fleet had no borrowings and capital purchases subject to currency risk.

29. Related parties

(i) Related parties

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

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of NT Fleet 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.

(ii) Key management personnel (KMP)

KMP of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include:

- Selena Uibo, Minister for Corporate and Digital Development
- Chris Hosking, Chief Executive Officer of DCDD
- Lisa Watson, Deputy Chief Executive Officer of DCDD
- Wayne Sanderson, Director, NT Fleet
- Rex Schoolmeester, Chief Financial Officer, DCDD.

(iii) Remuneration of key management personnel

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

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

	2024	2023
	\$000	\$000
Short-term benefits	211	195
Post-employment benefits	27	27
Long-term benefits	-	-
Termination benefits	-	-
Total	238	222

(iv) Related party transactions

Transactions with Northern Territory Government controlled entities

NT Fleet's primary ongoing source of funding is received from the Northern Territory Government controlled entities.

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

2024	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
Related party				
NTG agencies	36 037	9 520	1 152	4 248

2023	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
Related party				
NTG agencies	34 984	8 806	1 207	8 561

NT Fleet's transactions with other government entities are not individually significant.

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern 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. There were no other related party transactions to be reported.

NT Fleet had no other related party transactions in excess of \$10 000.

30. Contingent liabilities and contingent assets

NT Fleet had no material contingent liabilities or contingent assets as at 30 June 2024 and 30 June 2023.

31. 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.

32. Budgetary information

The following tables present the variation between the 2023-24 original budgeted Financial Statements, as reported in 2023-24 Budget Paper No. 3 Agency Budget Statements, and the 2023-24 actual amounts reported in the Financial Statements, together with explanations for significant variations.

The variations within these tables do not include changes to budget from 2023-24 original budget to 2023-24 final budget.

Comprehensive Operating Statement

	2024 Actual	2024 Original budget	Variance	Note
	\$000	\$000	\$000	
INCOME				
Sales of goods and services	36 763	34 863	1 900	1
Interest revenue	302	494	(192)	2
Gain on disposal of assets	7 790	6 500	1 290	3
Other income	499	140	359	4
TOTAL INCOME	45 354	41 997	3 357	
EXPENSES				
Employee expenses	2 317	2 000	(317)	5
Administrative expenses				
Property management	276	278	2	
Purchases of goods and services	14 887	13 938	(949)	6
Repairs and maintenance				
Depreciation and amortisation	15 146	14 138	(1 008)	7
Other administrative expenses	243	-	(243)	8
TOTAL EXPENSES	32 869	30 354	(2 515)	
NET SURPLUS/(DEFICIT)	12 485	11 643	842	
COMPREHENSIVE RESULT	12 485	11 643	842	

Notes:

1. Increase relates to increased number of vehicles managed and higher recoveries of repair and maintenance costs.
2. Decrease due to lower cash balance at bank.
3. Increase relates to increased number of vehicles disposed.
4. Compensation income related to loss on sales was not budgeted.
5. Increase mainly due to the movement of agency fleet officers to NT Fleet.
6. Increase mainly related to increased vehicle registration expenses and repairs and maintenance expenses.
7. Increase due to increased number of vehicles managed and increased prices of new vehicles purchased.
8. Asset impairment expenses relate to the unbudgeted losses on sales.

Balance Sheet

	2024 Actual	2024 Original budget	Variance	Note
	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	3 275	17 784	(14 509)	1
Receivables	1 818	1 272	546	2
Prepayments	2 163	1 658	505	3
Assets held for sale	729	-	729	4
Total current assets	7 985	20 714	(12 729)	
Non-current assets				
Property, plant and equipment	121 018	99 619	21 399	5
Intangibles	3 206	2 976	230	
Total non-current assets	124 224	102 595	21 629	
TOTAL ASSETS	132 209	123 309	8 900	
LIABILITIES				
Current liabilities				
Payables	4 260	1 023	(3 237)	6
Unearned Revenue	15	-	(15)	
Income tax liabilities	3 746	3 492	(254)	
Provisions	437	4 331	3 894	7
Lease liabilities	-	200	200	
Total current liabilities	8 458	9 046	588	
TOTAL LIABILITIES	8 458	9 046	588	
NET ASSETS	123 751	114 263	9 488	
EQUITY				
Capital	565	565	-	
Dividends paid/payable	4 389	(4 074)	8 463	7
Accumulated funds	110 057	109 621	436	
Current year surplus	8 739	8 151	588	8
TOTAL EQUITY	123 751	114 263	9 488	

Notes:

1. Lower cash and deposit due to substantial capital acquisitions in 2023-24 and a one-off special dividend paid to NT Treasury in 2021-22.
2. Increase due to timing of agency payments.
3. Increase mainly related to prepayments on motor vehicle registration fees for light vehicles having a common expiry date.
4. Assets held for sale originally included in the non-current assets budget.
5. Higher vehicle assets reflecting a substantial number of vehicle deliveries including outstanding orders during Covid Pandemic.
6. Increased payables due to higher than anticipated accrued expenses for vehicles delivered in 2023-24.
7. Decreased provisions due to the dividend exemption.
8. Increased surplus related from improved performance.

Cash Flow Statement

	2024 Actual	2024 Original budget	Variance	Note
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	36 812	35 003	1 809	1
GST receipts	5 465	-	5 465	2
Interest received	344	494	(150)	3
Total operating receipts	42 621	35 497	7 124	
Operating payments				
Payments to employees	(2 184)	(2 000)	(184)	
Payments for goods and services	(14 937)	(14 216)	(721)	4
GST Payments	(5 204)	-	(5 204)	2
Income tax paid	(3 762)	(3 389)	(373)	5
Total operating payments	(26 087)	(19 605)	(6 482)	
Net cash from/(used in) operating activities	16 534	15 892	642	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	17 567	14 000	3 567	6
Total investing receipts	17 567	14 000	3 567	
Investing payments				
Purchases of assets	(48 088)	(25 000)	(23 088)	7
Total investing payments	(48 088)	(25 000)	(23 088)	
Net cash from/(used in) investing activities	(30 521)	(11 000)	(19 521)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	-	(3 954)	3 954	8
Total financing payments	-	(3 954)	3 954	
Net cash from/(used in) financing activities	-	(3 954)	3 954	
Net increase/(decrease) in cash held	(13 987)	938	(14 925)	9
Cash at beginning of financial year	17 262	16 846	416	
CASH AT END OF FINANCIAL YEAR	3 275	17 784	(14 509)	

Notes:

- Increase relates to increased number of vehicles managed and higher recoveries of repair and maintenance costs.
- GST receipts and payments not included in original budget.
- Lower interest revenue due to lower cash balance at bank.
- Increase mainly relates to motor vehicle registration fees and repairs and maintenance costs.
- Increase resulted from an improved operating result.
- Significant increase due to higher than anticipated number of vehicles disposed.
- Significant increase reflects a substantial number of vehicle deliveries including outstanding orders during Covid Pandemic.
- Decrease due to the dividend exemption.
- Significant decrease in cash held mainly resulted from acquisitions of substantial number of vehicles.

