Department of
CORPORATE AND DIGITAL DEVELOPMENT

Annual Report 2025–26



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Letter of Representation to the Minister

The Hon Joshua Burgoyne MLA
Minister for Corporate and Digital Development
Parliament House
DARWIN NT 0800

Dear Minister

In accordance with section 28 of the *Public Sector Employment and Management Act 1993*, I am pleased to submit the Department of Corporate and Digital Development (DCDD) 2025–26 Annual Report setting out the activities and achievements of the department.

Pursuant to the *Public Sector Employment and Management Act 1993*, the *Financial Management Act 1995* and the *Information Act 2002*, I advise that to the best of my knowledge and belief:

a. proper records of all transactions affecting DCDD are kept and employees under my control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations and Treasurer's Directions

b. procedures within DCDD afford proper internal control, a current description of such procedures are recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the *Financial Management Act 1995*

c. no indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records exists

d. in accordance with section 15 of the *Financial Management Act 1995*, the internal audit capacity available to DCDD is adequate, and the results of internal audits have been reported to me

e. the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions

f. Employment Instructions issued by the Commissioner for Public Employment have been satisfied

g. DCDD is working in compliance with the archives and records management provisions as prescribed in Part 9 of the *Information Act 2002*.

Yours sincerely



Catherine Weber
Chief Executive
30 September 2026



Acknowledgement of Country

The Department of Corporate and Digital Development respectfully acknowledges Aboriginal and Torres Strait Islander peoples as the First Nations people of this country. We acknowledge the continuing connection to lands, waters and communities, and the evolving cultures of all our First Nations peoples. We pay our deepest respects to all Aboriginal and Torres Strait Islander cultures, and to their leaders - past, present and emerging.

While this report uses the term 'Aboriginal', we respectfully acknowledge that Torres Strait Islander peoples are First Nations people living in the Territory. Therefore, strategies, services and outcomes relating to 'Aboriginal' Territorians should be read to include both Aboriginal and Torres Strait Islander Territorians.

The Department of Corporate and Digital Development (DCDD) displays acknowledgement posters throughout our buildings creating welcoming, respectful, and culturally safe workplaces for all of our staff. This artwork was created by Alice Springs Contemporary Artist, Samantha Campbell from Coolamon Creative, and shows the Tjoritja West MacDonnell Ranges and the creeks that form when the rains come. The Australian Ringneck parrot is also a bird commonly seen in Central Australia.

This visual representation reflects DCDD's commitment to embrace the diversity of our workforce. Through initiatives like this, we continue to foster inclusion, recognition and respect across our agency.

Purpose of the report

DCDD's 2025–26 Annual Report has been prepared in accordance with the annual reporting requirements outlined in Section 28 of the *Public Sector Employment and Management Act 1993* (PSEMA), the *Financial Management Act 1995* (FMA) and the *Information Act 2002*. It describes the objectives, performance and operations over the past 12 months and highlights our achievements.

The report is tabled by the Minister for Corporate and Digital Development in the Northern Territory Legislative Assembly as DCDD's major accountability document. It includes financial statements for the department and its 2 government business divisions (GBDs) for the year ending 30 June 2026.

Related reporting

Data Centre Services and NT Fleet are GBDs established under the FMA and determined by the Treasurer.

Under the FMA, financial statements for the GBDs must be prepared separately, based on commercial accounting principles, audited by the Auditor-General and released by the Minister and tabled in the Legislative Assembly. These financial statements, along with the department's financial statements, can be found in section 7 of this report.

In all other aspects, data in this report, such as staffing data, includes the GBDs unless otherwise noted.

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Chief Executive foreword



I am pleased to present the Annual Report for the Department of Corporate and Digital Development (DCDD) for 2025–26.

Building on the strong foundations established during my first year as Chief Executive, this past year has been a year of consolidation, delivery, and a shared commitment to excellence across our agency.

Staff in our regional and Darwin offices continue to demonstrate extraordinary capability, professionalism and dedication in supporting the broader Northern Territory Public Sector (NTPS).

Now in its second year, the DCDD Strategic Plan 2024–2028 continues to guide our strategic direction and daily operations. Our vision to be a trusted and valued partner in government remains central to everything we do.

By focusing on our core purpose of delivering high quality specialised services, strategic advice, and modern digital solutions, we have continued to empower our client agencies to achieve their objectives for the Territory.

As the agency responsible for government's digital services, DCDD has driven significant progress on key strategic technology projects this year.

Territory Services now provides easy online access to more than 144 government services. In partnership with the Department of Logistics and Infrastructure, we reached critical milestones in developing and testing the digital driver licence solution, laying the groundwork for secure, modern identity verification for Territorians.

We finalised and began implementation of the whole of government Digital Futures Strategy 2026–2028, establishing a clear roadmap for secure, accessible, and citizen-centric digital services.

Our agency progressed multi-year ICT transformations, including continuing the deployment of the Acacia system with the Department of Health and advancing the new student-centric administration system with the Department of Education and Training.

We strengthened the Territory's cyber resilience through the Cyber Invest Business Grant Program while establishing governance frameworks to safely harness artificial intelligence (AI) and automation across the public sector and establishing an AI advisory service for government.

The Schools Connectivity Uplift Program delivered fast, stable access to the internet to some of the Territory's most remote schools. We also made substantial investments in telecommunications infrastructure. Working with industry and the Commonwealth, we have delivered improved mobile coverage to communities and homelands across the Northern Territory and provided more access to community Wi-Fi programs.

Beyond our digital agenda, DCDD's core corporate functions provided strong support across government. We advanced key procurement reforms aimed at streamlining processes, enhancing transparency, and making it easier for local Territory businesses to compete for and secure government contracts.

Our teams managed essential payroll and entitlement processing while working with the Office of the Commissioner for Public Employment to deliver enterprise agreement commitments.

Through our annual service development program, we implemented further automation and workflow enhancements, reducing administrative effort and improving service turnaround times for our customers.

The department was recognised with a Chief Minister's Award in the Spirit of the Territory category for the outstanding delivery of workforce services through the exceptional service excellence of the HR Service Centre.

As we look to 2026–27, DCDD remains focused on driving efficiency, embracing innovation, and building agency capability.

We will continue to advocate for enhanced telecommunications coverage across Territory remote communities, refine our central service delivery models, and continue to support government priorities with agility and integrity.

The achievements highlighted throughout this report are a result of the hard work and professionalism of our people.

I extend my sincere thanks to all DCDD employees for their ongoing commitment to serving the Northern Territory Government and our community.

Catherine Weber
Chief Executive

30 September 2026

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The department

About us

The Department of Corporate and Digital Development (DCDD) is a central agency supporting the effective operations of the Northern Territory Government (NTG). With offices in Darwin, Katherine and Alice Springs, DCDD delivers specialised corporate and digital services across the public sector, enabling agencies to focus on their core business and frontline service delivery.

We work in partnership with our customers to provide innovative and responsive solutions aligned with government priorities. Our broad portfolio spans critical transactional services, strategic advice, digital tools and advocating for improved telecommunications access across the Territory to enhance digital connectivity.

By embracing digitisation, automation and artificial intelligence, we are leveraging technologies to continuously innovate, improve and add greater value for our clients. We are strengthening our relationships with our customers through striving for service excellence, and adapting, with our customers, to meet the evolving needs of government.

Our functions

Corporate Services – delivers a wide range of essential services that support daily operations of government agencies, ranging from high-volume transactional processing to strategic service delivery and advisory services, covering functions such as payroll, finance, procurement, property leasing, records, freedom of information (FOI), recruitment, training and workforce services. By offering standardised and efficient corporate support, agencies can focus on their primary responsibilities.

Digital Services – provides the digital infrastructure and capabilities that enable technology-driven service delivery across government. This includes secure information and communications technology, workplace technologies, digital platforms, cyber security and digital projects. The division plays a key role in reforming government systems, enhancing digital connectivity and driving digital transformation. It also leads whole of government digital and data strategy, policy, data services and ICT governance.

Business Services – provides internal services that support departmental operations and whole of government programs, including executive support, planning and reporting, governance, communications, human resources administration, work health and safety, and enterprise coordination. The division also supports ICT and digital contracts, assisting with sourcing, contract management and procurement assurance activities. It also delivers strategic financial management and operational support, including budgeting, accounting, asset management, procurement support and the coordination of general services for DCDD as an agency.

Data Centre Services – operates secure, purpose-built facilities that support computing, network, and telephony services for the whole of government. As a GBD, it manages core digital infrastructure enabling reliable, 24/7 digital operations.

NT Fleet – supplies cost-effective, fit-for-purpose vehicles, including electric and hybrid options, and equipment to meet agency needs across the Territory (excluding NT Police Force and NT Fire and Emergency Services). As a government business division (GBD), it manages procurement, maintenance and disposal of vehicles and operates on a cost recovery basis.

Our customers

The Department of Corporate and Digital Development (DCDD) provides strategic advice, trusted services and whole of government capabilities that help the Northern Territory Government (NTG) operate effectively and deliver better outcomes for Territorians. DCDD partners with agencies to deliver tailored solutions through 51 different services that support government priorities and customer needs.

DCDD continues to invest in modern technologies, digital platforms and service improvements to enhance the customer experience, in line with its Customer Charter, and strengthen service delivery across government. Through innovation, process improvement and automation, the department is improving efficiency, reducing complexity and helping agencies achieve their corporate and digital transformation goals.

National representation

DCDD represents the NTG and the Minister on a range of national forums, committees and working groups focused on data, digital transformation, digital inclusion, digital identity, cyber security and emerging technologies. The department contributes to national collaboration through the Data and Digital Ministers Meeting and associated working groups, including chairing the Digital Inclusion Working Group and co-chairing the National Cyber Security Committee.

Through partnerships with agencies such as the Australian Signals Directorate, the Department of Home Affairs and jurisdictions across Australia, DCDD helps shape national policy, strategy and operational approaches to cyber security, digital identity, data sharing and service delivery. The department also supports national collaboration on artificial intelligence, digital credentials and critical infrastructure resilience, while strengthening local capability through partnerships with industry and Charles Darwin University.

DCDD contributes to nationally consistent approaches that improve the security, accessibility and effectiveness of government services, including initiatives supporting digital identity, verifiable credentials, information sharing and technology-enabled service delivery across sectors such as health, education, children and families.

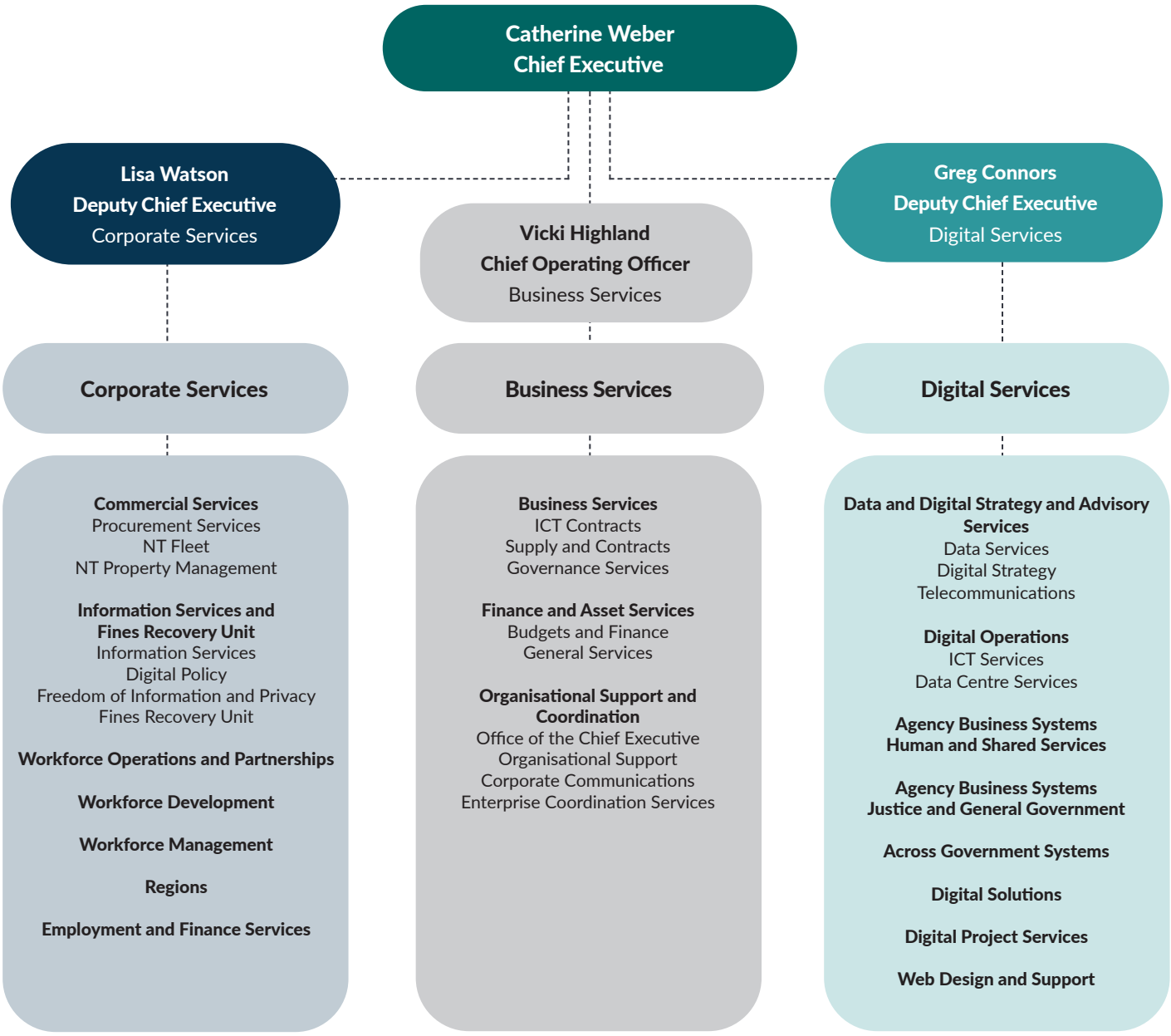
Our frameworks

As part of its strategic responsibilities, DCDD supports agencies in meeting governance and accountability requirements, with a series of frameworks to ensure initiatives are secure, well-governed and aligned with government priorities.

- **Artificial Intelligence Assurance Framework** – guides the safe, ethical and responsible use of artificial intelligence (AI) across the NT Government. It helps agencies assess AI use cases, identify risks and apply appropriate governance before AI is used.
- **Customer Charter** – outlines DCDD's 4 core commitments to delivering reliable services, listening to customers, respecting their needs and creating better experiences.
- **Cyber Security Governance Framework** – embeds cyber security into the management of government ICT systems and service delivery. DCDD's Cyber Security Committee oversees implementation and provides strategic advice to the ICT Governance Board.
- **Data Governance Framework** – supports secure, ethical, and culturally respectful data management and sharing across government. It ensures compliance with legislation and promotes innovation through responsible data use. DCDD contributes to national initiatives to improve data access.
- **Enterprise Services Framework** – guides strategic and operational decisions, aligning service delivery with government policy and agency needs.

- **ICT Governance Board** – underpins the ICT Governance Framework by providing whole of government oversight to major digital projects. It monitors digital risks, considers emerging issues and reports to the Minister for Corporate and Digital Development. Membership includes senior NTG representatives.
- **ICT Governance Framework** – ensures ICT investments are strategically planned and governed. It includes assurance processes for major ICT programs and projects and is supported by policies, guidelines and reporting tools. It helps agencies align digital initiatives with whole of government priorities.
- **Information Management Capability Framework** – supports consistent records and information management capability across the NT public sector. It helps employees manage government information responsibly and strengthens compliance, accountability and recordkeeping practices.
- **OneNTG Principles** – promotes a unified public sector focused on collaboration and continuous improvement.

Our structure



Structural changes during the year

To strengthen organisational capability and support the delivery of corporate and digital services across government, DCDD continued to refine its operating model during 2025–26. The department implemented the following changes:

- established the Information Services and Fines Recovery Unit under a dedicated Executive Director, bringing together information management, digital policy, freedom of information and privacy services and the Fines Recovery Unit
- established the Commercial Services division, consolidating Procurement Services, NT Fleet and NT Property Management under a single Executive Director to strengthen strategic oversight and service integration
- established the Data and Digital Strategy and Advisory Services division to provide a coordinated approach to digital strategy, data governance, telecommunications, assurance and advisory services
- established the Digital Operations division, consolidating ICT Services and Data Centre Services under a dedicated Executive Director to strengthen operational oversight, infrastructure management and the delivery of critical digital services across government
- established the Business Services division overseen by the Chief Operating Officer, consolidating Organisational Support and Coordination and Finance and Asset Services with ICT Contracts, Supply and Contracts, and Governance Services teams to support the department and improve integration, governance and operational performance
- transferred Digital Policy from Digital Services to the Information Services and Fines Recovery Unit to better align policy development, information governance and regulatory functions.

Strategic Plan

Throughout 2025–26, DCDD continued to embed and deliver on the priorities outlined in the DCDD Strategic Plan 2024–2028. The plan has provided a clear framework for decision-making, service improvement and organisational development, ensuring our work remains aligned with government priorities and the evolving needs of our customers.

Built around 3 strategic goals, enabling government priorities, engaging our customers and evolving our business, the plan has guided the department's efforts to strengthen collaboration, improve service delivery and drive innovation across the Northern Territory Government.

By maintaining a strong focus on our strategic objectives, the department is better positioned to respond to emerging challenges, capitalise on new opportunities and deliver efficient, responsive and future-focused services that create value for government and the Northern Territory community.

Strategic Plan 2024–2028

Our Vision

A trusted and valued partner in government.

Our Purpose

To deliver specialised services, advice and solutions that empower our customers to succeed.

Our Values

Commitment to service: we work together with a 'can do' attitude delivering on the commitments in our Customer Charter.

Innovation: we embrace bold ideas and problem solving to deliver meaningful solutions.

Ethical practice: we hold ourselves to the highest standards of conduct, transparency and honesty.

Accountability: we are professional and take responsibility for our own actions, behaviour and work.

Impartiality: we are fair and balanced in our advice, decision making and dealings with others.

Diversity: we embrace differences and value the unique perspectives that everyone brings to our agency.

Respect: we respect each other and our customers at all times.

Our Goals

ENABLING
government priorities

Services and solutions that enable the delivery of government priorities

- Partner with agencies in meeting their responsibilities for delivering government priorities.
- Simplify systems and processes making it easier for the public to interact and conduct business with government.
- Provide end to end services and solutions with a focus on innovation and service development.
- Create, refine and reform government systems that enable agencies to optimise efficiency and service outcomes.
- Support government priorities by leading, governing and facilitating effective information sharing across agencies.

ENGAGING
our customers

Expert advice, tools and partnerships through the OneNTG model that empower our customers

- Support corporate and digital transformational capability in agencies.
- Use our expertise to grow public sector capability in partnership with agencies.
- Work in partnership with customers to develop, refine and reform government systems.
- Leverage digitisation, automation and artificial intelligence through continuous improvement initiatives.
- Protect government systems and data to ensure continuity of services.
- Advocate for better connectivity and pursue digital development to benefit all Territorians.

EVOLVING
our business

A skilled and valued workforce, with a culture of working together and collaborating across teams

- Foster a healthy, inclusive and diverse workplace that creates a positive environment for our people.
- Maintain and grow expertise to empower an agile, high-performing workforce with a culture of continuous learning.
- Focus on delivering excellence, knowing our customers and improving partnerships.
- Strengthen our regional presence and capability to better support our people and our customers in the regions.
- Reduce silos and strengthen our services, internal processes and systems to better collaborate and connect across our teams.

Finances

DCDD's final budget for 2025–26 was $442 million, while expenditure totalled $435 million (noting the GBDs operate as separate budget entities). Financial outcomes for both GBDs were positive.

Overviews and financial statements for the 3 entities are provided in section 6.

The notional cost of delivering services is recovered from agencies through a cost allocation model, detailed in Appendix A.

Administered legislation

DCDD is responsible for administering the following legislation:

- *Information Act 2002* Part 9 (except provisions about archives management) as it relates to NTG records management
- *Fines and Penalties (Recovery) Act 2001* which relates to recovery of fines and penalties and associated enforcement activities.

Community support

While DCDD's primary focus is on supporting government operations, we also contributed to the community:

- office accommodation was provided to 37 non-government organisations, valued at over $3 million
- a total of 37 short-term vehicle loans to 13 organisations supported community events, valued at more than $112,000. This program concluded at the end of 2025. Support for organisations continues through the Northern Territory Community Benefit Fund Vehicle Gifts program
- grants and sponsorships to support a range of initiatives, as outlined in Appendix B.

Sustainability

DCDD is committed to sustainable and responsible business practices, with a focus on reducing emissions and minimising our environmental footprint. Key initiatives include:

- expanding our electric and hybrid vehicle fleet
- improving energy efficiency in leased office spaces and promoting alternative transport through upgraded end-of-trip facilities
- embracing digital solutions such as online services, digital forms, and virtual meetings to reduce paper use and travel
- minimising waste through improved recycling of consumables and the adoption of virtual computing to limit hardware needs
- generating solar energy at the Government Data Centre providing around 10% of the centre's total power needs.

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Performance and achievements

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Corporate support development

Workforce services

Provide workforce decision support, human capital initiatives and advice to assist agencies to manage their workforce, including human resource case management and training.

The business functions supporting this output through across-government human resource service delivery models and advice are workforce development, workforce management, and workforce operations and partnerships.

Key statistics in 2025–26
Workforce Services Support: - processed 12,882 online human resource forms - resolved 46,187 first level HR queries received through our HR Services Portal - received 44,846 calls in the Service Centre and completed first assessment of 84% of HR Services portal queries within 2 hours - actioned 2,054 requests for position changes under the Job Evaluation System.
2,480 NTPS employees participated in the 2026 flu vaccination program coordinated by Workforce Services, with vaccination hubs established in Darwin, Palmerston, Casuarina, Millner, Alice Springs, and Katherine.
43 virtual HR Skill Up sessions delivered, comprising 22 manager series, 20 staff series and one combined staff and manager session, with an average of 156 employees joining per session.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Average days taken to resolve human resource matters[1]	≤92	84.7	≤80
Hours to complete a preliminary assessment of first level human resource service requests (average)	3.4	1.32	≤2
Participants in whole of government early careers programs[2]	390	450	350
Days to activate new employees on payroll system (average)	≤4	4	≤4
NTPS employees completing training programs coordinated by the department	30 024	36 344	≥30 000

1 The reduction in the 2025–26 actual and the 2026–27 target reflects continued operational improvements to resolve human resource matters.

2 The increase in the 2025–26 actual reflects increased participation in the Aboriginal Employment and Work Experience programs.

Key achievements in 2025–26	
Onboarded an additional 5 agencies to the myPerformance system, totalling 22 agencies using the system for staff performance and development processes.	Reviewed and redesigned the standardised roles and recruitment program, supporting agencies with talent pipelines for standardised high demand roles.
Developed a comprehensive suite of resources, tools and guidance materials to support agencies in efficiently filling vacancies through the Expression of Interest (EOI) process, improving consistency, transparency, compliance and user confidence while streamlining recruitment outcomes.	Delivered changes to probation processing, including automation of some aspects to reduce the number of employees having tenure confirmed without a probation assessment and reduce unnecessary human handling.
Expanded the NTG corporate training offering from 12 to 25 courses, increasing learning opportunities for NTPS employees and strengthening workforce capability across key corporate, digital and professional skill areas.	Partnered with multiple agencies to develop tailored workforce strategies, strengthening workforce capability and supporting the delivery of agency priorities.
Finalised work to implement the General Northern Territory Public Sector Enterprise Agreement 2025–2029, the Northern Territory Public Sector Aboriginal Health Practitioners Enterprise Agreement 2025–2029 and the Northern Territory Police Consent Agreement 2025. Additionally, partnered with agencies, including Health, Corrections and Northern Territory Fire and Emergency Services, to support negotiations for 5 enterprise agreements and a new determination for casual Aboriginal interpreters not covered by an enterprise agreement.	Developed and launched the Remote Recruitment Toolkit, which supports agencies to attract and recruit local Aboriginal people in remote Northern Territory communities.

Future priorities 2026–27	
Implement an upgraded myPerformance system that caters to shift workers and staff with more than one supervisor in an assessment period.	Upgrade the OneNTG Learning Management System to improve client experience and expand the system capabilities.
In partnership with the Office of the Commissioner for Public Employment, investigate options to improve the job evaluation process making it more streamlined for agencies to quickly assess job values, reducing administrative time, effort and cost, and manage their position structures.	Explore opportunities to use artificial intelligence tools to support Workforce Services activities to create efficiencies and improve responsiveness for clients.
Implement an end-to-end recruitment service to improve the overall customer and candidate experience.	Launch an electronic eRecruit expression of interest workflow process across all agencies.
Expand the whole of government Standardised Roles and Recruitment (SRR) program to grow centralised talent pools for high volume, in demand roles that can be standardised across agencies. The SRR program provides a centrally coordinated recruitment model using standardised job descriptions, streamlined merit processes and shared talent pools, reducing duplicated effort and improving agency access to pre-qualified candidates for standardised roles across government.	

Corporate support development

Employment services

Deliver end-to-end enterprise employment operations and advisory services that support the employment of staff across government, including payroll processing.

The business functions supporting this output through whole of government employment service delivery models and advice are payroll services, employee benefits, and assurance and process improvement.

Key statistics in 2025–26
Almost 1.67 million payroll transactions processed, ensuring timely payments across the Northern Territory Public Sector (NTPS).
Approximately 16,000 transactions processed by each payroll officer.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Payroll transactions processed[1]		1 665 424	
Payroll client queries resolved on first contact[2]	70%	58%	70%

1 Activity measure and reported without targets.

2 The lower 2025–26 actual reflects the increase in enquiries sent to specialist teams for action, reducing first-contact resolution rates but improving the quality of our response to urgent and complex requests.

Key achievements in 2025–26	
Invested in automation to improve timeliness and accuracy and enable staff to manage requests through online human resources (HR) systems.	Improved processes to meet Australian Taxation Office (ATO) obligations, particularly for Single Touch Payroll and Payday Super.
Implemented 3 renewed enterprise agreements, 25 employment determinations, and a range of arbitral determinations and conditional agreement changes. This work ensured new salaries, allowances, leave provisions and classification structures were delivered effectively, supporting employees across the NTPS.	

Future priorities 2026–27	
Improve payroll assurance, reporting and risk management practices to support informed decision-making, service reliability and continuous improvement.	Strengthen operational governance and oversight to support ongoing compliance with changes to ATO obligations, particularly Single Touch Payroll and Payday Super.
Progress the Payroll Automation and Service Uplift program, delivering priority automation and service improvement initiatives to reduce manual effort, strengthen compliance and improve the employee experience.	Expand digital and self-service capabilities to improve access to payroll and employment services.

Corporate support development

Procurement services

Coordinate procurement and contract administration services, provide strategic advice and innovative solutions, and manage across government contracts to enable agencies to efficiently source the goods and services required to deliver government services and business operations.

The business functions supporting this output through whole of government service delivery models and advice are agency procurement services, across government contracts, and contract and procurement services.

Key statistics in 2025–26
373 requests for tenders/quotations were advertised, attracting 2,187 responses, and resulting in 664 contracts awarded to the value of $1.66 billion.
223 procurement activities were supported, including 57 Tier 4 ($0.5 million and above) and Tier 5 ($5 million and above) tenders, and 707 contract amendments with agencies.
31 across government contracts managed for common use good and services, used by all agencies, comprising 281 contractors, including 255 Territory enterprises.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Days to process tender documents (average)	≤2.9	2.6	≤3
Across government contracts – annual contractor performance reviews[1, 2]	255	235	270

1 The variance to the 2025–26 estimate is due to reviews being affected by contract expiry and renewal cycles.

2 The increase in the 2026–27 target is due to an estimated increase in contractor numbers.

Key achievements in 2025–26	
Supported the Department of Trade, Business and Asian Relations (as the policy agency) with procurement reform to achieve efficiencies without impeding business or increasing risk to government, including the system enhancements aimed at modernising the Procurement Framework to make it easier for tenderers and suppliers to do business with government.	Worked with Digital Services colleagues to develop and implement a new smart form to support direct purchasing and Tier 1 quotation approval processes, including its design, testing, go-live, communications and webinar presentations.
Awarded 2 across government contracts: for provision of recruitment services and debt resolution services.	

Future priorities 2026–27	
Finalise procurement planning and release of 5 across government contracts to market (professional advisory services, training services, pest control services, vehicle rental services, and stationery and office supplies). This will ensure continuity of supply for all agencies for common use goods and services.	Expand Procurement Services information through the Territory Services online portal, providing a one-stop digital platform for all procurement information and system access, improving self-service access for suppliers and contractors.

Corporate support development

Information management services

Provide professional information and records management services that support agencies to manage their business records, and deliver expert freedom of information (FOI) services to applicants and agencies.

The business functions supporting this output through whole of government service delivery models and advice are records management and training, courier and mail services, help desk services, records appraisal, sentencing and disposal, digital policy and FOI.

Key statistics in 2025–26
More than 52 million records managed in Territory Records Manager (TRM), the NTG's records management system.
2.2 million records migrated following machinery of government changes.
2.2 million records managed in secondary storage and more than 115,000 images digitised.
More than 12,800 TRM users supported across 25 datasets.
4,768 online and 1,050 face-to-face records management participants trained.
More than 71,000 mail pick-ups and deliveries completed.
More than 31,000 service requests resolved.
More than 2,000 FOI applications managed.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Days to process information management service requests	2	1.9	2
Applications made under the *Information Act 2002* finalised within statutory timeframes	≥95%	98%	≥95%

Key achievements in 2025–26	
Completed the major records migrations required following machinery of government changes in 2024 and established shared TRM datasets for client agencies, improving records security and accessibility.	Established a privacy service, supporting NTG agencies to improve their privacy practices through guidance materials, templates, training, tools and resources, increasing public confidence in NTG's handling of personal information.
Published the Information Management Authority template and guidance material to assist agencies in establishing clear decision-making authority for records and information management, ensuring accountability, consistency and compliance.	Published the Information Management Maturity Assessment tool, providing agencies with an evidence-based approach to assess their information management capability and prioritise their improvement activities.

Future priorities 2026–27	
Develop self-service records management training targeted at leaders to improve understanding of recordkeeping requirements, best practice and information management responsibilities, supporting effective team management, compliance and informed decision-making across agencies.	Modernise the NTG Business Classification Scheme to improve recordkeeping consistency, strengthen information governance and support agencies through updated training, guidance and tools that enable compliant records management across government.
Investigate the use of artificial intelligence in records management to support improved information governance, recordkeeping compliance, user experience and operational efficiency.	Strengthen privacy capability, promote good practices and support a more consistent approach to privacy management across government.
Continue the standardisation of TRM across client agencies to improve the user experience, enable consistent training and guidance, and support a more efficient, compliant and sustainable records management environment across government.	

Corporate support development

Finance services

Provide whole of government finance operations and expert advice that support agencies to manage their financial resources effectively.

The business functions supporting this output through whole of government service delivery models and advice are accounts payable, accounts receivable, banking and card administration, reconciliations and cash payment facilities, taxation services, and asset and ledger services.

Key statistics in 2025–26
More than 170,000 fringe benefits tax (FBT) transactions analysed to ensure correct FBT treatment across the Northern Territory Public Sector (NTPS).
Of salary overpayment cases, 81% ($13.38 million) were fully recovered or referred to debt management services, 14% ($2.35 million) are under payment plans, and 5% ($0.87 million) are pending recovery.
535,000 payments processed on behalf of agencies, achieving a payment processing accuracy rate of 99.95%, supporting efficient operations and maintaining strong relationships with suppliers and agencies.
More than 1,000 corporate credit cards managed, providing secure and modern payment solutions for NTPS employees and suppliers.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Payments processed[1]		535 036	
Payments processing accuracy	100%	99.95%	100%
Debts processed[1]		213 461	
Days to collect debts (average)	55	56.9	≤55

1 Activity measured and reported without targets.

Key achievements in 2025–26	
Automated payroll tax processing for interstate employee arrangements, reducing manual effort, improving payment accuracy and strengthening governance controls.	Supported the Department of Children and Families-led Northern Territory Welfare Group's flood response by enabling the rapid and accountable delivery of financial assistance to flood-affected Territorians.
Introduced a standardised payment request process that reduces manual errors, improves data quality and strengthens controls to prevent fraud and unauthorised payments.	Introduced a digital process for requesting reconciliation receipts, improving request tracking, reducing manual administration and providing a more efficient service to client agencies.
Completed key planning activities for the Contemporary Banking Program, laying the foundation for enhanced digital banking services, improved security and more efficient payment processing across government.	



Future priorities 2026–27	
Design and implement an FBT Dashboard to improve agency FBT reporting, visibility and decision-making throughout the FBT year.	Advance the Contemporary Banking Program to deliver enhanced banking capabilities including more efficient payment processing across government.
Implement an online supplier vendor form, incorporating digital authentication to strengthen fraud safeguards and improve the security of supplier details.	Introduce call recording for all vendor verification activities to strengthen auditability, enhance staff training, support quality assurance and drive continuous improvement outcomes.
Enhance NTG debt management to improve efficiency and the collection of overdue debt.	

Corporate support development

Property leasing services

Deliver property leasing and tenancy management services and commercial advice to meet the leased accommodation requirements of government.

The business functions supporting this output through whole of government service delivery models and advice are property leasing, property services and leasing advice.

Key statistics in 2025–26
1,877 maintenance work orders processed ensuring leased accommodation remains in good repair.
236,367 m² of leased accommodation managed on behalf of government.
166 lease contracts managed, providing modern and contemporary workplaces for agencies.
12 contractors managed, providing cleaning, waste and security services to leased accommodation.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Leased accommodation occupancy density (m²/FTE)	15.5	14.5	15.5
Unallocated net lettable area	≤0.4%	0.37%	≤0.4%

Key achievements in 2025–26	
Finalised agency relocations following machinery of government changes in 2024 to support agencies to effectively deliver government's priorities in consolidated workspaces.	Reviewed the NTG standard lease provisions, to update government's lease terms and conditions to ensure they are contemporary, and in line with current market parameters.
Finalised fitout design for the Alice Plaza refurbishment project to provide a modern and contemporary workspace for agencies in Alice Springs and a single service centre for the delivery of business-related government transactions to the public.	Relocated agencies affected by cyclone and flood damage to support business continuity for government services.

Future priorities 2026–27	
Implement digital inspection, monitoring and workflow tools to improve data-driven and digitally enabled property services.	Finalise and release updated NTG standard lease provisions to ensure they are contemporary and in line with market parameters.
Provide oversight of the Alice Plaza refurbishment project to provide a modern and contemporary workspace for agencies in Alice Springs and a single service centre for the delivery of business-related government transactions to the public.	Develop an NTG accommodation strategy to optimise portfolio utilisation and deliver fit-for-purpose leased accommodation to better support decision-making and future government service delivery.

Corporate support development

Fines recovery unit

Administers court fines and infringement notice penalties and undertakes enforcement actions to collect unpaid fines and penalties once they are overdue.

Fines Recovery Unit (FRU) is a statutory authority established by the *Fines and Penalties (Recovery) Act 2001*. The unit is responsible for the recovery and enforcement of unpaid court fines and infringement notice penalties issued in the Territory. FRU recovers these monies on behalf of the Territory, the Commonwealth, participating local government authorities and third-party restitution recipients.

Key statistics in 2025–26
32,288 enforcement orders issued for unpaid and overdue fines and penalties.
7,757 sanctions applied to fine defaulters, demonstrating improvement in addressing defaulting behaviour sooner.
11,476 voluntary time to pay arrangements entered into with 6,162 successfully paid in full.
47,977 fines and penalties satisfied in full.
10,463 of the enforcement orders issued on behalf of external issuing agencies, an increase of approximately 20% from the previous year.
47,388 client and stakeholder emails received, seeking assistance with fine-related matters, demonstrating a significant increase in digital communication as a preference.
39,279 inbound calls received, contributing significantly to resolving fines debts and revenue recovery.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Fines and penalties collection rate[1, 2]	85%	77%	80%

1 The 2025–26 actual reflects a change in the recovery environment. Multiple external factors may affect a defaulter's capacity to pay, such as financial hardship.

2 The decrease in the 2026–27 target reflects current operating conditions and a more realistic assessment of collectable debt.

Key achievements in 2025–26	
Enhanced FRU digital service channels through the online Territory Services portal, making it easier for clients to access information, manage debts and engage with the unit. This improved accessibility and reduced reliance on traditional email and telephone-based transactions.	Increased the number of Community Work Orders (CWOs) issued to address outstanding fines debt in collaboration with the Department of Corrections. CWOs are an important alternative pathway for people to complete programs under supervision and pay off their debts.
Expanded payment options to include a recurring card payment option, providing customers with a more flexible and convenient way to pay outstanding fines. This facility has reduced manual administration and boosted efficiency in customer transactions.	Delivered automation initiatives that reduced manual handling of instalment arrangements, improving processing timeliness, reducing administrative effort and increasing consistency in enforcement activities.

Future priorities 2026–27	
Strengthen customer service and stakeholder partners through the delivery of customer satisfaction surveys, refreshed stakeholder operating agreements and improved customer service quality across customer channels.	Increase recovery performance and support appropriate debt resolution through targeted recovery strategies, improved debtor engagement and expanded pathways that support timely resolution of debt.
Modernise FRU systems, processes and workforce capability through governance improvements, strengthened workforce capability and automation opportunities to reduce manual work.	

Digital government development

ICT network services

Operation and oversight of government's ICT network, enterprise architecture, cyber security operations and sourcing of ICT services to manage and sustain government's digital ecosystem.

ICT Services works with agencies and industry partners to maintain reliable and contemporary ICT services, improve user experience and enable government priorities while enabling innovation and digital transformation across government.

Key statistics in 2025–26
80 million emails reviewed at the Northern Territory Government (NTG) gateway, with 63% (49.9 million) blocked.
Approximately 35,000 laptops, workstations and tablets maintained across government.
292,143 ICT service requests from NTG users logged with 92.7% completed.
Approximately 12,000 mailboxes migrated to cloud-based services, supporting modern workplace capabilities across government.
More than 8,400 devices upgraded to Windows 11, improving security, performance and access to contemporary workplace technologies.
17 cyber security capability-building activities completed, including national and Territory cyber security exercises, training activities and industry engagement events.
11 cyber security awareness sessions delivered to NTG employees and the community, including 5 sessions for senior Territorians.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
ICT Service Centre queries resolved on first contact	70%	81%	>70%

Key achievements in 2025–26	
Progressed the NTG Windows 11 uplift program to 30% completion, improving security, maintaining vendor support and enabling access to contemporary workplace technologies.	Progressed the Schools ICT Service Model and connectivity initiatives to improve cyber security, digital infrastructure, device lifecycle management and technology support services for Territory schools.
Strengthened cyber security capability through awareness activities, resilience initiatives and collaboration with national cyber security partners.	Completed an independent cyber security review of NT local government councils, providing participating councils with recommendations and practical tools to improve their cyber security capability and resilience.
Continued to enhance remote and regional connectivity solutions through a review of Wide Area Network (WAN) service delivery aimed at improving services and reducing costs in remote regions. Deployed Starlink services to remote government sites and vehicle-based connectivity solutions, improving access to reliable connectivity in remote locations.	Launched the Cyber Invest Business Grants program and CyberNT website during October Business Month 2025 to support NT businesses to strengthen cyber security capability. Round 1 awarded 17 grants.

Future priorities 2026–27	
Continue modernising the NTG digital workplace, including the rollout of Windows 11, upgrades to devices and systems, and improvements to user experiences.	Enhance network performance and connectivity across the Territory, with a continued focus on resilience, regional service delivery and emerging connectivity solutions, including satellite technologies.
Strengthen cyber security and cyber resilience through capability uplift initiatives, security improvements and ongoing awareness activities.	Continue delivery of the Schools ICT Service Model to improve technology infrastructure, cyber security, device management and support services for Territory schools.

Digital government development

Agency business systems and support services

Deliver systems administration and support services, improvement initiatives, digital solutions and technical advice that support agencies to deliver their services to the community.

Agency Business Systems supports the delivery of essential government services by managing, maintaining and continuously improving critical business systems in partnership with Northern Territory Government (NTG) agencies.

Key statistics in 2025–26
8,664 incidents raised with 8,456 (98%) resolved and closed, ensuring agency business systems continue to meet operational requirements.
126,906 service requests raised with 124,458 (98%) resolved and closed.
2,487 changes implemented across agency business systems to support enhancements, new features and maintenance activities.
805 business system training sessions delivered to government agencies. These sessions supported 7,750 participants.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Availability of core agency business systems	≥ 99%	99.9%	≥ 99%

Key achievements in 2025–26	
Provided role-based user access to the Department of Health's clinical information systems, introducing digital forms and beginning the transition to automated access improving efficiency and reducing manual effort.	Upgraded SerPro, the Northern Territory Police Force's core operational policing system, improving operational capabilities, data quality, meeting new legislative requirements and improving the long-term reliability of the platform.
Supported the Northern Territory Welfare Group led by the Department of Children and Families to ensure ICT services were available during emergency events, including at recovery centres.	Implemented a streamlined and sustainable platform for managing school swimming excursions, supporting delivery of an NTG election commitment and improving service delivery.
Improved access to key business applications for Department of Health staff, particularly remote workers, through a modern, supported platform.	Automated data collection systems for the Department of Education and Training.
In partnership with the Department of Logistics and Infrastructure, supported the delivery of 3 NTG election commitments relating to motor vehicle registration and driver licensing, helping reduce cost-of-living pressures through frozen vehicle registration fees, 3-year trailer registration renewals and a one-year free driver licence.	

Future priorities 2026–27	
With Department of Health, transition the Core Clinical Systems Renewal Program (Acacia) from a large program model to sustainable business-as-usual operations strengthening long-term support, capability and lifecycle management.	Enhance the CARE case management system and associated reporting for the Department of Children and Families, and Youth Justice in the Department of Corrections.
Continue to improve service delivery processes and technology through the adoption of contemporary IT service management practices to increase service quality and customer satisfaction.	Strengthen the governance and lifecycle management of critical government business systems.



Digital government development

Across government systems and support services

Deliver systems administration, support services, technical advice, digital solutions and continuous improvement initiatives for systems that operate across government to support reliable and effective services for the Northern Territory Public Sector.

The business functions supporting this output deliver practical, reliable and responsive whole of government systems and services that support agencies to operate efficiently.

Key statistics in 2025–26
More than 65,000 service requests resolved, with an average time to resolution of 7 hours.
More than 2,300 customer satisfaction survey responses received, with an average rating of 4.9 out of 5 stars.
More than 108,000 views recorded on the Across Government Systems Client Support wiki, enabling users to access self-service FAQs and help articles and reducing the need for direct support.
More than 800 enhancements, upgrades and maintenance changes were delivered across whole of government corporate systems, strengthening system reliability, capability and service delivery.
7,700 automated ticket management requests processed, improving system access and enhancing service delivery and user experience.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Average annual unscheduled outages per core system	≤2	≤2	≤2
Availability of core across government systems	99%	99%	99%

Key achievements in 2025–26	
Enhanced automated invoice data capture, reducing manual effort, improving data accuracy and enabling faster invoice processing.	Enhanced GrantsNT, improving the user experience and supporting more efficient and consistent grants administration across government.
Improved single touch payroll reporting solutions to comply with complex Northern Territory Government (NTG) and Australian Taxation Office (ATO) requirements, improving reporting accuracy and legislative compliance.	Completed records standardisation activities for Travel Request Information Processing System (TRIPS) datasets and completed the 2024 machinery of government (MoG) records migrations, supporting effective records management across government.
Enhanced NTG human resources (HR) systems to meet new ATO Payday Super requirements, ensuring the NTG, as an employer, meets its obligations with ongoing compliance and accurate reporting.	Supported MoG records migrations from a technical perspective, coordinating the transfer of more than 20 datasets into new agency structures and maintaining strong records governance and retention controls.
Delivered enhancements to fuel price reporting and market availability monitoring, supporting legislative requirements, improving transparency for users of the MyFuel NT app.	Automated service operations across several corporate systems, reducing the need for manual intervention and enabling staff to focus on high value service and support activities.

Integrated the Asset Information System (AIS) used by the Department of Logistics and Infrastructure with NTGPay, enabling end-to-end digital invoice processing and improving efficiency, accuracy, auditability and the payment experience.	

Future priorities 2026–27	
Increase automation and streamline data entry to improve efficiency while maintaining high quality client outcomes.	Modernise finance systems through software upgrades that improve business processes, efficiency and service delivery.
Transition all existing ticketing and software management systems to the contemporary cloud solution, supporting improved security standards and service delivery.	Support the HR Systems and Payroll Uplift program by providing subject matter expertise, quality assurance, and release and deployment support.
Modernise legacy applications such as TRIPS, Agency Purchase Requisitions Online (APRO) and Fares Out of Isolated Locality (FOILS), to improve functionality, reliability and user experience.	Support delivery of the whole of government rostering solution with technical expertise and business support.

Digital government development

Digital projects

Deliver and implement digital projects in collaboration with agencies to support improved digital service delivery. Provide advice and guidance that helps agencies develop efficient, customer-focused digital systems.

The business functions supporting this output deliver major digital and business transformation projects across government using recognised project management frameworks and methodologies, working closely with agencies.

They also work with client agencies to deliver solutions that improve the quality and efficiency of government services to provide and enhance customer experience for Territorians transacting with government online.

Key statistics in 2025–26
23 digital projects managed and 2 digital transformation programs led, supporting government priorities and the delivery of improved digital services across agencies.
Added more than 40 services to the Territory Services platform, bringing the total number of online services to 144, and enabling more than 95,000 online transactions to be processed online making it quicker and more convenient for Territorians to access government services, while reducing demand on frontline services.

Key achievements in 2025–26	
Completed the implementation of the patient administration system component of Acacia in all Territory public hospitals, providing clinicians with a single comprehensive digital system to support healthcare delivery across the Territory.	In partnership with Northern Territory Police Force (NTPF), progressed the Northern Territory National Firearms Registry uplift and developed a firearms portal to enable cross jurisdictional information sharing.
Progressed stage 1 planning and procurement for the Education Management Transformation Program (EMTP), which will deliver a new student-centred education management ICT solution for the Department of Education and Training.	In partnership with Northern Territory Emergency Services, upgraded WebEOC, the critical incident management system for emergency responses, through improved dashboards and real-time incident information sharing.
Delivered an automated read-only 360 view of a child application displaying child protection, youth justice and housing data for authorised child protection workers in compliance with Northern Territory Government data access agreements managed by Department of Children and Families.	Progressed the digital driver licence program to provide Territorians with a secure, modern and convenient way to prove their identity and right to drive.

Future priorities 2026–27	
Implement EMTP with Department of Education and Training to provide a new student-centric system.	Continue to onboard services into the Territory Services platform to meet the needs of government and Territorians.
Roll out the myRoster workforce management system with Northern Territory Fire and Emergency Services, Department of Corrections (Youth Justice and Community Corrections), NTPF, and other government agencies with rostered workforces.	Deliver a digital account in Territory Services to support the growing requirements for identity management that will keep Territorians safe and secure when they transact online while preserving their privacy.
Complete the Joint Emergency Services Communication Centre digital uplift and server relocation project to strengthen operational capability and efficiency for NTPF.	Continue to build the RevConnect revenue management system to improve operational efficiency and customer experience for tax lodgements and assessments.
Deliver the eConveyancing solution to enable electronic lodgement and processing of land title transactions and support the modernisation of conveyancing services.	

Digital government development

Data services

Provide data management, reporting services, improvement initiatives and advice to inform agency business decisions to improve service delivery.

The business functions supporting this output through whole of government service delivery are data warehouse management, business intelligence administration support, whole of government corporate reporting and agency specific reporting.

Data Services helps agencies make informed decisions through data management and governance, data policy, data warehouse management, corporate and strategic reporting, improvement initiatives and advisory services.

Key statistics in 2025–26
More than 47 critical data integration processes and 69 supporting server platforms supported and maintained across 8 NTG agencies.
Supported the delivery of more than 4,500 published reports across government.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Availability of OneNTG business intelligence environment	≥99%	≥99.92%	≥99%

Key achievements in 2025–26	
Reviewed more than 30,000 finance reporting system access records across government to ensure appropriate access following machinery of government changes and agency restructures.	Upgraded the business intelligence and reporting platform by replacing outdated technology, migrating reports and content, and updating user access and security settings, ensuring it remains future-ready.
Maintained high platform availability through proactive monitoring and rapid response to server, application and processing failures, reducing the number and duration of service interruptions.	Streamlined Department of Health data loads from 7 major clinical systems, ensuring healthcare information was processed reliably within the overnight operational window.
Successfully piloted a modern cloud-based data warehouse to guide data warehouse development for the Department of Education and Training (DET), and the Department of Children and Families (DCF).	

Future priorities 2026–27	
Continue development of the DET and DCF data warehouse projects to ensure implementation within project timeframes.	Continue to consolidate licensing products across data warehouse platforms to support future cloud-based data warehouse solutions.
Further develop and transition the reporting environment supporting Sage, the whole of government budgeting system, including report development, testing and migration, access management and user readiness, with minimal disruption to business reporting services.	Engage with business stakeholders, technical teams and governance groups on emerging analytics technologies, including Microsoft Fabric, to ensure future platform investments align with agency needs.



Digital government development

Digital communications

Provide whole of government web services, web development and advice that supports agencies and delivers accessible online government information for the community.

Web Services delivers whole of government web services, solutions and advice to support agencies in providing accessible online government information and services, including quality assurance services and continuous improvement activities.

Key statistics in 2025–26
More than 135 websites and 25,000 webpages managed, ensuring consistent and reliable access to information.
More than 20,000 service requests resolved, with an average turnaround of 12 hours, highlighting a strong focus on timely support.
Achieved a 4.9 out of 5 stars customer satisfaction rating from more than 2,200 survey responses, reflecting high-quality service delivery.
Conducted technical and security reviews for 14 websites, ensuring security and accessibility standards were met before publishing.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Days to process website publishing requests (average)	<5	3	<5

Key achievements in 2025–26	
Supported emergency response activities during the Northern Territory flooding events, ensuring timely and accurate publication of clear and accessible emergency communications to the public.	Explored new search technologies and tools for NTG Central and agency intranets, identifying opportunities to improve information discovery and user experience.
Partnered with the Northern Territory Electoral Commission to deliver website services for 6 election events, ensuring the timely and accurate publication of election results.	Migrated 3 public-facing websites and one agency intranet to the Northern Territory Government (NTG) web design system, improving customer usability, accessibility and maintenance requirements.
Completed user research and stakeholder engagement to develop a public-facing website strategy, providing a roadmap to improve customer experiences when accessing government websites.	

Future priorities 2026–27	
Finalise a content strategy and governance framework for NTG Central to support plain English content, clear ownership of content and improved access to information for NTG employees.	Launch the NTG Web Design System to support consistent application of the NTG brand and improve the usability, accessibility and trustworthiness of NTG websites.
Implement improved search capability across NTG Central and agency intranets to improve information discovery and the user experience.	Publish and commence implementation of the public-facing website strategy.

Digital government development

Digital connectivity and strategy

Provide digital strategy development, telecommunications advocacy and coordination, reform initiatives and advice to support the digital transformation of government services and development of the local digital economy.

This transformation is achieved by providing digital technology and service expertise to government agencies, advocating to the Commonwealth and telecommunications industry for improved telecommunications services, and delivering strategic advice and products that support better government service delivery.

The business functions supporting this output through whole of government service delivery are digital strategy, data strategy, regional connectivity, digital inclusion advocacy and digital governance and assurance.

Key statistics in 2025–26
More than 160 artificial intelligence (AI) advisory workshops, presentations, advisory meetings and reviews held.
40 AI training workshops delivered, including 19 sector-wide sessions, 20 sessions for teams across 10 departments, one session for the 2026 NTG graduate cohort. 5 workshops delivered in Alice Springs.
More than 50 AI advisory meetings held to support departments and teams with AI-related assistance.
38 AI presentations delivered across 14 departments, supporting awareness and capability in the use of AI.
32 AI Self-Assurance Assessments reviewed to support responsible and appropriate AI adoption.
13 locations provided with new mobile coverage across the Northern Territory, including 9 Aboriginal communities and homelands, providing new or improved connectivity across the Territory.
10 major digital projects overseen by the ICT Governance Board.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Major ICT projects overseen by the ICT Governance Board	≥ 90%	100%	100%
Additional published datasets on the NT Open Data Portal	32	34	≥ 30

Key achievements in 2025–26	
Launched an AI policy for government through the ‘Say H.I. to A.I.’ campaign, promoting the responsible use of AI to improve service delivery and support staff.	Delivered improved telecommunications access through co-investment programs, including support for 37 new community Wi-Fi projects to be delivered under round 2 of the Commonwealth’s First Nations Community Wi-Fi program.
Established an AI advisory service to help Northern Territory Government (NTG) agencies adopt AI and build staff capability.	Established a grant program to pilot the restoration of easy access to free-to-air television services in 3 remote communities.

Continued to lead the national Digital Inclusion Working Group (DIWG), under the Data and Digital Ministers Meeting, focusing on expanding collaboration with the First Nations Digital Advisory Group and exploring options with the Commonwealth to improve free-to-air television in remote communities.	In partnership with the Department of Education and Training, delivered the Schools Connectivity Uplift Program by leveraging new and emerging technology to provide every Territory student with a minimum connectivity speed of one megabit per second.
Published the Digital Futures Strategy 2026–2028, setting a vision for the NT where modern technology connects Territorians. The strategy includes 17 actions under 4 digital directions, identifying how government will achieve this vision.	Reviewed the NTG's ICT Governance Framework to modernise arrangements and reflect contemporary requirements for strategic oversight of digital and data investment across government.
Continued support for the local digital industry through support to industry events, graduate pathways and sponsoring digital excellence awards.	Completed the privacy impact assessment and legal review for Microsoft Copilot for general use by NTG staff.
Delivered the Digital Futures 2025 event, encouraging Territorians to explore a digital career. The event included keynote speakers such as Dr Paola Magni, and local e-game developer Dylan Bennett. It also featured interactive and hands-on displays including computer games controlled by moving your body and virtual reality.	

Future priorities 2026–27	
Develop NTG's AI Plan to improve access to AI tools, build workforce capability and support better public service outcomes across government.	Support the Territory's input to the 2027 Regional Telecommunications Review to advocate for improved regional connectivity and digital inclusion.
Explore customisation and development of AI tools to support agencies to access the corporate and digital services they need.	Continue delivery of co-investment programs to improve regional connectivity, including new community Wi-Fi projects to provide access for more remote Territorians.
Implement the new Digital Governance Framework to support clearer roles, stronger investment oversight, improved data governance and risk management, and more collaborative digital planning aligned with budget and strategic objectives.	Deliver the pilot for rebroadcasting free-to-air television in remote communities, capturing initial data on the digital inclusion impacts of this program and continue leading advocacy efforts for Commonwealth investment through the DIWG.
Deliver the Digital Futures 2026 event, further promoting the digital industry to local Territorians as a career for their future.	

Corporate and shared services

Improved organisational performance through strategic leadership and governance, and provision of corporate services functions, for the Department of Corporate and Digital Development (DCDD) itself.

The business functions of this output provide agency-wide service delivery including finance and asset services, Office of the Chief Executive, governance services, supply and contract services, enterprise coordination services, work health and safety (WHS) services, human resource administration and corporate communications.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive infrastructure services from the Department of Logistics and Infrastructure.

Shared services provided

Provide corporate and governance services to support functions and divisions assisted by the department, namely Data Centre Services, NT Fleet and Northern Territory Electoral Commission.

Key achievements in 2025–26	
Developed the 2026–2029 Workforce Strategy with a focus on attracting and retaining talented people, building skills and capability, and supporting wellbeing and safety in our workplace.	Delivered strategic financial, budgetary and accounting advice and services to DCDD, Data Centre Services, NT Fleet and the Northern Territory Electoral Commission.
Developed a new Risk Appetite Statement and Strategic Risk Register to align risk management with the department's strategic priorities. This established clear risk parameters, strengthened risk oversight arrangements and enables more informed decision-making, governance oversight and targeted risk treatment planning.	Improved financial reporting processes through the effective use of the Sage budgeting system and increased collaboration across divisions, supporting stronger financial management and oversight.



Future priorities 2026–27	
Undertake an outcomes evaluation of the centralisation of corporate and ICT services using the NTG Program Evaluation Framework.	Undertake an outcomes evaluation of the Digital Project Management Framework using the NTG Program Evaluation Framework.
Prepare for the 2027 People Matter Survey, including continued implementation of divisional action plans following the 2025 survey to address staff feedback and drive continuous improvement.	Strengthen contract management practices to support best-practice governance, clarify accountabilities, and ensure departmental commercial contracts are established, managed and finalised appropriately.
Launch the Digital Workforce Plan (as part of the 2026–29 Workforce Strategy) to focus on the agency's digital workforce, to build capability and capacity, strengthen talent retention and knowledge transfer, and position the organisation for future growth.	Enhance financial governance, reporting accuracy and audit readiness by strengthening controls, standardising accounting practices, and leveraging automated reporting, integrated financial data, and self-service dashboards.
Review DCDD business continuity plans and templates to reduce duplication and ensure the agency is well prepared, and ready to support other agencies in the event of natural disaster or other business interruption.	

Government business divisions

Data Centre Services

Data Centre Services (DCS) delivers core ICT infrastructure and support services to Northern Territory Government (NTG) agencies.

Key statistics in 2025–26
179 million messages exchanged through managed integration platforms, enabling communication between diverse IT systems across NTG platforms. This amounts to a 23% increase in managed messaging traffic from 2024–25.
1.7 million automation tasks managed, maintained and monitored across mainframe and distributed environments.
3,947 change controls approved and implemented across managed services.
1,048 tickets logged through the self-service portal.
5 application development projects (to enhance system performance or capability) delivered for Attorney-General's Department, Department of Logistics and Infrastructure, and Department of Housing, Local Government and Community Development.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Fully managed servers	2 057	2 094	2 135
Data storage area network (terabytes)	15 000	15 250	16 000
Virtual server computing availability	100%	100%	100%
Mainframe computing availability	100%	100%	100%

Key achievements in 2025–26	
Processed more than 100 infrastructure requests and delivered more than 400 new services across government, including 326 virtual servers, 28 Structured Query Language (SQL) databases, 24 Network-Attached Storage (NAS) shares, 13 File Transfer Protocol (FTP) sites, 8 websites, 3 MySQL databases and 1 Notes database.	Implemented upgrades to the Government Data Centre's diesel fuel supply systems (for back-up power), including the installation of high-flow fuel transfer pumps and upgraded fuel polishing ability (removes surface contamination).
Deployed a new midrange server monitoring system to improve alert handling and enable additional monitoring and reporting.	



Future priorities 2026–27	
Improve client notifications for major updates, product upgrades and planned changes so agencies receive clearer information about potential application impacts, recommended testing and the actions required to prepare for change.	Extend monitoring to applications, enabling system owners to receive immediate, real-time alerts about software performance issues and escalate access to support when required.
Provide client reporting on computing infrastructure usage to support better cost monitoring and management.	

Government business divisions

NT Fleet

NT Fleet provides whole-of-life vehicle fleet management services to most Northern Territory Government (NTG) agencies by acquiring, leasing, maintaining and disposing of vehicles. Vehicle fleet services support agencies to operate safe, sustainable, cost-effective and fit-for-purpose fleets. NT Fleet does not manage vehicles for the Northern Territory Police Force or Northern Territory Fire and Emergency Services.

Key statistics in 2025–26
3,582 vehicles managed in the NTG fleet, including 902 light passenger vehicles, 1,731 light commercial vehicles and 949 heavy vehicles and equipment.
371 low-emission vehicles managed in the fleet, comprising 234 hybrid vehicles and 137 electric vehicles, contributing to ongoing reductions in fleet emissions and environmental impact.
439 vehicles sold for approximately $11 million, with 325 acquisitions valued at $23 million during 2025–26.
11,889 fleet service orders issued to local businesses totalling $9 million across the Territory.

Key performance indicators	2025–26 Estimate	2025–26 Actual	2026–27 Target
Vehicles managed[1]	3 638	3 582	3 647
Light vehicles managed within the NTG fleet policy[2]	≥ 90%	96%	≥ 90%
Electric vehicles in the Territory fleet	145	137	159

1 Vehicles managed were 1.5% below estimate due to supply chain disruptions and global vehicle shortages. Numbers are expected to recover in 2026–27 as the replacement program returns to normal.

2 Minimum acceptable target (≥ 90%) for vehicles managed within standard lifecycle parameters, allowing flexibility during supply disruptions while supporting continued fleet performance.

Key achievements in 2025–26	
Transitioned the community short-term vehicle loan program to the Community Benefit Fund administered by the Department of Tourism and Hospitality from 1 January 2026, providing a fairer and more transparent process for community organisations.	Reduced the fleet's environmental impact through continued use of low-emission vehicles, achieving a 4% (295,776 kilograms) reduction in CO_2 emissions compared with 2024–25, and a reduction of 12% (1,038,597 kilograms) since 2021.
Reviewed NT Fleet's financial model to support actions to strengthen oversight, manage risk and support continuous improvement.	Facilitated the donation of 3 vehicles through the Community Benefit Fund to community organisations.
Assisted agencies to develop fleet strategies to improve vehicle use and efficiency, improve safety for remote workers and increase the number of low-emission vehicles.	Implemented call management and workflow management solutions to streamline client interactions and gain efficiencies in operation.
Installed additional electric vehicle charging points, bringing the total to 190, improving charging accessibility for electric vehicles in the fleet, and delivered an emissions reporting dashboard aligned with the Australian National Greenhouse Accounts Factors to support emissions monitoring and reporting.	

Future priorities 2026–27	
Maintain NT Fleet's cost-recovery model and ensure that pricing, asset replacement and disposal decisions support long-term commercial viability.	Improve access to reliable fleet data through a suite of dashboard reports to support informed decisions by agencies, executives and government.
Partner with NTG agencies to optimise use of the government fleet through improved vehicle use, reducing unnecessary holdings and matching vehicles to operational needs.	



4



Our workforce

Workforce snapshot 50

Our workforce 51

Workforce snapshot

As at 30 June 2026



1,259

employees (headcount)
(1,197.2 full-time equivalent)



43

average age



23.85%

staff are culturally
and linguistically diverse



6.27%

staff identify
as Aboriginal



34

different languages
spoken across the agency



3.97%

staff with
a disability



1,085

staff who are
permanently employed



24%

staff with
10 to 20 years of service



46

staff in
the regions

Our workforce

As a customer service agency, the Department of Corporate and Digital Development's (DCDD) success depends on a skilled, valued, and collaborative workforce. Our teams bring diverse backgrounds, experiences and expertise, enabling the delivery of high quality, responsive services that support government priorities.

We are committed to fostering a healthy, inclusive and positive workplace culture where staff feel empowered to thrive. Our strategic focus includes building a high-performing workforce through continuous learning, strong leadership and innovation.

As at 30 June 2026, DCDD employed 1,197.2 full-time equivalent (FTE) staff across Darwin, Alice Springs, and Katherine. This was a decrease of 37.5 FTE from the previous year. All workforce data is expressed as paid headcount unless stated otherwise, and includes Data Centre Services and NT Fleet.

Designation	FTE June 2025	Headcount 2025	FTE June 2026	Headcount 2026
Executive Contract Officer 6	1.0	1	1.0	1
Executive Contract Officer 4	2.0	2	2.0	2
Executive Contract Officer 3	1.0	1	5.0	5
Executive Contract Officer 2	22.0	22	15.6	16
Executive Contract Officer 1	21.9	22	14.6	16
Executive Officer 2	1.0	1	5.0	5
Senior Administrative Officer 2	75.4	76	77.5	79
Senior Administrative Officer 1	177.1	182	177.5	186
Administrative Officer 7	202.6	212	197.6	208
Administrative Officer 6	241.1	247	230.0	241
Administrative Officer 5	188.9	197	197.0	205
Administrative Officer 4	174.4	186	160.0	171
Administrative Officer 3	76.1	80	69.5	73
Administrative Officer 2	28.6	32	26.0	30
Graduate	11.0	11	10.0	10
Technical 4	1.0	1	1.0	1
Professional 3	2.0	2	2.0	2
Professional 2	1.6	2	1.5	2
Apprentice	5.0	5	0	0
Trainee	0	0	3.4	5
Other	1.0	1	1.0	1
Total	**1 234.7**	**1 283**	**1 197.2**	**1 259**

Diversity

DCDD values a diverse and inclusive workplace where all individuals are respected and celebrated.

We recognise the unique backgrounds, identities, skills, and experiences our staff bring, acknowledging that diversity strengthens our organisation and contributes to our success.

Employee diversity as at 30 June 2026	Headcount	% of Headcount
Female	771	**61.24**
Male	486	**38.60**
Self-specified	2	**0.16**
Aboriginal	79	**6.27**
Culturally and linguistically diverse	301	**23.85**
Disability	50	**3.97**

Staff development

Building a skilled and valued workforce is a key priority for DCDD. Staff have access to a broad range of training and development opportunities and initiatives, including leadership programs, customer experience training, short courses, professional memberships, study assistance and targeted initiatives that support continuous learning and innovation such as:

- **RMIT Online – Design Thinking for Innovation** – 38 staff participated in this course, which encourages creative thinking and a fresh approach to problem solving, designed to augment our focus on customer experience and service excellence. Each participant developed a project and presented their solution and prototype to the Senior Leadership Team. The sessions were dynamic and engaging, with strong interaction and thoughtful discussions.
- **Service development plans (SDP)** – initiated annually by business units, SDPs provide practical development opportunities while promoting a culture of ideas, innovation and continuous improvement. These projects enhance services and deliver measurable benefits to clients, bringing DCDD's value of innovation to life. In the reporting period, 63 projects were initiated.
- **AI Advisory** – delivered 7 training workshops to support DCDD staff to better understand artificial intelligence (AI) opportunities, risks and responsible use in a government context. The AI Advisory service offers training workshops to all NTG agencies, and these 7 workshops were dedicated to DCDD staff.
- **Customer Experience (CX) Program** – 106 staff from 19 business units completed the 2-day program, designed to strengthen DCDD's capability to deliver high quality, customer-focused services across internal, inter-agency and community contexts.

Staff also participated in interjurisdictional peak body conferences, supporting knowledge exchange, leadership development and collaboration across government sectors.

In 2025–26, staff recorded 8,431 training attendances in the MyLearning system, reflecting strong engagement with development opportunities and capability growth across the department.

Leadership initiatives

DCDD encourages leadership growth at all levels to build capability, drive performance and deliver strategic priorities. We invest in development programs that enhance strategic thinking, strengthen leadership skills, and support succession planning across the department.

- **Due Diligence Training – Charles Darwin University (CDU)** – strengthens understanding of governance, risk management, compliance and decision-making responsibilities in our Executive Leadership Group. Participants develop the knowledge and skills to exercise appropriate diligence, manage risk and support accountable organisational practices.
- **PROSCI Change Management Training** – equips participants with industry-recognised change management methodologies, tools and frameworks to support successful organisational change. Focuses on stakeholder engagement, building commitment, managing resistance and achieving sustainable change outcomes.

- **Emerging Leaders Program** – tailored for new and emerging leaders at levels 5 to 7 in the Capability Framework. Provides foundational leadership skills, tools and confidence to lead effectively.
- **Leadership for new managers** – supports the transition from team member to team leader. Participants learn to build credibility, foster relationships, provide direction, motivate teams and monitor performance.
- **Senior Leaders Program** – develops senior leaders to strengthen leadership capabilities and enhance strategic decision-making and influence across the organisation by developing strong execution skills and a future-focused mindset.
- **Public Sector Management Program** – builds leadership capability and results in a Graduate Certificate in Business (Public Sector Management). Each participant completes a work-based project that delivers practical and innovative outcomes for DCDD.
- **Foundations of Public Sector Governance** – strengthened understanding of the political, institutional and legislative context of public sector operations, including governance requirements, accountability and the role of public sector employees in delivering effective outcomes and public value.
- **The Leadership Edge** – leadership program delivered through Art Your Life–enhances self-leadership, emotional intelligence, communication, resilience and behavioural awareness. Participants build the confidence and capability to lead themselves and others, foster positive team cultures and achieve improved workplace outcomes.
- **Australian Institute of Company Directors (AICD) – Company Directors Course** – strengthening capability in corporate governance, strategic decision-making, risk oversight and financial management, with practical insight into effective board governance, accountability, and balancing organisational performance, risk and stakeholder interests.
- **Mini Master of Business Administration (MBA)** – a comprehensive business education course covering strategy, leadership, customer focus, change management and action planning.
- **Australia and New Zealand School of Government (ANZSOG) Executive Masters Program** – develops public sector leadership capability through evidence-based learning that strengthens strategic thinking, policy leadership, collaboration and decision-making in complex environments. Participants gain contemporary insights and practical tools to lead effectively across government and deliver public value. Results in a Masters degree.

Program	Enrolled
Due Diligence Training	24
PROSCI Change Management Training	17
Emerging Leaders Program	14
Leadership for New Managers	14
Senior Leaders Program	13
Public Sector Management Program	10
Foundations of Public Sector Governance	9
The Leadership Edge (Art Your Life)	6
Australian Institute of Company Directors (AICD) – Company Directors Course	6
Mini Master of Business Administration (MBA)	1
ANZSOG Executive Masters Program	1

Early career opportunities

DCDD continues to support career pathways through a range of entry-level programs, with 65 participants supported in early career programs throughout 2025–26.

Programs include:

- **Vacation Employment Program** – provides professional employment opportunities to university students during semester breaks and feeds into the Graduate Development Program.
- **Graduate Development Program** – a structured program over 12 months, with rotations across multiple business units, offering diverse experience, on-the-job training, and professional development. Graduates build networks and contribute meaningfully from day one.
- **Traineeships** – offered through full-time and school-based programs, combining on-the-job experience with nationally recognised training from certificate to diploma level.
- **Payroll School** – an 8-week program designed to equip new staff with foundational payroll processing skills, providing a valuable head start in their payroll careers through practical learning, structured training, and hands-on experience.
- **HR School** – a 6-month employment pathway program which contributes directly to growing our own HR talent and strengthening our workforce pipeline.
- **Aboriginal Employment Program** – a 20-week employment program delivering training, work readiness skills, and a Certificate II in Workplace Skills. Graduates gain a pathway into employment or traineeships within NTG.
- **EmployAbility Work Experience Pilot Program** – introduces people with a disability to NTG career opportunities. Delivered in partnership with an industry expert, it supports inclusive workplaces and supervisor development.
- **Work Integrated Learning Scholarship Program** – supports CDU students with scholarship payments and paid placements during semester breaks, creating pathways to graduate roles in the NTG.

Program	Participants
Vacation Employment	23
Graduate Development	21
Traineeship	14
Payroll School	10
HR School	8
Aboriginal Employment	4
EmployAbility Work Experience Pilot	2
Work Integrated Learning Scholarship	1
Total	**83**

People Matter Survey

The People Matter Survey is conducted every 2 years to provide NTPS employees with an important opportunity to provide feedback and help shape a positive and productive workplace. In response to the agency's 2025 survey results, DCDD worked with staff to develop an action plan focused on recognising employee contributions, strengthening communication and collaboration, and supporting effective workload management.

In direct response to employee feedback, DCDD introduced a range of initiatives as part of the Wellbeing and Culture Program and People Matter Survey Response Plans were also developed with staff in each business unit to improve communication, increase leadership visibility and foster stronger connections across the department. These included:

- Executive Spotlight series – highlights departmental leaders and their experiences
- Lunchbox Series – promotes knowledge sharing and awareness of key projects and priorities
- Lunchtime Crafty Creations – supports employee wellbeing, social connection and community contribution
- increased access to mental health and wellbeing support for staff
- continued supporting flexible work arrangements to ensure they meet organisational requirements while supporting employee needs
- expanded recognition initiatives for use across DCDD that celebrate the contributions of our people
- development of business unit staff newsletters as a regular communication channel to keep staff informed of organisational updates, promote key initiatives such as innovation and wellbeing, and improve communication across geographically dispersed teams.

Together, these initiatives are helping to build a more connected, collaborative and inclusive workplace culture.

Recognition

DCDD values and celebrates the contributions of its employees through both formal and informal recognition initiatives.

Key service milestones are acknowledged through events that recognise the dedication and commitment of staff, while regular features such as the weekly Chief Executive newsletter highlight the achievements of individuals and teams across the agency. By showcasing the diverse contributions being made across the department, these initiatives promote recognition, strengthen engagement and increase awareness of the important work being delivered by staff throughout DCDD.

DCDD teams were recognised at the 2025 Chief Minister's Awards for Public Sector Excellence:

- DCDD won the Spirit of the Territory Award for outstanding delivery of Workforce Services HR Service Centre, highlighting the dedication and professionalism of the HR Service Centre team who provide frontline support to the NTPS. The team responded to over 3,000 phone and online requests a week while maintaining a satisfaction rating above 4.5 out of 5 stars.
- In conjunction with the Attorney-General's Department (AGD), DCDD was also a finalist for the Spirit of the Territory Award recognising the support and expertise the Workforce Development team provided to develop AGD's Mentally Healthy Workplace program. The program boosts the resilience of AGD's workforce through practical activities to improve workplace wellbeing practices.

- The DCDD Service Development Program was a finalist for the Inspiring Innovation Award. Coordinated through the Organisational Support team, the program delivers annual projects focused on improving services to our clients through efficiencies and innovations. This recognition reflects the strong customer focus embedded throughout the agency.

Health, safety, wellbeing and culture initiatives

DCDD is committed to fostering a safe, respectful, inclusive and healthy workplace where employees feel safe to speak up, feel included and can thrive. The department promotes work-life balance and employee wellbeing through a range of initiatives that support physical, mental, emotional and social health.

Throughout 2025–26, DCDD continued to strengthen workplace culture and employee engagement through the Wellbeing and Culture Program. These initiatives provided opportunities for staff to share achievements, celebrate successes, build networks and connect through common interests, helping to strengthen a sense of belonging across the department.

Employees have access to a range of wellbeing resources and support services, including the Employee Assistance Program, workplace health and safety awareness initiatives, wellbeing and inclusion activities, and opportunities to participate in social, cultural and charitable events. Monthly wellbeing themes encouraged staff to engage in activities and resources designed to support healthy and balanced working lives.

The department maintained a strong focus on inclusion by promoting diversity, supporting flexible work practices and recognising significant cultural, community and workforce events through communications, activities and staff stories. Regular promotion of wellbeing resources and whole of government initiatives helped increase awareness and participation across the workforce.

As DCDD continues to grow and evolve, we remain committed to ensuring our health, safety, wellbeing and culture initiatives are accessible, inclusive and responsive to the needs of employees across all locations, supporting a connected, engaged and high-performing workforce.

Work health and safety

DCDD's Work Health and Safety (WHS) Committee provides strategic oversight of health and safety performance and drives continuous improvement across the department. The committee is supported by WHS Building Representative Committees, ensuring staff involvement and consultation on workplace health and safety matters across DCDD workplaces.

The department is committed to providing a safe and healthy work environment and to eliminating or minimising risks so far as is reasonably practicable. Through ongoing implementation of the DCDD WHS Safety Culture Action Plan, safety continues to be embedded in everyday work practices, with a strong focus on prevention, consultation and shared responsibility. The plan has supported DCDD's progression from a reactive to a proactive level of WHS maturity, with ongoing work towards achieving a leading safety culture.

Key initiatives and achievements delivered in 2025–26 include:

1. sixteen executive WHS walkthroughs (visiting workplaces) that strengthened leadership engagement and provided opportunities for staff to discuss workplace health, safety and wellbeing matters. WHS objectives were also incorporated into the 2025–26 executive performance planning cycle, reinforcing leadership accountability for safety outcomes

2. ongoing support for WHS committees, first aid officers and fire wardens to enhance workplace safety capability and preparedness. Visibility of WHS committees was further strengthened through improved intranet resources, communications and access to committee information
3. continued delivery of wellbeing initiatives that support psychologically safe and healthy workplaces, including development of the 2026 Wellbeing and Culture Program
4. increased awareness of hazard, incident and risk reporting through ongoing use and promotion of the Figtree WHS system, supported by improved access to training resources, user guides and reporting tools
5. regular WHS inductions, refresher training and safety communications to ensure staff remained informed of their responsibilities and safe work practices. This included delivery of due diligence awareness initiatives and the introduction of regular WHS updates through employee communications
6. continued focus on proactive risk identification and management, encouraging staff to report hazards and contribute to continuous safety improvement. Key achievements included the implementation of enhanced WHS performance reporting and dashboards, completion of department-wide WHS maturity self-assessments, and development of the next WHS Safety Culture Action Plan
7. a dedicated project team to deliver a response to the Core Clinical Systems Renewal Program (CCSRP) Investigation Report, including a WHS and wellbeing assessment across the broader digital project teams, as well as targeted training and policy development to support both employees and contractors in maintaining safe, informed and well-supported digital project workplaces.

These initiatives support DCDD's commitment to fostering a positive safety culture where health, safety and wellbeing are integrated into daily operations and shared by all workers.

Flexible work

DCDD supports flexibility in the workplace, recognising that work-life balance is essential to attracting and retaining a high-performing workforce. In 2025–26, staff accessed 1,246* flexible work arrangements, enabling them to work in ways that best suit their individual needs and circumstances, balanced with operational needs of their business units and DCDD.

Type	Under 55 years of age	Over 55 years of age	Total
Compressed or averaged hours	218	41	259
Full-time to part-time	120	16	136
Variation to full-time hours	369	48	417
Work from home	382	52	434
Total	**1 089**	**157**	**1 246**

*Note that a single flexible work application may include a combination of flexible hours and home-based work. Each option is reported and counted separately.

Employment instructions

Under the *Public Sector Employment and Management Act 1993* (PSEMA), Employment Instructions provide direction to agencies on human resource matters. DCDD complied with its obligations under each Employment Instruction throughout 2025–26.

Public sector principles (section 5A)

Public sector principles in Part 1A, sections 5A to 5F of PSEMA are the general principles underlying this legislation. These principles need to be upheld by agencies, Chief Executive Officers (CEOs) and employees of the NTPS. In 2025–26, DCDD complied with all the prescribed principles.

Administration management principle (section 5B)

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

Human Resource Management Principle (section 5C)

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

Merit principle (section 5D)

DCDD appointments are based on the principle of merit. Employees are capable and competent to perform their duties, having the knowledge, skills, experience and qualifications required to be successful in their role and includes consideration of their potential for future development.

Equality of employment opportunity principle (section 5E)

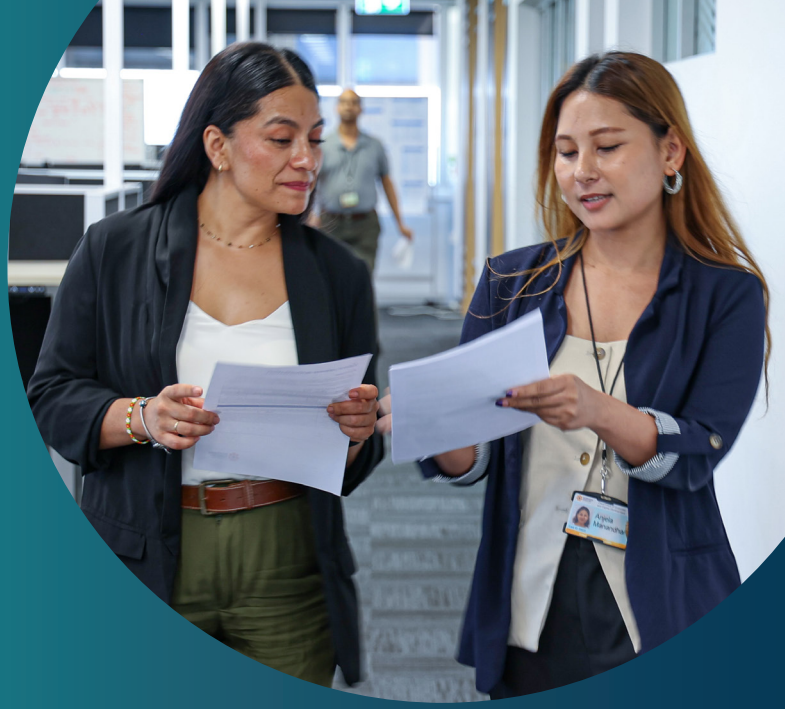
DCDD encourages staff to continually develop and access career development opportunities, which also includes exchange, transfer and mobility. DCDD's new special measures plan was approved by the Commissioner for Public Employment in early 2026.

Performance and conduct principle (section 5F)

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

In DCDD, 97% of staff completed the new Creating Respectful Workplaces training by 30 June 2026 as requested by the Commissioner for Public Employment.

5



Governance

Governance structure 60

Freedom of information 61

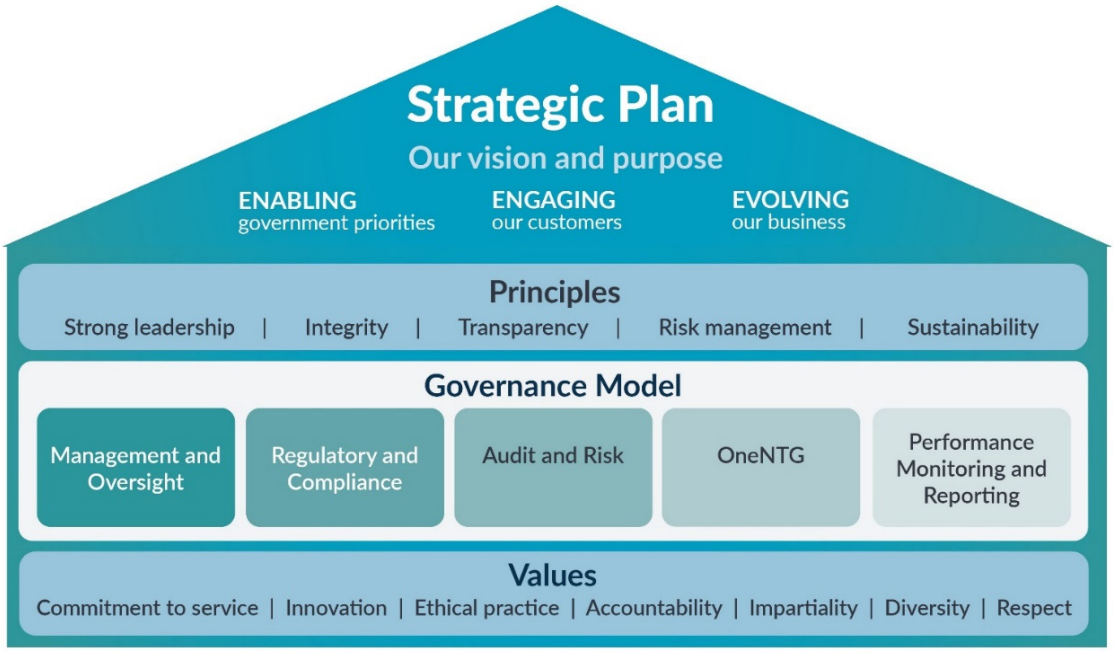
Corporate governance committees 61

Governance structure

The Department of Corporate and Digital Development (DCDD) operates within a robust corporate governance framework that guides the department and its government business divisions (GBDs). The framework provides a structured approach for planning, implementing, monitoring and reviewing activities and decisions, ensuring the department operates effectively, ethically and in alignment with its strategic objectives.

DCDD's governance model supports the achievement of organisational outcomes by establishing clear accountability and decision-making responsibilities. It outlines the department's expectations for management oversight, regulatory compliance, audit and risk management, implementation of the OneNTG framework, and performance monitoring and reporting. Through these arrangements, the model promotes effective governance, transparency and continuous improvement across the department. The DCDD Corporate Governance Framework was approved in July 2025.

Figure 5.1 – DCDD Corporate Governance Framework



Risk management and audits

Risk management is an integral component of DCDD's corporate governance framework and supports informed decision-making, organisational performance and the delivery of services across government. The department's Risk Management Framework, including the Risk Appetite Statement and supporting policies and procedures, provides a consistent approach to identifying, assessing and managing risk.

As a provider of whole of government services, DCDD considers both government priorities and the strategic objectives of client agencies within its governance and risk management processes. The department promotes a positive risk culture that encourages the proactive management of risks and opportunities through strategic and operational risk registers, mitigation strategies and regular governance oversight.

A comprehensive system of internal controls supports effective governance, accountability and compliance. These include delegated authorities, conflict of interest declarations, employment screening, an internal audit program, a program of risk and assurance reviews, and policies relating to procurement, gifts, fraud and corruption, improper conduct, whistleblower protections, and data breach management. Financial controls and governance processes also support the responsible stewardship of public resources.

During 2025–26, DCDD reviewed and approved its Strategic Risk Appetite Statement and Strategic Risk Register to ensure they remained aligned with the department's strategic objectives and operating environment.

Freedom of information

The *Information Act 2002* allows for access to government and personal information.

A summary of freedom of information (FOI) applications processed in accordance with the Act during 2025–26 is presented in the table.

FOI application summary	Total
Applications carried forward from previous year	2
New applications received during reporting period	21
Applications finalised during reporting period	21
Applications carried forward to next reporting period	2

Corporate governance committees

DCDD's governance committees support effective management, oversight and accountability, providing the foundation for sound governance through established reporting arrangements that facilitate informed, transparent and accountable decision-making.

The governance structure complements, but does not replace or diminish, the authority of the Chief Executive or other officers exercising delegated powers. Governance committees may endorse proposals and provide guidance, assurance and advice to support decision-makers in the exercise of their responsibilities.

The Executive Management Board (EMB) focuses on strategic priorities aligned with the DCDD's Strategic Plan 2024–28, supporting the delivery of government priorities, enhancing customer engagement and driving organisational improvement. Its agenda emphasises strategy, performance and delivery outcomes, while streamlining operational reporting requirements.

The board enables good foundational governance by enabling oversight and management through established reporting lines that support informed, accountable and transparent decision-making.

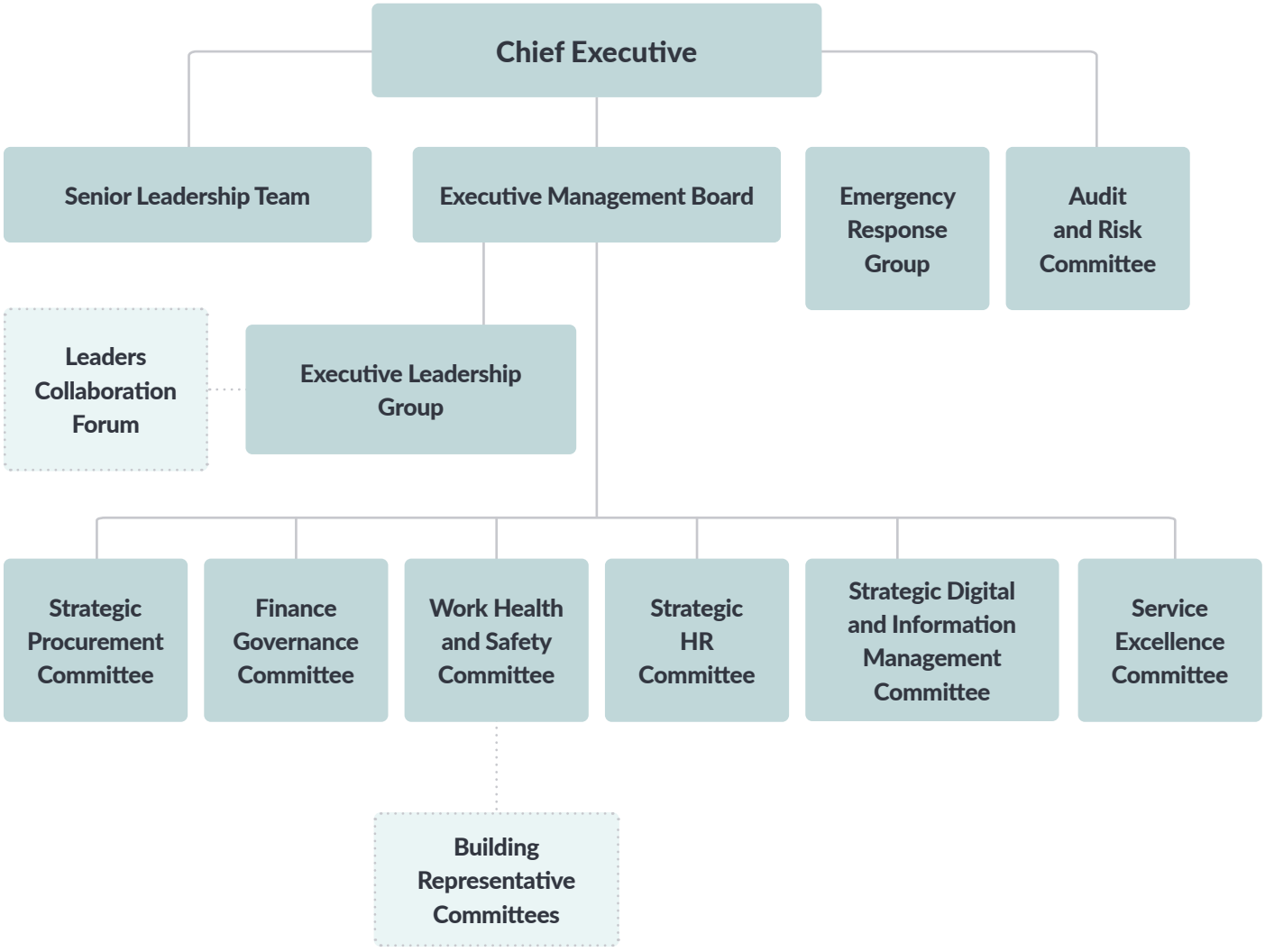
Members of the board consist of:

- Chief Executive, Chair
- Deputy Chief Executive – Corporate
- Deputy Chief Executive – Digital
- Chief Operating Officer
- Senior Director Organisational Support and Coordination
- Executive Director Commercial Services
- Executive Director Information Management Services and Fines Recovery Unit
- Executive Director Data and Digital Strategy and Advisory Services

- Executive Director Digital Operations
- Chief Financial Officer, ex-officio
- Director Regions, ex-officio.

Outcomes from EMB meetings are communicated to the Executive Leadership Group to ensure organisational alignment and accountability. The board convened on 13 occasions during 2025–26.

Figure 5.2 – DCDD Corporate Governance Committee Structure



6a



Financial Report

Department of Corporate and Digital Development 64

Financial Report

For the year ending 30 June 2026

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 Northern 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 through 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: 2025–26 Final budget and performance

	2025–26		
	Final Budget	Actual	Variation
	$000	$000	$000
Income	410 528	407 411	(3 117)
Expenses	441 824	438 138	3 686
Surplus/(Deficit)	**(31 296)**	**(30 727)**	**569**
Comprehensive Result	(31 296)	(30 727)	569

DCDD's operating financial performance for the year showed a $30.7 million deficit, which was closely aligned with the final budget estimated deficit of $31.3 million.

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

Table 2: 2025–26 and 2024–25 Performance

	2025–26	2024–25	Variation
	$000	$000	$000
Income	407 411	406 618	793
Expenses	438 138	435 438	(2 700)
Surplus/(Deficit)	**(30 727)**	**(28 820)**	**(1 907)**
Comprehensive Result	**(30 727)**	**(28 820)**	**(1 907)**

DCDD's change in operating performance from a deficit of $28.8 million in 2024–25 to a deficit of $30.7 million in 2025–26 is a result of increases in both income and expenditure, as DCDD provided more services and delivered more projects to agencies in the 2025–26 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

	Output Appropriation		Goods and Services		Other Income[1]		Goods and Services Received FOC[2]		Total	
Year	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	337 267	82.8	49 722	12.2	20 175	5.0	248	0.1	407 411	100
2024–25	338 396	83.2	46 548	11.4	21 392	5.3	282	0.1	406 618	100

1 Other income primarily includes cost recoveries.

2 Relates to Department of Logistics and Infrastructure (DLI) repairs and maintenance received free of charge.

Income received for the 2025–26 financial year was $407.4 million compared to $406.6 million in the previous year, an increase of $0.79 million.

Output appropriation was lower in 2025–26 than the previous year primarily due to the transfer of leadership development function from DCDD to the Department of the Chief Minister and Cabinet (Office of the Commissioner for Public Employment) and the transfer of output appropriation to capital funding for building fit-out works.

The increase in goods and services income primarily relates to higher ICT services related revenue from client agencies.

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		Others[1]		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	155 310	35.4	127 322	29.1	101 142	23.1	19 078	4.4	12 970	3.0	1 062	0.2	21 254	4.9	438 138	100
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

1 Other expenses includes services free of charge, write-offs and interest expenses.

Employee expenses decreased due to recruitment market constraints and vacant positions across the agency during the reporting period.

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 lower in 2025–26 primarily due to completion and winding down of ICT-related projects delivered by DCDD on behalf of other agencies.

DCDD spent $61.3 million on major digital projects across the following categories:

- **Employee** – $6.9 million
- **Operational** – $27.7 million
- **Capital** – $26.7 million

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

2025–26 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: 2025–26 Final budget and expenses by output

Output Group/ Output	Final Budget	Actual	Variation	Note
	$000	$000	$000	
Corporate Support Development				
Workforce services	33 507	32 961	547	
Employment services	17 624	19 773	(2 149)	1
Procurement services	9 274	7 250	2 024	2
Information services	11 854	12 164	(310)	
Finance services	7 864	7 190	674	2
Property leasing services	120 757	120 869	(112)	
Fines recovery unit	3 619	3 296	323	
Corporate Support Development – total	**204 499**	**203 502**	**997**	
Digital Government Development				
ICT network services	50 945	51 636	(690)	3
Agency business systems and support services	75 968	74 201	1 767	4
Across government systems and support services	29 789	29 458	331	
Digital projects	43 983	43 576	407	
Data and digital strategy and advisory services	20 994	19 941	1 053	5
Digital communications	4 051	4 005	46	
Digital Government Development – total	**225 731**	**222 817**	**2 914**	
Corporate and Shared Services				
Corporate and governance	9 034	9 358	(324)	
Shared services received	351	248	103	
Shared services provided	2 209	2 212	(3)	
Corporate and Shared Services – total	**11 594**	**11 820**	**(225)**	
TOTAL	**441 824**	**438 138**	**3 686**	

Notes:

1. Employment services – higher costs of delivering payroll services and enterprise agreement processing.
2. Procurement services and finance services – lower than anticipated expenditure due to challenges in recruiting and maintaining workforce.
3. ICT network services – primarily relates to increased hardware costs.
4. Agency business systems and support services – variance mainly relates to vacant positions, partially offset by higher ICT licensing and contractor costs.
5. Data and digital strategy and advisory services – efficiencies gained through software licensing and server rationalisation, and delivery of schools connectivity uplift project delayed by weather events.

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 2026 with the position at 30 June 2025.

Table 6: 2025–26 and 2024–25 Financial position

	2025–26	2024–25	Variation
	$000	$000	$000
Assets			
Current assets	82 880	69 083	13 797
Non current assets	1 017 626	1 004 335	13 291
Total Assets	**1 100 505**	**1 073 418**	**27 087**
Liabilities			
Current liabilities	142 776	137 788	(4 988)
Non current liabilities	567 949	568 214	265
Total Liabilities	**710 725**	**706 002**	**(4 723)**
Net Assets	**389 780**	**367 416**	**22 364**
Equity	389 780	367 416	22 364
Total Equity	**389 780**	**367 416**	**22 364**

DCDD's net asset position at the end of 2025–26 was $389.8 million, an increase of $22.4 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 digital projects. Liabilities increased primarily due to increases in deposits held 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 2026 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 2026 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

28 August 2026

Michelangelo Pino

Chief Financial Officer

28 August 2026

Comprehensive operating statement

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
INCOME			
Appropriation	4		
Output		336 582	338 081
Commonwealth (excluding capital appropriation)		685	315
Sales of goods and services	5	49 722	46 548
Gain on lease extinguishment[1]		44	3 347
Goods and services received free of charge	6	248	282
Other income	7	20 130	18 045
TOTAL INCOME	3	**407 411**	**406 618**
EXPENSES			
Employee expenses	8	155 310	158 177
Administrative expenses			
Property management		12 970	12 466
Purchases of goods and services	9	146 400	147 207
Repairs and maintenance		-	-
Depreciation and amortisation	16, 17	101 142	95 639
Other administrative expenses[2]		293	286
Grants and subsidies expenses			
Current	10a	689	137
Capital	10b	373	1 750
Interest expenses	11	20 961	19 776
TOTAL EXPENSES	3	**438 138**	**435 438**
NET SURPLUS/(DEFICIT)		**(30 727)**	**(28 820)**
OTHER COMPREHENSIVE INCOME		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE RESULT		**(30 727)**	**(28 820)**

1 Gain on lease extinguishment due to lease liability termination of various leased properties.

2 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 2026

	Note	2026 $000	2025 $000
ASSETS			
Current assets			
Cash and deposits	13	45 599	39 731
Receivables	15	37 281	29 352
Total current assets		**82 880**	**69 083**
Non current assets			
Receivables	15	3 395	1 778
Property, plant and equipment	16, 24	638 860	644 237
Intangibles	17, 24	375 371	358 320
Total non current assets		**1 017 626**	**1 004 335**
TOTAL ASSETS		**1 100 505**	**1 073 418**
LIABILITIES			
Current liabilities			
Deposits held	18	11 196	956
Payables	19	20 535	28 089
Borrowings and advances – lease liabilities	20	79 780	77 785
Provisions	21	24 564	23 373
Other liabilities	22	6 700	7 585
Total current liabilities		**142 776**	**137 788**
Non current liabilities			
Borrowings and advances – lease liabilities	20	567 949	568 214
Total non current liabilities		**567 949**	**568 214**
TOTAL LIABILITIES		**710 725**	**706 002**
NET ASSETS		**389 780**	**367 416**
EQUITY			
Capital		478 718	425 626
Accumulated funds		(88 937)	(58 210)
TOTAL EQUITY		**389 780**	**367 416**

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 2026

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
			$000	$000	$000
2026					
Accumulated funds		(57 428)	(30 727)	-	(88 155)
Transfers from reserves		(783)	-	-	(783)
		(58 210)	**(30 727)**	**-**	**(88 937)**
Capital – transactions with owners					
Equity injections					
Capital appropriation		384 966	-	18 312	403 278
Equity transfers in		108 569	-	88	108 657
Other equity injections		69 231	-	34 891	104 123
Equity withdrawals					
Capital withdrawals		(78 130)	-	(200)	(78 330)
Equity transfers out		(59 010)	-	-	(59 010)
		425 626	**-**	**53 092**	**478 718**
Total equity at end of financial year		**367 416**	**(30 727)**	**53 092**	**389 780**
2025					
Accumulated funds		(28 607)	(28 821)	-	(57 428)
Transfers from reserves		(783)	-	-	(783)
		(29 390)	**(28 821)**	**-**	**(58 210)**
Capital – transactions with owners					
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 withdrawals		(77 489)	-	(641)	(78 130)
Equity transfers out		(58 421)	-	(589)	(59 010)
		379 607	**-**	**46 019**	**425 626**
Total equity at end of financial year		**350 217**	**(28 821)**	**46 019**	**367 416**

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 2026

	Note	2026 $000	2025 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Grants and subsidies received			
Capital		-	-
Appropriation received	4		
Output		336 582	338 081
Commonwealth (excluding capital appropriation)		685	7 015
Receipts from sales of goods and services		113 418	106 172
Total operating receipts		**450 685**	**451 268**
Operating payments			
Payments to employees		(154 194)	(156 902)
Payments for goods and services		(219 989)	(198 646)
Grants and subsidies paid			
Current		(689)	(137)
Capital		(373)	(1 750)
Interest paid		(20 961)	(19 776)
Total operating payments		**(396 206)**	**(377 211)**
Net cash from/(used in) operating activities	14	**54 479**	**74 057**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing payments			
Purchases of non-financial assets		(32 809)	(45 659)
Total investing payments		**(32 809)**	**(45 659)**
Net cash from/(used in) investing activities		**(32 809)**	**(45 659)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Deposits received		10 240	741
Equity injections			
Capital appropriation	4, 14	18 312	30 074
Commonwealth capital appropriation	4, 14	(885)	(1 815)
Other equity injections	14	34 891	13 400
Total financing receipts		**62 558**	**42 400**
Financing payments			
Lease payments	14	(78 160)	(75 634)
Equity withdrawals	14	(200)	(641)
Total financing payments		**(78 361)**	**(76 275)**
Net cash from/(used in) financing activities	14	**(15 802)**	**(33 875)**
Net increase/(decrease) in cash held		5 868	(5 477)
Cash at beginning of financial year		39 731	45 208
CASH AT END OF FINANCIAL YEAR	13	**45 599**	**39 731**

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 Northern Territory Government's (NTG) digital environment.

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.

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.

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, 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.

The department considered the primary users of these financial statements and their needs for information and quantitative thresholds to determine which accounting policy information is material and therefore must be disclosed.

a) Machinery of government changes

A machinery of government change refers to the reallocation of certain functions and responsibilities, arising from revisions to Administrative Arrangement Order (AAO) by government or at the discretion of the relevant ministers, chief executives or by Cabinet decision.

DCDD transferred the leadership development function to Department of the Chief Minister and Cabinet (Office of the Commissioner for Public Employment) in 2025–26. Employee and operational funding were transferred through an administrative variation adjustment during the budget cycle. The movements were agreed between chief executives.

There were no transfers of functions into DCDD during the 2025–26 financial year.

2. Statement of material accounting policy information

a) Statement of compliance

i. Compliance framework

These financial statements are general purpose financial statements and have been prepared in accordance with the requirements of the *Financial Management Act 1995* (FMA), related Treasurer's Directions and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. The FMA requires 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 statement
- a comprehensive operating statement
- a balance sheet
- a statement of changes in equity
- a cash flow statement
- applicable explanatory notes to the financial statements.

ii. Standards and interpretations effective from 2025–26 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.

iii. Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for the 2025–26 financial year.

The following new Australian Accounting Standard has been issued but is not yet effective and is expected to impact future reporting periods:

AASB 18 Presentation and Disclosure of Financial Statements (AASB 18)

AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 and introduces new presentation and disclosure requirements for income statements, cash flow statements, and management-defined performance measures.

The standard is proposed to apply to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028 (the 2028–29 financial year for the agency).

AASB 18 would primarily affect the presentation and disclosure of financial information, including the classification of income and expenses, additional subtotals in the operating statement, revised cash flow classifications for interest and dividends, and new disclosures for management-defined performance measures. The standard does not affect the recognition or measurement of amounts.

Any changes to presentation of financial statements and disclosures will be incorporated into future Treasurer's Directions on proforma financial statements.

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 29 – 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	
		2026	2025	2026	2025	2026	2025	2026	2025
		$000	$000	$000	$000	$000	$000	$000	$000
INCOME									
Grants and subsidies revenue									
Capital		-	-	-	-	-	-	-	-
Appropriation	4								
Output		182 049	172 299	129 902	122 389	24 631	43 393	336 582	338 081
Commonwealth		-	-	685	315	-	-	685	315
Sales of goods and services	5	11 720	10 555	36 603	34 558	1 399	1 435	49 721	46 548
Gain on lease extinguishment		44	3 347	-	-	-	-	44	3 347
Goods and services received free of charge	6	-	-	-	-	248	282	248	282
Other income	7	1 691	1 554	18 014	16 235	426	256	20 131	18 045
TOTAL INCOME		**195 504**	**187 754**	**185 203**	**173 497**	**26 703**	**45 366**	**407 411**	**406 618**
EXPENSES									
Employee expenses	8	74 051	74 005	71 988	75 838	9 270	8 334	155 309	158 177
Administrative expenses									
Property management		11 880	11 489	639	687	451	290	12 970	12 466
Purchase of good and services	9	10 068	9 194	134 495	136 934	1 838	1 079	146 400	147 207
Depreciation and amortisation	16, 17	86 520	83 624	14 620	12 015	2	-	101 142	95 639
Other administrative expenses[1]		19	-	14	4	261	282	294	286
Grants and subsidies expenses									
Current	10a	-	-	689	137	-	-	689	137
Capital	10b	-	-	373	1 750	-	-	373	1 750
Interest expenses	11	20 961	19 776	-	-	-	-	20 961	19 776
TOTAL EXPENSES		**203 502**	**198 089**	**222 817**	**227 365**	**11 820**	**9 985**	**438 138**	**435 438**
NET SURPLUS/(DEFICIT)		**(7 998)**	**(10 334)**	**(37 613)**	**(53 868)**	**14 884**	**35 381**	**(30 727)**	**(28 820)**
OTHER COMPREHENSIVE INCOME		-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME						-	-	-	-
COMPREHENSIVE RESULT		**(7 998)**	**(10 334)**	**(37 613)**	**(53 868)**	**14 884**	**35 381**	**(30 727)**	**(28 820)**

1 Includes Department of Logistics and Infrastructure 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. Appropriation

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

	2026			2025		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	$000	$000	$000	$000	$000	$000
Output	-	336 582	336 582	-	338 081	338 081
Commonwealth	-	685	685	-	315	315
Total appropriation in the operating statement	-	**337 267**	**337 267**	-	**338 396**	**338 396**

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

	2026			2025		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	$000	$000	$000	$000	$000	$000
Capital	-	18 312	18 312	-	30 074	30 074
Commonwealth	-	-	-	5 200	-	5 200
Total appropriation in the cashflow statement	-	**18 312**	**18 312**	**5 200**	**30 074**	**35 274**

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 and national partnership payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by 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 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 2025–26 for the aged care worker screening project.

a) 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 (2025–2026) Act 2025* with revised appropriations as reported in 2026–27 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 2025–26 budget appropriation (a)	Revised 2025–26 budget appropriation (b)	Change to budget appropriation (b-a)	Note	Final 2025–26 budget appropriation (d)	Change to budget appropriation (d-b)	Note
	$000	$000	$000		$000	$000	
Output	358 604	344 718	(13 886)	1	336 582	(8 136)	2
Capital	21 163	28 117	6 954	3	18 312	(9 805)	3
Commonwealth	6 000	6 000	-		500	500	4
Total appropriation	**385 767**	**378 835**	**(6 932)**		**355 394**	**(17 441)**	

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 receipted by the 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 category of cost changes, transfers between years for digital projects and transfer of function to Department of the Chief Minister and Cabinet, offset by property leasing parameter adjustments.

Note 2: Mainly due to category of cost changes, transfers between years for digital projects, provision for make-good offset by property leasing.

Note 3: Primarily related to category of cost adjustments to transfer operational funding to capital for digital projects.

Note 4: Funding for Regional Roads Australia Mobile Project and mobile connectivity services.

5. Sales of goods and services

	2026 $000	2025 $000
Fees from regulatory services	3 692	2 488
ICT infrastructure program	33 029	31 100
Corporate services charges	6 909	6 867
Property – recovery of costs	4 906	4 979
Salary sacrifice administrative fee	1 186	1 114
Total sales of goods and services	**49 722**	**46 548**

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 Northern Territory Public Sector employees. Revenue is recognised as DCDD satisfies its performance obligation when these services are performed, with the payments typically due a month after.

There were no sales of goods and services accounted as revenue from contracts with customers reported in the 2025–26 and 2024–25 financial years.

6. Goods and services received free of charge

	2026 $000	2025 $000
Repairs and maintenance – DLI notional charges	248	282
Total goods and services received free of charge	**248**	**282**

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 (DLI) on behalf of the agency, and form part of goods and services received free of charge by the agency.

7. Other income

	2026 $000	2025 $000
Miscellaneous revenue – ICT Services	2 346	4 016
Miscellaneous revenue – Digital Services (projects)	15 668	12 220
Miscellaneous revenue – other	2 116	1 809
Total other income	**20 130**	**18 045**

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 include 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.

There was no other income accounted for as revenue from contracts with customers reported in the 2025–26 and 2024–25 financial years.

8. Employee benefits expense

	2026	2025
	$000	$000
Salaries and wages	130 781	134 181
Long service leave	(118)	(64)
Superannuation expenses	15 919	15 214
Workers compensation	-	-
Fringe benefits tax	384	404
Payroll tax	8 344	8 442
Total employee benefits expense	**155 310**	**158 177**

The number of full-time equivalent employees for 2025–26 was 1,126 (2024–25: 1,161).

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 19: Payables and Note 21: Provisions.

9. Purchases of goods and services

	2026 $000	2025 $000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and services expenses:		
Information technology charges and communications[1]	127 885	133 235
Telecommunications	2 676	1 821
Contractors and consultants[2]	7 492	4 477
Advertising[3]	31	7
Marketing and promotion[4]	143	155
Document production	14	4
Legal expenses[5]	652	923
Recruitment[6]	149	59
Training and study	2 041	1 432
Official duty fares	374	370
Travelling allowance	123	88
Equipment expenses – other	344	422
Other	4 476	4 215
Total purchases of goods and services	**146 400**	**147 207**

1 Includes ICT hardware and software, ICT contractors and consultants, and IT charges.

2 Includes other contractors and consultants.

3 Does not include recruitment advertising or marketing and promotion advertising.

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

5 Includes legal fees, claim and settlement costs.

6 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.

10. Grant and subsidies expenses

a) Current grant and subsidy expense

	2026 $000	2025 $000
Current grants		
Private and not-for-profit sector	689	137
Total current grants	689	137
Total current grant and subsidy expense	**689**	**137**

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 2025–26 relates to ICT 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 2025–26 and 2024–25 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

	2026 $000	2025 $000
Local government	-	-
Private and not-for-profit sector	373	1 750
Total	**373**	**1 750**

Capital grant expenses are transfers made to a recipient for the purpose of acquiring, constructing or upgrading a non-financial asset that is to be controlled by a party other than the agency. 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 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 the asset to the recipient.

11. Interest expenses

	2026	2025
	$000	$000
Interest from lease liabilities	20 961	19 776
Total	**20 961**	**19 776**

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



12. 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* or other legislation that the agency administers.

	Agency				Territory items				
	2026 $000	No. of trans.	2025 $000	No. of trans.	2026 $000	No. of trans.	2025 $000	No. of trans.	Note
Authorised under the *Financial Management Act 1995*									
Write-offs, postponements and waivers approved by the Treasurer									
Irrecoverable money written off	-	-	-	-	-	-	-	-	
Losses or deficiencies of money written off	6	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	-	-	-	-	-	-	-	-	
Total write-offs, postponements and waivers approved by the Treasurer	**6**	**1**	-	-	-	-	-	-	
Write-offs, *postponements and waivers approved by delegates*									
Irrecoverable money written off	-	-	-	-	-	-	-	-	
Losses or deficiencies of money written off	3	2	1	1	-	-	-	-	1
Value of public property written off	-	-	4	2	-	-	-	-	
Postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-	
Waiver of right to receive or recover money or property	-	-	-	-	-	-	-	-	
Total written off, postponed and waived approved by delegates	**3**	**2**	**5**	**3**	-	-	-	-	
Total write-offs, postponements and waivers	**9**	**3**	**5**	**3**	-	-	-	-	

DCDD had no waivers, postponements, gifts and ex gratia payments for the 2025–26 and 2024–25 financial years.

Notes (write-off):

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

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. 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.

13. Cash and deposits

	2026 $000	2025 $000
Cash on hand	15	30
Cash at bank	45 584	39 701
Total cash and deposits	**45 599**	**39 731**

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 that are ultimately payable to the beneficial owner – refer also to Note 19.

14. Cash flow reconciliation

a) Reconciliation of cash

The total of agency 'Cash and deposits' of $45.6 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

	2026 $000	2025 $000
Net surplus/(deficit)	(30 727)	(28 820)
Non-cash items:		
Depreciation and amortisation	101 142	95 639
Asset write-offs/write-downs	16	4
Gain/loss on disposal of assets	(44)	(3 347)
Changes in assets and liabilities:		
Decrease/increase in receivables	(9 545)	(1 957)
Decrease/increase in payables	(7 553)	5 157
Decrease/increase in provision for employee benefits	122	522
Decrease/increase in other provisions	1 068	159
Decrease/increase in other liabilities	-	6 700
Net cash from/(used in) operating activities	**54 479**	**74 057**

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
2026	$000	$000	$000	$000	$000	$000	$000	$000	$000
Deposits held	956	-	-	-	10 240	10 240	-	-	11 196
Provisions	23 373	-	-	-	-	-	1 190	1 190	24 563
Lease liabilities	645 999	-	-	(78 160)	-	(78 160)	79 890	79 890	647 729
Other	425 626	34 691	17 427	-	-	52 118	88	88	477 832
Total	**1 095 954**	**34 691**	**17 427**	**(78 160)**	**10 240**	**(15 802)**	**81 168**	**81 168**	**1 161 320**

		Cash flows					Other		
	1 July	Equity injection/ withdrawal	Appropriation	Lease liabilities repayments	Deposit received	Total cash flows	Other	Total other	30 June
2025	$000	$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
Total	**1 031 121**	**12 759**	**28 259**	**(75 634)**	**741**	**(33 875)**	**98 708**	**98 708**	**1 095 954**

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 $56 million (2025: $10 million).

15. Receivables

	2026 $000	2025 $000
Current		
Accounts receivable	2 976	2 575
Less: loss allowance	(22)	-
	2 954	2 575
Interest receivables	-	-
GST receivables	3 235	3 489
Prepayments	30 498	22 954
Other receivables	594	334
	37 281	29 352
Non current		
Prepayments	3 395	1 778
Other receivables	-	-
	3 395	1 778
Total receivables	**40 676**	**31 130**

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 *Financial Management Act 1995*, 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 has recognised loss allowance for receivables for 2025–26 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

	2026				2025			
	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	2 709	-	-	2 709	1 394	-	-	1 394
Overdue for less than 30 days	66	-	-	66	67	-	-	67
Overdue for 30 to 60 days	2	-	-	2	23	-	-	23
Overdue for more than 60 days	11	-	-	11	1 023	-	-	1 023
Total internal receivables	**2 788**		**-**	**2 788**	**2 507**		**-**	**2 507**
External receivables								
Not overdue	89	-	-	89	1	-	-	1
Overdue for less than 30 days	-	-	-	-	22	-	-	22
Overdue for 30 to 60 days	1	-	-	1	8	-	-	8
Overdue for more than 60 days	98	22	22	76	37	-	-	37
Total external receivables	**188**		**22**	**166**	**68**	**-**	**-**	**68**

Total amounts disclosed exclude GST 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

	2026	2025
External receivables	$000	$000
Opening balance	-	-
Written off during the year	(9)	-
Recovered during the year	-	-
Increase/decrease in allowance recognised in profit or loss	31	-
Total external receivables	**22**	**-**

16. Property, plant and equipment

Total property, plant and equipment

	2026 $000	2025 $000
Construction (work in progress)		
At capitalised cost	554	11
	554	11
Plant and equipment		
At fair value	45 717	45 608
Less: accumulated depreciation	(22 015)	(18 584)
	23 702	27 024
Computer hardware		
At cost	18 327	16 407
Less: accumulated depreciation	(13 776)	(12 476)
	4 551	3 931
Transport equipment		
At fair value	32	32
Less: accumulated depreciation	(15)	(13)
	17	19
Right-of-use asset		
At capitalised cost	953 209	897 491
Less: accumulated amortisation	(343 173)	(284 239)
	610 036	613 252
Total property, plant and equipment	**638 860**	**644 237**

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:

2026	Computer hardware	Transport equipment	Plant and equipment	Construction (WIP) infrastructure	Right-of-use	Total
	$000	$000	$000	$000	$000	$000
Carrying amount as at 1 July	3 931	19	27 024	11	613 252	644 237
Additions	2 204	-	-	554	23 222	25 980
Disposals	-	-	-	-	-	-
Depreciation expense – asset owned	(1 584)	(2)	(3 406)	-	-	(4 992)
Amortisation expense right-of-use asset	-	-	-	-	(83 151)	(83 151)
Additions/disposals from administrative restructuring	-	-	-	-	-	-
Additions/disposals from asset transfers	-	-	83	(11)	1	73
Revaluation increments/ decrements	-	-	-	-	56 712	56 712
Impairment losses reversed	-	-	1	-	-	1
Carrying amount as at 30 June	**4 551**	**17**	**23 702**	**554**	**610 036**	**638 860**

2025	Computer hardware	Transport equipment	Plant and equipment	Construction (WIP) infrastructure	Right-of-use	Total
	$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)
Carrying amount as at 30 June	**3 931**	**19**	**27 024**	**11**	**613 252**	**644 237**

i. 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.

ii. Construction (work in progress)

As part of the financial management framework, the 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.

iii. 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.

iv. 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:

	2026	2025
Plant and equipment	10 years	10 years
Leased plant and equipment	5 years	5 years
Right of use	2 to 40 years	2 to 40 years[1]
Computer hardware	3 to 6 years	3 to 6 years

1 Prior year figures have been amended from the published version to reflect correct estimate.

v. Right-of-use asset under leases

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 (refer to Note 20 Borrowings and advances).

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

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 Department of Education and Training
- government centres with 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), which comprise the following:

- 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 September 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. These right-of-use assets are subject to impairment testing but are not subject to revaluation.

17. Intangibles

a) Total intangibles

	2026 $000	2025 $000
Intangibles with a finite useful life		
Computer software		
Gross carrying amount	124 258	109 896
Less: accumulated amortisation	(36 584)	(30 791)
Carrying amount at 30 June	87 674	79 105
Software work in progress		
At capitalised cost	287 697	279 215
Total intangibles	**375 371**	**358 320**

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 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:

	2026	2025
Computer software – general (off the shelf)	2 to 5 years	2 to 5 years
Computer software – corporate systems	2 to 20 years[1]	5 to 10 years

1 Useful life of finite intangible assets is in accordance with DCDD Non-financial Assets Policy – Intangibles (2026).

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

2026	Computer software $000	Software work in progress $000	Total $000
Intangibles with a finite useful life			
Carrying amount at 1 July	79 105	279 215	358 320
Additions	-	30 050	30 050
Disposals	-	-	-
Additions/disposals from administrative restructuring	-	-	-
Additions/disposals) from asset transfers	21 568	(21 568)	-
Amortisation	(12 999)	-	(12 999)
Carrying amount as at 30 June	**87 674**	**287 697**	**375 371**

2025	Computer software $000	Software work in progress $000	Total $000
Intangibles with a finite useful life			
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)
Carrying amount as at 30 June	**79 105**	**279 215**	**358 320**

18. Deposits held

	2026 $000	2025 $000
Accountable Officer's Trust Account (AOTA)	580	610
Clearing money	10 616	247
Other	-	99
Total deposits held	**11 196**	**956**

Deposits held mainly comprise AOTA, clearing money and other deposits held.

The AOTA 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 unpresented 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. In 2025–26, salaries totalling $10.3 million were held in the External Organisation Salaries Trust Account, which was paid out on the first pay day of the 2026–27 financial year (2 July 2026).

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

19. Payables

	2026	2025
	$000	$000
Accounts payable	1 610	2 485
Accrued salaries and wages	4 196	3 776
Other accrued expenses	14 729	21 828
Other payables	-	-
Total payables	**20 535**	**28 089**

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 of 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.

20. Borrowings and advances – lease liabilities

	2026	2025
	$000	$000
Current		
Lease liabilities	79 780	77 785
	79 780	**77 785**
Non current		
Lease liabilities	567 949	568 214
	567 949	**568 214**
Total lease liabilities	**647 729**	**645 999**

a) Lease liabilities

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.

Lease payments include: fixed payments (including in substance fixed payments) less any lease incentives receivable; variable lease payments that depend on an index or a rate; exercise price of purchase options that are reasonably certain to be exercised by the agency; and payments of penalties for terminating the lease, if the lease term reflects the agency exercising the option to terminate.

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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. The agency does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the agency and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

i. Reconciliation of lease liabilities

The following table presents liabilities under leases.

	2026	2025
	$000	$000
Balance at 1 July	645 999	628 607
Additions/remeasurements	79 890	93 027
Interest expenses	20 961	19 776
Payments	(99 121)	(95 411)
Balance at 30 June	**647 729**	**645 999**

ii. Total cash outflows associated with leases

The following table presents total cash outflows associated with leases:

	2026	2025
	$000	$000
Lease liability payments	99 121	95 411
Short-term lease payments	3 283	3 652
Low-value asset lease payments	-	-
Total cash outflows	**102 404**	**99 063**

Potential future cash outflows of $25.2 million have not been included in the lease liability because it is not reasonably certain the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $32.4 million.

The agency has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of $10,000 or less when new and not subject to a sublease arrangement. DCDD has no low value leases.

iii. Amounts recognised in the comprehensive operating statement

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

	2026	2025
	$000	$000
Depreciation expense of right-of-use assets	83 150	80 568
Interest expense on lease liabilities	20 961	19 776
Expense relating to short-term leases	3 036	3 286
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)	247	366
Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Total amount recognised in the comprehensive operating statement	**107 394**	**103 996**

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

	2026		2025	
	Internal	External	Internal	External
Not later than one year	560	1 702	789	1 483
Later than one year and not later than five years	320	-	518	-
Later than five years	-	-	-	-
	880	**1 702**	**1 307**	**1 483**

21. Provisions

	2026	2025
	$000	$000
Current		
Employee benefits		
Recreation leave	17 330	17 347
Leave loading	2 396	2 264
Recreation leave airfares	86	79
Other provisions	4 752	3 683
	24 564	**23 373**
Total Provisions	**24 564**	**23 373**

a. 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.

b. Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS)
- 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.

22. Other liabilities

	2026 $000	2025 $000
Other liabilities		
Current		
Unearned contract revenue liability	6 700	6 700
Unearned capital grants liability	-	885
	6 700	**7 585**
Total other liabilities	**6 700**	**7 585**

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 million were received, 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 2026. No revenue was recognised in 2025–26 financial year since no performance obligations were fulfilled in the reporting year, and expenditure will commence in 2026–27.

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

	2026 $000	2025 $000
Not later than one year	6 700	5 500
Later than one year and not later than five years	-	1 200
Later than five years	-	-
Total	**6 700**	**6 700**

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.

	2026	2025
	$000	$000
Carrying amount at 1 July	885	2 700
Less: transfer to unearned contract revenue liability	-	(2 700)
Add: receipt of cash during the financial year	-	885
Less: income recognised during the financial year	(885)	-
Carrying amount at 30 June	**-**	**885**

There is no unearned capital grants liability as at 30 June 2026.

23. Capital commitments[1]

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:

	2026	2025
	$000	$000
Not later than one year	19 880	14 813
Later than one year and not later than five years	11 320	45 927
Later than five years	-	-
Total capital expenditure commitments (exclusive of GST)	**31 200**	**60 740**
Plus: GST recoverable	3 120	6 074
Total capital expenditure commitments (inclusive of GST)	**34 320**	**66 814**

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

24. 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.

25. 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	2026 $000	2025 $000
Cash and deposits	Amortised cost	45 599	39 731
Receivables[1]	Amortised cost	2 954	2 575
Total financial assets		**48 553**	**42 306**
Deposits held[1]	Amortised cost	10 616	247
Payables[1]	Amortised cost	1 610	2 485
Lease liabilities	Amortised cost	647 729	645 999
Total financial liabilities		**659 955**	**648 731**

1 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 15.

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.

Maturity analysis for financial liabilities

2026	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	$000	$000	$000	$000	$000
Liabilities					
Deposits held[1]	10 616	10 616	-	-	10 616
Payables[1]	1 610	1 610	-	-	1 610
Lease liabilities	647 729	99 492	340 038	309 367	748 897
Total financial liabilities	**659 955**	**111 718**	**340 038**	**309 367**	**761 123**

1 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.

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

1 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.

26. Related parties

a) Related parties

DCDD is a government administrative entity and is wholly owned and controlled by the Northern 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 KMP 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.

The following are the KMP for DCDD:

- Minister for Corporate and Digital Development
- Chief Executive

- Deputy Chief Executive – Corporate Services
- Deputy Chief Executive – Digital Services
- Chief Operating Officer
- Executive Director – Commercial Services
- Executive Director – Information Services and Fines Recovery Unit
- Executive Director – Digital Operations
- Executive Director – Data and Digital Strategy and Advisory Services
- Chief Financial Officer
- Director Regions.

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:

	2026	2025
	$000	$000
Short-term benefits	2 334	3 837
Post-employment benefits	250	393
Long-term benefits	-	-
Termination benefits	-	-
Total remuneration of key management personnel[1]	**2 585**	**4 230**

1 The decrease reflects changes in the composition of key management personnel in 2025–26.

Long service leave benefits are centrally recognised and paid by the Central Holding Authority (CHA) and do not form part of agency's accounts or cash outflows. As there is no financial impact on the agency's financial statements, long service leave benefits are excluded from the quantitative disclosures of key management personnel compensation.

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.

2026 Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All NTG departments	176 768	41 884	4 808	4 388

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

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 Northern 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.

27. Contingent liabilities and contingent assets

DCDD had no contingent liabilities or contingent assets in 2025–26 and 2024–25.

28. 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.

29. 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 Northern 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 2b).

	2026	2025
	$000	$000
TERRITORY INCOME AND EXPENSES		
Income		
Other income	14 391	15 420
Total income	14 391	**15 420**
Expenses		
Other administrative expenses	14 391	15 420
Total expenses	14 391	15 420
Territory income less expenses	-	-

Territory items relate to the Fines Recovery Unit.

30. Budgetary information

The following tables present the variation between the 2025–26 original budget financial statements, as reported in 2025–26 Budget Paper No. 3 Agency Budget Statements, and the 2025–26 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 2025–26 original budget to 2025–26 final budget. Refer to Note 4a for summary changes to budget appropriations.

Comprehensive Operating Statement

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
INCOME				
Appropriation				
Output	336 582	358 604	(22 022)	
Commonwealth	685	6 000	(5 315)	1
Sales of goods and services	49 722	45 788	3 934	
Interest revenue	44	-	44	2
Goods and services received free of charge	248	321	(73)	3
Other income	20 130	14 525	5 605	4
TOTAL INCOME	**407 411**	**425 238**	**(17 827)**	
EXPENSES				
Employee expenses	155 310	154 957	(353)	
Administrative expenses				
Purchases of goods and services	159 370	173 852	14 482	
Depreciation and amortisation	101 142	99 666	(1 476)	
Other administrative expenses	293	321	28	
Grants and subsidies expenses				
Current	689	1 246	557	1
Capital	373	5 864	5 491	1
Interest expenses	20 961	18 862	(2 099)	
TOTAL EXPENSES	**438 138**	**454 768**	**16 630**	
NET SURPLUS/(DEFICIT)	**(30 727)**	**(29 530)**	**(1 197)**	
OTHER COMPREHENSIVE INCOME	-	-	-	
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	
COMPREHENSIVE RESULT	**(30 727)**	**(29 530)**	**(1 197)**	

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

1. Capital grants funding was transferred to 2026–27 for the Regional Roads Australia Mobile Program and the mobile connectivity services project, relating to timing variations.

2. Variance relates to gains from termination of various leased properties.
3. Reflects less than expected requirements relating to business activity.
4. Increase in other income primarily reflects higher than anticipated cost recovery for digital projects undertaken on behalf of agencies, and recoveries for courier and mail services.

Balance Sheet

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
ASSETS				
Current assets				
Cash and deposits	45 599	23 352	22 247	1
Receivables	6 783	5 222	1 561	2
Prepayments	30 498	21 585	8 913	3
Total current assets	82 880	50 159	32 721	
Non current assets				
Prepayments	3 395	2 365	1 030	3
Property, plant and equipment	638 860	506 800	132 060	4
Intangibles	375 371	380 501	(5 130)	
Total non current assets	1 017 626	889 666	127 960	
TOTAL ASSETS	**1 100 505**	**939 825**	**160 680**	
LIABILITIES				
Current liabilities				
Deposits held	11 196	216	(10 980)	5
Payables	20 535	23 228	2 693	
Borrowings and advances	79 780	77 437	(2 343)	6
Provisions	24 564	23 358	(1 206)	
Other liabilities	6 700	2 900	(3 800)	7
Total current liabilities	142 776	127 139	(15 637)	
Non current liabilities				
Borrowings and advances	567 949	443 456	(124 493)	6
Total non current liabilities	567 949	443 456	(124 493)	
TOTAL LIABILITIES	710 725	570 595	(140 130)	
NET ASSETS	**389 780**	**369 230**	**20 550**	
EQUITY				
Capital	478 718	468 080	10 638	
Reserves	-	-	-	
Accumulated funds	(88 937)	(98 850)	9 913	
TOTAL EQUITY	**389 780**	**369 230**	**20 550**	

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 2026–27.
2. Variance reflects higher than anticipated business activity.
3. Variance primarily relates to an increase in software licensing prepayments for digital services and hardware prepayments.
4. Variance is due to remeasurement of right-of-use assets relating to finance lease arrangements in accordance with AASB 16 – Leases.
5. Variance relates to salaries held in the External Organisation Salaries Trust Account which was paid out on the first pay day of 2026–27 (2 July 2026).
6. Variance is due to recognition and remeasurement of lease liabilities in accordance with AASB 16 – Leases, reflecting updated lease assumptions and indexation adjustments.
7. Variance relates to unearned revenue for the Regional Roads Australia Mobile Program.

Cash flow statement

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	336 582	358 604	(22 022)	
Commonwealth (excluding capital appropriation)	685	2 200	(1 515)	1
Receipts from sales of goods and services	113 418	60 313	53 105	2
Total operating receipts	**450 685**	**421 117**	**29 568**	
Operating payments				
Payments to employees	(154 194)	(154 957)	763	
Payments for goods and services	(219 989)	(173 852)	(46 137)	3
Grants and subsidies paid			-	
Current	(689)	(1 246)	557	4
Capital	(373)	(5 864)	5 491	4
Interest paid	(20 961)	(18 862)	(2 099)	
Total operating payments	**(396 206)**	**(354 781)**	**(41 425)**	
Net cash from/(used in) operating activities	**54 479**	**66 336**	**(11 857)**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of non-financial assets	(32 809)	(35 414)	2 605	
Total investing payments	(32 809)	(35 414)	2 605	
Net cash from/(used in) investing activities	**(32 809)**	**(35 414)**	**2 605**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	10 240	-	10 240	5
Equity injections				
Capital appropriation	18 312	21 163	(2 851)	
Commonwealth capital appropriation	(885)	-	(885)	6
Other equity injections	34 891	30 508	4 383	
Total financing receipts	**62 558**	**51 671**	**10 887**	
Financing payments				
Lease liabilities payments	(78 160)	(79 680)	1 520	
Equity withdrawals	(200)	-	(200)	7
Total financing payments	**(78 361)**	**(79 680)**	**1 319**	
Net cash from/(used in) financing activities	**(15 802)**	**(28 009)**	**12 207**	
Net increase/(decrease) in cash held	**5 868**	**2 913**	**2 955**	
Cash at beginning of financial year	39 731	20 439	19 292	
CASH AT END OF FINANCIAL YEAR	**45 599**	**23 352**	**22 247**	

Notes:
The following note descriptions relate to variances greater than 20%.
1. Lower Commonwealth appropriation reflects prior-year unearned funding associated with the Aged Care Worker Screening Project.
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. The variance primarily relates to unbudgeted GST payments.
4. Capital grants funding was transferred to 2026–27 for Regional Roads Australia Mobile Program and mobile connectivity services project.
5. Variance relates to salaries held in the External Organisation Salaries Trust Account which was paid out on the first pay day of 2026–27 (2 July 2026).
6. Variance reflects Commonwealth capital appropriation received for the Aged Care Worker Screening and National Health Identifier projects.
7. Variance reflects the recognition of a lease incentive relating to Energy House fit-out works.

31. Budgetary information - Administered Territory items

The following table presents the variation between the 2025–26 original budget for administered items as reported in 2025–26 Budget Paper No. 3 Agency Budget Statements and the 2025–26 actual amounts disclosed in Note 29 of these financial statements together with explanations for significant variations.

Administered Territory items	2026 Actual $000	2026 Original Budget $000	Variance $000	Note
Territory income and expenses				
Income				
Other income	14 391	18 916	(4 525)	1
Total income	**14 391**	**18 916**	**(4 525)**	
Expenses				
Other administrative expenses	14 391	18 916	4 525	1
Total expenses	**14 391**	**18 916**	**4 525**	
Territory income less expenses	-	-	-	

Notes:
1. Variance relates to lower than expected receipts from the fines recovery unit (FRU). A reduction in the budget estimate was processed in the financial year following trend analysis of FRU transactions.

6b



Financial Report

Data Centre Services 119

Financial statement overview

For the year ended 30 June 2026

Data Centre Services (DCS) delivers core ICT infrastructure and support services to Northern Territory Government agencies.

As a government business division, DCS is primarily funded by charges on client agencies, rather than appropriation. DCS is subject to the Northern Territory tax equivalent regime and is expected to remit a dividend to government after income tax. Following the centralisation of ICT business systems and staff into the Department of Corporate and Digital Development (DCDD) in 2019, the major client for DCS is DCDD, which provides approximately 85% of DCS's income.

Financial performance (Comprehensive Operating Statement)

The financial performance of DCS is presented in 2 ways. Table 1 compares 2025–26 final approved budget with performance for the year, and table 2 compares 2025–26 performance with the previous year. More details are provided in subsequent commentary and analysis in tables 3 to 6.

Table 1: 2025–26 Final budget and performance

	2025–26		
	Final Budget	Actual	Variation
	$000	$000	$000
Income	35 962	35 501	(461)
Expenses	32 451	32 140	311
Net surplus before tax	**3 511**	**3 361**	**(150)**
Income tax expense	1 053	1 008	45
Net surplus after tax	**2 458**	**2 353**	**(105)**
Comprehensive result	**2 458**	**2 353**	**(105)**
Dividend (50%)	1 229	1 176	53

DCS's overall operating financial performance showed a net surplus after tax of $2.35 million compared with a final budgeted surplus of $2.46 million.

DCS will pay an income tax equivalent of $1 million and will return a dividend of $1.2 million to government for 2025–26.

Table 2: 2025–26 and 2024–25 Performance

	2025–26	2024–25	Variation
	$000	$000	$000
Income	35 501	35 507	(6)
Expenses	32 140	31 988	(152)
Net surplus before tax	**3 361**	**3 519**	**(158)**
Income tax expense	1 008	1 059	51
Net surplus after tax	**2 353**	**2 460**	**(107)**
Comprehensive result	**2 353**	**2 460**	**(107)**

DCS produced an operating surplus of $3.36 million for 2025–26 which is $0.16 million lower than the previous year following a price review.

Income

DCS's primary income source results from the provision of computing services to Northern Territory Government agencies. These services are classified under the income categories of sales of goods and services, interest revenue and other income. As shown in table 3 below, sales of goods and services represents 94% of DCS's total income of $35.5 million, with the remaining 6% comprising interest and other income.

Table 3: Income by category

	Sales of Goods and Services		Interest Revenue[1]		Other Income		Total	
Year	$000	%	$000	%	$000	%	$000	%
2025–26	33 356	94.0	519	1.5	1 626	4.6	35 501	100
2024–25	32 092	90.4	614	1.7	2 801	7.9	35 507	100

1 The 2024–25 interest revenue was amended to correct an error in the previously published amount.

Total income is also classified across DCS's major business functions:

- Mainframe Services – mainframe application hosting and integration services
- Midrange Services – midrange application hosting services
- Enterprise Storage – managing whole of government data storage and performing data backups
- Data Centre Facility Services – hosting ICT infrastructure for agencies and contracted service providers
- Application Services – provides mainframe business application owners with expert advice, maintenance, enhancement and modernisation services for their business systems.

Table 4: Income by business function

Year	Mainframe		Midrange		Enterprise Storage		Data Centre Facility Services		Application Services		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	13 037	36.7	14 251	40.1	1 976	5.6	3 006	8.5	3 231	9.1	**35 501**	**100**
2024–25	12 883	36.3	14 141	39.8	1 954	5.5	2 870	8.1	3 659	10.3	**35 507**	**100**

Mainframe, Midrange, Enterprise Storage and Data Centre Facility Services slightly increased due to demand driven growth, while income decreased for Application Services due to fewer than expected work requests received from agencies.

Expenses

DCS incurred the majority of its expenditure on ICT hardware, software and specialist contractors, with employee expenses the second largest expense.

Table 5: Expenses by category

Year	ICT		Employee		Operational		Depreciation		Property Management		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	18 414	57.3	7 145	22.2	1 605	5.0	3 923	12.2	1 053	3.3	32 140	100
2024–25	18 507	57.9	7 094	22.2	1 592	5.0	3 809	11.9	986	3.1	31 988	100

Major variations occurred as follows:

- employee expenditure – increase was primarily due to vacant positions being filled in 2025–26 and new enterprise agreement increases
- depreciation – increase was primarily due to the amortisation of building lease remeasurements and annual indexation in accordance with the AASB16 – Leases accounting standard
- property management – increase was due to higher general property management costs.

Expenses classified according to DCS's major business functions are presented in Table 6.

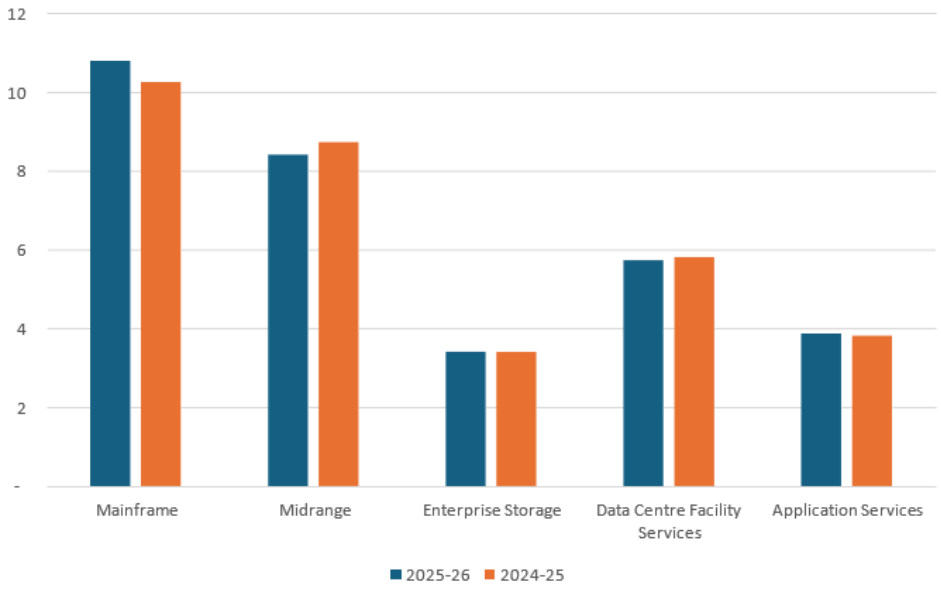
Table 6: Expenses by business function

Year	Mainframe		Midrange		Enterprise Storage		Data Centre Facility Services		Application Services		Total	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	10 770	33.5	8 395	26.1	3 396	10.6	5 720	17.8	3 859	12.0	32 140	100
2024–25	10 250	32.1	8 722	27.3	3 398	10.6	5 807	18.2	3 811	11.9	31 988	100

Midrange, Enterprise Storage and Data Centre Facility Services decreased in expenditure due to lower than expected ICT costs.

Financial statement – Data Centre Services

Figure 1: Expenses by business function ($M)



Financial position (Balance Sheet)

The Statement of Financial Position details the balances of the assets, liabilities, and equity of DCS at the end of the financial year. The table below compares the DCS financial position at 30 June 2026 with the position at 30 June 2025.

Table 7: 2025–26 and 2024–25 Financial position

	2025–26	2024–25	Variation
	$000	$000	$000
ASSETS			
Current assets	27 463	25 480	1 983
Non current assets	22 647	24 715	(2 068)
TOTAL ASSETS	**50 110**	**50 195**	**(85)**
LIABILITIES			
Current liabilities	5 686	5 730	44
Non current liabilities	10 604	11 822	1 218
TOTAL LIABILITIES	**16 290**	**17 552**	**1 262**
NET ASSETS	**33 820**	**32 643**	**1 177**
Equity	33 820	32 643	1 177
TOTAL EQUITY	**33 820**	**32 643**	**1 177**

DCS's net financial position at the end of 2025–26 was $33.8 million, compared to the previous year's position of $32.6 million, an increase of $1.2 million.

Net assets increased by $1.2 million primarily as a result of the net surplus before tax of $3.4 million, less provision for tax ($1.01 million) and dividends ($1.2 million).

DCS's major assets as at 30 June 2026 primarily comprised property, plant and equipment (mainly buildings and leasehold improvements), and cash, deposits and prepayments (software licensing and maintenance). Major liabilities included lease liabilities, provision for income tax and provision for dividends.

Certification of the financial statements

We certify that the attached financial statements for Data Centre Services 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 2026 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

25 September 2026

Michelangelo Pino

Chief Financial Officer

25 September 2026

Northern Territory
Auditor-General's Office

Independent Auditor's Report

To the Minister for Corporate and Digital Development

Data Centre Services

Report on the audit of the financial report for the year ended 30 June 2026

Opinion

I have audited the financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2026, and the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes to the financial statements, including material accounting policy information, and the Chief Executive Officer's declaration.

In my opinion, the accompanying financial report:

- presents fairly, in all material respects, the financial position of Data Centre Services as at 30 June 2026 and its financial performance, cash flows and changes in equity for the year then ended
- is in accordance with the *Financial Management Act 1995* and 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 Data Centre Services in accordance with the auditor independence requirements of the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to my audit of the financial report in Australia. My authorised auditors and I have also fulfilled our other ethical responsibilities in accordance with the Code. My independence is further established by the *Audit Act 1995*.

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 Officer is responsible for the other information. The other information comprises the information included in the *Financial Statement Overview* for the year ended 30 June 2026 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, I consider whether the other information is materially inconsistent with the financial report or the knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work 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 Officer for the financial report

The Chief Executive Officer is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1995* and for such internal control as the Chief Executive Officer 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 Data Centre Services to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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 Data Centre Services' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer.,
- Conclude on the appropriateness of the Chief Executive Officer'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 Data Centre Services 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 Data Centre Services 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 the Chief Executive Officer 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
Darwin, Northern Territory
25 September 2026

Comprehensive operating statement

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
INCOME			
Sales of goods and services	3	33 356	32 092
Interest revenue		519	614
Other income	4	1 626	2 801
TOTAL INCOME		**35 501**	**35 507**
EXPENSES			
Employee expenses	5	7 145	7 094
Administrative expenses			
Purchases of goods and services	6	19 641	19 826
Property management	6	1 053	986
Depreciation and amortisation	11	3 923	3 809
Impairment losses		-	-
Interest expenses	7	378	274
TOTAL EXPENSES		**32 140**	**31 988**
NET SURPLUS		**3 361**	**3 519**
SURPLUS BEFORE INCOME TAX		**3 361**	**3 519**
Income tax expense		1 008	1 059
NET SURPLUS		**2 353**	**2 460**
COMPREHENSIVE RESULT		**2 353**	**2 460**

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

Balance sheet

As at 30 June 2026

	Note	2026 $000	2025 $000
ASSETS			
Current assets			
Cash and deposits	8	15 819	15 858
Receivables	10	11 644	9 622
Total current assets		**27 463**	**25 480**
Non current assets			
Receivables	10	2 896	2 013
Property, plant and equipment	11	19 751	22 702
Total non current assets		**22 647**	**24 715**
TOTAL ASSETS		**50 110**	**50 195**
LIABILITIES			
Current liabilities			
Payables	12	842	886
Dividends payable[1]		1 176	1 235
Lease liabilities	13	1 432	1 374
Income tax liabilities	14	1 008	1 059
Provisions	14	1 228	1 146
Other liabilities	15	-	30
Total current liabilities		**5 686**	**5 730**
Non current liabilities			
Lease liabilities	13	10 604	11 822
Other liabilities	15	-	-
Total non current liabilities		**10 604**	**11 822**
TOTAL LIABILITIES		**16 290**	**17 552**
NET ASSETS		**33 820**	**32 643**
EQUITY			
Capital		4 560	4 233
Equity injections		-	327
Accumulated funds		29 260	28 084
TOTAL EQUITY		**33 820**	**32 643**

1 The prior-year comparative amount has been restated following the current-year reclassification of dividends payable from provisions to payables.

The balance sheet is to be read in conjunction with the notes to the financial statements.

Financial statement – Data Centre Services

Statement of changes in equity

For the year ended 30 June 2026

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		$000	$000	$000	$000
2026					
Accumulated funds		28 083	2 353	-	30 436
Dividends payable		-	-	(1 176)	(1 176)
Transfers from reserves		-	-	-	-
		28 083	**2 353**	**(1 176)**	**29 260**
Capital – transactions with owners					
Equity injections		4 560	-	-	4 560
Capital appropriation		-	-	-	-
Equity transfers in		-	-	-	-
Other equity injections		-	-	-	-
Equity withdrawals					
Capital withdrawals		-	-	-	-
Equity transfers out		-	-	-	-
		4 560	-	-	**4 560**
Total equity at end of financial year		**32 643**	**2 353**	**(1 176)**	**33 820**
2025					
Accumulated funds		26 859	2 460	-	29 319
Dividends payable		-	-	(1 235)	(1 235)
Transfers from reserves		-	-	-	-
		26 859	**2 460**	**(1 235)**	**28 084**
Capital – transactions with owners					
Equity injections		4 233	-	-	4 233
Capital appropriation		-	-	-	-
Equity transfers in		-	-	327	327
Other equity injections		-	-	-	-
Equity withdrawals					
Capital withdrawals		-	-	-	-
Equity transfers out		-	-	-	-
		4 233	-	**327**	**4 560**
Total equity at end of financial year		**31 091**	**2 460**	**(908)**	**32 643**

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 2026

	Note	2026 $000	2025 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		34 843	34 510
GST receipts		3 481	2 521
Interest received		512	613
Total operating receipts		**38 836**	**37 644**
Operating payments			
Payments to employees		(7 026)	(7 083)
Payments for goods and services		(23 477)	(21 435)
GST payments		(3 567)	(2 519)
Income tax paid		(1 059)	(1 432)
Interest paid		(378)	(274)
Total operating payments		**(35 507)**	**(32 743)**
Net cash from operating activities	9	**3 329**	**4 901**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing payments			
Purchases of non-financial assets		(747)	(1 985)
Total investing payments		**(747)**	**(1 985)**
Net cash used in investing activities		**(747)**	**(1 985)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Other equity injections		-	-
Total financing receipts		**-**	**-**
Financing payments			
Dividends paid		(1 235)	(1 671)
Lease payments		(1 385)	(1 473)
Total financing payments		**(2 620)**	**(3 144)**
Net cash used in financing activities		**(2 620)**	**(3 144)**
Net increase/(decrease) in cash held		(39)	(229)
Cash at beginning of financial year		15 858	16 087
CASH AT END OF FINANCIAL YEAR	8	**15 819**	**15 858**

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

Index of notes to the financial statements

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1. Objectives and funding

Data Centre Services (DCS) delivers core ICT infrastructure and support services to Northern Territory Government (NTG) agencies.

DCS is funded through income from charges on users for NTG agencies. The main services recipient is Department of Corporate and Digital Development, along with a small number of organisations such as government owned corporations. The financial statements encompass all funds and resources which DCS controls to undertake its functions.

The department considered primary users of these financial statements and their needs for information and quantitative thresholds to determine which accounting policy information is material and therefore must be disclosed.

2. Statement of material accounting policy information

a) Statement of compliance

i. Compliance framework

These financial statements are general purpose financial statements and have been prepared in accordance with the requirements of the *Financial Management Act 1995* (FMA), related Treasurer's Directions and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. The FMA requires DCS 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
- applicable explanatory notes to the financial statements.

ii. Standards and interpretations effective from 2025–26 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.

iii. Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for the 2025–26 financial year.

The following new Australian Accounting Standard has been issued but is not yet effective and is expected to impact future reporting periods:

AASB 18 Presentation and Disclosure of Financial Statements (AASB 18)

AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 and introduces new presentation and disclosure requirements for income statements, cash flow statements, and management-defined performance measures.

The standard is proposed to apply to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028 (the 2028–29 financial year for the agency).

AASB 18 would primarily affect the presentation and disclosure of financial information, including the classification of income and expenses, additional subtotals in the operating statement, revised cash flow classifications for interest and dividends, and new disclosures for management defined performance measures. The standard does not affect the recognition or measurement of amounts.

Any changes to presentation of financial statements and disclosures will be incorporated into future Treasurer's Directions on proforma financial statements.

b) 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.

c) Contributions by and distributions to government

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

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

3. Sales of goods and services

	2026	2025
	Revenue from contracts with customers	Revenue from contracts with customers
	$000	$000
Sale of mainframe services	11 529	11 362
Sale of midrange services	14 139	12 863
Sale of enterprise storage and backup services	1 976	1 954
Sale of data centre facility services	2 481	2 266
Sale of application services	3 231	3 648
Total sales of goods and services	**33 356**	**32 092**

Rendering of services

Revenue from rendering of services is recognised when DCS satisfies the performance obligation by transferring the promised information technology services. DCS typically satisfies its performance obligations at the end of the billing period when the services or capacity consumed by the customer can be quantified.

DCS services revenue includes:

Mainframe services – provision of a mainframe operating environment and hosting of mainframe applications billed to customers through a charging model based on utilisation share. Revenue is recognised as DCS satisfies its performance obligation when the monthly provision of the operating and hosting environment is complete, with payments typically due a month after.

Midrange services – provision of management services that build upon the base hosting or cloud offering. Services include operating system, database and technical support services. Data is collected on the quantity of services consumed on a monthly basis and applied to determine customer charges. DCS satisfies its performance obligation when the monthly provision of the management services is complete, with payments typically due a month after.

Enterprise storage and backup services – provision of enterprise scale storage and backup solutions to suit customers based on a pay for use basis. Enterprise storage service is delivered by means of a storage area network which is located in the Government Data Centre (GDC). Enterprise backup is a backup solution for customer business applications. The backup service is delivered by means of a fully managed enterprise class backup solution located in the GDC, with copies replicated to multiple sites for disaster recovery included in the charge. DCS satisfies its performance obligation when the monthly provision of the storage and backup services is complete, with payments typically due a month after.

Data centre facility services – the GDC is the primary site which provides a continuous, secure and reliable facility hosting client and agency ICT equipment. DCS, as part of disaster recovery offerings, can also provide hosting options in a secondary site known as the Backup Data Centre. Data is collected on the quantity of services consumed on a monthly basis and applied to determine customer charges. DCS satisfies its performance obligation when the monthly provision of the data centre facility is complete, with payments typically due a month after.

Application services – application services provide mainframe business application owners with expert advice, maintenance, enhancement and modernisation services for their business systems.

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.

	2026 $000	2025 $000
Type of good and service:		
Service delivery	33 356	32 092
Total revenue from contracts with customers by good or service	**33 356**	**32 092**
Type of customer:		
Northern Territory Government (NTG) controlled entities[1]	33 341	32 060
Non-government entities	15	32
Total revenue from contracts with customers by type of customer	**33 356**	**32 092**
Timing of transfer of goods and services:		
Over time	33 356	32 092
Total revenue from contracts with customers by timing of transfer	**33 356**	**32 092**

1 The 2025 NTG controlled entities customer type was amended to correct the previously published amount.

4. Other income

	2026	2025
	Revenue from contracts with customers	Revenue from contracts with customers
	$000	$000
Other income[1]	1 626	2 801
Total other income	**1 626**	**2 801**

1 Refers to miscellaneous revenue.

Miscellaneous revenue

Miscellaneous revenue for DCS 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.

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

DCS 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.

Other income accounted for 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.

	2026	2025
	$000	$000
Type of good and service:		
Service delivery	1 626	**2 801**
Total revenue from contracts with customers by good or services	**1 626**	**2 801**
Type of customer:		
Northern Territory Government controlled entities	1 626	**2 746**
Non-government entities	-	**55**
Total revenue from contracts with customers by type of customer	**1 626**	**2 801**
Timing of transfer of goods and services:		
Point in time	1 626	**2 801**
Total revenue from contracts with customers by timing of transfer	**1 626**	**2 801**

5. Employee benefits expense

	2026 $000	2025 $000
Salaries and wages	6 071	6 034
Superannuation expenses	735	701
Workers compensation	-	-
Fringe benefits tax	2	7
Payroll tax	337	352
Total employee benefits expense	**7 145**	**7 094**

The number of full-time equivalent employees for 2025–26 was 51 (2024–25: 49).

Salaries and wages are recognised in the reporting period when the employee renders services to the Northern 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 12: Payables and Note 14: Provisions.

6. Purchases of goods and services

	2026 $000	2025 $000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and services expenses:		
Consultants[1]	7 059	7 002
Legal expenses[2]	-	-
Training and study	48	13
Official duty fares	-	-
Information technology charges and communications[3]	11 355	11 504
Property management expenses	1 053	986
Insurance premiums	83	106
Agency service arrangements	1 016	1 062
Audit fees	35	32
Other[4]	45	107
	20 694	**20 812**

1 IT consultants.

2 Includes legal fees, claim and settlement costs.

3 Mainly relates to hardware maintenance, software licences, mainframe software charges and third-party maintenance services.

4 Includes other equipment and consumables.

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.

7. Interest expenses

	2026 $000	2025 $000
Interest from lease liabilities	378	274
Total interest expenses	**378**	**274**

Interest expenses consist of interest and other costs incurred in connection with lease liabilities. Interest expenses are recognised in the reporting period in which they are incurred.

8. Cash and deposits

	2026 $000	2025 $000
Cash at bank	15 819	15 858
Total cash and deposits	**15 819**	**15 858**

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.



9. Cash flow reconciliation

a) Reconciliation of cash

The total of agency 'Cash and deposits' of $15.8 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

	2026 $000	2025 $000
Net surplus	**2 353**	**2 460**
Non-cash items:		
Depreciation and amortisation	3 923	3 809
Asset write-offs/write-downs	-	-
Gain/loss on disposal of assets	-	(10)
Changes in assets and liabilities:		
Increase in receivables	(2 903)	(1 075)
Increase/(decrease) in payables	(46)	224
Increase/(decrease) in provision for employee benefits	77	(9)
Increase in other provisions	6	-
Decrease in income tax liability	(51)	(373)
Decrease in unearned income	(30)	(125)
Net cash from operating activities	**3 329**	**4 901**

b) Reconciliation of liabilities arising from financing activities

	1 July	Cash flows				Other			30 June
		Dividends paid	Equity injection/ withdrawals	Lease liabilities repayments	Other	Total cash flows	Other	Total Other	
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Dividends	1 235	(1 235)	-	-	-	(1 235)	-	-	-
Lease liabilities	13 196	-	-	(1 385)	-	(1 385)	225	225	12 036
Total	**14 431**	**(1 235)**	**-**	**(1 385)**	**-**	**(2 620)**	**225**	**225**	**12 036**

	1 July	Cash flows				Other			30 June
		Dividends paid	Equity injection/ withdrawals	Lease liabilities repayments	Other	Total cash flows	Other	Total Other	
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Dividends	1 671	(1 671)	-	-	-	(1 671)	1 235	1 235	1 235
Lease liabilities	10 659	-	-	(1 473)	-	(1 473)	4 010	4 010	13 196
Total	**12 330**	**(1 671)**	**-**	**(1 473)**	**-**	**(3 144)**	**5 245**	**5 245**	**14 431**

Note: Prior year figures have been amended to enhance comparability and align with current disclosure requirements.

10. Receivables

	2026 $000	2025 $000
Current		
Accounts receivable	35	72
Accrued contract revenue	2 780	2 636
Interest receivables	54	47
GST receivables	(21)	(108)
Prepayments	8 796	6 975
	11 644	**9 622**
Non current		
Prepayments	2 896	2 013
Total receivables	**14 540**	**11 635**

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, 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 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.

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.

DCS's prepayments include software licences and related software and hardware support services. Perpetual licences are expensed in the year they are incurred if their expected life and future economic benefit from their usage cannot be reliably determined.

The increase in 2025–26 is due to new IBM enterprise license agreement contract and renewal of software licences.

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 receivable, 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 *Financial Management Act 1995*, 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 for receivables as at the reporting date are disclosed below.

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

	2026				2025			
Internal receivables	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	31	-	-	31	60	-	-	60
Overdue for less than 30 days	-	-	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	2	-	-	2	-	-	-	-
Total internal receivables	**33**		**-**	**33**	**60**		**-**	**60**

External receivables	2026 Gross receivables $000	2026 Loss rate %	2026 Expected credit losses $000	2026 Net receivables $000	2025 Gross receivables $000	2025 Loss rate %	2025 Expected credit losses $000	2025 Net receivables $000
Not overdue	1	-	-	1	12	-	-	12
Overdue for less than 30 days	-	-	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	1	-	-	1	-	-	-	-
Total external receivables	**2**		**-**	**2**	**12**		**-**	**12**

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

DCS recognised no loss allowance for receivables for 2025–26 and 2024-25 from the assessment of expected credit losses.

11. Property, plant and equipment

a) Total property, plant and equipment

	2026 $000	2025 $000
Infrastructure		
At capitalised cost	27	27
Less: accumulated depreciation	(18)	(15)
	9	**12**
Plant and equipment		
At capitalised cost	11 353	11 257
Less: accumulated depreciation	(3 892)	(3 306)
	7 461	**7 951**
Computer hardware		
At capitalised cost	11 062	10 411
Less: accumulated depreciation	(10 418)	(8 588)
	644	**1 823**
Right-of-use assets		
At capitalised cost	18 524	18 299
Less: accumulated amortisation	(6 887)	(5 383)
	11 637	**12 916**
Total property, plant and equipment	**19 751**	**22 702**

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 of year is set out below:

2026	Infrastructure $000	Plant and equipment $000	Computer hardware $000	Right-of-use assets $000	Total $000
Carrying amount as at 1 July	12	7 951	1 823	12 916	22 702
Additions	-	96	650	-	746
Additions of right-of-use assets	-	-	-	-	-
Depreciation expense – asset owned	(3)	(587)	(1 829)	-	(2 418)
Amortisation expense – right-of-use asset	-	-	-	(1 505)	(1 505)
Additions/disposals from asset transfers	-	1	-	-	-
Revaluation increments/ Decrements	-	-	-	226	226
Other movements	-	-	-	-	-
Carrying amount as at 30 June	**9**	**7 461**	**644**	**11 637**	**19 751**

2025	Infrastructure $000	Plant and equipment $000	Computer hardware $000	Right-of-use assets $000	Total $000
Carrying amount as at 1 July	15	8 224	1 542	10 396	20 177
Additions	-	(43)	2 029	-	1 986
Additions of right-of-use assets	-	-	-	4 795	4 795
Depreciation expense – asset owned	(3)	(557)	(1 748)	-	(2 308)
Amortisation expense – right-of-use asset	-	-	-	(1 501)	(1 501)
Additions/disposals from asset transfers	-	337	-	-	337
Revaluation increments/ Decrements	-	-	-	(774)	(774)
Other movements[1]	-	(10)	-	-	(10)
Carrying amount as at 30 June	**12**	**7 951**	**1 823**	**12 916**	**22 702**

1 Other movements relate to accumulated depreciation on property, plant and equipment transferred at nil consideration.

i. 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.

ii. Revaluation of assets

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

iii. 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:

	2026	2025
Plant and equipment	2 to 18 years	2 to 18 years
Right of use	Lease term	Lease term
Computer hardware	2 to 10 years	2 to 10 years

iv. Right-of-use asset under leases

Recognition and measurement

DCS 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.

DCS 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.

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

If ownership of the leased asset transfers to DCS 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.

12. Payables

	2026 $000	2025 $000
Accounts payable	6	-
Accrued salaries and wages	177	146
Other accrued expenses[1]	659	740
Total payables	**842**	**886**

1 Other accrued expenses mainly comprise consultant fees and power charges.

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.

13. Borrowings and advances – lease liabilities

	2026 $000	2025 $000
Current		
Lease liabilities	1 432	1 374
Non current		
Lease liabilities	10 604	11 822
Total borrowings and advances	**12 036**	**13 196**

a) Lease liabilities

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

Lease payments include: fixed payments (including in substance fixed payments) less any lease incentives receivable; variable lease payments that depend on an index or a rate; exercise price of purchase options that are reasonably certain to be exercised by the agency; and payments of penalties for terminating the lease, if the lease term reflects the agency exercising the option to terminate.

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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. The agency does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the agency and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

i. Reconciliation of lease liabilities

The following table presents reconciliation of liabilities under leases:

	2026	2025
	$000	$000
Balance at 1 July	13 196	10 659
Additions/remeasurements	225	4 010
Interest expenses	378	274
Payments	(1 763)	(1 747)
Balance at 30 June	**12 036**	**13 196**

ii. Total cash outflows associated with leases

The following table presents total cash outflows associated with leases:

	2026	2025
	$000	$000
Lease liability payments	1 763	1 747
Short-term lease payments	-	-
Low-value asset lease payments	-	-
Total cash outflows	**1 763**	**1 747**

iii. Amounts recognised in the comprehensive operating statement

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

	2026	2025
	$000	$000
Depreciation expense of right-of-use assets	1 505	1 501
Interest expense on lease liabilities	378	274
Total amount recognised in the comprehensive operating statement	**1 883**	**1 775**

DCS had no future minimum lease payments under non-cancellable leases not recorded as liabilities for 2025–26 and 2024–25.

14. Provisions

	2026 $000	2025 $000
Current		
Employee benefits		
Recreation leave	928	849
Leave loading	91	82
Other employee benefits	(6)	4
Other current provisions		
Provision for fringe benefits tax	1	2
Provision for superannuation	151	149
Provision for payroll tax	63	59
Other provisions – income tax	1 008	1 059
Total provisions	**2 236**	**2 205**

a) Employee benefits

Provision for employee benefits include wages and salaries and recreation leave accumulated because 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 DCS, and therefore no long service leave liability is recognised within these financial statements.

b) Superannuation

Employees superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS)
- 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.

15. Other liabilities

	2026 $000	2025 $000
Current		
Unearned contract revenue	-	30
Non current		
Unearned contract revenue	-	-
Total other liabilities	**-**	**30**

Unearned contract revenue liability

Unearned contract revenue liability relates to consideration received in advance from customers in respect of information technology services. There is no unearned contract revenue liability balance as at 30 June 2026. The balance at 1 July 2025 was $0.03 million. Software licensing, support and maintenance are valid for the contracted period, performance obligations are satisfied on the expiration of the validity period.

16. 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.

DCS'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 approximate their fair value.

17. Financial instruments

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

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

DCS 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	2026 $000	2025 $000
Cash and deposits	Amortised cost	15 819	15 858
Receivables[1]	Amortised cost	89	119
Total financial assets		**15 908**	**15 977**
Payables[1]	Amortised cost	6	-
Lease liabilities	Amortised cost	12 036	13 196
Total financial liabilities		**12 042**	**13 196**

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

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.

DCS'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. DCS'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.

DCS 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 10.

c) Liquidity risk

Liquidity risk is the risk DCS will not be able to meet its financial obligations as they fall due. DCS'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. DCS's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event that one-off extraordinary expenditure items arise that deplete cash to levels that compromise DCS's ability to meet its financial obligations.

The following tables detail DCS'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.

Maturity analysis for financial liabilities

2026	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables[1]	6	6	-	-	6
Lease liabilities	12 036	1 778	5 795	6 378	13 951
Total financial liabilities	**12 042**	**1 784**	**5 795**	**6 378**	**13 957**

1 Total amounts disclosed exclude statutory amounts and accrued items.

2025	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables[1]	-	-	-	-	-
Lease liabilities	13 196	1 749	6 389	7 303	15 441
Total financial liabilities	**13 196**	**1 749**	**6 389**	**7 303**	**15 441**

1 Amounts disclosed exclude statutory amounts and accruals (such as 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.

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.

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

ii. Price risk

DCS is not exposed to price risk as DCS 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.

DCS has limited exposure to currency risk, as DCS does not hold borrowings denominated in foreign currencies and has limited transactional currency exposures arising from purchases in a foreign currency.

18. Related parties

a) Related parties

DCS is a government administrative entity and is wholly owned and controlled by the Northern 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 KMP or the portfolio minister, or controlled or jointly controlled by their close family members.

b) Key management personnel

Key management personel of DCS are those persons having authority and responsibility for planning, directing and controlling the activities of DCS. These include the Minister for Corporate and Digital Development, DCDD Chief Executive, DCDD Deputy Chief Executive Digital Services, DCDD Chief Operating Officer, DCDD Chief Financial Officer, DCDD Executive Director Digital Operations and DCS Senior Director.

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 DCS is set out below:

	2026 $000	2025 $000
Short-term benefits	321	356
Post-employment benefits	13	38
Total remuneration of key management personnel[1]	**334**	**394**

1 Variance due to agency restructure and timing of appointments to KMP roles.

DCDD provides management services to DCS and the amount relating to KMP has been included in the figures above.

Long service leave benefits are centrally recognised and paid by the Central Holding Authority and do not form part of agency's accounts or cash outflows. As there is no financial impact on the agency's financial statements, long service leave benefits are excluded from the quantitative disclosures of KMP compensation.

d) Related party transactions: Transactions with Northern Territory Government-controlled entities

DCS's primary ongoing source of funding is received from NTG-controlled entities.

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

2026 Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All NTG departments	35 486	4 537	2 859	2 364

2025 Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All NTG departments	35 410	4 632	2 737	2 536

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

Other related party transactions are as follows:

Given the breadth and depth of NTG 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.

DCS had no other related party transactions in excess of $10,000.

19. Contingent liabilities and contingent assets

DCS had no contingent liabilities or contingent assets as at 30 June 2026 or 30 June 2025.

20. 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.

21. Budgetary information

The following tables present the variation between the 2025–26 original budget financial statements, as reported in 2025–26 Budget Paper No. 3 Agency Budget Statements and the 2025–26 actual amounts reported in the financial statements, together with explanations for significant variations.

Comprehensive Operating Statement

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
INCOME				
Sales of goods and services	33 356	30 636	2 720	1
Interest revenue	519	735	(216)	
Other income	1 626	1 635	(9)	
TOTAL INCOME	**35 501**	**33 006**	**2 495**	
EXPENSES				
Employee expenses	7 145	7 194	49	
Administrative expenses				
Purchases of goods and services	20 694	18 752	(1 942)	2
Depreciation and amortisation	3 923	3 726	(197)	
Other administrative expenses	-	-	-	
Interest expenses	378	128	(250)	
TOTAL EXPENSES	**32 140**	**29 800**	**(2 340)**	
NET SURPLUS/(DEFICIT)	**3 361**	**3 206**	**155**	
Income tax expense	1 008	962	(46)	
NET SURPLUS	**2 353**	**2 244**	**109**	
COMPREHENSIVE RESULT	**2 353**	**2 244**	**109**	

Notes:

The following note descriptions relate to variances greater than 20% or $1 million.

1. Largely reflects continued growth in midrange and enterprise storage services, and backup data centre.
2. Increased demand for midrange services, enterprise storage and backup data centre.

Balance Sheet

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
ASSETS				
Current assets				
Cash and deposits	15 819	19 656	(3 837)	1
Receivables	2 848	2 400	448	
Prepayments	8 796	6 795	2 001	2
Total current assets	**27 463**	**28 851**	**(1 389)**	
Non current assets				
Prepayments	2 896	1 366	1 530	2
Property, plant and equipment	19 751	15 317	4 434	3
Other financial assets	-	-	-	
Total non current assets	**22 648**	**16 683**	**5 965**	
TOTAL ASSETS	**50 110**	**45 534**	**4 576**	
LIABILITIES				
Current liabilities				
Payables and accruals	842	661	(181)	
Dividends payable	1 176	1 122	(54)	
Lease liabilities	1 432	1 541	109	
Provisions	2 236	2 116	(120)	
Other liabilities	-	155	155	
Total current liabilities	**5 686**	**5 595**	**(91)**	
Non current liabilities				
Lease liabilities	10 604	6 445	(4 159)	4
Total non current liabilities	**10 604**	**6 445**	**(4 159)**	
TOTAL LIABILITIES	**16 290**	**12 040**	**(4 250)**	
NET ASSETS	**33 820**	**33 494**	**326**	
EQUITY				
Capital	4 560	4 233	327	
Equity injections/withdrawals	-	-	-	
Accumulated funds	29 260	29 261	(1)	
TOTAL EQUITY	**33 820**	**33 494**	**326**	

Notes:

The following note descriptions relate to variances greater than 20% or $1 million.

1. Reflects increased hardware and IT software costs paid on behalf of other agencies.
2. Reflects increased IT costs.
3. Variance due to timing of fixed asset purchases.
4. Increase in lease liabilities reflects movement in line with leased assets under AASB 16 – Leases.

Cash flow statement

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	34 843	32 271	2 572	1
GST receipts	3 481	-	3 481	2
Interest received	512	735	(223)	
Total operating receipts	**38 836**	**33 006**	**5 830**	
Operating payments				
Payments to employees	(7 026)	(7 194)	168	
Payments for goods and services	(23 477)	(18 752)	(4 725)	3
GST payments	(3 567)	-	(3 567)	2
Income tax paid	(1 059)	(1 097)	38	
Interest paid	(378)	(128)	(250)	
Total operating payments	**(35 507)**	**(27 171)**	**(8 336)**	
Net cash from operating activities	**3 329**	**5 835**	**(2 506)**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of non-financial assets	(747)	(750)	3	
Total investing payments	(747)	(750)	3	
Net cash used in investing activities	**(747)**	**(750)**	**3**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Lease payments	(1 385)	(1 352)	(33)	
Dividend paid	(1 235)	(1 281)	46	
Total financing payments	**(2 620)**	**(2 633)**	**13**	
Net cash used in financing activities	**(2 620)**	**(2 633)**	**13**	
Net increase/(decrease) in cash held	**(39)**	**2 452**	**(2 491)**	
Cash at beginning of financial year	15 858	17 204	(1 346)	
CASH AT END OF FINANCIAL YEAR	**15 819**	**19 656**	**(3 837)**	

Notes:

The following note descriptions relate to variances greater than 20% or $1 million.

1. Largely reflects continued growth in midrange services, enterprise storage and backup data centre.
2. Unbudgeted GST receipts and payments.
3. Increased demand for midrange services and enterprise storage on behalf of agencies.

6c



Financial Report

NT Fleet 158

Financial statement overview

For the year ended 30 June 2026

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

As a government business division (GBD), NT Fleet is primarily funded through vehicle lease charges on client agencies, rather than appropriation. NT Fleet managed 3,567 light and heavy vehicles at 30 June 2026. NT Fleet is subject to the Northen Territory tax equivalent regime and is expected to remit a dividend to government after income tax.

Financial performance (Comprehensive Operating Statement)

The financial performance of NT Fleet is presented in 2 ways. Table 1 compares NT Fleet's 2025–26 final budget with its performance for the year and table 2 compares performance with the previous year. More details are provided in subsequent commentary and analysis in tables 3 and 4.

Table 1: 2025–26 Final budget and performance

	2025–26		
	Final Budget	Actual	Variation
	$000	$000	$000
Income	50 050	49 691	(359)
Expenses	36 343	34 577	1 766
Net surplus before tax	**13 707**	**15 114**	**1 407**
Income tax expense	4 112	4 534	(422)
Net surplus after tax	**9 595**	**10 580**	**985**
Comprehensive result	**9 595**	**10 580**	**985**
Dividend (50%)	4 798	5 290	(492)

NT Fleet achieved an operating result for 2025–26 of $10.6 million after tax, which was almost $1 million higher than the final budget estimate of $9.6 million. This was mainly a result of lower than budgeted operating expenses.

NT Fleet will pay an income tax equivalent of $4.5 million to government for 2025–26, and a dividend of $5.3 million.

Table 2: 2025–26 and 2024–25 Performance

	2025–26	2024–25	Variation
	$000	$000	$000
Income	49 691	49 487	204
Expenses	34 577	34 786	209
Net surplus before tax	**15 114**	**14 701**	**413**
Income tax expense	4 534	4 410	(124)
Net surplus after tax	**10 580**	**10 291**	**289**
Comprehensive result	**10 580**	**10 291**	**289**

NT Fleet realised a greater net surplus after tax compared to the previous financial year as a result of increased income and lower operating expenses.

Income

NT Fleet sources its primary income from vehicle lease charges. The vehicle lease related income, classified under the income category of goods and services in table 3 below, represented 90% of NT Fleet's total income. The remainder is made up of gains on disposal of assets, interest income and other income from impairment revenue and refunds from cancellation of motor vehicle registrations. As a GBD, NT Fleet is required to perform a pricing review at least every 3 years.

Table 3: Income by category

	Goods and services		Gain on disposal of assets		Interest revenue		Other income		Total	
Year	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	44 718	90.0	3 702	7.5	481	1.0	790	1.6	49 691	100
2024-25	43 351	87.6	5 321	10.8	242	0.5	573	1.1	49 487	100

Higher revenue in 2025–26 mainly resulted from increased repairs and maintenance revenue recovered from agencies, interest income and other income including motor vehicle registration refunds and compensation for impairment. This was offset by lower disposal income mainly due to lower profit on vehicle disposals as 26% fewer vehicles were disposed in the reporting period than in 2024–25.

Expenses

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

Table 4: Expenses by category

	Depreciation		Operational		Employee		Impairment		Total	
Year	$000	%	$000	%	$000	%	$000	%	$000	%
2025–26	17 207	49.8	14 501	41.9	2 198	6.4	671	1.9	34 577	100
2024–25	16 067	46.2	15 360	44.1	2 983	8.6	376	1.1	34 786	100

The rise in depreciation expense was due to increased value of vehicle assets.

NT Fleet recognises asset impairment expenses when damaged vehicles deemed uneconomical to repair are sold at a loss. These expenses were recovered from agencies.

Financial position (Balance Sheet)

The Balance Sheet details NT Fleet's asset, liability and equity balances at the end of the financial year. The table below compares NT Fleet's financial position at 30 June 2026 with the previous year.

Table 5: 2025–26 and 2024–25 Financial position

	2025–26	2024–25	Variation
	$000	$000	$000
ASSETS			
Current assets	25 867	13 771	12 096
Non current assets	132 878	133 698	(820)
TOTAL ASSETS	**158 745**	**147 469**	**11 276**
LIABILITIES			
Current liabilities	12 827	7 427	(5 400)
Non current liabilities	586	-	(586)
TOTAL LIABILITIES	**13 413**	**7 427**	**(5 987)**
NET ASSETS	**145 332**	**140 042**	**5 289**
Equity	145 332	140 042	5 290
TOTAL EQUITY	**145 332**	**140 042**	**5 290**

NT Fleet's net asset position at the end of 2025–26 was $145.3 million, compared with the previous year's position of $140 million, an increase of $5.3 million.

This improvement was mainly driven by an increase in current assets. The $11.9 million increase in current assets was primarily attributable to a rise in cash at bank of approximately $12 million (refer Note 9). This increase was largely due to the lack of a dividend payment in 2024–25 and a lower level of vehicle acquisitions in 2025–26, as disclosed in Note 13. Acquisitions of light and heavy motor vehicles decreased by $10.8 million compared with the previous year. The reduced acquisition activity resulted in lower cash outflows, contributing to higher cash balances and, consequently, an increase in current assets.

NT Fleet's major assets at 30 June 2026 primarily comprised property, plant and equipment (mainly motor vehicles). Major current liabilities included provision for income tax and payables.

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 2026 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

25 September 2026

Michelangelo Pino

Chief Financial Officer

25 September 2026

Northern Territory
Auditor-General's Office

Independent Auditor's Report

To the Minister for Corporate and Digital Development

NT Fleet

Report on the audit of the financial report for the year ended 30 June 2026

Opinion

I have audited the financial report of NT Fleet, which comprises the balance sheet as at 30 June 2026, and the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes to the financial statements, including material accounting policy information, and the Chief Executive Officer's declaration.

In my opinion, the accompanying financial report:

- presents fairly, in all material respects, the financial position of NT Fleet as at 30 June 2026 and its financial performance, cash flows and changes in equity for the year then ended
- is in accordance with the *Financial Management Act 1995* and 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 auditor independence requirements of the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to my audit of the financial report in Australia. My authorised auditors and I have also fulfilled our other ethical responsibilities in accordance with the Code. My independence is further established by the *Audit Act 1995*.

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 Officer is responsible for the other information. The other information comprises the information included in the *Financial Statement Overview* for the year ended 30 June 2026 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, I consider whether the other information is materially inconsistent with the financial report or the knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work 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 Officer for the financial report

The Chief Executive Officer is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1995* and for such internal control as the Chief Executive Officer 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 it is inappropriate to do so.

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 NT Fleet' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer.,
- Conclude on the appropriateness of the Chief Executive Officer'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 the Chief Executive Officer 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
Darwin, Northern Territory
25 September 2026

Comprehensive operating statement

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
INCOME			
Sales of goods and services	3	44 718	43 351
Interest revenue		481	242
Gain on disposal of assets	4	3 702	5 321
Other income	5	790	573
TOTAL INCOME		**49 691**	**49 487**
EXPENSES			
Employee expenses	6	2 198	2 983
Administrative expenses			
Property management		16	245
Purchases of goods and services	7	14 454	15 115
Depreciation and amortisation	13,14	17 207	16 067
Other administrative expenses		671	376
Interest expenses	8	31	-
TOTAL EXPENSES		**34 577**	**34 786**
NET SURPLUS		**15 114**	**14 701**
SURPLUS BEFORE INCOME TAX		**15 114**	**14 701**
Income tax expense		4 534	4 410
NET SURPLUS		**10 580**	**10 291**
COMPREHENSIVE RESULT		**10 580**	**10 291**

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

Balance sheet

As at 30 June 2026

	Note	2026 $000	2025 $000
ASSETS			
Current assets			
Cash and deposits	9	21 007	8 168
Receivables	11	3 760	4 294
Assets held for sale	15	1 100	1 309
Total current assets		**25 867**	**13 771**
Non current assets			
Property, plant and equipment	13	129 962	130 367
Intangibles	14	2 916	3 331
Total non current assets		**132 878**	**133 698**
TOTAL ASSETS		**158 745**	**147 469**
LIABILITIES			
Current liabilities			
Payables	16	2 447	2 504
Dividends payable		5 290	-
Unearned revenue		-	24
Borrowings and advances – lease liabilities	17	186	-
Provisions	18	370	489
Income tax liabilities		4 534	4 410
Total current liabilities		**12 827**	**7 427**
NON CURRENT LIABILITIES			
Borrowings and advances – lease liabilities	17	586	-
Total non current liabilities		586	-
TOTAL LIABILITIES		13 413	7 427
NET ASSETS		**145 332**	**140 042**
EQUITY			
Capital		6 565	6 565
Accumulated funds		138 767	133 477
TOTAL EQUITY		**145 332**	**140 042**

NT Fleet is subject to the Northern Territory tax equivalent regime and is expected to pay a dividend to government after income tax.

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 2026

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		$000	$000	$000	$000
2026					
Accumulated funds		133 477	10 580	-	144 057
Dividends payable		-	-	**(5 290)**	**(5 290)**
		133 477	**10 580**	**(5 290)**	**138 767**
Capital – transactions with owners					
Equity injections		6 565	-	-	6 565
		6 565	-	-	**6 565**
Total equity at end of financial year		**140 042**	**10 580**	**(5 290)**	**145 332**
2025					
Accumulated funds		123 186	10 291	-	133 477
Dividends payable		-	-	-	-
		123 186	**10 291**	-	**133 477**
Capital – transactions with owners					
Equity injections		565	-	6 000	**6 565**
		565	-	**6 000**	**6 565**
Total equity at end of financial year		**123 751**	**10 291**	**6 000**	**140 042**

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 2026

	Note	2026 $000	2025 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		46 024	43 514
GST receipts		5 780	5 813
Interest received		435	230
Total operating receipts		**52 239**	**49 557**
Operating payments			
Payments to employees		(2 305)	(2 930)
Payments for goods and services		(14 107)	(15 436)
GST payments		(5 561)	(5 724)
Income tax paid		(4 410)	(3 745)
Interest paid		**(31)**	-
Total operating payments		**(26 414)**	**(27 835)**
Net cash from operating activities	**10**	**25 825**	**21 722**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Proceeds from sales of non-financial assets		11 389	14 083
Total investing receipts		**11 389**	**14 083**
Investing payments			
Purchases of non-financial assets		(24 204)	(36 912)
Total investing payments		**(24 204)**	**(36 912)**
Net cash used in investing activities		**(12 815)**	**(22 829)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Equity injections		-	6 000
Total financing receipts		-	**6 000**
Financing payments			
Lease payments		(171)	-
Total financing payments		**(171)**	-
Net cash from/(used in) financing activities	10	**(171)**	**6 000**
Net increase in cash held		12 839	4 893
Cash at beginning of financial year		8 168	3 275
CASH AT END OF FINANCIAL YEAR	**9**	**21 007**	**8 168**

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

Index of notes to the financial statements

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1. Objectives and funding

NT Fleet operates the Northern Territory Government (NTG) vehicle fleet, with the exception of Northern Territory Police Force and Northern Territory Fire and Emergency Services vehicles.

Key functional responsibilities are:

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

The department considered primary users of these financial statements and their needs for information and quantitative thresholds to determine which accounting policy information is material and therefore must be disclosed.

Funding is predominantly from vehicle lease charges on client agencies.

2. Statement of material accounting policy information

a) Statement of compliance

i. Compliance framework

These financial statements are general purpose financial statements and have been prepared in accordance with the requirements of the *Financial Management Act 1995* (FMA), related Treasurer's Directions and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. The FMA requires NT Fleet 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
- applicable explanatory notes to the financial statements.

ii. Standards and interpretations effective from 2025–26 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.

iii. Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for the 2025–26 financial year.

The following new Australian Accounting Standard has been issued but is not yet effective and is expected to impact future reporting periods:

AASB 18 Presentation and Disclosure of Financial Statements (AASB 18).

AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 and introduces new presentation and disclosure requirements for income statements, cash flow statements, and management-defined performance measures.

The standard is proposed to apply to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028 (the 2028–29 financial year for the agency).

AASB 18 would primarily affect the presentation and disclosure of financial information, including the classification of income and expenses, additional subtotals in the operating statement, revised cash flow classifications for interest and dividends, and new disclosures for management-defined performance measures. The standard does not affect the recognition or measurement of amounts.

Any changes to presentation of financial statements and disclosures will be incorporated into future Treasurer's Directions on proforma financial statements.

b) 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.

c) 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.

3. Sales of goods and services

	2026 $000	2025 $000
Hire revenue (from vehicle leases)	38 904	37 678
Recoverable repairs and maintenance	5 814	5 673
Total sales of goods and services	**44 718**	**43 351**

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

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).

Revenue from leased vehicles is based on the price specified in the lease agreement, 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.

Rendering of services

Revenue from rendering of services is recognised when the agency satisfies the performance obligation by transferring the promised fleet services for customers to achieve optimal usage of government vehicles.

NT Fleet also 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.

4. Gain on disposal of assets

	2026 $000	2025 $000
Net proceeds from the disposal of non current assets	11 389	14 083
Less: carrying value of non current assets disposed	(7 687)	(8 762)
Gain on the disposal of non current assets	**3 702**	**5 321**
Total gain on disposal of assets	**3 702**	**5 321**

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 5 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.

5. Other income

	2026			2025		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	$000	$000	$000	$000	$000	$000
Compensation for impairment	-	670	670	-	378	378
Refund for motor vehicle registration cancellations	-	120	120	-	195	195
Total other income	**-**	**790**	**790**	**-**	**573**	**573**

Other income refers to miscellaneous revenue items for NT Fleet which includes compensation for impairment and refunds from motor vehicle registration cancellations.

6. Employee benefits expense

	2026	2025
	$000	$000
Salaries and wages	1 920	2 563
Superannuation expenses	228	283
Fringe benefits tax	7	7
Payroll tax	2	90
Workers compensation	41	36
Legal fees	-	4
Total employee benefits expense	**2 198**	**2 983**

The number of full-time equivalent employees for 2025–26 was 21 (2024–25: 26).

Salaries and wages are recognised in the reporting period when the employee renders services to the Northern 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 16: Payables and Note 18: Provisions.

7. Purchases of goods and services

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

	2026 $000	2025 $000
Goods and services expenses		
Contractors and consultants[1]	223	93
Audit fees	57	57
Insurance premiums	2 051	2 142
Recruitment[2]	1	1
Training and study	22	10
Official duty fares	5	2
Travelling allowance	2	1
Information technology charges and communications	907	1 067
Motor vehicle expenses	9 894	10 267
Other[3]	1 292	1 475
Total purchases of goods and services	**14 454**	**15 115**

1 Includes marketing, promotion and IT consultants.

2 Includes recruitment-related advertising costs.

3 Includes expenses on agent service arrangements, parking, office requisitions, stationery and other office-related expenses.

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.

8. Interest expenses

	2026 $000	2025 $000
Interest from lease liabilities	31	-
Total interest expenses	**31**	-

Interest expenses for NT Fleet relates to lease liabilities in accordance with AASB 16 – Leases.

9. Cash and deposits

	2026 $000	2025 $000
Cash on hand	-	-
Cash at bank	21 007	8 168
Total cash and deposits	**21 007**	**8 168**

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.

10. Cash flow reconciliation

a) Reconciliation of cash

The total of agency 'Cash and deposits' of $21 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

	2026 $000	2025 $000
Net surplus	10 580	10 291
Non-cash items:		
Depreciation and amortisation	17 207	16 067
Gain/(loss) on disposal of assets (net of impaired assets)	(3 031)	(4 945)
Changes in assets and liabilities:		
(Increase)/decrease in receivables and prepayments	740	(312)
Increase/(decrease) in payables	349	(104)
Increase/(decrease) in provision for employee benefits	(112)	43
Increase in other provisions	116	674
Increase/(decrease) in other liabilities	(24)	8
Net cash from operating activities	**25 825**	**21 722**

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 Jun
2026	$000	$000	$000	$000	$000	$000	$000
Borrowings and advances	-	-	(171)	(171)	-	-	(171)
Total	-	-	**(171)**	**(171)**	-	-	**(171)**

		Cash flows			Non-Cash flows		
	1 July	Payments	Lease liabilities repayments	Total cash flows	Other	Total other	30 Jun
2025	$000	$000	$000	$000	$000	$000	$000
Borrowings and advances	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Note: Prior year figures have been amended to enhance comparability and align with current disclosure requirements.

11. Receivables

	2026	2025
	$000	$000
Current		
Accounts receivable	424	390
Less: loss allowance	-	-
	424	**390**
Interest receivables	70	24
Prepayments	2 107	2 133
GST receivables	-	13
Other receivables[1]	1 159	1 734
Total receivables	**3 760**	**4 294**

1 Other receivables include accrued revenue for recoverable repairs and maintenance.

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, prepayments 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.

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.



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.

Ageing analysis

	2026				2025			
	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	179	-	-	179	188	-	-	188
Overdue for less than 30 days	192	-	-	192	82	-	-	82
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
Total internal receivables	**371**		**-**	**371**	**270**		**-**	**270**
External receivables								
Not overdue	14	-	-	14	11	-	-	11
Overdue for less than 30 days	17	-	-	17	109	-	-	109
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	22	-	-	22	-	-	-	-
Total external receivables	**53**	**-**	**-**	**53**	**120**	**-**	**-**	**120**

Total amounts disclosed exclude goods and services tax (GST) 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

NT Fleet recognised no loss allowance for receivables in 2025–26 and 2024–25 from the assessment of expected credit losses.

12. Other financial assets

a) NT Fleet as a lessor

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 fee, scheduled repairs and maintenance cost, and financing rate.

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 terms and is included in revenue in the comprehensive operating statement 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.

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are as follows:

	2026	2025
	$000	$000
Less than one year	30 155	30 587
One to two years	23 937	25 459
Two to three years	15 599	19 316
Three to four years	8 134	11 144
Four to five years	3 011	4 468
More than five years	5 308	5 746
Total	**86 144**	**96 720**

13. Property, plant and equipment

a) Total property, plant and equipment

	2026 $000	2025 $000
Motor vehicles – light		
At cost	133 818	132 037
Less: accumulated depreciation	(35 692)	(32 067)
	98 126	**99 970**
Motor vehicles – heavy		
At cost	55 569	53 069
Less: accumulated depreciation	(25 613)	(23 892)
	29 956	**29 177**
Leasehold improvement[1]		
At cost	1 519	1 549
Less: accumulated depreciation	(398)	(329)
	1 121	**1 220**
Right-of-use[2]		
At cost	943	-
Less: accumulated amortisation	(184)	-
	759	**-**
Total property, plant and equipment	**129 962**	**130 367**

1 Leasehold improvement mainly includes electric vehicle charging stations.

2 Relates to a new finance lease that commenced in 2025–26.

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:

2026	Motor vehicles light $000	Motor vehicles heavy $000	Leasehold improvements $000	Right-of-use $000	Total $000
Carrying amount as at 1 July	99 970	29 177	1 220	-	130 367
Additions	16 814	6 502	18	879	24 213
Disposals	(6 502)	(1 175)	(10)	-	(7 687)
Asset transfers	2 445	1 514	-	-	3 959
Depreciation expense – asset owned	(11 530)	(4 712)	(107)	(184)	(16 533)
Impairment losses	(555)	(115)	-	-	(670)
Revaluation increment/ decrement	-	-	-	64	64
Depreciation transfers	(2 516)	(1 235)	-	-	(3 751)
Carrying amount as at 30 June	**98 126**	**29 956**	**1 121**	**759**	**129 962**

2025	Motor vehicles light $000	Motor vehicles heavy $000	Leasehold improvements $000	Right-of-use $000	Total $000
Carrying amount as at 1 July	93 251	26 802	965	-	121 018
Additions	25 746	8 406	360	-	34 512
Disposals	(7 270)	(1 493)	-	-	(8 763)
Asset transfers	1 529	755	-	-	2 284
Depreciation expense – asset owned	(11 135)	(4 205)	(105)	-	(15 445)
Impairment losses	(298)	(77)	-	-	(375)
Revaluation increment/ decrement	-	-	-	-	-
Depreciation transfers	(1 853)	(1 011)	-	-	(2 864)
Carrying amount as at 30 June	**99 970**	**29 177**	**1 220**	-	**130 367**

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

A reconciliation of the carrying amount of property, plant and equipment held and used by the agency to deliver its outputs and services to the public is set out below:

2026	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Right-of-use	Total
	$000	$000	$000	$000	$000
Carrying amount as at 1 July	26	-	1 220	-	1 246
Additions	-	-	18	879	897
Disposals	-	-	(10)	-	(10)
Revaluation increment/ decrement	-	-	-	64	64
Depreciation/amortisation expense	(4)	-	(107)	(184)	(295)
Carrying amount as at 30 June	**22**	**-**	**1 121**	**759**	**1 902**

2025	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Right-of-use	Total
	$000	$000	$000	$000	$000
Carrying amount as at 1 July	28	-	965	-	993
Additions	28	-	360	-	388
Disposals	(26)	-	-	-	(26)
Revaluation increment/ decrement	-	-	-	-	-
Depreciation/amortisation expense	(4)	-	(105)	-	(109)
Carrying amount as at 30 June	**26**	**-**	**1 220**	**-**	**1 246**

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 the agency is a lessor under operating leases is set out below:

2026	Motor vehicles light $000	Motor vehicles heavy $000	Total $000
Carrying amount as at 1 July	99 943	29 177	129 120
Additions	19 259	8 016	27 275
Disposals	(6 502)	(1 175)	(7 677)
Depreciation/amortisation expense	(14 042)	(5 947)	(19 989)
Impairment losses	(555)	(115)	(670)
Carrying amount as at 30 June	**98 103**	**29 956**	**128 059**

2025	Motor vehicles light $000	Motor vehicles heavy $000	Total $000
Carrying amount as at 1 July	93 222	26 802	120 024
Additions	27 247	9 161	36 408
Disposals	(7 244)	(1 493)	(8 737)
Depreciation/amortisation expense	(12 984)	(5 216)	(18 200)
Impairment losses	(298)	(77)	(375)
Carrying amount as at 30 June	**99 943**	**29 177**	**129 120**

i. 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.

ii. Revaluation of assets

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

iii. Impairment of assets

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

Materially significant non-financial assets are assessed for indicators of impairment annually. If any indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's current replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

In certain situations, an impairment loss may subsequently be reversed. Impairment loss may only be reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed the revised estimate of its recoverable amount, nor exceed the net carrying amount that would have been determined had not impairment loss been recognised for the asset in the prior years. Where an asset is carried at a revalued amount, impairment reversal is recognised in the comprehensive operating statement as income to the extent that an impairment loss was previously recognised in the profit or loss, otherwise, impairment reversal results in an increase in the asset revaluation surplus.

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.

iv. 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:

	2026	2025
Vehicles – light	4 to 5 years	4 to 5 years
Vehicles – heavy	5 to 10 years	5 to 10 years
Leasehold improvements	10 years	10 years
Right-of-use	Lease term	Lease term

v. Right-of-use asset under leases

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. Refer to Note 17 for Borrowings and advances for additional disclosures.

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

If ownership of the leased asset transfers to NT Fleet 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.

14. Intangibles

a) Total intangibles

	2026 $000	2025 $000
Intangibles with a finite useful life		
Computer software		
Gross carrying amount	7 086	6 826
Less: accumulated amortisation	(4 170)	(3 495)
Carrying amount at 30 June	**2 916**	**3 331**
Total intangibles	**2 916**	**3 331**

Intangible assets for NT Fleet comprise 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 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:

	2026	2025
Computer software	2 to 20 years[1]	2 to 10 years

1 Useful life of finite intangible assets is 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.

b) Reconciliation of carrying amount of intangibles

2026	Computer software $000	Other intangibles $000	Software work in progress $000	Total $000
Intangibles with a finite useful life				
Carrying amount at 1 July	3 331	-	-	3 331
Additions	259	-	-	259
Amortisation	(674)	-	-	(674)
Carrying amount as at 30 June	**2 916**	**-**	**-**	**2 916**

2025	Computer software $000	Other intangibles $000	Software work in progress $000	Total $000
Intangibles with a finite useful life				
Carrying amount at 1 July	3 206	-	-	3 206
Additions	746	-	-	746
Amortisation	(621)	-	-	(621)
Carrying amount as at 30 June	**3 331**	**-**	**-**	**3 331**

15. Assets held for sale

	2026 $000	2025 $000
Motor vehicles – light	933	447
Motor vehicles – heavy	167	862
Total assets held for sale	**1 100**	**1 309**

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 lower of the asset's carrying amount and fair value less costs to sell and are not subject to depreciation.

16. Payables

	2026	2025
	$000	$000
Accounts payable	1 327	1 693
Accrued salaries and wages	65	68
Other accrued expenses	850	743
GST payable	205	-
Other payables	-	-
Total payables	**2 447**	**2 504**

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 of 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.

17. Borrowings and advances – lease liabilities

	2026	2025
	$000	$000
Current[1]		
Lease liabilities	186	-
	186	**-**
Non current		
Lease liabilities	586	-
	586	**-**
Total lease liabilities	**772**	**-**

1 Subsequent to year-end, a classification issue was identified whereby lease liabilities were not classified between current and non current. The error does not affect total liabilities, net assets or comprehensive result and will be corrected in 2026–27.

a) Lease liabilities

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.

Lease payments include: fixed payments (including in substance fixed payments) less any lease incentives receivable; variable lease payments that depend on an index or a rate; exercise price of purchase options that are reasonably certain to be exercised by the agency; and payments of penalties for terminating the lease, if the lease term reflects the agency exercising the option to terminate.

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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. The agency does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the agency and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

i. Reconciliation of lease liabilities

The following table presents liabilities under leases.

	2026	2025
	$000	$000
Balance at 1 July	-	-
Additions/remeasurements	943	-
Interest expenses	31	-
Payments	(202)	-
Balance at 30 June	**772**	**-**

ii. Reconciliation of lease liabilities

The following table presents total cash outflows associated with leases.

	2026	2025
	$000	$000
Lease liability payments	202	-
Short-term lease payments	-	-
Low-value asset lease payments	-	-
Total cash outflows	**202**	**-**

18. Provisions

	2026	202
	$000	$000
Current		
Employee benefits		
Recreation leave	247	347
Leave loading	37	48
Other employee benefits	2	2
Other current provisions		
Provision for fringe benefits tax	2	2
Provision for superannuation	47	64
Provision for payroll tax	35	26
	370	**489**
Total provisions	**370**	**489**

a) 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.

b) Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS)
- 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.

19. Capital commitments

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. These contracts are expected to be payable as follows:

	2026 $000	2025 $000
Not later than one year	10 628	19 043
Later than one year and not later than five years	-	-
Later than five years	-	-
Total capital expenditure commitments (exclusive of GST)	10 628	19 043
Plus: GST recoverable	1 063	1 904
Total capital expenditure commitments (inclusive of GST)	**11 691**	**20 947**

20. Fair value measurement

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

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.

21. Financial instruments

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

NT Fleet's financial instruments include cash and deposits, receivables and payables. These items represent noncomplex and standard financial instruments, with limited or no exposure to credit, market or liquidity risks.

a) Categories of financial instruments

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

	Category	2026 $000	2025 $000
Cash and deposits	Amortised cost	21 007	8 168
Receivables[1]	Amortised cost	424	390
Total financial assets		**21 431**	**8 558**
		1 327	1 693
Payables[1]	Amortised cost	772	-
Total financial liabilities		**2 099**	**1 693**

1 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.

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. NT Fleet's financial liabilities categorised at amortised cost include all accounts payable, advances received 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, 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.

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.

Maturity analysis for financial liabilities

2026	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables[1]	1 327	1 327	-	-	1 327
Lease liabilities	772	212	618	-	830
Total financial liabilities	**2 099**	**1 539**	**618**	**-**	**2 157**

2025	Carrying amount $000	Less than a year $000	1 to 5 years $000	More than 5 years $000	Total $000
Liabilities					
Payables[1]	1 693	1 693	-	-	1 693
Lease liabilities	-	-	-	-	-
Total financial liabilities	**1 693**	**1 693**	**-**	**-**	**1 693**

1 Amounts disclosed exclude statutory amounts and accruals (such as accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not be reconciled in 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.

NT Fleet has limited exposure to interest rate risk as agency financial assets and financial liabilities, with the exception of leases are noninterest bearing. Lease arrangements are established on a fixed interest rate and therefore do not expose the NT Fleet to interest rate risk.

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.

22. Related parties

a) Related parties

NT Fleet 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 KMP or the portfolio minister, or controlled or jointly controlled by their close family members.

b) Key management personnel

Key management personnel of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include the Minister for Corporate and Digital Development, DCDD Chief Executive, DCDD Deputy Chief Executive Corporate Services, DCDD Chief Operating Officer, DCDD Chief Financial Officer, DCDD Executive Director Commercial Services and Director of NT Fleet.

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 consequently disclosed within the Treasurer's annual financial statements.

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

	2025–26	2024–25
	$000	$000
Short-term benefits	228	264
Post-employment benefits	26	26
Long-term benefits	-	-
Termination benefits	-	210
Total remuneration of key management personnel[1]	**254**	**501**

1 The decrease primarily reflects one-off employee separation costs incurred in 2024–25.

Long service leave benefits are centrally recognised and paid by the Central Holding Authority and do not form part of agency's accounts or cash outflows. As there is no financial impact on the agency's financial statements, long service leave benefits are excluded from the quantitative disclosures of KMP compensation.

d) Related party transactions: Transactions with Northern Territory Government-controlled entities

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

2026 Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All NTG departments	43 799	7 293	1 271	10 560

2025 Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	$000	$000	$000	$000
All NTG departments	42 299	10 255	1 488	4 854

Other related party transactions are as follows:

Given the breadth and depth of NTG 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. There were no other related party transactions to be reported.

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

23. Contingent liabilities and contingent assets

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2026 and 30 June 2025.

24. Events subsequent to balance date

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

25. Budgetary information

The following tables present the variation between the 2025–26 original budget financial statements, as reported in 2025–26 Budget Paper No. 3 Agency Budget Statements and the 2025–26 actual amounts reported in the financial statements, together with explanations for significant variations.

Comprehensive Operating Statement

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
INCOME				
Sales of goods and services	44 718	42 927	1 791	1
Interest revenue	481	174	307	2
Gain on disposal of assets	3 702	5 000	(1 298)	3
Other income	790	207	583	4
TOTAL INCOME	**49 691**	**48 308**	**1 383**	
EXPENSES				
Employee expenses	2 198	3 070	872	5
Administrative expenses				
Property management	16	463	447	6
Purchases of goods and services	14 454	14 883	429	
Depreciation and amortisation	17 207	15 858	(1 349)	7
Other administrative expenses	671	-	(671)	8
Interest expenses	31	-	(31)	
TOTAL EXPENSES	**34 577**	**34 274**	**(303)**	
NET SURPLUS/(DEFICIT)	**15 114**	**14 034**	**1 080**	
Income Tax Expense	4 534	4 210	(324)	
NET SURPLUS	**10 580**	**9 824**	**756**	
COMPREHENSIVE RESULT	**10 580**	**9 824**	**756**	

Notes:
The following note descriptions relate to variances greater than 20% or $1 million.

1. Higher than budget due to revised lease rates following a pricing review and higher recoveries of vehicle repair and maintenance costs.
2. Interest revenue was higher than budget as NT Fleet maintained higher average cash balances throughout the year.

3. Lower than budget due to fewer vehicle disposals, following a strategic decision to retain selected vehicles and extend their service lives. The result was also affected by losses associated with damaged vehicles.
4. Other income higher than budget due to increased recoveries relating to damaged and impaired vehicles, including insurance proceeds and recoveries from losses incurred on vehicle disposals.
5. Lower than budget due to ongoing recruitment and retention challenges, resulting in positions remaining vacant during the year.
6. Property management costs were lower than budget due to a one-off refund received under revised leasing arrangements following the relocation of NT Fleet offices from Armidale Street Complex to Charles Darwin Centre.
7. Depreciation and amortisation expense exceeded budget due to higher vehicle acquisition costs than originally forecast, reflecting increased market prices for new vehicles. The higher asset values resulted in increased depreciation charges over the fleet's useful life.
8. Primarily reflects unbudgeted impairment expenses associated with damaged vehicles.

Balance Sheet

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
ASSETS				
Current assets				
Cash and deposits	21 007	13 190	7 817	1
Receivables	1 653	1 819	(166)	2
Prepayments	2 107	2 163	(56)	
Assets held for sale	1 100	-	1 100	3
Total current assets	**25 867**	**17 172**	**8 695**	
Non current assets				
Property, plant and equipment	129 962	138 231	(8 269)	4
Intangibles	2 916	3 006	(90)	
Total non current assets	**132 878**	**141 237**	**(8 359)**	
TOTAL ASSETS	**158 745**	**158 409**	**336**	
LIABILITIES				
Current liabilities				
Payables	2 447	4 261	1 814	5
Dividends payable	5 290	4 912	(378)	
Unearned Revenue	-	15	15	
Borrowings and advances – lease liabilities	186	-	(186)	
Provisions	370	437	67	
Income tax liabilities	4 534	4 210	(324)	
Total current liabilities	**12 827**	**13 835**	**1 008**	
Non current liabilities				
Borrowings and advances – lease liabilities	586	-	(586)	
Total non current liabilities	**586**	**-**	**(586)**	
TOTAL LIABILITIES	**13 413**	**13 835**	**421**	
NET ASSETS	**145 332**	**144 574**	**758**	
EQUITY				
Capital	6 565	6 565	-	
Accumulated funds	138 767	138 009	(758)	
TOTAL EQUITY	**145 332**	**144 574**	**758**	

Financial statement – NT Fleet

Notes:

The following note descriptions relate to variances greater than 20% or $1 million.

1. Increase in cash mainly due to decreased vehicle-asset acquisition.
2. Decrease due to improved timing of payments from agencies.
3. Assets held for sale originally included in the non current assets budget.
4. Decrease mainly due to lower than anticipated number of vehicles acquired in the reporting year.
5. Decrease due to improved timing of payments to vehicle and service providers.

Cash flow statement

	2026 Actual	2026 Original budget	Variance	Note
	$000	$000	$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	46 024	43 134	2 890	1
GST receipts	5 780	-	5 780	2
Interest received	435	174	261	
Total operating receipts	**52 239**	**43 308**	**8 931**	
Operating payments				
Payments to employees	(2 305)	(3 070)	765	3
Payments for goods and services	(14 107)	(15 346)	1 239	4
GST payments	(5 561)	-	(5 561)	2
Income tax paid	(4 410)	(4 248)	(162)	
Interest paid	(31)	-	(31)	
Total operating payments	**(26 414)**	**(22 664)**	**(3 750)**	
Net cash from/(used in) operating activities	**25 825**	**20 644**	**5 181**	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	11 389	15 000	(3 611)	5
Total investing receipts	**11 389**	**15 000**	**(3 611)**	
Investing payments				
Purchases of assets	(24 204)	(32 000)	7 796	6
Total investing payments	**(24 204)**	**(32 000)**	**7 796**	
Net cash from/(used in) investing activities	**(12 815)**	**(17 000)**	**4 185**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Lease payments	(171)	-	(171)	
Dividends paid	-	-	-	
Total financing payments	**(171)**	**-**	**(171)**	
Net cash from/(used in) financing activities	**(171)**	**-**	**(171)**	
Net increase/(decrease) in cash held	12 839	3 644	9 195	7
Cash at beginning of financial year	8 168	9 546	(1 378)	
CASH AT END OF FINANCIAL YEAR	**21 007**	**13 190**	**7 817**	

Financial statement – NT Fleet

Notes:

The following note descriptions relate to variances greater than 20% or $1 million.

1. Increase due to higher than expected lease rate revenue and recoveries of repair and maintenance costs.
2. GST receipts and payments not included in original budget.
3. Lower than budgeted number of full-time equivalent staff in the reporting year.
4. Lower than anticipated operating expenses such as repairs and maintenance and motor vehicle registrations.
5. Decrease due to lower than anticipated number of vehicles disposed.
6. Decrease resulting from lower than anticipated capital acquisitions.
7. Significant increase mainly resulted from lower than budgeted operating expenses and capital acquisitions.



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Appendices

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Appendix A – Cost allocation model

The Department of Corporate and Digital Development (DCDD) uses a cost allocation model to calculate and attribute service delivery costs across service lines. Service usage data, such as transactional volumes, is extracted from our systems, with unit costs applied to determine charges for each client.

Departments are notionally charged for the value of services received, with fees reflected in their budgets and ledgers. Services provided to government business divisions (GBDs) and other non-budget entities operate on a cost recovery basis.

The model is reviewed annually and refined to support accurate forecasting in departmental and GBD budgets.

Product name	Cost driver description	$ (GST exclusive)
Employment Services		
Executive Contract Officers (ECO)	# of paid ECOs per pay	29.70
Payroll auto pay transaction records	# of pay transaction records – auto	3.95
Payroll manual pay transaction records	# of pay transaction records – manual	16.30
Payroll commencement	# of commencements	134.15
Payroll contacts	# of payroll contacts	16.00
Payroll employees	# of paid employees	6.95
Payroll termination	# of terminations	169.95
Workers compensation payroll	# of workers compensation payroll transaction records	37.00
Finance Services		
Advance cheques/petty cash	# of advance cheques/petty cash	94.50
Accounts Receivable (AR) bank accounts	# of bank accounts managed	492.20
AR process electronic invoice	# of AR electronic invoices processed	25.40
AR Receiver of Territory Monies (RTM) receipts	# of RTM receipts	17.10
Asset additions	# of asset addition transactions	27.10
Asset disposals	# of asset disposal transactions	42.80
Asset maintenance	# of asset maintenance transactions	1.05
Credit cards	# of credit cards	39.00
Interfaced payments	# of interfaced payment transactions	0.85
Internet payments	# of internet payment transactions	66.10
Manual payments	# of manual payment transactions	59.30
Manual ledger transfer	# of manual ledger transfers	47.25

Product name	Cost driver description	$ (GST exclusive)
Manual receipts	# of manual receipts	63.35
NTGPay payments	# of NTGPay payment transactions	9.35
Payroll debt recovery	# of full time equivalents (FTEs) per pay	1.30
Power billing and revenue collection/ medicare receipts	# of claims processed	0.65
Business Activity Statement (BAS)/ Goods and Services Tax (GST) return	# of GST lines on BAS	0.50
Fringe Benefit Tax (FBT) return	# of FBT liability lines	10.80
Payroll tax return	# of payroll tax lines	2.60
Across Government Systems		
Asset systems (ASNEX)	% of usage	3 281.70
Contract management (TRAX)	# of contracts	7.30
Financial systems – Expense8	# of Expense8 credit card transactions	5.50
Financial systems – Government Accounting System (GAS)	# of general ledger GAS transactions	0.70
Financial systems – NTGPay	# of NTGPay invoices	4.00
Financial systems – TRIPS	# of TRIPS transactions	4.35
GrantsNT	% of $ value of grants processed	1 031.10
Human Resource (HR) systems	# of HR system transactions	6.70
HR systems – eRecruit	# of eRecruit Request to Fills (RTF)	16.95
HR systems – FOILS	# of fares out of isolated locations claims	5.90
Procurement systems	# of procurements	611.30
Property leasing system (PROGEN)	# of square metres of accommodation	0.10
TRM administration	Per workstation	2.20
Workforce Development		
Agency analytics and insights	# of FTEs per month	7.30
Early career programs	# of FTEs per month	8.00
Enterprise analytics and insights	# of FTEs per month	1.80
Workforce capability program	# of FTEs per month	23.45
Workforce planning and advice	# of FTEs per month	9.75

Product name	Cost driver description	$ (GST exclusive)
Workforce Management		
Case management	# of case management processes started per employee	8 599.60
Complex advice	per advice across the full suite of HR services	4 366.85
Simple advice	per advice across the full suite of HR services	566.75
Workforce Operations		
Benchmark	Per benchmarked position	156.45
Entry level recruit	# of FTEs per pay (administrative officer levels only)	0.50
Workforce Business Partners	% of services by agency	1 295.85
Job evaluations	Per evaluation	265.15
Recruitment advertising	# of advertisements	110.20
Service request	# of FTEs per month	35.00
Specific recruitment services	% of services by agency	662.00
RTF processing	# of RTFs processed	62.75
Position occupant moves	# of temporary/nominal moves	12.65
ICT Services		
Contract management and cybersecurity	Per device	6.60
ICT service delivery	Based on agency utilisation	-
Web Services		
NTG web services	# of FTEs per pay	4.20
Web page updates	# of updates	90.65
Procurement Services		
Across government contracts	# of FTEs per pay per contract	0.15
Contract administration	Per transaction for contract amendments (TRAX data)	749.90
Non-standard procurement	Per non-standard procurement (APRO data)	202.50
Procurement advisory services	# of FTEs per client agency	6.30
Tender management	Per tender (APRO data)	2 438.15

Product name	Cost driver description	$ (GST exclusive)
Tenders Agency Procurement Services (APS) supported	Per Request for Tender	12 137.70
Tier 2 / Non-standard APS supported	Per Tier 2 Request for Quotation (RFQ) or non-standard procurement	4 023.85
Tier 2 quotes	Per RFQ (APRO data)	202.50
Tier 3 APS supported	Per Tier 3 Request for Quotation	7 681.85
Tier 3 RFQ (including award)	Per quote and award	1 729.50
Tier 3, 4 and 5 quotes	Per quotation or tender for Power Water Corporation only	1 729.50
Property Management		
Leased property management lease management fees	# of square metres of accommodation	1.05
Agency Business Systems		
Agency business systems	Based on agency utilisation	-
Data Services		
Data services	Based on agency utilisation	-
DCDD data warehouse	# of FTEs per pay	7.65
Information Management		
Information management	# of FTEs per month	31.05
Mail, courier and freight services	Services across specific agencies	3 028.80
Training	# per training	187.60
Freedom of Information		
Freedom of information	Charged back based on budget transferred	-

Appendix B – Grants and sponsorships

Organisation	Purpose	$ (GST exclusive)
Grants		
Central Desert Shire Council, Barkly Regional Council and MacDonnell Regional Council	Free-to-air community television pilot grant program	570 000
Telstra Corporation Ltd	NTG/Telstra remote telecommunications co-investment programs	175 416
OneWi-Fi and Infrastructure	First Nations Community Wi-Fi Program	128 969
8CCC Community Radio Incorporated	Enable 8CCC to sustain its community broadcast service and operations	118 977
Easyweb Digital Pty Ltd	Regional Connectivity Project – community Wi-Fi in Central Australia	68 182
Sponsorships		
Charles Darwin University	IT Code Fair 2025	13 636
Department of Trade, Business and Asian Relations	October Business Month	5 000
GovHack	GovHack 2025 – NT Silver Sponsorship	4 999
Total		**1 085 179**

Appendix C – Governance – audits

Internal audits and reviews

A summary of internal audits undertaken during 2025–26 is set out in the table below.

Audit/review	Objective	Outcome
Cabinet information security review	Annual review of the department's Cabinet information security measures.	3 matters were identified: one is being addressed and 2 have been resolved.
Accounts receivable assurance and risk assessment	To assess the adequacy of the DCDD Accounts Receivable work unit's governance, systems and operational practices.	5 matters were identified and are being addressed.
Vendor data management review	To assess DCDD's vendor data management practices, focusing on their effectiveness and alignment with best practices and regulatory requirements.	4 matters were identified and are being addressed.
Employee Benefits Unit (EBU) assurance and risk assessment	To assess EBU in terms of approach to assurance and risk management, with a focus on identifying key risks and opportunities for improvement.	7 matters were identified and are being addressed.
Employee Assistance Program (EAP) compliance audit	To assess the Northern Territory Government EAP panel providers' compliance with select obligations specified in EAP contract clauses.	7 matters were identified and have been resolved.
Contract and Procurement Services quality assurance review	To review the current operating environment, with an emphasis on procurement governance, risk management, compliance, operational efficiency and service delivery outcomes.	7 matters were identified and are being addressed.

Audits by the Auditor-General

A summary of external and performance management system audits undertaken by the Auditor-General during 2025–26 is set out in the table below.

Audit/review	Objective	Outcome
DCDD shared services end of year review for the year ended 30 June 2025	To review the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances.	One matter was identified and is being addressed.
DCDD agency controls audit (ACA) and end of year (EOY) review for the year ended 30 June 2025	The ACA examined selected aspects of the systems in use as required in particular by Treasurer's Direction Part 3, Section 1 and Procurement Governance Policy and Procurement Rules, with the objective of obtaining reasonable assurance that those requirements were being achieved. The EOY review assessed the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances.	6 matters were identified: 5 matters are being addressed and one matter has been resolved.
Data Centre Services Financial Statement audit for the year ended 30 June 2025	To undertake sufficient audit procedures relating to the accounts and records of Data Centre Services.	An unmodified audit opinion was issued. No matters were identified.
NT Fleet financial statement audit for the year ended 30 June 2025	To undertake sufficient audit procedures relating to the accounts and records of NT Fleet.	An unmodified audit opinion was issued. One matter was identified and is being addressed.
Personnel Information and Payroll System (PIPS) compliance audit for the year ended 30 June 2025	To determine if there is reasonable assurance that satisfactory internal controls are in place in respect of the PIPS payroll and leave recording functions provided to departments.	5 matters were identified: 3 matters are being addressed and 2 matters have been resolved.
Government Accounting System (GAS) compliance audit for the year ended 30 June 2025	To determine if there is reasonable assurance that there are satisfactory internal controls for central maintenance of GAS and over the financial services provided to departments.	5 matters were identified and have been resolved.

Audit/review	Objective	Outcome
Common infrastructure for key financial systems for the year ending 30 June 2025	Considered information systems, practices and operations to assess whether management of common infrastructure is planned and executed in a manner that provides confidence that service restoration will meet organisational expectations.	One matter was identified and is being addressed.
Information technology control environment for the year ending 30 June 2025	To address general computer controls areas across GAS, PIPS, Payroll and Payment Management System and NAB Connect.	5 matters were identified: 2 matters are being addressed and 3 matters have been resolved.
Internal control and the APEX system for the year ended 30 June 2025	To assess whether internal controls within DCDD and the APEX system provide reasonable assurance that APEX produces reliable system-generated reports.	One matter was identified and is being addressed.
Manual payroll calculations	A performance management system audit to assess whether there were systems in place to ensure that employees were paid their backdated wage increases and other entitlements in accordance with the applicable enterprise agreement, and that those payments were processed in a timely manner.	2 matters were identified and have been resolved.
Police information system replacement project	To conduct a post implementation review of the SerPro project.	10 matters were identified and are being addressed.





NORTHERN TERRITORY GOVERNMENT