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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

Year	Output Appropriation		Goods and Services		Other Income ¹		Goods and Services Received FOC ²		Total	
	\$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									
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	2025
	\$000	\$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	2025
	\$000	\$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	2025
	\$000	\$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	2025
	\$000	\$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	2025
	\$000	\$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	2025
	\$000	\$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				Note
	2026	No. of	2025	No. of	2026	No. of	2025	No. of	
	\$000	trans.	\$000	trans.	\$000	trans.	\$000	trans.	
Authorised under the <i>Financial Management Act 1995</i>									
<i>Write-offs, postponements and waivers approved by the Treasurer</i>									
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	-	-	-	-	-	-	
<i>Write-offs, postponements and waivers approved by delegates</i>									
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	2025
	\$000	\$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	2025
	\$000	\$000
Net surplus/(deficit)	(30 727)	(28 820)
<i>Non-cash items:</i>		
Depreciation and amortisation	101 142	95 639
Asset write-offs/write-downs	16	4
Gain/loss on disposal of assets	(44)	(3 347)
<i>Changes in assets and liabilities:</i>		
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	Total other
2026	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	956	-	-	-	10 240	10 240	-
Provisions	23 373	-	-	-	-	-	1 190
Lease liabilities	645 999	-	-	(78 160)	-	(78 160)	79 890
Other	425 626	34 691	17 427	-	-	52 118	88
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	Total other
2025	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	215	-	-	-	741	741	-
Provisions	22 692	-	-	-	-	-	681
Lease Liabilities	628 607	-	-	(75 634)	-	(75 634)	93 026
Other	379 607	12 759	28 259	-	-	41 018	5 001
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	2025
	\$000	\$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
	\$000	\$000
External receivables		
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	2025
	\$000	\$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:

	Computer hardware	Transport equipment	Plant and equipment	Construction (WIP) infrastructure	Right-of-use	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2026						
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
	Computer hardware	Transport equipment	Plant and equipment	Construction (WIP) infrastructure	Right-of-use	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2025						
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).

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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	2025
	\$000	\$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

	Computer software	Software work in progress	Total
2026	\$000	\$000	\$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

	Computer software	Software work in progress	Total
2025	\$000	\$000	\$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	2025
	\$000	\$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 unrepresented cheques.

Clearing money is public money in transit that is payable to another entity. These funds typically do not contribute to the operations of the agency. 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 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.

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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		
<i>Employee benefits</i>		
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	2025
	\$000	\$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	2025
	\$000	\$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 commitments¹

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
<i>Plus: GST recoverable</i>	<i>3 120</i>	<i>6 074</i>
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

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
2026	\$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.

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
2025	\$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

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- 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 personnel¹	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	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
Related party				
<i>All NTG departments</i>	176 768	41 884	4 808	4 388

2025	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
Related party				
<i>All NTG departments</i>	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 \$000	2026 Original budget \$000	Variance \$000	Note
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.

	2026 Actual	2026 Original Budget	Variance	Note
Administered Territory items	\$000	\$000	\$000	
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.