

DEPARTMENT OF LAND RESOURCE MANAGEMENT

# ANNUAL REPORT

## 2014-15







# DEPARTMENT OF LAND RESOURCE MANAGEMENT ANNUAL REPORT 2014-15

## PURPOSE

The annual report of the Department of Land Resource Management (DLRM) provides a record of the department's achievements for the 2014-15 financial year.

In order to comply with annual reporting requirements under Section 28 of the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*, the report aims to inform Parliament, Territorians, and other stakeholders of:

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

## TARGET AUDIENCE

The annual report provides information to many target audiences on the department's activities and achievements for the 2014-15 financial year. It is tabled by the Minister in Parliament, primarily as an accounting and reporting mechanism for the department's income and financial expenditure for the year ending 30 June 2015.

The report provides information for other government agencies and the wider public about the range, purpose and success of activities undertaken by the department and also formally acknowledges the achievements of department employees.

## OUR VISION

The Northern Territory's land and water resources are used appropriately for economic development and the wellbeing of all Territorians.

Published by the Department of Land Resource Management

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Chief Executive Officer  
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Dear Minister

I am pleased to present you with the Annual Report of the Department of Land Resource Management for the year ended 30 June 2015. The report describes the operational performance and key achievements of each of the department's outputs, pursuant to Section 28 of the *Public Sector Employment and Management Act*.

I advise in respect to my duties as Accountable Officer, to the best of my knowledge and belief, that:

- (a) proper records of all transactions affecting the department are kept and employees under my control observe the provisions of the *Financial Management Act*, its regulations and applicable Treasurer's Directions
- (b) departmental procedures afford proper internal control. A current description of these procedures is recorded in the department's accounting and property manual which has been prepared in accordance with the requirements of the *Financial Management Act*
- (c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records exists
- (d) in accordance with Section 15 of the *Financial Management Act*, the internal audit capacity is adequate and the results of all internal audit matters have been reported to me
- (e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions
- (f) all employment instructions issued by the Commissioner for Public Employment have been satisfied
- (g) in respect to my responsibility pursuant to Section 131 of the *Information Act*, I advise that, to the best of my knowledge and belief, the department is working in compliance with Part 9 of the *Information Act*.

Yours sincerely



**Alastair Shields**  
Chief Executive Officer

30 September 2015

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# OVERVIEW



## CHIEF EXECUTIVE OFFICER'S OVERVIEW

I am pleased to present this Annual Report for the Department of Land Resource Management for the year ended 30 June 2015, which provides a comprehensive account of the department's functions and performance against approved budgets and resources for the 2014-2015 financial year.

Since joining the department in March this year, I have been very impressed by the dedication, commitment and professionalism of staff in the department. I would like to take this opportunity to thank them for their unflinching support and for their warm welcome. I would also like to acknowledge the contribution provided by the former Chief Executive Officer, Mr Rod Applegate, who left the department to become Chief Executive Officer of the Department of Lands, Planning and the Environment, and Executive Director, Water Resources, Mr Steve Popple, who announced during 2014-2015 that he would be leaving the department and moving to Queensland.

The department has a key role in supporting economic development in the Northern Territory, a role that has come into very sharp focus with the release by the Commonwealth Government of its White Paper on developing Northern Australia.

Considerable departmental effort was expended in identifying opportunities for agricultural expansion, through the strategic assessment and identification of land with suitable soils and sufficient water, particularly on the Tiwi Islands. The department has a close working relationship with the Department of Primary Industry and Fisheries, which ensures that clients and stakeholders receive streamlined and consistent information.

The Department of Land Resource Management and the Department of Primary Industry and Fisheries have also engaged with the Northern Land Council, with a view to supporting the Land Council's desire to establish a prospectus to encourage economic development on Aboriginal owned land.

In May this year, the Minister for Land Resource Management launched 'Our Water Future Discussion Paper – A Conversation with Territorians' a discussion paper to consult and engage Territorians in the development of an overarching strategic plan for water in the Northern Territory. The discussion paper was the primary vehicle for community consultation and engagement, and covered all aspects of water including public use, utilities, licensing, conservation and the development and management of water resources.

Six public meetings were held across the Territory, including in the Douglas Daly, Katherine, Darwin, Darwin Rural, Tennant Creek and Alice Springs. About 100 stakeholders attended the meetings which included presentations from the Katherine Water Advisory Committee, Northern Territory Catchments Advisory Committee, Bureau of Meteorology and the University of Western Australia.



## CHIEF EXECUTIVE OFFICER'S OVERVIEW

The discussion paper, and the feedback received, will form the basis for the development of an overarching strategic plan for water in the Northern Territory, which will be a major focus of the department in the upcoming year. The Northern Territory is in an exceptional position, in that it is able to develop a plan which will guide economic development in the Northern Territory, by establishing a strategic, contemporary and effective approach to managing our water resources, one that is consistent with the national water initiative, but also reflects the unique challenges and opportunities of the Northern Territory.

A number of proponents have utilised the non-pastoral use provisions of the *Pastoral Land Act* to pursue diversification opportunities on the pastoral estate. This is another important initiative which enables further economic development opportunities of the pastoral estate.

The past year has seen another busy bushfire season. The increasing size of the rural and semi-rural community on the outskirts of Darwin, together with the spread of Gamba Grass, has meant that bushfires of greater intensity have impacted upon more Territorians and their properties. The safety of many Territorians and their property has been significantly enhanced by the efforts of both Bushfire Volunteers and Bushfires NT staff alike. I commend them for their dedication, skills and hard work.

In the coming year, I am looking forward to the finalisation of an appropriate, sustainable and transparent process for rental of the Territory's pastoral estate, and continuing to explore and promote opportunities for the diversification of land use as a means to promote economic development.

The implementation of the Northern Territory Saltwater Crocodile Management Plan 2016-2020 will also be finalised by the end of 2015 after a long consultative period with key stakeholders including the Federal Government.

I am also looking forward to the implementation of the recently finalised review of the *Bushfires Act*, particularly through legislative amendments that are anticipated to be considered by Parliament in the coming year.

The Department of Land Resource Management is an equal opportunity employer and provides family friendly working practices. We also maintain an environment that is free from bullying, harassment and discriminatory practices. This, combined with the interesting and challenging work undertaken by the department, means that we have a steady and stable workforce. The knowledge, skills and experience provided by long term staff are a significant asset to the department, but it also exposes the department to risk when long term employees retire or leave the workforce. A focus for the department in the upcoming year will be to develop succession planning in conjunction with staff.

Another focus for the department in the upcoming year will be the attraction and retention of Indigenous employees. Rather than adopt the Northern Territory Public Sector special measures arrangements for Indigenous employees, this department has elected to develop its own tailored approach to the attraction and retention of Indigenous employees.

I am looking forward to continuing to work with Pastoralists, Project Proponents, Landowners (including Indigenous Landowners), and other stakeholders to ensure that the department continues to meet the needs of all Territorians, and continues to ensure that the Northern Territory's land and water resources are used appropriately for economic development and the wellbeing of all Territorians.

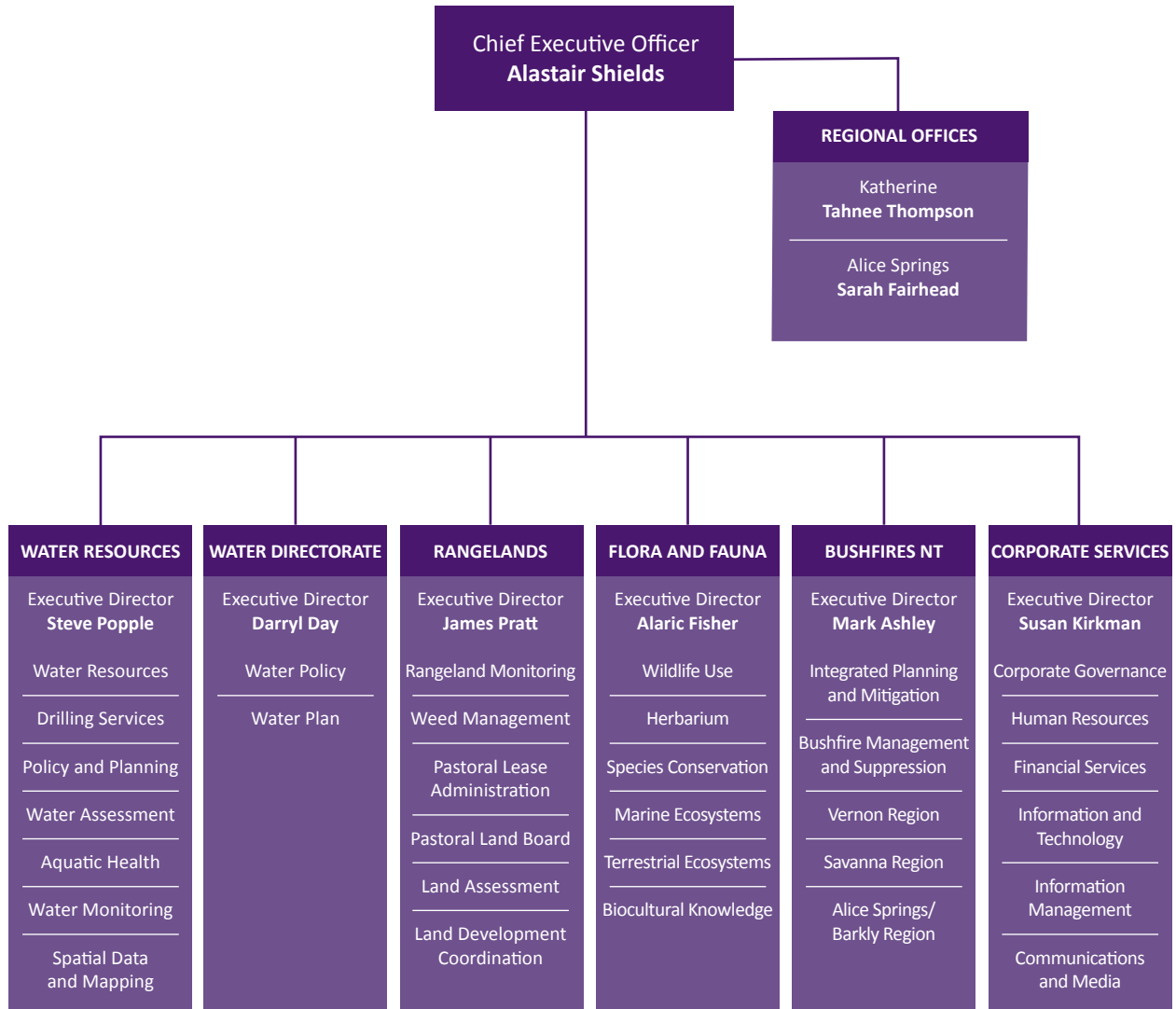
**Alastair Shields**

Chief Executive Officer

Department of Land Resource Management

30 September 2015

# OUR STRUCTURE



*Scientific assessment and monitoring of the Territory's water resources, allocation of these resources for sustainable use and delivery of flood forecasting services.*

*Develop the Territory's water policy and water plan*

*Scientific assessment and monitoring of the Territory's land and delivery of extension services, policy advice and regulation of use and threats to the land resource.*

*Scientific assessment and monitoring of the Territory's native flora and fauna, and delivery of policy advice and support relating to the conservation and sustainable use of wildlife and management of feral animals.*

*Support landholders in the management and mitigation of wildfire and assist volunteer brigades in fire management suppression outside the Territory's urban centres.*

*Provide a wide range of corporate support services.*

## SECTION 1: OUR DEPARTMENT



## OUR DEPARTMENT

### GOVERNANCE BOARD PROFILES

The Governance Board provides governance and leadership to a number of departmental committees that support our key objectives and purpose. These committees are listed within Section 4 – Our Corporate Governance.



#### **Alastair Shields**

Chief Executive Officer

Alastair was appointed as the Chief Executive Officer in March 2015, following his role as Director General for the Pursuing Economic Development on Indigenous Land team at the Department of the Chief Minister. Alastair was born and raised in Darwin and has more than 30 years of public sector experience in the Northern Territory. He has qualifications in Law and Accounting, and a Master's in Public Administration.



#### **Alaric Fisher**

Executive Director, Flora and Fauna

Alaric provides strategic leadership and policy advice on matters relating to flora and fauna, wildlife use and feral animals. Alaric holds a PhD from Charles Darwin University and has worked as a conservation biologist in the Northern Territory for the past 25 years. In that time, he has covered broad-ranging fields including wildlife inventory, biodiversity monitoring, conservation planning and environmental impact assessment.

## SECTION 1: OUR DEPARTMENT

**Darryl Day**

Executive Director, Water Directorate

Darryl provides strategic leadership and direction in developing an overarching water policy for the Northern Territory. Darryl has worked for the Northern Territory Government and Power and Water Corporation for more than 30 years. He holds a Bachelor of Civil Engineering and has extensive experience in water policy nationally and internationally.

**James Pratt**

Executive Director, Rangelands

James provides strategic leadership and direction in implementing government objectives for the economic development and sustainable use of the Territory's rangelands and broader natural environment. James has substantial experience in providing policy, legislative and regulatory advice after 12 years in the Northern Territory Public Service. He has a Bachelor of Communications and Graduate Certificate in Public Sector Management.

**Mark Ashley**

Executive Director, Bushfires NT

Mark provides strategic leadership and directs the Bushfires NT Division to provide sound policy advice and implementation of fire management, mitigation and suppression programs on non-urban Territory land. Mark's public sector experience is complemented by corporate experience as a commercial general manager responsible for a diverse portfolio of environmental, health and community development programs across Australia and internationally.

**Sarah Fairhead**

Regional Director, South

Sarah manages, implements and coordinates the department's functions and activities in the southern region, ensuring an integrated approach across programs, and helping develop high level policy to deal with emerging issues. Sarah has had a decade of experience in public policy and project management roles in the Northern Territory and South Australian public services. She has a Bachelor of Arts (First Class Honours) and six years postgraduate research experience at the University of Adelaide.

**Steve Popple**

Executive Director, Water Resources

Steve provides strategic leadership and direction to develop, review and implement government objectives, policy, legislative and regulatory directives for sustainable use of the Territory's water resources. Steve has extensive experience in the Northern Territory Public Sector with a diverse background in town planning, natural resource and project management.

## SECTION 1: OUR DEPARTMENT

**Susan Kirkman**

Executive Director, Corporate Services

Susan provides organisational leadership for the Corporate Services group and is responsible for supporting the Chief Executive Officer in relation to corporate governance and corporate effectiveness strategies. Susan has extensive experience in senior corporate roles within both the private and public sectors. She was born and raised in the Territory, has completed a Bachelor of Business and is a Certified Practising Accountant.

**Tahnee Thompson**

Manager, Katherine Region

Tahnee is the department's senior representative in the Katherine Region, facilitating effective networks across agencies and key stakeholder groups to ensure the integration of departmental planning, policies and programs. She has extensive experience in delivering remote area services to a broad range of stakeholders. Tahnee holds a Bachelor of Environmental Science.

**Keryl Cottier**

Executive Officer to the Chief Executive Officer

Keryl provides high level advice, support and co-ordination to the Chief Executive Officer to ensure effective operation and delivery of the department's strategic objectives and priorities. Keryl has worked for the Northern Territory Government for more than 20 years, in a broad range of roles. She was born and raised in the Territory and has completed a Bachelor of Commerce.

## SECTION 2: OUR PEOPLE



## OVERVIEW

Employees are the lifeblood of each department. Their commitment and satisfaction is integral in achieving the department's operational outcomes in order to effectively deliver services and programs to the Territory community.

The Human Resource (HR) Services Unit is dedicated to delivering best practice in HR management for every employee. The HR Services Unit works alongside senior managers to support and encourage a positive workplace culture through the delivery of a consistent advisory service and through the development of programs, policies and frameworks to comply with legislative requirements for employment.

The HR Services Unit supports the department in building its employee capacity and capability by facilitating a number of learning and development programs. This includes an active early careers program aimed at 'growing our own', to meet emerging business needs through the provision of entry level programs such as apprenticeships, graduate development programs and traineeships.

The HR Services unit is also responsible for providing a people management framework to support the department's operations, ensuring it has the right number of employees with the appropriate skill sets and a workplace culture to position it to meet its service delivery obligations now and into the future.



## SECTION 2: OUR PEOPLE

## EMPLOYEES BY CLASSIFICATION

Classification	Staff at 30 June 2014	Staff at 30 June 2015
AO2	9	5
AO3	6	6
AO4	15	16
AO5	13	15
AO6	15	9
AO7	15	18
AQF3A	1	0
EO1C	2	0*
EO2	1	0
EO2C	5	7
EO3C	1	1
EO5C	1	1
GRADT	1	2
ICS	0	1
P1	7	9
P2	30	33
P3	30	31
SAO1	7	9
SAO2	10	9
SBA	1	2
SP1	23	20
SP2	1	2
T1	3	3
T2	17	19
T3	41	42
T4	17	16
T5	5	5
T6	2	1
<b>Total</b>	<b>279</b>	<b>282</b>

Source: Personnel Information Payroll System

Note: Figures based on headcount of ongoing, fixed term and casual employees

\*As at 30 June 2015, there were two ECO1 employees both were acting as ECO2

### Key Points

- 282 people were employed by the department and throughout the Territory including in the major centres of Alice Springs, Tennant Creek, Katherine and Darwin, and at remote locations including Batchelor and Maningrida
- 64 percent of staff were employed in the technical and professional streams, 31 percent in the administrative stream and the remaining 5 percent in the executive and trainee streams
- One person was employed on a casual basis while 53 were fixed period (temporary) and 228 were ongoing (permanent)
- Key initiatives implemented included a learning management system, 'Voice of the People' program, Combat Bullying initiative and online forms
- Expenditure on learning and development totaled \$423,845 and averaged \$1,503 per employee
- Eight face-to-face induction programs were conducted for new department employees throughout 2014-15 in Darwin, Katherine and Alice Springs
- The Combat Bullying initiative continued with over 73 percent of department staff participating in the program
- 41 employees and/or family members accessed the department's Employee Assistance Program

## RECRUITMENT AND RETENTION

### RECRUITMENT

During 2014-15, 76 employees were recruited to the department. The table below provides details of recruitment undertaken during the year.

Employment Status	Commencements 2013-14	Commencements 2014-15
Ongoing (Permanent)	28	33
Fixed Period (Temporary)	20	42
Fixed Period (Casual)	0	1
<b>Total</b>	<b>48</b>	<b>76</b>

Source: Personnel Information Payroll System

Note: Includes new employees starting with the Northern Territory Public Sector (NTPS) and employees transferring into the Department from other NTPS agencies

### RETENTION

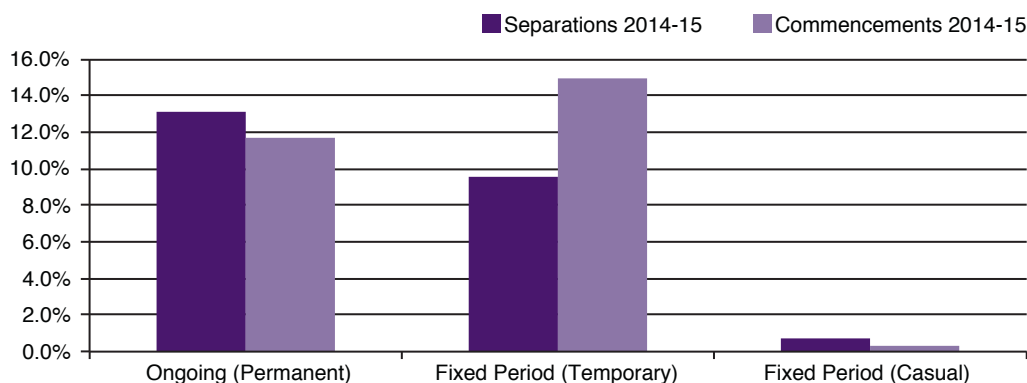
The employee separation rate for 2014-15 decreased by 3.5 percent from 2013-14. The table below provides details of the employee separations.

Employment Status	Separations 2013-14	Separations 2014-15
Ongoing (Permanent)	45	37
Fixed Period (Temporary)	30	27
Fixed Period (Casual)	0	2
<b>Total</b>	<b>75</b>	<b>66</b>

Source: Personnel Information Payroll System

Note: Includes employee and employer initiated separation and employees who transferred to other NTPS Agencies.

### Staff Movements



## DIVERSITY

The department celebrates its diverse, unique workforce and is committed to recognising and supporting its employees. It promotes a Diversity Policy, which acknowledges the contribution that all employees bring to a workplace. It strives to maintain an environment that is free from bullying, harassment and discriminatory practices by encouraging employees to participate in programs such as combat bullying, merit selection, anti-discrimination and employee assistance program. It also provides relevant policy and procedures to support equity and diversity in the workplace.

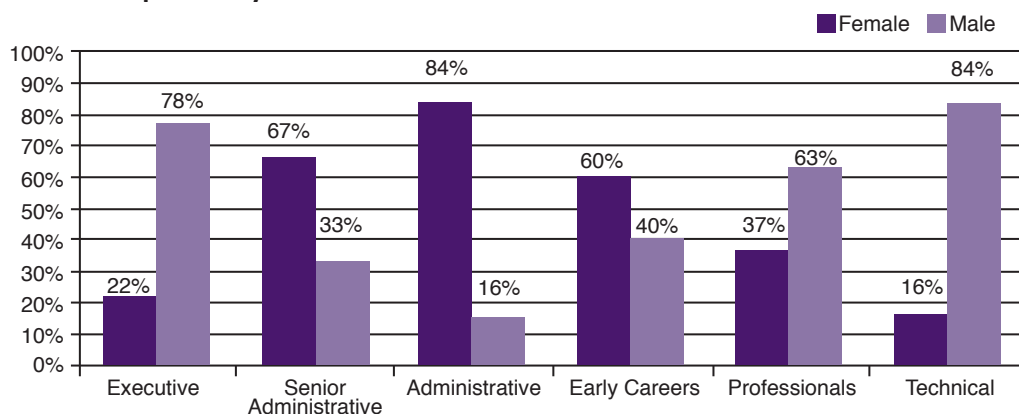
The department has undertaken several measures to support an inclusive workplace, most notably through its cultural awareness training program. This training aligns with the Northern Territory Public Sector Cross Cultural Framework and aims to support a culturally competent and informed workforce.

In 2014-15, 6.3 percent of employees identified themselves as Indigenous, with no change to the figure since 2013-14.

## GENDER COMPARISON

The gender comparison increased slightly for males from 53 percent in 2013-14 to 56 percent during 2014-15. Conversely, the number of females declined by 3 percent during 2014-15.

### Gender Comparison by Classification Stream



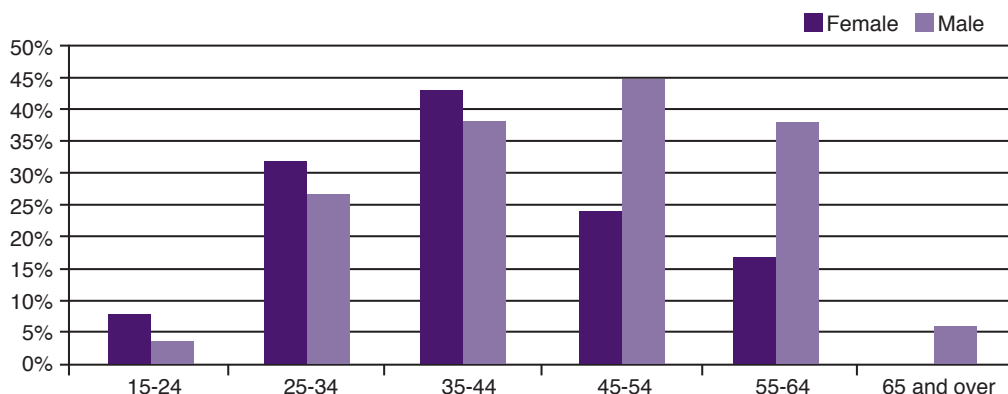
## WOMEN IN LEADERSHIP

The department continues to actively support the development of women in leadership roles across the department. Opportunities for professional development and networking such as the NT Women’s Leadership Symposium were promoted throughout the department.

As at 30 June 2015, 40 percent of the department’s Governance Board members were female.

## EMPLOYEES BY AGE AND GENDER

As at 30 June 2015, the department had a total of 282 employees, 158 of which were male and 124 female. Some 29 percent of employees are aged between 35 and 44, which is the largest proportion of employees out of each of the age groups. The most significant difference in comparing gender per age group is within 55 – 64 with 31 percent female and 69 percent male. The department has no female employees aged 65 and over.



## PERFORMANCE MANAGEMENT

Managing employee performance and development is an obligation set out under the *Public Sector Employment and Management Act* and Employment Instruction Number 4 to provide accountability for all Northern Territory Public Sector employees. The department upheld the performance and conduct principle through the application of the employment instruction.

The Personnel Evaluation System Agreement (PESA) process and system continues to encourage high levels of performance through regular discussions and continuous development. It also monitors the progress of line managers and employees in achieving strategic goals and outcomes identified by the department. Each division has a specific business plan which enables individuals to set goals and gives them clear sight to the department's Strategic Plan. In 2014-15, 66 percent of employees participated in the electronic PESA process.

The performance management workshop, 'Dealing with Tough Stuff', was delivered in 2014-15 to continue to support the PESA process. The workshop is designed for managers, supervisors and employees to develop an understanding of human behavior and attain communication techniques to facilitate productive performance management conversations. Two half-day workshops were delivered in Darwin during April with 21 employees participating in the program.

## GRIEVANCES AND COMPLAINTS

The HR Services Unit continued to provide support to managers and employees on matters including:

- grievance reviews
- discipline
- inability process
- management of equity and diversity issues/complaints.

### Grievances

The Grievance Policy and procedures are available for staff on the department's intranet. HR consultants work closely with managers to ensure processes are followed correctly.

The department received no internal complaints or Section 59 Grievances during 2014-15.

### Performance and Inability

The HR Services Unit provides advice to managers on a case by case basis. No inability cases were dealt with during 2014-15.

### Discipline

The Discipline Policy and supporting procedures are available for employees on the department's intranet site. HR consultants work closely with managers to ensure processes are followed correctly. No Section 49 disciplinary action was undertaken in 2014-15.

## KEY INITIATIVES

### Voice of the People

The Department's 'Voice of the People' (VoP) project was created to assess the department's progress against its strategic goal, which is to 'inspire and support a workplace culture that is collaborative, respectful and accountable'. The project commenced in September 2014 through a series of employee discussion groups and was subsequently developed into an ongoing culture program for the department.

The VoP project milestones included:

- Employee discussion groups held in Darwin, Alice Springs and Katherine throughout September 2014 to gain insight into the current department culture

## SECTION 2: OUR PEOPLE

- A VoP report which was produced and presented to the Governance Board (formerly Executive Management Group) with collective views from the employee discussion groups. The report highlighted key areas for improvement and recommended actions
- An engagement strategy and key actions which were endorsed by the Governance Board (formerly Executive Management Group) in November 2014 and the program commenced thereafter
- Participation in the Northern Territory Public Sector People Matter Survey in November 2014 which was widely encouraged throughout the department to further inform progress of the VoP project and identify key areas for action.

Key achievements for the program throughout 2014-15:

- Delivering a 'Fostering DLRM Culture' workshop for the Governance Board (formerly Executive Management Group) and department leaders
- Finalising and implementing business plans across all department divisions
- Completing a user-focussed review of the intranet. A 'new look' intranet is currently being developed with improved homepage layout, content and search functionality
- Reviewing the Corporate Induction program and process
- Recognising 18 employees through the Reward and Recognition Scheme which included 10 individuals and two teams. Afternoon tea was also held on 18 June 2015 to celebrate recipients over the previous 12 months
- Setting a 100 per cent completion target for combat bullying program to support the department's zero tolerance for bullying policy. As at 30 June 2015, 73 percent of employees across the department had participated in the program.

The VoP program is ongoing and has aligned with the priorities of the Northern Territory Public Sector through the People Matter Survey.

### Learning Management System

The department is highly committed to growing and investing in its people through professional development and training opportunities. Throughout 2014-15 the department implemented an online learning management system, MyLearning, to capture and manage all employee learning records, and to deliver suitable eLearning courses to employees.

The MyLearning system was approved by the Governance Board, formerly Executive Management Group, and implemented on 1 December 2014. Since this time, 5186 historical and new training records for employees have been added to the system.

Stage two of the project commenced in March 2015 which included a review of key corporate learning programs with a view to develop suitable courses in an eLearning format. The Corporate Induction and the Northern Territory Public Sector Merit Selection courses were identified as priority courses for review and development into an eLearning format.

Both courses have been reviewed and are in the development phase with both expected to be available through MyLearning in late 2015.

### Combat Bullying Initiative

In line with the new provisions to the *Fair Work Act*, the department began introducing the Combat Bullying Program during 2013-14. This focusses on providing the tools to senior managers to deal with potential workplace bullying. Throughout 2014-15, senior managers participated in the second workshop from stage one, which included:

- simple and practical frameworks for dealing with complaints in an effective, timely and professional manner
- building resilience in workshop participants to deal with behavioural or performance-based feedback to step up performance
- stimulating ongoing conversations among the team to create an open working environment and continue momentum for change.

## SECTION 2: OUR PEOPLE



Stage two of the program commenced in October 2014 and included a half day Combat Bullying workshop for all employees. Workshops have been delivered in Darwin, Katherine and Alice Springs with a total of 207 employees attending the program throughout 2014-15.

The department is committed to zero tolerance for bullying. To further encourage respectful workplace behaviour, a 100 per cent staff participation target was set through its 'Voice of the People' program. As at 30 June 2015, 73 per cent of employees had completed the program.

### HR Online Forms

The department has continued to develop and implement a range of online forms to replace paper-based forms. The online forms provide an easy way to capture accurate data for reporting, complying with legislative requirements and reducing red tape to allow for efficient administrative processes.

## LEARNING AND PROFESSIONAL DEVELOPMENT

The department has a highly professional workforce with a wealth of scientific knowledge, experience and commitment. The department invests in its employees through learning and professional development in order to grow and support its organisational capability and evolving needs.

The HR Services Unit facilitates corporate training for all department staff and also supports individual work units to seek focused operational training to adequately equip employees to carry out their duties.

The department spent a total of \$423,845 – equating to \$1,503 per person - on employee learning and professional development in 2014-15.

The department provides information on the intranet for employees on how to access study assistance and the professional development allowance. Employees were also encouraged to attend conferences, seminars and workshops on a range of topics relevant to their profession.

### Challenges for Professional Development in 2014-15

Providing opportunities for learning and development across the Northern Territory continues to provide a challenge for the HR Services Unit. In addition to travel costs, extended time away from the workplace while attending training can make professional development even more arduous and costly for remote employees.

The HR Services Unit, through a learning management system, continues to investigate cost effective training options, particularly for our remote employees.

## Study Assistance

Four employees accessed study assistance during 2014-15 to undertake studies ranging from certificates to masters level programs. The department supports employees gaining relevant professional and technical skills through higher education studies. The financial assistance equates to an average rate of \$1,553 per employee.

Areas of study supported in 2014-15 included:

- Master of Environmental Management
- Bachelor of Commerce
- Certified Practising Accountant Program
- Doctor of Philosophy
- Professional Doctorate Degree.

## CORPORATE TRAINING

Ongoing learning, development and education opportunities were offered to all employees and the department established ongoing support processes to promote a range of learning and development activities covering areas including:

- Corporate Induction
- Code of Conduct
- Cross Cultural Workshops
- Merit Selection Training
- Combat Bullying Program
- Performance Management Conversations
- Clear Writing and Better Ministerial Writing Workshops.

### Corporate Induction

The purpose of the Corporate Induction program is to provide an overview of the department's corporate functions, performance agreement process, entitlements and conditions of service.

It also provides an awareness of appropriate workplace behaviour as well as an introduction of key contacts such as payroll and records management. In addition, employees are provided with information on their accountability and responsibilities under the *Public Sector Employment and Management Act* and the *Work Health and Safety (National Uniform Legislation) Act*.

At induction, new employees receive a 'Welcome Pack' containing information relating to conditions of service, key contacts and a checklist for supervisors to ensure appropriate site specific workplace inductions are conducted.

The HR Services Unit held eight face-to-face corporate induction sessions which 33 department employees attended in 2014-15. Sessions were held in Darwin, Katherine and Alice Springs.

### Code of Conduct

Code of Conduct workshops were held in conjunction with the Corporate Induction and are designed to enhance employees' knowledge of ethical business practices and provide practical strategies for dealing with situations that arise at work. The workshop draws on the NTPS Principles and Code of Conduct, as set out in the *Public Sector Employment and Management Act* and Employment Instruction 12, Code of Conduct. The Code of Conduct document sets out the conduct expected of all Northern Territory Public Sector employees and the values they are obliged to uphold.

Ten Code of Conduct workshops were held during 2014-15 with a total of 55 department employees attending. Sessions were held in Darwin, Katherine and Alice Springs.

### Cross Cultural Training

During 2014-15, the department continued to implement the Cross Cultural Training Policy and a supporting program to develop employees':

- awareness of one's own cultural world view
- attitude towards cultural differences
- knowledge of different cultural practices and worldviews
- cross cultural skills.

Seven workshops were held in Darwin and Alice Springs during 2014-15 with 19 department employees completing the program. The program will continue to be offered to remaining staff throughout 2015-16.

### Merit Selection Training

The department upheld the merit selection principle by applying Employment Instructions, One – Filling Vacancies, Two – Probation, and Three – Natural Justice.

Merit selection training was offered during 2014-15 and was facilitated by the Office of the Commissioner for Public Employment's Public Sector Appeals and Grievance Reviews Unit. In preparation for changes to the Northern Territory Government recruitment process, all employees were encouraged to attend merit selection training.

Sessions were held in the Darwin, Katherine and Alice Springs and a one-off corporate session was also delivered for the department to further support changes and allow for a smooth transition to the revised recruitment process. A total of 29 employees attended merit selection training during 2014-15. Training will continue to be offered throughout 2015-16.

### Clear Writing and Better Ministerial Workshops

The department offered Clear Writing and Better Ministerial Writing workshops to employees to improve government writing skills.

The Clear Writing workshop covered basic techniques to develop a message and give it a better chance of getting through to the audience and achieving the desired outcome. Participants learnt how to say more, using fewer words, with practical exercises to reinforce their learning.

The Better Ministerial Writing workshop incorporated the clear writing basics with a focus on all kinds of ministerial documents including drafting letters in reply. The workshop also considered the perspectives of a Minister's office and ministerial liaison/secretariat.

Two Clear Writing workshops and one Better Ministerial Writing workshop was offered to employees during 2014-15 with 10 employees attending.

### CAPABILITY BUILDING

As part of the department's commitment to supporting and developing employees, a range of capability building programs were offered to employees across the department.

#### Public Sector Management Program

The Public Sector Management Program, a joint venture between the Australian, State and Territory governments, equips middle to senior managers to meet challenges by providing them with the knowledge and ability to become effective public sector leaders. In 2014-15, the department continued to sponsor two employees to attend the Flinders University program. Both completed the program in 2014-15.

#### Discovery – Women as Leaders Program

In 2014-15, one employee participated in the Discovery Program. The program is a unique personal and professional development opportunity for women and designed to help them develop greater confidence (including confidence in valuing their own backgrounds and cultures), learn leadership skills and build valuable support and business networks.



## SECTION 2: OUR PEOPLE

**Future Leaders' Program**

In 2014-15, two employees participated in the Future Leaders' Program, which invests in the capability of talented people to deliver strategic needs for the future. In anticipating the needs for tomorrow, it is clear that leaders need to strategically plan for succession in order to enhance capability and create a vibrant and innovative public sector. The course content has been designed to take into account the identified learning gaps from 360° assessments in 2009, 2011 and 2012, and the Northern Territory Public Sector Capability and Leadership Framework.

**Executive Leadership Program**

In 2014-15, one employee completed the Executive Leadership Program. The program is designed to develop executive level abilities to contribute positively in delivering the economic, social and governance responsibilities for all Territorians. It forms one part of an integrated strategy to address the issue of supplying future leaders and presents as a unique opportunity for Northern Territory Public Sector executives to increase their strategic awareness, build strong executive networks and develop a whole of government perspective.

**GROWING OUR OWN****School Based Apprenticeship Program**

The School Based Apprenticeship Program allows agencies to grow their own young skilled workforce with a range of employment opportunities after successful completion of the program.

In 2014-15, the department supported two school based apprentices who are undertaking, a Certificate II in Business; and a Certificate III in Conservation and Land Management.

Both school based apprentices are expected to complete their courses in 2016 and 2018 respectively.

**Graduate Development Program**

The department's graduate development program offers a one or two year placement and is available to recent graduates of tertiary courses. The on-the-job program combines general work tasks and a range of project work. Graduates are exposed to the department's corporate environment to broaden their knowledge and experience and become equipped to be future leaders and managers.

The department employed three graduates during 2014-15, all three are expected to complete the program in 2015-16.

**Indigenous Cadetship Support**

The Indigenous Cadetship Support (ICS) program is a career development program which enables Indigenous students undertaking an undergraduate degree to gain professional qualifications and work experience required for a range of jobs within the Northern Territory Public Sector.

In 2014-15 the department employed one student who is expected to complete the ICS program in 2016-17.

## STAFF RECOGNITION AND ACHIEVEMENTS

### Recognition and Reward Scheme



A Recognition and Reward Scheme continued in 2014-15 with the aim of recognising and rewarding employees, either as individuals or as part of a team, for outstanding contributions that support the department's values, strategic goals and objectives.

During 2014-15 a total of 18 employees, including 10 individuals and two teams, received a monthly staff achievement award through the Recognition and Reward Scheme. Afternoon tea to celebrate award recipients over the 12 month period was held on 18 June 2015.

NB: The Recognition and Reward Scheme was rolled into the broader 'Voice of the People' project in October 2014.

The awards were presented to:

- **Financial Accounting Team, Corporate Services - Rachele McMillan, Rabiah Farooqi, and Susie Traut**  
The award recognised the outstanding efforts of the Financial Accounting team in managing the production of financial statements for the seven entities under the shared services arrangements, as well as the provision of advice and assistance to complete end of year financial audits, and an agency review. Furthermore, the team has also overhauled end of year processes to ensure accuracy and efficiencies for future years.
- **Cherie Jackson, Executive Officer, Water Resources**  
Cherie provides high quality services to staff within the Water Resources Division and has demonstrated a consistent work ethic and collaborative approach. Cherie also actively fosters a respectful work environment and makes concerted efforts to ensure all staff in the Water Resources division feel valued and their opinions are well represented.
- **Mark Gardener, Program Manager, Weed Spread Prevention, Rangelands**  
Whilst working in the Weed Management team within Rangelands, Mark has quickly and effectively built strong professional working relationships across a broad range of stakeholders including government agencies, Indigenous land management organisations, industry and the community. Mark was recognised for his work in developing mutually beneficial, strategic approaches to weed management, as well as an improved approach to weed management practices within road corridors of the Territory.
- **Keith Saalfeld, Senior Scientist, Wildlife Use and Pest Animals, Flora and Fauna**  
Keith managed the aerial survey for water buffalo in Arnhem Land covering an area of 92,000 square km. The survey was conducted in two stages and involved three department personnel, one Parks and Wildlife Ranger, one consultant and a pilot. The data collected during the survey will be used to develop a management strategy for water buffalo across Arnhem Land.

## SECTION 2: OUR PEOPLE

- **Lauren Firby, Land Management Officer, Rangelands**  
 Lauren's role requires her to champion better land management practices in relation to erosion and sediment control and the assessment, negotiation and acceptance of erosion and sediment plans. At times this can be challenging, as this involves working mainly with developers, consultants and contractors whose priorities are generally not on managing erosion and sediment control. Lauren's nomination recognised her consistent high level commitment to her work.
- **Ian McMasters, Drilling Supervisor, Water Resources**  
 Ian managed a large project in Pedirka Basin for the South Australian Government, which involved drilling of very deep bores over 500m. Ian has been a long term staff member with 25 years in the drilling crew and excels in his work. Ian's nomination recognised his great work ethic and his professionalism in supporting his team, including the training of his Indigenous crew and the way he maintains and manages very expensive fleet machinery.
- **Edwin Edlund, Media Manager Communications and Media, Corporate Services**  
 Edwin provides strategic advice, adhering to a whole of government approach and ensures an effective working relationship exists with media organisations on a local, national and international level. Edwin manages the media extremely well; resolves conflicts and handles difficult situations with remarkable patience and admirable tact. He is also extremely good at identifying proactive media opportunities that promote the services and programs of the department. Edwin is extremely astute and aware of the wider political environment and is a great source of advice and insight.
- **Bill Cumberland, Principal Land Management Officer, Rangelands**  
 Bill consistently demonstrates a high level of commitment to his work and goes about his business on a day to day basis with minimal fuss. Bill's ability to establish and maintain great working relationships with a wide range of people from the construction industry and Northern Territory Government personnel has been instrumental in getting industry to recognise the importance of erosion sediment controls.
- **James Newman, District Weed Officer Darwin, Rangelands**  
 James' main focus is managing the Gamba Grass Assistance Program. Over the 2013-14 wet season, James coordinated the maintenance of the array of spray equipment and herbicide supply to over 1000 participants at nominated distribution points, inspected control results of 38 properties and collected data from over 70 interviews with community members.
- **Alice Springs Flood Forecasting Team - Anna Sheridan and Jonathan Diment, based in Alice Springs, with support from Darwin based forecasters: Anthony Easman, Jerome Paiva and Lakshman Rajaratnum.**  
 The team worked together to provide timely and accurate advice to Northern Territory Emergency Services during the 1 in 10 year flow/flood event which took place over four days in Alice Springs in early January 2015.
- **Jami Soloman, Senior HR Project Officer, HR Services, Corporate Services**  
 Jami managed the implementation of the Personnel Evaluation System (PES) and the Learning Management System (LMS). Both systems are initiatives that will enhance processes and procedures and drive performance improvement and efficiency in the department and will also be used across client agencies.
- **Kath Jefferies, Senior HR Consultant, HR Services, Corporate Services**  
 Kath demonstrates superior professionalism, flexibility and an innovative approach to managing human resource matters for the department. Staff and management within the department heavily rely on Kath's expertise to navigate through difficult human resource matters and the high level of service that she provides has led to countless positive outcomes for the department.

## Staff Achievements

### Dave Miller Retires After 50 Years Service



Dave Miller retired in December 2014 after 50 years service. Dave was involved in every major water project in the Northern Territory since the 1960's in a career dedicated to drilling. Dave travelled thousands of kilometres and worked and lived away from his family in some of the harshest and most remote locations in the country to provide recognisable benefits to clients, the Territory and the department.

### Cyclone Response and Recovery

The department contributes significantly to emergency management procedures throughout the Northern Territory. This year, Tropical Cyclone Lam impacted upon the small Arnhem Land communities of Galiwinku and Milingimbi, which led to the department establishing a team to assist with the recovery efforts. The following employees assisted with this recovery:

- Ms Laura Verney who supported the Police and Emergency Services media team at the Peter McAulay Centre
- Mr Lakshman Rajaratnam and Mr Simon Cruickshank who provided flood forecasting and accurate water catchment advice and information
- Ms Jasmyn Phipps, Mr Joshua Fisher, Mr Damian Roebuck, Mr William McLeod and Mr Michael Carter who were tasked to clearing fallen vegetation from house yards and community utilising chainsaws and small machinery
- Mr Robert Moloney who contributed to the establishment of an accommodation centre at the Galiwinku community.

## 2014 Chief Minister's Awards for Excellence in the Public Sector



The department's contribution to the Territory was recognised at the 2014 Chief Minister's Awards.

The department's four finalists were:

- Tiwi Island Economic Development
- Integrated Land Resource Spatial Information Management System
- Soil and Land Information Across the Territory
- Batchelor Bushfires NT: Partnering with the rural community for stronger bushfire management

The winner of the Chief Minister's Award for *Developing the North* went to the Rangelands Division's Soil and Land Information Across the Territory.

The department was also recognised for its contribution through Rangelands, Water Resources and Flora and Fauna Division to the Tiwi Island Economic Development which received the Chief Minister's Award for *Building Regional and/or Remote Economies*.

Batchelor Bushfires NT: Partnering with the rural community for stronger bushfire management was highly commended.

## WORKPLACE HEALTH AND SAFETY

The department is committed to providing and maintaining safe and healthy workplaces. Following the department's establishment, considerable work has been undertaken to ensure compliance with the *Work Health and Safety (National Uniform Legislation) Act* and the *Workers Rehabilitation and Compensation Act*.

Activities undertaken to implement the Work Health and Safety (WHS) legislation have included:

- regular WHS news stories published on the intranet
- review of current policies, procedures and systems
- regular committee and workplace meetings.

The Governance Board acts as the department's WHS approving body and is supported by a WHS committee in each division. Each division committee is chaired by its respective Governance Board member who reports quarterly to Governance Board.

### Workplace Health and Safety

The department is committed to the health, safety and welfare of all its employees and continued to work in conjunction with the Department of Corporate and Information Services (DCIS) Workplace Injury Solutions Unit to provide its WHS program.

The department also continues to utilise DCIS WHS Advisory services, including advice and assistance and compensation claims management.

As part of the WHS framework, committees are established within each of the divisions across the department.

A review is currently underway to ensure all policies and procedures across the department comply with the *Work Health and Safety (National Uniform Legislation) Act*.

### Work Place Incidents

A total of 20 incidents were reported during this reporting period, five more than for 2013-14. A total of \$386,577 was spent on these claims, which was \$220,073 less than in 2013-14.

Incident Type	2013-14	2014-15
Incidents with Claim Status	6	4
Incidents without Claim Status	9	16

### Employee Assistance Program

The department has a formal Employee Assistance Program (EAP) with four providers available under the Northern Territory Government's panel contract.

The EAP is a confidential counselling service for employees and their family members seeking assistance with personal, family and workplace issues that may be affecting their work performance, productivity and wellbeing. The EAP also provides support to managers and employees on specific workplace issues.

In 2014-15, 41 employees and/or their family members, accessed the department's EAP program.

### Flu Vaccination Program

The department continued its Flu Vaccination Program in Darwin, Katherine and Alice Springs.

## SECTION 3: PERFORMANCE REPORTING



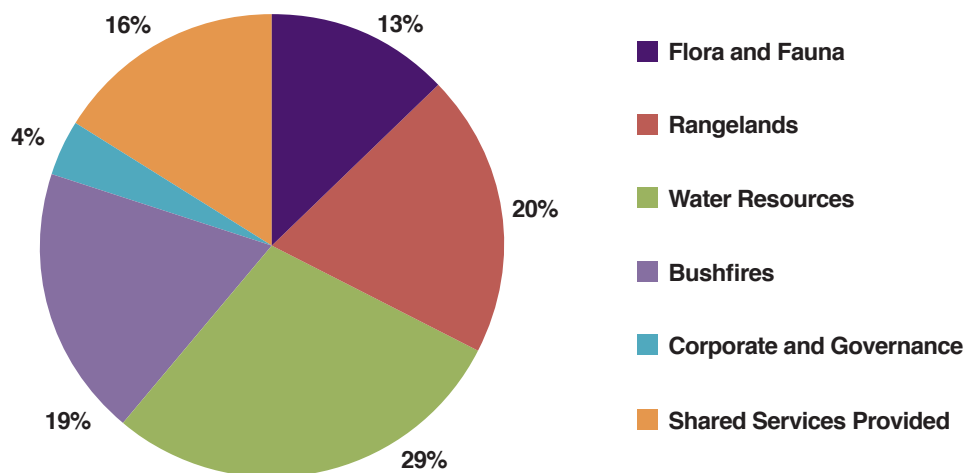
## FINANCIAL SNAPSHOT

### INCOME

In 2014-15, the department received income of \$50.3 million against a budget of \$50.5 million for:

- Northern Territory Parliamentary appropriation of \$35.7 million being the main source of income
- Goods and services income predominately relating to revenue received for service level arrangements in place with three other departments and a Government Business Division for the provision of corporate services of \$4.7 million
- Other goods and services revenue consisting of works performed by the department for external parties worth \$1.8 million
- Grants and subsidies received from the Australian Government and other external parties totalling \$4.4 million
- Notional revenue for corporate services provided by the Department of Corporate Information Services recognised at \$3.7 million.

### Income by Output





SECTION 3: PERFORMANCE REPORTING

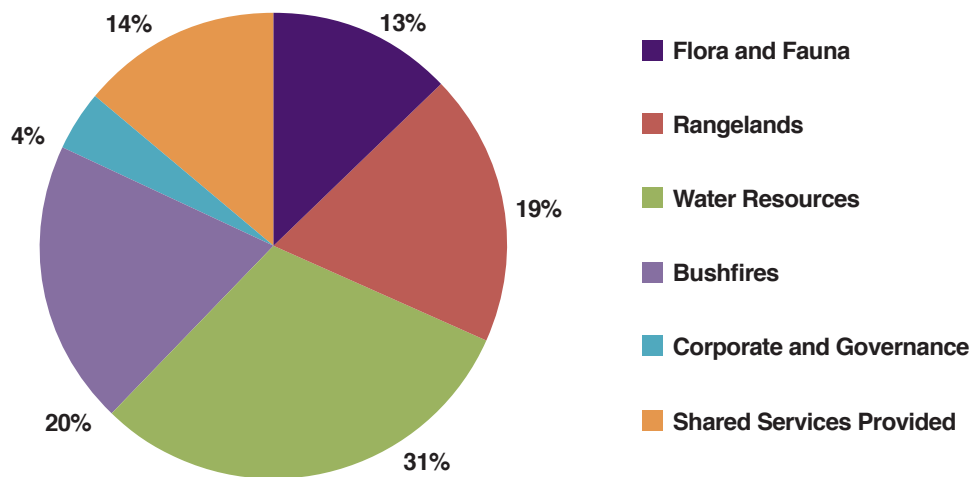


**EXPENDITURE**

During 2014-15 the department’s expenditure totalled \$51.6 million, against a budget of \$52 million for:

- Employee expenses that represented 53.2 per cent of the total expenditure or \$27.5 million
- Goods and services expenditure of \$15.2 million
- Repairs and maintenance of assets of \$1 million including \$0.5 million spent on the Mary River Saltwater Intrusion Program
- Grants and subsidies payments totalling \$3.1 million including \$1.2 million to support Bushfire Brigades and \$1.4 million for the West Arnhem Fire Management Agreement
- Non-cash expenses totalling \$4.8 million including depreciation charged on the department’s asset portfolio and the matching notional expenses charged by the Department of Corporate Information Services.

**Expenditure by Output**



## OUTPUTS AND PERFORMANCE

Under the Northern Territory's Financial Management Framework, each government department is funded by output as stated in the annual Budget Papers.

The department's outputs are detailed below.

### OUTPUT: FLORA AND FAUNA

Scientific assessment and monitoring of the Territory's native flora and fauna, and delivery of policy advice and support relating to their conservation, management and sustainable use.

Key Deliverables	2013-14 Actual	2014-15 Budget	2014-15 Actual	2015-16 Budget
Number of spatial biodiversity records for the Territory	1.76M	1.86M	1.85M	1.87M
Number of biodiversity information requests met	2400	2400	2400	2500
Number of active inventory, monitoring and applied research programs	35	35	35	34
Number of management programs in place for sustainable wildlife use.	6	7	6	7

#### Achievements 2014-15:

- Curated and updated authoritative databases documenting c. 1.8 million locality records for all Northern Territory flora and fauna species, and made these accessible to stakeholders through the NR Maps NT and Atlas of Living Australia web portals
- Completed a book documenting Batjamalh, Emmi and Mendhe bio-cultural knowledge, and continued to work with traditional owners and communities in the Wadeye, Roper and Gulf regions to document and preserve Indigenous knowledge of plants and animals
- Continued a substantial research program investigating feral cats, fire and disease factors in mammal decline as part of the National Environmental Research Program North Australia Hub. This included maintaining two cat-free enclosures in Kakadu National Park, and working with Indigenous rangers in Warddeken, Djelk and Anindilyakwa Indigenous Protected Areas and on Fish River Station
- Completed, in collaboration with INPEX, the leading-practice monitoring program for dolphin populations in greater Darwin Harbour during the marine construction phase of the Ichthys Project
- Implemented comprehensive assessments of dolphin and dugong populations around the Northern Territory coastline, which will significantly improve understanding of the distribution and status of marine mammals in Territory waters
- Completed the five-year biodiversity monitoring cycle for long-term sites in Nitmiluk and Kakadu National Park, and established long-term biodiversity monitoring sites in Watarrka National Park, to support effective management of these important Territory conservation assets
- Published a guide to the use of remote cameras for wildlife survey in northern Australia, which is an important new tool for land managers to monitor wild animal populations
- Contributed to the development of a Threatened Species Strategy for Kakadu National Park and supported the development of the first national Threatened Species Strategy
- Completed annual systematic monitoring of crocodile populations in major Top End Rivers and for magpie goose populations and nesting effort across the western Top End, to inform sustainable management of these iconic species

## SECTION 3: PERFORMANCE REPORTING

- Reviewed the Northern Territory Saltwater Crocodile Management Plan and associated Wildlife Trade Management Plan, including significant streamlining of regulatory processes which will assist the continuing growth of the Northern Territory crocodile industry
- Provided expert advice in relation to more than 500 development assessments, and assisted with more than 1500 enquiries for plant and animal identification and information
- Completed assessment of biodiversity values in the Tiwi Islands agricultural development area and contributed to completion of the land suitability assessment report.

**Priorities 2015-16:**

- Implement the Northern Territory Saltwater Crocodile Management Plan 2016-2020 and support landowners and industry in developing other sustainable wildlife use enterprises
- Complete a Northern Territory Feral Animal Management Strategy and support landholders in strategic control of feral animals, including economic uses where feasible
- Implement the Common Assessment Method for listing threatened species agreed by all Australian jurisdictions, and start a review of threatened species status for Northern Territory flora and fauna
- Implement the Biodiversity Spatial Database Plan to strengthen management of corporate biodiversity datasets and improve visibility and functionality for external stakeholders
- Support the development and implementation of Integrated Conservation Strategies for major Northern Territory parks to protect and monitor important biodiversity assets
- Work with other Northern Territory Government agencies for the strategic assessment and management of key environmental assets in the greater Darwin region
- Complete and release *FloraNT*, the primary online resource for information on the Northern Territory's flora, including species checklists, plant descriptions, images, distribution maps, conservation and weed status, ecological attributes, and ethno-botanical information
- Provide desktop and/or on-ground assessment of biodiversity values and risks at property and regional scales as government priorities require.

**OUTPUT: RANGELANDS**

Scientific assessment and monitoring of the Territory's land and delivery of extension services, policy advice, and regulation of use and threats to the land resource.

Key Deliverables	2013-14 Actual	2014-15 Budget	2014-15 Actual	2015-16 Budget
Percentage of pastoral estate monitored in the year	11%	14%	14%	16%
Land clearing applications assessed	8	10	20	15
Area of land receiving weed extension services(000km <sup>2</sup> ) <sup>1</sup>	337	380	322	380
Land development proposals assessed <sup>2</sup>	948	800	1001	900
Soil profile sites described and tested for land suitability assessment and mapping	19	90	496	280

1. Between May and July, weed management officers visited pastoral properties with an area of approximately 68,000km<sup>2</sup>. This area was slightly less than expected as there were a high number of repeat visits to higher priority weed management and herbicide trial locations.
2. Development assessment proposals under the *Planning Act*, mining extraction licences under the *Minerals Titles Act*, and notices of intent under the *NT Environmental Assessment Act*. The number of development proposals assessed is determined by the number of proposals received.

## SECTION 3 PERFORMANCE REPORTING

**Achievements 2014-15:**

- Began a four-year land and water suitability program of investigations across the Northern Territory to identify potential new agricultural precincts. Land suitability assessments commenced at Wildman River, Larrimah and Ali Curung on a mix of land tenures including pastoral leases and Aboriginal land
- Finalised an investigative land and water resource analysis on Bathurst Island and completed the *Biophysical Resources of North East Bathurst Island* technical report and mapping. The information will be used to assess suitability for a proposed 10,000 hectare agricultural and horticultural development precinct
- Provided support to the Pastoral Land Board which approved seven non-pastoral use applications under the *Pastoral Land Act*. This allows for greater diversification in using the pastoral estate for activities such as agriculture, horticulture, forestry, aquaculture and tourism. Major approvals included a permit for poppies in the Douglas Daly region, a permit for growing onions in Alice Springs and various tourism operations throughout the Territory
- Declared Neem as a weed under the *Weed Management Act* and developed a statutory weed management plan. A small scale program was introduced to assist landholders to control isolated infestations and plants where Neem is yet to establish
- Delivered the Gamba Grass Assistance Program in the Top End for the fifth consecutive year. Over 1500 individual landholders participated, representing a 50 per cent increase on the previous year
- Established and surveyed five long term monitoring sites for the presence and impacts of the Parkinsonia biological control agent, UU, in the Barkly and Victoria River District. Successful establishment was detected at three sites, which demonstrates the biological agent's resilience in an uncontrolled environment as a method of weed control
- Reconstructed two significant barrages in the Mary River, designed to reduce the natural progression of saltwater into the freshwater systems of the river and its floodplains. The \$2.5 million program utilised engineered design methods around the Mary River's Shady Camp area
- Completed a Mary River barrage structural condition report to document the locations, types and condition of existing barrages. The report will contribute to the overall Mary River saltwater intrusion repairs and maintenance program, including future designs and methods and inform future strategic management options
- Provided department advice to more than 1,000 development proposals for various Northern Territory Government agencies and authorities
- Conducted an on-ground rangeland monitoring program on 38 pastoral properties with 253 monitoring sites assessed.

**Priorities 2015-16:**

- Publish the final report, maps and data associated with the Larrimah and Bathurst Island Agricultural Land Suitability project
- Complete land suitability investigations for the Ali Curung, Wildman River and Tennant Creek West areas
- Commence a land suitability investigation at Wadeye and other northern area localities
- Finalise the Chinese Apple, Mesquite and Prickly Acacia Weed Management Plans
- Draft, publically exhibit and endorse a Weed Management Plan for Athel Pine (*Tamarix aphylla*) and Grader Grass (*Themeda quadrivalvis*)
- Drive a collaborative and strategic approach with landowners to weed management in the Katherine River Corridor
- Continue the Rangeland Monitoring Program on the Northern Territory Pastoral Estate using ground based and spatial monitoring methods
- Continue supporting the Pastoral Land Board and the economic development of the Northern Territory Pastoral Estate.

## SECTION 3: PERFORMANCE REPORTING



## OUTPUT: WATER RESOURCES

Scientific assessment and monitoring of Territory water resources, allocation of this resource for sustainable use and delivery of flood forecasting services.

Key Deliverables	2013-14 Actual	2014-15 Budget	2014-15 Actual	2015-16 Budget
Number of water assessment projects completed <sup>1</sup>	N/A	N/A	3	4
Proportion of water allocation plans covered by annual water monitoring programs <sup>1</sup>	N/A	N/A	80%	85%
River, coastal regions and communities covered by flood risk mapping	25	26	26	28
Proportion of licensed groundwater use covered by current water allocation plans <sup>2</sup>	48%	80%	56%	80%
Annual report cards on aquatic health of Darwin published.	Yes	Yes	Yes	Yes

1. New measure

2. Reflects delays in declaring five water plans in 2013-14

### Achievements 2014-15:

- Hosted the annual Water Forum in Katherine to share information with the community on water resource management
- Released the *Our Water Future* discussion paper and held regional workshops to facilitate community input into the development of a Water Strategic Plan
- Completed a resource analysis for soils, vegetation, water, and flora and fauna, and assessed suitability for a proposed 10,000 hectare precinct for agricultural and horticultural development on the Tiwi Islands
- Commenced a four-year land and water suitability program of investigations across the Northern Territory to identify potential new agricultural precincts
- Commenced the five-year review of the Katherine Tindall Water Allocation Plan
- Completed riverine flooding maps for the Elizabeth and Blackmore Rivers
- Constructed a new gauging station at Gourley on the Daly River to replace aging infrastructure and provide improved flood warning for the Daly River community
- Constructed a new gauging station on the Goyder River to provide flood alerting for the new Central Arnhem Highway bridge
- Constructed a new gauging station on the Roper River at Elsey Homestead to inform assessments for the proposed Mataranka Tindal Water Allocation Plan and provide flood alerting for the community of Jilkminggan.

## SECTION 3 PERFORMANCE REPORTING

**Priorities 2015-16:**

- Start a new program of fish movement monitoring in the Roper River to build knowledge of seasonal fish movements and key habitat areas
- Undertake a water quality program within the Katherine Tindall aquifer to establish baseline groundwater quality data and monitor for the presence of agricultural chemicals
- Start water resource assessments in the Ali Curung and Wildman River area and continue investigative drilling around Elliott and Barkly stock route
- Develop an overarching Northern Territory Water Policy
- Partner with Charles Darwin University to undertake scientific research into refining environment flow requirements for major Top End rivers and the potential impacts of harvesting wet season flows for off stream storage
- Complete water allocation plans for the key Ooloo aquifer, Mataranka Tindal, Alice Springs and Great Artesian Basin water control districts
- Complete a five-year revision of Katherine Tindal Water Allocation Plan
- Replace the Keep River gauging station damaged by flooding in 2014.

**OUTPUT: BUSHFIRES**

Supporting landholders in the management and mitigation of wildfire and assisting volunteer brigades in fire mitigation and suppression outside the Territory's urban centres.

Key Deliverables	2013-14 Actual	2014-15 Budget	2014-15 Actual	2015-16 Budget
Number of wildfire incidents attended by staff and/or volunteers <sup>1</sup>	N/A	N/A	409	200
Number of extension visits to properties <sup>1</sup>	N/A	N/A	176	100
Number of stakeholders trained <sup>1</sup>	N/A	N/A	440	400
Number of enforcement actions relating to the <i>Bushfires Act</i> , associated regulations, including firebreak compliance inspections	5212	5500	4732	5000
Number of trained volunteer brigade member firefighters	481	540	552	540

1. New measure

**Achievements 2014-15:**

- The West Arnhem Fire Management Agreement achieved a total carbon abatement of 178,800 t/CO<sub>2</sub>-e and more than 200 Aboriginal rangers were employed for in excess of 9500 hours
- Supported volunteer bushfire brigades in managing 148 wildfire events throughout the Territory
- Trained 564 landowners and community members in wildfire management
- Drafted policies and procedures to deliver a strategic fire break program
- Improved efficiencies through automation of the *Bushfires Act* Section 47 processes.

**Priorities 2015-16:**

- Implement a strategic fire break program to improve mitigation programs throughout the Territory
- Manage high risk fire seasons through improved resource planning and allocation in conjunction with volunteer bushfire brigades
- Complete a review of the *Bushfires Act*, Bushfires NT organisational structures, roles and responsibilities, community partnership arrangements, and volunteer bushfires support mechanisms
- Improve land management planning capacity within the Bushfires NT Network.

## SECTION 3: PERFORMANCE REPORTING



### OUTPUT: CORPORATE AND GOVERNANCE

Provide executive leadership and management to the Department of Land Resource Management.

### OUTPUT: SHARED SERVICES PROVIDED

Provide shared corporate and governance services to three agencies and a government business division. Undertake a wide range of functions to serve the agencies' core corporate needs, including financial services, human resource management, information and communication technology, governance and risk, and communications and media.

#### Achievements 2014-15:

- Developed a department Information Management Strategy
- Reviewed the department's Governance Framework and identified accountability gaps
- Reviewed the Corporate Reporting Framework to ensure currency and relevance of information to support effective business decisions
- Developed and delivered web editing training for staff
- Mapped and managed the revaluation of all land, buildings and infrastructure assets across the Territory for four departments
- Completed the 'Voice of the People' survey through a series of employee discussion groups and subsequently established a 'Voice of the People' culture program
- Invested in a learning management system, MyLearning, to capture and maintain all employee training records and manage the delivery of corporate training
- Trialled a Corporate Services ticketing system to continue to improve the provision of advice and enquiry management for shared services
- Established online forms for five key HR administrative processes
- Developed a Corporate Services' Evaluation Framework and meaningful metrics
- Reviewed and further strengthened the department's Governance Framework and mapped accountabilities against our governance principles
- Delivered an internal audit program to test adequacy of the department's risk management, control and governance processes.

## SECTION 3 PERFORMANCE REPORTING

**Priorities 2015-16:**

- Continue to deliver quality shared corporate services in line with budget and agreed service statements
- Implement integrated social media plans for three departments
- Finalise department Community Engagement Guidelines
- Develop a web-based corporate services toolkit through updated intranet content with improved accessibility
- Strengthen Information and Communication Technology (ICT) Governance in departments by developing an ICT Governance Model based on the new Northern Territory Government ICT Governance Framework and Treasurer's Directions
- Support the department in achieving key actions identified under the 'Voice of the People' program
- Assist departments to increase Indigenous employment outcomes
- Finalise and implement a workforce plan for the department
- Complete the development of Corporate Induction and Northern Territory Public Sector Merit Selection courses into an eLearning format
- Develop a database for delegations
- Identify suitable eLearning courses and training through MyLearning
- Implement a ticketing system to continue to improve the provision of advice and enquiry management for shared services
- Support departments in the delivery of key initiatives through the Northern Territory Public Sector People Matter Survey response plan
- Continue to build risk management capacity across the department
- Deliver an internal audit program.



## **SECTION 4: OUR CORPORATE GOVERNANCE**



# OUR CORPORATE GOVERNANCE

## GOVERNANCE FRAMEWORK

Governance holds the department and its people to account through defined responsibilities, policies, systems and processes. It is the system through which the department is controlled and operates to achieve its performance objectives and accountability.

The department reviewed its governance framework during 2014-15 and elected to retain its existing framework based on Australian Securities Exchange principles of corporate governance which have been reworked for a public sector environment.

The department is governed by the framework's nine principles, each of which has operational elements used to assess the department's governance maturity level and identify opportunities for improvement.

## GOVERNANCE PRINCIPLES

1. **Government and Public Sector Relationship**  
The department's relationship with the government is clear
2. **Management and Oversight**  
The department's management and oversight is accountable and has clearly defined responsibilities
3. **Organisational Structure**  
The department's structure serves its operations
4. **Operations**  
The department plans its operations to achieve its goals
5. **Ethics and Integrity**  
Ethics and integrity are embedded in the department's values and operations
6. **People**  
The department's leadership in people management contributes to individual and organisational achievements
7. **Finance**  
The department safeguards financial integrity and accountability
8. **Communication**  
The department communicates with all parties in a way that is accessible, open and responsive
9. **Risk Management**  
The department identifies and manages its risks.

## ACCOUNTABILITY AND STANDARDS

The Chief Executive Officer is supported by the Governance Board through a clearly defined administrative structure. As needs change and restructures occur, the organisational chart, which clearly sets out the accountability pathway, is updated and published on the intranet.

When this structure is changed, each corporate delegation and internal control mechanism is updated to ensure relevance and currency.

### EXECUTIVE COMMITTEES

#### Governance Board

The Governance Board provides governance and leadership to a number of committees that support the department's key objectives and purpose.

The Governance Board is the department's principal planning and decision making body on corporate governance matters. The Chief Executive Officer is primarily responsible for providing strategic leadership and systems development for the department.

The Governance Board includes representatives from all output groups of the department. Other department officers attend Governance Board meetings as required to provide presentations.

Members of the Governance Board:

- Chief Executive Officer
- Executive Director, Corporate Services
- Executive Director, Flora and Fauna
- Executive Director, Bushfires NT
- Manager, Katherine Region
- Executive Director, Rangelands
- Executive Director, Water Resources
- Executive Director, Water Directorate
- Regional Director, South
- Executive Officer to the Chief Executive Officer

The key responsibilities of the Governance Board are to:

- a. act as a consultative forum that provides advice on current and future direction for the department
- b. set strategic direction
- c. provide advice and support on the planning, implementation, monitoring and reporting of the department's performance against its corporate responsibilities and objectives and to report against deliverables identified in the department's strategic plan through the annual report and budget papers
- d. provide a forum to consider issues arising from divisional activity that may be relevant to other Board members
- e. act as a decision-making body that considers and determines responses to policies that impact on the wider community
- f. act as the decision-making body for department-wide policies and systems, such as:
  - management of risk and assurance in relation to compliance with statutory requirements
  - strategic human resource and workforce planning and management
  - workplace health and safety
  - financial and budget management
  - information and records management and technology and telecommunications planning and management
- g. maximise opportunities for partnerships, networking and information sharing.

### Divisional Work Health and Safety Committees

Each division has a Work Health and Safety (WHS) Committee which is chaired by the relevant Governance Board member.

The divisional committees:

- act as a consultative forum that provides advice on safety matters
- keep informed about standards of health and safety
- recommend maintenance and monitoring of programs, measures and procedures relating to the health and safety of workers
- conduct regular workplace inspections, including when a workplace relocation/redesign occurs, is requested or an incident occurs
- consider, and make recommendations about, proposed workplace changes that may affect the health and safety of the workers
- review hazard and incident report trends and make recommendations as required.

As well as this, the divisional WHS Committee in Bushfires NT:

- coordinates all WHS and risk management frameworks across Bushfires NT and volunteer bushfire brigades
- monitors and manages all WHS incidents
- reviews and manages all standard operating procedures, fire-ground practices, and general occupational policies
- manages feedback links to staff and volunteers in relation to any WHS matter.

### Counter Disaster Committee

The Counter Disaster Committee:

- leads department activities prior to, and conducts appropriate reviews and evaluations after, an event
- ensures that the department meets its legislative responsibilities and obligations as a representative on the Counter Disaster Committee
- ensures that the department has an emergency management plan in place
- assists in coordinating the department's cyclone plans and monitoring cyclone preparedness and preparations.

### Audit and Risk Management Committee

The Audit and Risk Management Committee:

- monitors the department's strategic, corporate and operational risk management function and activities and the adequacy of the internal controls established to manage identified risks
- monitors the internal audit function (including development and implementation of the annual internal audit program, review and monitoring of terms of references, audit outcomes, management responses and implementation of the audit recommendations)
- monitors the external audit program (including audit outcomes, the department's responses and implementation of the audit recommendations)
- comments on the state of organisational governance within the scope of the committee's terms of reference in the areas of the department's risk management framework, the internal controls framework and external accountability.

## GOVERNING LEGISLATION

The department is responsible for administering 14 pieces of legislation, including eight Acts and six pieces of subordinate legislation.

This legislation provides an overriding direction for many of the department's functions and is the foundation to a number of output groups. A department process of review is aimed at ensuring its legislation remains contemporary and relevant to its functions and incorporates best practice in the areas it administers.

Legislation administered:

1. *Bushfires Act*
  - i. Bushfires Regulations
  - ii. Bushfires (Volunteer Bushfire Brigades) Regulations
2. *Lake Eyre Basin Intergovernmental Agreement Act*
3. *Pastoral Land Act* (except provisions about Aboriginal community living areas)
  - i. Pastoral Land Regulations
4. *Soil Conservation and Land Utilisation Act*
5. *Water Act*
  - i. Water Regulations
6. *Weeds Management Act*
  - i. Weeds Management Regulations
7. *Planning Act*
  - ii. Land clearing approvals on un-zoned land (under a delegation from the Minister for Lands and Planning)
8. *Territory Parks and Wildlife Conservation Act*, Part IV, Divisions 1-5

## LEGISLATIVE CHANGES 2014-15

### ***Bushfires Act***

The *Bushfires Act* was reviewed in 2014-15 with two rounds of public consultations to consider a review paper and a subsequent recommendations paper. The review of the *Bushfires Act* will enable the legislation to be modernised to better manage emerging fire risks associated with changing land uses, population growth and increasing fuel loads.

### ***Weeds Management Act***

Neem (*Azadirachta indica*) declared a weed species in accordance with the *Weeds Management Act*.

A draft Weed Management Plan for Neem (*Azadirachta indica*) publically exhibited in accordance with legislative requirements.

A Weed Management Plan for Cabomba (*Cabomba caroliniana*) publically reviewed, updated and endorsed by the Minister for a further three years.

Weed Management Plans for Chinese Apple (*Ziziphus mauritiana*), Mesquite (*Prosopis* spp.) and Prickly Acacia (*Vachellia nilotica*) publically reviewed in accordance with legislative requirements.

## Future Legislative Priorities

### ***Bushfires Act***

The introduction of a Bill will give effect to the outcomes of the *Bushfires Act* review, and subsequent consideration by Parliament.

### ***Water Act***

The *Our Water Future* discussion paper was released for public comment in May 2015, in order to inform the development of an overarching Northern Territory Water Policy. Following this consultation process, a strategic plan will be developed for government consideration.

The review of the *Water Act* will ensure that Northern Territory legislation is consistent with the contemporary approach to water management.

Developing an overarching Northern Territory Water Policy will provide a contemporary framework for water management in the Territory and will be cognisant of best practice water management supporting the national focus on northern development. The policy will promote sustainable water resource management and underpin the identification, assessment, development, allocation and management of all water resources in the Territory. It will also cover water and wastewater services and protection of water quality.

The review of the *Water Act* will ensure that Northern Territory legislation is consistent with the contemporary approach to water management.

### ***Weeds Management Act***

Declare *Cylindropuntia* (cacti) species as a weed in accordance with Weed of National Significance declarations.

Amend and endorse the Chinese Apple, Mesquite and Prickly Acacia Weed Management Plans as per review and public consultation activities in 2014-15.

Draft, publically exhibit and endorse a Weed Management Plan for Athel Pine (*Tamarix aphylla*).

Draft, publically exhibit and endorse a Weed Management Plan for Grader Grass (*Themeda quadrivalvis*).

## STATUTORY AUTHORITIES AND BODIES

**All statutory and non-statutory board appointments are approved by the Minister for Land Resource Management and noted by Cabinet before appointments are made.**

As at 30 June 2015, the department was responsible for the following statutory authorities and bodies:

### **Northern Territory Catchments Advisory Committee**

The committee provides community input into strategic advice on key issues relating to development of the Northern Territory economy, in particular where water users include the mining, agriculture and pastoral industries.

Each committee member is appointed to represent the public interest and include an irrigated agriculture representative.

### **Bushfires Council of the Northern Territory**

The council recommends measures to the Minister for effective fire management on all Territory land except that under authority of the Northern Territory Fire and Rescue Service. The council meets twice yearly and this year considered a variety of strategic fire management issues including community and stakeholder engagement, fire mitigation priorities, seasonal risk analysis and support of the review of the *Bushfires Act*.

## SECTION 4: OUR CORPORATE GOVERNANCE

Council members include stakeholder representatives from the Department of Primary Industry and Fisheries, NT Bushfire Volunteers Association, CSIRO, Bureau of Meteorology, Aboriginal land councils and Aboriginal organisations and the chairs of the six Regional Bushfires Committees.

### Bushfires Committees - Regional

The Northern Territory is divided into six fire control regions that reflect varying land use, population density, climate, soils and vegetation type.

The regional committees advise the Bushfires Council on measures on strategic fire management issues from within their areas. The role is crucial to ensuring land owner fire management priorities are considered by the Bushfires Council in its recommendations to the Minister.

Members are selected on the basis of local knowledge, experience or skills in bushfire management.

### Northern Territory Weed Advisory Committee

The committee develops draft weed management plans and advises the Minister on the progress of weed management in the region through the auspices of the *Weed Management Act*.

Committee members include representatives from the Northern Territory Cattleman's Association, the Departments of Lands, Planning and the Environment, Transport and Primary Industry and Fisheries, the Nursery and Garden Industry Association, Central Land Council, Local Government Association of the NT, Department of Defence, Regional Weed Reference Groups and Parks Australia.

### Pastoral Land Board

The Board is a statutory authority charged with administering Northern Territory pastoral leases in accordance with the *Pastoral Land Act*. Its charter is to monitor the condition and use of pastoral land to facilitate both its sustainable use and the economic viability of the pastoral industry.

The Board is made up of five members including a chairman, experienced pastoralists and a suitably qualified scientist.

**The composition of these statutory authorities and bodies are listed at Appendix 1.**

## RISK MANAGEMENT

The ability to remain responsive to risk is a key focus for the department.

During 2014-15, the Governance Board (formerly Executive Management Group) reviewed the strategic business risks that may prevent delivery of department strategic priorities and goals.

The annual Strategic Risk Assessment was based on the department's Risk Management Framework. This framework guided the assessment of identified risks within the current operating and internal control environment, with treatments identified for all new and emerging risks. Agreed actions to treat risks were detailed in the department's Strategic Risk Register. The audit of controls in place for managing risks was considered when developing the department's Internal Audit Plan.

Throughout the year, the Governance Board reviewed the department's strategic risks and considered any new and emerging risks. The Audit and Risk Management Committee reviewed the Strategic Risk Register every quarter to monitor the progress of identified risk treatments.

The Risk Management Framework is accessible to all department divisions to guide their management of risks specific to their operations.

Detailed Workplace Health and Safety (WHS) Risk Registers have also been established for each division and are managed by divisional WHS Committees.

## CONTROLS AND COMPLIANCE

### Internal Controls

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

Corporate Delegations	The Chief Executive Officer (CEO) delegates certain powers to other employees under the <i>Financial Management Act</i> , <i>Public Sector Employment and Management Act</i> , <i>Contracts Act</i> and <i>Procurement Act</i> . The CEO approved the following delegations in 2014-15: <ul style="list-style-type: none"> <li>• Financial delegations</li> <li>• Human resources delegations</li> <li>• Procurement and contracts delegations.</li> </ul>
Conflict of Interest	Conflicts of interest, whether real or perceived, can erode confidence in the integrity of the department. Executive Directors and branch managers are responsible for ensuring staff declare any conflicts.
Whistle-blowers	Staff are regularly reminded that they can report wrongdoing in accordance with the <i>Public Interest Disclosures Act</i> . The Executive Director, Corporate Services is the department's 'Protected Disclosure Officer'. <ul style="list-style-type: none"> <li>• No public interest disclosures regarding the department's officers were lodged during the year.</li> </ul>
Code of Conduct	Through internal training initiatives such as the Corporate Induction program, staff are regularly reminded of their responsibility to act in accordance with the Code of Conduct. The department may begin disciplinary proceedings against any employee who acts in contravention of the Code of Conduct.
Freedom of Information and Privacy	In accordance with the <i>Information Act</i> , the department has a range of policies and procedures in place to enable individuals to access records and information held by the department.

## RECORDS AND INFORMATION

### Information Requests

The Northern Territory *Information Act* came into operation on 1 July 2003 and combines freedom of information (FOI), privacy and records management legislation.

In compliance with Section 11 of the *Information Act*, the department makes its information available in several ways.

Information is updated regularly and published on the department's website. It describes the department's structure and functions and how these affect the public. It also provides a comprehensive listing of freely available information and advises how to access other information that is not published on the website.

Part 3 of the *Information Act* formally sets out the process for accessing government information and accessing and correcting personal information held by the department. Details about how to apply for access to information, with links to relevant legislation and related agencies, can also be found on the department's website. Further assistance can be provided by contacting:

FOI Contact Officer  
 PO BOX 496  
 PALMERSTON NT 0830  
 T: 08 8999 3479  
 W: [www.lrm.nt.gov.au/lrm/foi](http://www.lrm.nt.gov.au/lrm/foi)



## SECTION 4: OUR CORPORATE GOVERNANCE

During the reporting year, the department received nine applications for access to government or personal information under the *Information Act*.

The table below provides statistical data about the formal access applications received by the department:

<b>Information Act Requests</b>	<b>2013-14</b>	<b>2014-15</b>
Applications carried over from previous year	1	1
Applications to access personal information	8	0
Applications to access government information	5	8
Applications to access personal and government information	1	0
Applications to correct personal information	0	0
Applications transferred	1	0
Requests withdrawn	1	0
Internal reviews	1	0
Responses completed within 30 day period	15	9
Responses completed exceeding 30 day period	0	0
Applications processed as at 30 June	14	9

### Records Management

During 2014-15, the department continued to improve record management practices, procedures and policies to ensure compliance with Part 9 of the *Information Act*. Part 9 of the *Information Act* and the Records Management Standards require that the department develop and implement plans and processes to ensure full and accurate records are created, captured, discoverable, secure and disposed of in-line with approved Records Disposal Schedules to potentially reduce storage costs.

During the reporting year, the records training program continued to provide whole-of-agency guidance, support and training in information management best practice and use of the whole of government record keeping system, TRIM. This program had a particular focus on increasing the electronic management of records across the department.

### Information Awareness Month

Information Awareness Month was held in May 2015 to increase public awareness of information and promote the value of good information practices and policies.

The Alice Springs and Darwin Records teams held open house events and activities to celebrate and promote awareness of the information service industry in government.

### Ombudsman Enquiries

The department received no inquiries from the Ombudsman during the reporting year.

## SECTION 4: OUR CORPORATE GOVERNANCE



## MONITORING THROUGH AUDITS AND REVIEWS

### INTERNAL AUDITS

The following risk based internal audits were conducted under the department's 2014-15 Internal Audit Plan. Management's implementation of audit recommendations is monitored by the department's Audit and Risk Management Committee.

Audit/Review	Purpose	Outcomes
Compliance check of Cabinet information and security measures	To assess the department's compliance with required Cabinet information security measures	No material weaknesses in controls were identified during the compliance check
Internal audit of Tier 2 Procurement	To test the Tier 2 procurement activities which occurred during Quarter 2 of 2014-15, for compliance with the <i>Procurement Act</i>	No material issues or risks were identified. The audit found existing controls were satisfactory
Compliance with the <i>Information Act</i>	To review the department's level of compliance with Part 9 of the <i>Information Act</i> with regards to the NTG Record Management Standards	No material issues were identified but opportunities exist to enhance record management activities. The audit found the department is working towards requirements
Internal audit of Fringe Benefits Tax (FBT)	To evaluate the department's FBT compliance with relevant legislation and NTG requirements	No material issues or risks were identified. The audit assessed the department's level of FBT compliance as good
Internal audit of entertainment and hospitality	To examine the internal controls managing the department's entertainment and hospitality activities.	No material issues or risks were identified. The department's controls were assessed as good.

### EXTERNAL AUDITS

#### Northern Territory Auditor-General Audits

The Office of the Northern Territory Auditor-General selected the department for a compliance audit during 2014-15. No issues were identified.

## SECTION 4: OUR CORPORATE GOVERNANCE

## INSURABLE RISK

Under the Treasurer's Directions (M2.1), departments are required to detail the mitigation strategies and processes they have in place to reduce the likelihood or severity of their insurable risks.

Insurable risks are generally related to workers compensation, assets and inventories, public liability and indemnities. They exclude financial risks and legal costs in action.

The table below outlines the department's identified insurable risks and the strategies implemented to reduce those risks.

Insurable Risk Category	Mitigation Strategies
Public Liability	<ul style="list-style-type: none"> <li>Formal risk assessments completed</li> <li>Repairs and maintenance program to reduce risks associated with physical assets</li> <li>Ongoing review of practices and procedures to ensure public safety</li> <li>Appropriate signage</li> <li>Education campaigns for staff and public</li> <li>Independent reviews</li> <li>Building audits e.g. security, maintenance, compliance</li> <li>Appropriate security and testing e.g. fire systems, alarms, patrols, staff</li> </ul>
Workers Compensation	<ul style="list-style-type: none"> <li>Formal risk assessments completed</li> <li>Workplace Health and Safety framework developed and implemented</li> <li>Workplace safety policies and standard operating procedures</li> <li>Work site assessments</li> <li>Job specific training and support</li> <li>Utilisation of Employee Assistance Program</li> <li>Early intervention program</li> <li>Critical incident debriefings</li> <li>Work-life balance strategies</li> </ul>
Assets and Inventories	<ul style="list-style-type: none"> <li>Formal risk assessments completed</li> <li>Ongoing review of policies and practices to guide standard operating procedures to protect assets and inventories</li> <li>Asset registers were maintained for fixed and leased assets. Annual asset stocktakes for telecommunications completed</li> </ul>
Vehicles (e.g.: motor vehicles, quad bikes and boats)	<ul style="list-style-type: none"> <li>Regular service and maintenance checks</li> <li>Driver training (4 wheel drives, quad bikes, boat handling)</li> <li>Safety equipment and accessories (particularly for off-road vehicles etc)</li> </ul>
Indemnities	<ul style="list-style-type: none"> <li>Formal risk assessments completed each year and with each new agreement executed.</li> </ul>

Details of the department's commercial insurance premium arrangements are:

Commercial Insurance Premium	Total Number/Total Value of Claims	
	2013-14	2014-15
Department – overseas travel insurance, small value one-off travel insurance	\$88 No claims	\$105 No claims
Department – marine insurance to transport drilling rig by barge	\$0 No claims	\$9,000 No claims

## CORPORATE SOCIAL RESPONSIBILITY

### COMMUNICATIONS AND COMMUNITY ENGAGEMENT



The department undertook a range of community engagement activities during 2014-15. These included:

- successfully administering the Gamba Grass Assistance Program for the fifth consecutive year. Over 1500 individual landholders participated, representing a 50 per cent increase on the previous year. A monitoring program was also initiated to determine the effect of the program on public awareness and property level Gamba Grass reductions
- meeting with 14 agencies and 12 industry partners to determine collaborative opportunities for weed spread prevention
- publically exhibiting a draft weed management plan for Neem (*Azadirachta indica*) with a view to incorporating comments in the final statutory plan
- consulting with landholders affected by the high priority weeds; Cabomba, Prickly Acacia, Mesquite and Chinese Apple to inform the reviews of each weed's associated statutory plan of management
- working with Regional Weed Reference Groups to finalise community-driven regional weed management plans for the Darwin and Katherine Regions
- inviting the public to comment on discussion and summary papers as part of the review of the *Bushfires Act*. This first review for the 30 year old Act is ongoing and focuses mainly on the structural alignment of Bushfires NT within the Northern Territory Government and how to best support and develop volunteer bushfire brigades which underpin wildfire management delivery throughout the Territory
- publically promoting the department's key activities and responsibilities by participating in the Show Circuit (Darwin, Katherine, Tennant Creek and Alice Springs) and the Fred's Pass Show. The department was also promoted during the year at the Kidman Springs biannual field day at the Kidman Station Research Farm in the Victoria River region, the inaugural NT Field Day in Katherine, the Darwin inaugural Northern Australia Food Futures conference and the Rangelands Conference in Alice Springs. Information covered, but was not limited to, amendments to the *Pastoral Land Act*, weed management priorities, feral animal management, Bushfires NT and spatial data and mapping
- sponsoring the March 2015 Northern Territory Cattleman's Association Annual General Meeting and Industry Conference in Darwin. A departmental information booth was set up at the event to engage with association members and industry professionals. Staff at the booth provided information around the diversification opportunities created by the non-pastoral use provisions introduced to the *Pastoral Land Act*. The new provisions, enabling pastoralists to diversify land use and develop new income streams without having to change the tenure of a pastoral lease, were a key focus of the display. Integrated ground and satellite based monitoring, weed management, land assessment and development and rangelands monitoring was also promoted

## SECTION 4: OUR CORPORATE GOVERNANCE

- hosting the annual NT Water Forum in Katherine in May 2015. About 100 stakeholders attended the forum that included presentations from the Katherine Water Advisory Committee, Northern Territory Catchments Advisory Committee, Bureau of Meteorology and the University of Western Australia
- inviting public comment on the *Our Water Future* discussion paper at community meetings held in Alice Springs, Tennant Creek, Katherine, Douglas Daly, Darwin rural area and Darwin.

## GRANTS PROGRAMS

The department provides one-off special purpose grants. All grants, regardless of their type, are distributed under an agreement which includes the purpose of the grant and the reporting process for confirming that the funded objective has been achieved.

A full list of the grants administered by the department are shown below:

Recipient	Purpose	Amount
Volunteer Bushfire Brigades	Two grant categories: grants to support the operations of 22 volunteer bushfire brigades, and replacement of volunteer brigade firefighting vehicles.	\$1,137,159
Various - Bushfire grants for equipment subsidies and protective clothing	Subsidy is provided for landholders to purchase firefighting equipment and radios at 50 percent of the purchase price (exclusive of GST) with maximum value of \$1,200 per applicant.  Funding for personal protective clothing and equipment is provided to volunteer firefighters on completion of basic training	\$57,189
Department of Science, Information Technology, Innovation and Arts (DSITIA)	A collaborative research project between the Northern Territory Government and the Queensland DSITIA to provide an integrated system that will inform both governments and land managers on the condition of Northern Territory Rangelands	\$112,380
Charles Darwin University (CDU)	Contribution to the North Australian Marine Research Alliance (NAMRA), a joint research agreement between the Australian Institute of Marine Science, CDU, Australian National University and Northern Territory Government and specifically linked to Indigenous traineeships. NAMRA has directed funding to two projects supporting trainee Larrakia marine rangers and aquaculture development on Goulburn Islands	\$70,000
Larrakia Nation Aboriginal Corporation	Contribution to the Larrakia Nation, which along with the Department of Lands, Planning and Environment through the North Australian Marine Alliance (NAMRA), supports funding for Indigenous traineeships working on Darwin Harbour	\$170,000
Charles Darwin University (CDU)	Contribution to CDU for high-priority research to underpin environmental flows for the Daly River.	\$100,000
Northern Land Council Charles Darwin University	The West Arnhem Fire Management Agreement between the Northern Territory Government and Conoco Phillips - Darwin Liquefied Natural Gas provides funding to the Adjurmarlarl, Jawoyn, Djelk and Mimal ranger groups to conduct fire planning, mitigation and suppression activities on country in western Arnhem Land.	\$1,423,506
<b>Total</b>		<b>\$3,070,233</b>

## SECTION 5: FINANCIAL STATEMENTS

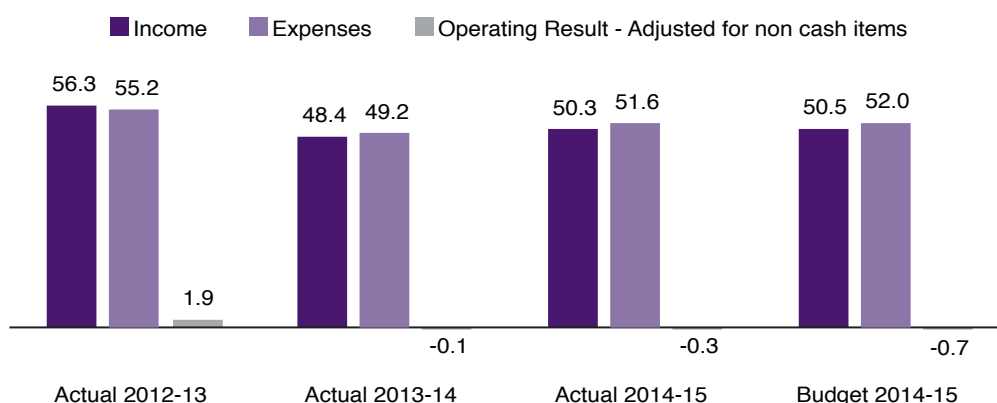
## THE DEPARTMENT’S FINANCIAL STATEMENT OVERVIEW

This section of the report provides an analysis of the financial outcome of the Department of Land Resource Management for the year ended 30 June 2015.

The department includes the following outputs:

- Bushfires
- Fauna and Flora
- Rangelands
- Water Resources
- Corporate and Governance
- Shared Services Provided.

### Operating Results (\$M)



### FINANCIAL PERFORMANCE

In 2014-15, the department made a net loss of \$1.4 million, or a loss of \$0.3 million prior to the charging of non-cash items such as depreciation and non-capitalised assets. This compares to a budgeted loss before non-cash items of \$0.6 million.

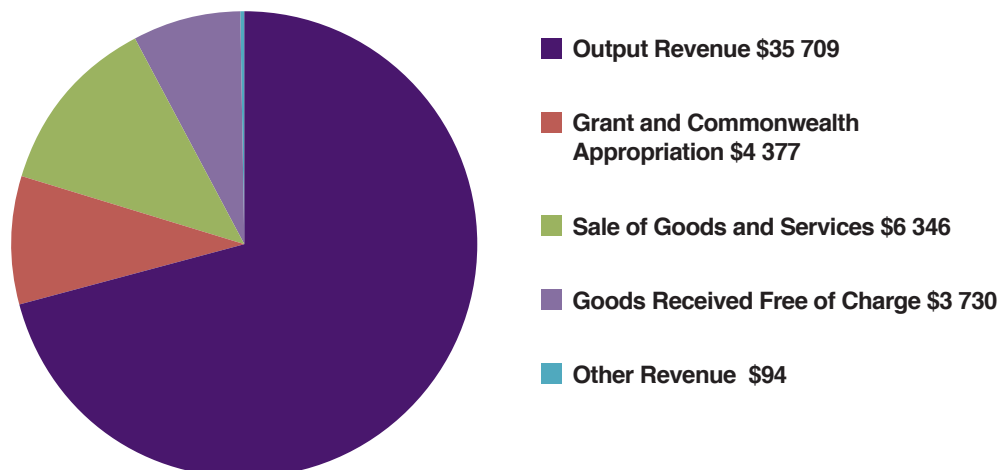
The budget saving of \$0.3 million was due an under-spend in externally funded projects.

The unutilised expense funding will be spent in 2015-16.

### INCOME

The department received income of \$50.3 million in 2014-15, a favourable variance of \$0.2 million compared to budget, and an increase of \$1.9 million compared to 2013-14.

#### 2014-15 Income by Source \$'000



## SECTION 5: FINANCIAL STATEMENTS

The department is funded primarily through Northern Territory Parliamentary output appropriation. Revenue is also derived from sales of goods and services, current grants and Commonwealth appropriation and other miscellaneous income including notional revenue for corporate services provided by the Department of Corporate and Information Services (DCIS).

### Output Revenue

In 2014-15, output revenue of \$35.7 million was received in accordance with budget. Output revenue increased from 2013-14 by \$2.7 million predominantly due to new funding received for land and water assessments.

### Grants and Commonwealth Appropriation

The department attracts nine percent of its revenue from external sources. In 2014-15, \$4.4 million was received, including \$0.9 million from the Australian Government. This external revenue was consistent with the approved budget of \$4.3 million and was \$1.3 million greater than 2013-14. This increase over the prior year was predominately due to a new national partnership agreement signed for Bushfire mitigation and large INPEX supported aquatic projects.

Some of the key externally funded projects in 2014-15 include:

- National Framework Compliance and Enforcement
- National Bushfire Mitigation Project
- West Arnhem Fire Management
- INPEX Darwin Harbour Indigenous Ranger Marine Program
- INPEX Status of Coastal Dolphins in the Northern Territory
- INPEX Map Habitats in Darwin and Bynoe Harbour
- Bellyache Bush Daly Biodiversity Fund.

### Sale of Goods and Services

In 2014-15, income from the sale of goods and services totalled \$6.3 million, \$0.3 million greater than budget and \$1.4 million lower than 2013-14. The most significant income stream is for the provision of corporate services to three other departments and a government business division totalling \$4.7 million. The main decrease from the prior year relates to a decrease in drilling revenue of \$1.1 million as the team is focusing on land and water assessments to determine new agricultural precincts throughout the Territory. The decrease in sale of goods and services has been funded through additional output appropriation.

### Goods and Services Received Free of Charge

In 2014-15, notional goods and services received free of charge from DCIS totalled \$3.7 million, \$0.1 million less than budget and \$0.6 million less than 2013-14. The decrease relates to the department consolidating accommodation in Alice Springs.

There is a corresponding expense, resulting in a net nil effect to the department operating result.

The three year trend in income streams and the 2014-15 budget are as follows:

Income Type	Actual 2012-13 \$'000	Actual 2013-14 \$'000	Actual 2014-15 \$'000	Variance %	Budget 2014-15 \$'000	Variance %
Output Revenue	35 540	33 038	35 709	8%	35 709	0%
Grant and Commonwealth Appropriation	9 320	3 082	4 377	42%	4 348	1%
Sale of Goods and Services	6 626	7 693	6 346	-18%	6 616	-4%
Goods Received Free of Charge	4 641	4 257	3 730	-12%	3 820	-2%
Other Revenue	74	306	94	-69%	25	73%
<b>Income Total</b>	<b>56 201</b>	<b>48 376</b>	<b>50 256</b>	<b>3.9%</b>	<b>50 518</b>	<b>-0.5%</b>

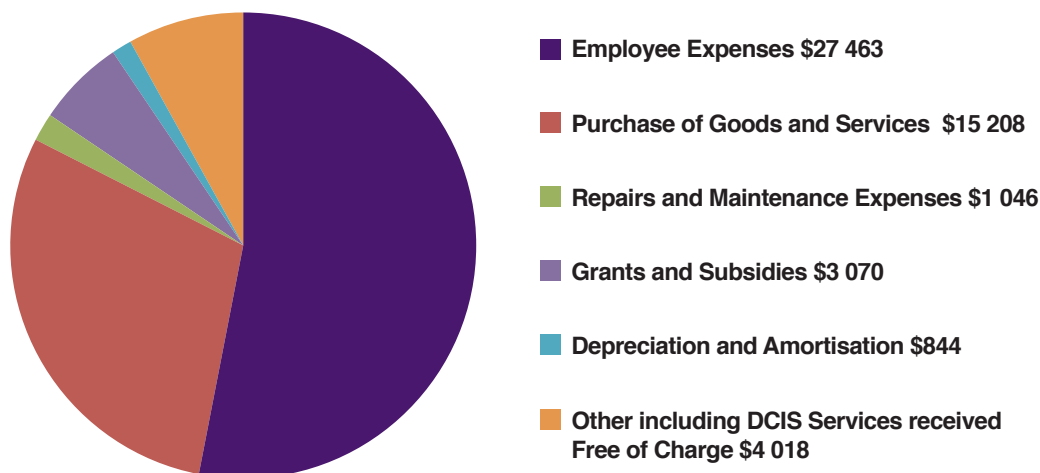


## SECTION 5: FINANCIAL STATEMENTS

## EXPENSES

The department incurred \$51.6 million in expenses during 2014-15 in the delivery of its programs and services. This was \$0.3 million favourable to budget and \$2.4 million greater than 2013-14.

### 2014-15 Expenses by Source \$'000



Payments to employees and purchase of goods and services account for 82.6 percent of the department's outlays. Payments of grants and subsidies and repairs and maintenance are the other major departmental expenses, with depreciation and corporate charges levied by DCIS representing non-cash transactions.

### Employee Expenses

Staffing costs represent 53.2 percent of total expenditure or \$27.5 million in accordance with budget.

This was a \$2.3 million increase from 2013-14.

### Goods and Services Expenses

Actual spend on the purchase of goods and services in 2014-15 was \$15.2 million, \$0.9 million less than budget and \$0.7 million more than 2013-14. The saving to budget relates to a \$0.3 million under-spend in externally funded projects that will be spent in 2015-16, savings required to fund additional grant payments of \$0.4 million, and savings required to fund the decrease in sale of goods and services revenue of \$0.3 million.

### Grants and Subsidies

In 2014-15 the department distributed \$3.1 million in grants and subsidies, consistent with 2013-14, against a \$2.7 million budget. Payments were made to the Northern Land Council for the West Arnhem Fire Management Agreement of \$1.4 million, and support for rural Bushfire Brigades of \$1.2 million. Overspends against budget of \$0.4 million were funded from savings within the goods and services budget and relate to contributions for Indigenous traineeships to undertake monitoring of Darwin Harbour and high-priority research of the environmental flows for the Daly River. For a full breakdown of grant payments refer to section 4 Grants Programs.

### Repairs and Maintenance Expenses

Actual repairs and maintenance expenditure was \$1 million against a budget of \$1.1 million. This was \$0.4 million less than 2013-14 due to the removal of fees to the Department of Infrastructure for program delivery of \$0.2 million, the removal of one off expenditure for urgent repairs of \$0.1 million, and a \$0.1 million reduction in the write off of non-capitalised assets.

### Depreciation

Depreciation is the allocation of an asset's cost over its useful life. In 2014-15 depreciation was \$0.8 million in accordance with budget and \$0.1 million higher than 2013-14. Depreciation costs represent 1.6 percent of total expenditure.

## SECTION 5: FINANCIAL STATEMENTS

### Goods and Services Received Free of Charge

In 2014-15, notional goods and services received free of charge from DCIS totalled \$3.7 million, \$0.1 million less than budget and \$0.6 million less than 2013-14. The decrease relates to the department consolidating accommodation in Alice Springs.

The three year expenditure trend and the 2014-15 budget are as follows:

Expense Type	Actual 2012-13 \$'000	Actual 2013-14 \$'000	Actual 2014-15 \$'000	Variance %	Budget 2014-15 \$'000	Variance %
Employee Expenses	25 483	25 153	27 463	9%	27 464	0%
Purchase of Goods and Services	15 023	14 527	15 208	5%	16 057	6%
Repairs and Maintenance Expenses	1 017	1 425	1 046	-27%	1 124	7%
Grants and Subsidies	8 107	3 088	3 070	-1%	2 684	-13%
Depreciation and Amortisation	795	780	844	8%	779	-8%
Other including DCIS Services received Free of Charge	4 652	4 275	4 018	-6%	3 845	-4%
<b>Expenses Total</b>	<b>55 077</b>	<b>49 248</b>	<b>51 649</b>	<b>4.9%</b>	<b>51 953</b>	<b>0.6%</b>

### BALANCE SHEET

The Balance Sheet provides a summary of the department's balances at the end of the financial year for assets, liabilities and equity.

The balances reported are the net worth to government of the department's asset holdings (what is owned) against liabilities (what is owed).

The three year trend for net assets/equity is as follows:

	Actual 2012-13 \$'000	Actual 2013-14 \$'000	Actual 2014-15 \$'000
Assets	15 939	16 757	20 714
Liabilities	( 8 464)	( 9 775)	( 9 625)
<b>Net Assets/Equity</b>	<b>7 475</b>	<b>6 982</b>	<b>11 089</b>

### Assets

The department's assets as at 30 June 2015 totalled \$20.7 million.

The balance of assets consists of:

- Cash balances of \$7.4 million, representing cash held in a financial institution and petty cash and floats
- Receivables of \$0.8 million representing the amount that is owed to the department for goods and services provided and delivered
- Prepaid expenses of \$0.2 million representing expenses that have been paid before the good or service was received or provided
- Property, plant, equipment and computer software of \$12.3 million.

## SECTION 5: FINANCIAL STATEMENTS

**Liabilities**

The department's liabilities total \$9.6 million as at 30 June 2015.

The balance of liabilities consists of:

- Deposits held of \$1.2 million to recognise the liability for Natural Heritage Trust Single Holding Account held on behalf of the Australian Government
- Payables of \$2.2 million representing the amount owed to creditors for goods and services purchased and received
- Provisions for employee entitlements of \$4.9 million, such as recreation leave, leave loading and leave fares to reflect the cost in present day dollars of employee entitlements that are to be paid in the future
- Unearned revenue of \$1.3 million representing the amount received for services not yet provided.

**Equity**

Equity as at 30 June 2015 is \$11.1 million, an increase in net worth of \$4.1 million from the previous year.

This increase relates to:-

- \$1.8 million asset revaluation increment following the revaluation of assets in June 2015
- \$1 million cash equity injection
- \$1.6 million of assets transferred in from other Northern Territory Government agencies
- \$0.7 million for the transfer in of completed infrastructure works
- \$0.4 million appropriation to purchase capital items, offset by
- \$1.4 million operating loss for 2014-15 financial year.

**CASH FLOW STATEMENT**

The Cash Flow Statement provides information on how cash was received and spent during the year. The department's cash balances were \$7.4 million as at 30 June 2015.

The cash flows are summarised as follows:

	Actuals 2012-13 \$000	Actuals 2013-14 \$000	Actuals 2014-15 \$000
<b>Cash In</b>			
Operating Receipts	57 038	46 758	48 557
Equity Injections/Capital Appropriation/Deposits	10 956	466	2 175
	67 994	47 224	50 732
<b>Cash Out</b>			
Operating Payments	(63 412)	(44 438)	( 49 795)
Purchase of Fixed Assets	( 186)	( 623)	( 687)
Equity Withdrawals/ Deposits Refunded	(1 427)	-	-
	(65 025)	(45 061)	( 50 482)
<b>Net Increase in Cash Held</b>	<b>2 969</b>	<b>2 163</b>	<b>250</b>
Cash at Beginning of Financial Year	2 020	4 989	7 152
<b>Cash at End of Financial Year</b>	<b>4 989</b>	<b>7 152</b>	<b>7 402</b>

## CERTIFICATE OF THE FINANCIAL STATEMENTS

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

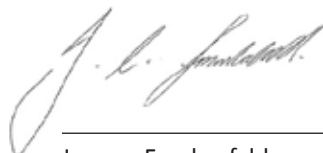
We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2015 and the financial position on that date.

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



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Alastair Shields  
Chief Executive Officer  
30 September 2015



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Joanna Frankenfeld  
Chief Financial Officer  
30 September 2015

## SECTION 5: FINANCIAL STATEMENTS

**COMPREHENSIVE OPERATING STATEMENT****For the year ended 30 June 2015**

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

	Note	2015 \$'000	2014 \$'000
<b>Income</b>			
Grants and subsidies revenue			
Current		3 528	2 529
Appropriation			
Output		35 709	33 038
Commonwealth		849	553
Sales of goods and services		6 346	7 693
Interest revenue		25	10
Goods and services received free of charge <sup>(1)</sup>	4	3 730	4 257
Other income		69	296
<b>Total Income</b>	<b>3</b>	<b>50 256</b>	<b>48 376</b>
<b>Expenses</b>			
Employee expenses			
		27 463	25 153
Administrative expenses			
Purchases of goods and services	5	15 208	14 527
Repairs and maintenance		1 046	1 425
Depreciation and amortisation	10,11	844	780
Other administrative expenses <sup>(1)</sup>		3 731	4 262
Grants and subsidies expenses			
Current		3 070	3 088
Interest expenses		25	10
Loss on disposal of assets	6	262	3
<b>Total Expenses</b>	<b>3</b>	<b>51 649</b>	<b>49 248</b>
<b>Net Deficit</b>		<b>(1 393)</b>	<b>(872)</b>
<b>Other Comprehensive Income</b>			
Changes in asset revaluation reserve			
		1 759	-
<b>Total Other Comprehensive Income</b>		<b>1 759</b>	<b>-</b>
<b>Comprehensive Result</b>		<b>366</b>	<b>(872)</b>

1. Includes DCIS service charges.

## SECTION 5: FINANCIAL STATEMENTS

**BALANCE SHEET****For the year ended 30 June 2015**

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

	Note	2015 \$'000	2014 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	7	7 402	7 152
Receivables	8	748	682
Inventories	9	6	21
Prepayments		215	170
<b>Total Current Assets</b>		<b>8 371</b>	<b>8 025</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	12 045	8 705
Intangible assets	11	298	27
<b>Total Non-Current Assets</b>		<b>12 343</b>	<b>8 732</b>
<b>Total Assets</b>		<b>20 714</b>	<b>16 757</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deposits held	15	1 186	473
Payables	13	2 229	3 703
Provisions	14	4 889	4 744
Other liabilities	16	1 266	772
<b>Total Current Liabilities</b>		<b>9 570</b>	<b>9 692</b>
<b>Non-Current Liabilities</b>			
Other liabilities	16	55	83
<b>Total Non-Current Liabilities</b>		<b>55</b>	<b>83</b>
<b>Total Liabilities</b>		<b>9 625</b>	<b>9 775</b>
<b>Net Assets</b>		<b>11 089</b>	<b>6 982</b>
<b>Equity</b>			
Capital		83 052	79 311
Reserves	17	3 609	1 850
Accumulated funds		(75 572)	(74 179)
<b>Total Equity</b>		<b>11 089</b>	<b>6 982</b>

## SECTION 5: FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

2014-15	Note	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>Accumulated Funds</b>		(74 179)	(1 393)	-	(75 572)
<b>Reserves</b>					
Asset Revaluation Reserve	17	1 850	1 759	-	3 609
<b>Capital – Transactions with Owners</b>		79 311	-	-	79 311
Equity Injections					
Capital Appropriation		-	-	450	450
Equity Transfers In		-	-	2 298	2 298
Other Equity Injections		-	-	1 000	1 000
Equity Withdrawals					
Equity Transfers Out		-	-	(7)	(7)
		79 311	-	3 741	83 052
<b>Total Equity at 30 June</b>		<b>6 982</b>	<b>366</b>	<b>3 741</b>	<b>11 089</b>

2013-14	Note	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>Accumulated Funds</b>		(73 307)	(872)	-	(74 179)
<b>Reserves</b>					
Asset Revaluation Reserve	17	1 850	-	-	1 850
<b>Capital – Transactions with Owners</b>		78 686	-	-	78 686
Equity Injections					
Capital Appropriation		-	-	450	450
Equity Transfers In		-	-	175	175
		78 686	-	625	79 311
<b>Total Equity at 30 June</b>		<b>7 229</b>	<b>(872)</b>	<b>625</b>	<b>6 982</b>

## SECTION 5: FINANCIAL STATEMENTS

## CASH FLOW STATEMENTS

For the year ended 30 June 2015

	Note	2015 \$'000 (Outflows)/Inflows	2014 \$'000 (Outflow)/Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Grants and subsidies received			
Current		3 528	2 529
Appropriation			
Output		35 709	33 038
Commonwealth		849	553
Receipts from sales of goods and services		8 447	10 628
Interest received		24	10
<b>Total Operating Receipts</b>		<b>48 557</b>	<b>46 758</b>
<b>Operating Payments</b>			
Payments to employees		(27 128)	(25 013)
Payments for goods and services		(19 573)	(16 327)
Grants and subsidies paid			
Current		(3 070)	(3 088)
Interest paid		(24)	(10)
<b>Total Operating Payments</b>		<b>(49 795)</b>	<b>(44 438)</b>
<b>Net Cash (Used In)/From Operating Activities</b>	18	<b>(1 238)</b>	<b>2 320</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from asset sales	5	12	-
<b>Total Investing Receipts</b>		<b>12</b>	<b>-</b>
<b>Investing Payments</b>			
Purchases of assets	10,11	(687)	(623)
<b>Total Investing Payments</b>		<b>(687)</b>	<b>(623)</b>
<b>Net Cash (Used In) Investing Activities</b>		<b>(675)</b>	<b>(623)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Receipts</b>			
Deposits received		713	16
Equity injections			
Capital appropriations		450	450
Other equity injections		1 000	-
<b>Total Financing Receipts</b>		<b>2 163</b>	<b>466</b>
<b>Net Cash From Financing Activities</b>		<b>2 163</b>	<b>466</b>
Net Increase in cash held		250	2 163
Cash at beginning of financial year	7	7 152	4 989
<b>Cash at End of Financial Year</b>		<b>7 402</b>	<b>7 152</b>

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



## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2015

1. Objectives and Funding
2. Statement of Significant Accounting Policies
3. Operating Statement by Output Group

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4. Goods and Services Received Free of Charge

#### Expenses

5. Purchases of Goods and Services
6. Loss on Disposal of Assets

#### Assets

7. Cash and Deposits
8. Receivables
9. Inventories
10. Property, Plant and Equipment
11. Intangibles
12. Fair Value Measurement of Non-Financial Assets

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13. Payables
14. Provisions
15. Deposits Held
16. Other Liabilities

#### Equity

17. Reserves

#### Other Disclosures

18. Notes to the Cash Flow Statement
19. Financial Instruments
20. Commitments
21. Contingent Liabilities and Contingent Assets
22. Events Subsequent to Balance Sheet Date
23. Write-offs, Postponements, Waivers, Gifts and Ex Gratia Payments
24. Schedule of Territory Items
25. Budgetary Information

## SECTION 5: FINANCIAL STATEMENTS

**1. OBJECTIVES AND FUNDING**

The Department of Land Resource Management's purpose is to provide advice and support for the sustainable development of the Northern Territory's land and water, and conservation of its unique native flora and fauna. The Department of Land Resource Management's goals are as follows:

1. The capacity and capability of the Northern Territory's natural resource assets are assessed, and outcomes of use and management, monitored.
2. Enable economic growth through the allocation of natural resource assets for best and sustainable use.
3. Threats to natural resources and regional communities are managed through shared responsibilities and partnerships.
4. An organisation with the capacity and capability to deliver effective services.

Additional information in relation to the department and its principal activities can be found in the annual report.

The department is predominantly funded by, and dependent on, the receipt of Parliamentary appropriation. The financial statements encompass all funds through which the department controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the department are summarised into six output groups as follows:

- Flora and Fauna
- Rangelands
- Water Resources
- Bushfires
- Corporate and Governance
- Shared Services Provided.

Note 3 provides summary financial information in the form of an Operating Statement by Output Group.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

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

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

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

## SECTION 5: FINANCIAL STATEMENTS

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention. The form of the department financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

***AASB 1031 Materiality (2013), AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, AASB 2014-1 Amendments to Australian Accounting Standards (Part C – Materiality).***

Revised AASB 1031 is an interim standard that cross-references to other standards and the Framework for the Preparation and Presentation of Financial Statements that contain guidance on materiality. The standard does not impact the financial statements.

***AASB 1055 Budgetary Reporting.***

AASB 1055 sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector. The required disclosures comprise a separate note accompanying the financial statements.

***AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]***

The standard addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. The standard does not impact the financial statements.

***AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.***

The amendments to AASB 136 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The standard does not impact the financial statements.

***AASB 2014-1 Amendments to Australian Accounting Standards (Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles).***

Part A of the standard makes amendments to various Australian Accounting Standards (AASB 2, 3, 8, 9, 13, 116, 119, 124, 137, 138, 139, 140 & 1052 and Interpretation 129) arising from the issuance by IASB of IFRSs Annual Improvements to IFRS 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The standard does not impact the financial statements.

**(b) Australian Accounting Standards and Interpretations issued but not yet effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

***AASB 9 Financial Instruments (Dec 2014), AASB 2014-1 Amendments to Australian Accounting Standards (Part E – Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2014).***

The final version of AASB 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace AASB 139 Financial Instruments: Recognition and Measurement. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. Effective for annual reporting periods beginning on or after 1 January 2018.

## SECTION 5: FINANCIAL STATEMENTS

***AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138].***

Amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. Effective for annual reporting periods beginning on or after 1 January 2016.

***AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140].***

Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle. Effective for annual reporting periods beginning on or after 1 January 2016.

***AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049].***

Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements, and to ensure entities are able to use judgement when applying a standard in determining what information to disclose. Effective for annual reporting periods beginning on or after 1 January 2016.

**(c) Department and Territory Items**

The financial statements of the Department of Land Resource Management include income, expenses, assets, liabilities and equity over which the department has control (department items). Certain items, while managed by the department, are controlled and recorded by the Territory rather than the department (Territory items). Territory items are recognised and recorded by 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 department's financial statements. However, as the department is accountable for certain Territory items managed on behalf of Government, these items have been separately disclosed in Note 24 – Schedule of Territory Items.

**(d) Comparatives**

Where necessary, comparative information for the 2013-14 financial year has been reclassified to provide consistency with current year disclosures.

**(e) 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.

## SECTION 5: FINANCIAL STATEMENTS

**(f) Changes in Accounting Policies**

There have been no changes to accounting policies adopted in 2014-15 as a result of management decisions.

**(g) Accounting Judgements and Estimates**

The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgements and estimates are:

- Employee Benefits – Note 2(t) and Note 14: Provisions in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service
- Contingent Liabilities – Note 21: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Government bond rate
- Doubtful Debts – Note 2(o) and Note 8: Receivables
- Depreciation and Amortisation – Note 2(k), Note 10: Property, Plant and Equipment and Note 11: Intangibles.

**(h) Goods and Services Tax**

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

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

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

**(i) Income Recognition**

Income encompasses both revenue and gains.

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

## SECTION 5: FINANCIAL STATEMENTS

**Grants and Other Contributions**

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

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

**Appropriation**

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

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

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

**Sale of Goods**

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

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- the department retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the department
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of Services**

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

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

**Interest Revenue**

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

**Goods and Services Received Free of Charge**

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

## SECTION 5: FINANCIAL STATEMENTS

**Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 5.

**Contributions of Assets**

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

**(j) Repairs and Maintenance expense**

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

**(k) Depreciation and Amortisation Expense**

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

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

The Treasurer's Directions provide guidance for the estimated useful lives for each class of assets as follows, and allow the department to make other estimates as necessary:

	2015 Years	2014 Years
Buildings	10 - 50	10 - 50
Infrastructure Assets	8 - Infinite	8 - Infinite
Plant and Equipment	1 - 20	1 - 20
Leased Plant and Equipment	3 - 5	3 - 5
Transport Equipment	10	10
Computer Hardware	3 - 6	3 - 6
Heritage and Cultural Assets	100	100
Intangibles – Computer Software	2 - 10	2 - 10

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

## SECTION 5: FINANCIAL STATEMENTS

**(l) Property, Plant and Equipment*****Acquisitions***

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

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

***Complex Assets***

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

***Subsequent Additional Costs***

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

***Construction (Work in Progress)***

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

**(m) Revaluations and Impairment Revaluation of Assets**

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets.

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

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

The unique nature of some of the heritage and cultural assets may preclude reliable measurement. Such assets have not been recognised in the financial statements. Heritage and cultural assets recognised in the financial statements are stated at historical cost less depreciation, which is deemed to equate fair value. Where differences exist, these are not material.

***Impairment of Assets***

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

Non-current physical and intangible department assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the department determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.



## SECTION 5: FINANCIAL STATEMENTS

Impairment losses are recognised in the Comprehensive Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation reserve. Note 19 provides additional information in relation to the asset revaluation reserve.

**(n) Leased Assets**

Leases under which the department assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

***Finance Leases***

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

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

***Operating Leases***

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

**(o) Payables**

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

**(p) Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits that are expected to be settled wholly within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits that are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows 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 liabilities are classified as current liabilities as the department does not have an unconditional right to defer settlement for at least 12 months after the reporting period. 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.

## SECTION 5: FINANCIAL STATEMENTS

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the Department of Land Resource Management, and as such no long service leave liability is recognised in these financial statements.

#### **(q) Superannuation**

Employees' superannuation entitlements are provided through the:

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

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

#### **(r) Contributions by and Distributions to Government**

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

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

#### **(s) Commitments**

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 20.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

#### **(t) Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when the entity becomes a party to the contractual provisions of the financial instrument. The entity's financial instruments include cash and deposits; receivables; payables; advances received; and deposits held.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The entity's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation adopting strategies to minimize the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

## SECTION 5: FINANCIAL STATEMENTS

***Classification of Financial Instruments***

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

Financial assets are classified into the following categories:

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

Financial liabilities are classified into the following categories:

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

***Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)***

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

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

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

***Loans and Receivables***

For details refer to Note 2(o).

***Financial Liabilities at Amortised Cost***

Amortised cost is calculated using the effective interest method.

Note 19 provides additional information on financial instruments.

## SECTION 5: FINANCIAL STATEMENTS

**(u) 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.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/ liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/ functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs are unobservable.

## SECTION 5: FINANCIAL STATEMENTS

## 3. OPERATING STATEMENT BY OUTPUT

	Flora and Fauna		Rangelands		Water Resources		Bushfires		Corporate and Governance		Shared Services Provided		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income</b>														
Grants and subsidies revenue														
Current	743	742	170	180	860	236	1 755	1 371	-	-	-	-	3 528	2 529
Appropriation														
Output	4 861	5 362	8 749	7 962	11 355	10 256	6 519	5 779	1 781	1 674	2 444	2 005	35 709	33 038
Commonwealth	34	-	-	-	510	553	305	-	-	-	-	-	849	553
Sales of goods and services	87	540	104	1	831	1 900	621	431	-	-	4 703	4 821	6 346	7 693
Interest Revenue	-	-	25	10	-	-	-	-	-	-	-	-	25	10
Goods and services received free of charge <sup>(1)</sup>	589	673	772	881	1 209	1 379	377	430	134	153	649	741	3 730	4 257
Other income	1	-	15	229	42	62	2	-	1	1	8	4	69	296
<b>Total Income</b>	<b>6 315</b>	<b>7 317</b>	<b>9 835</b>	<b>9 263</b>	<b>14 807</b>	<b>14 386</b>	<b>9 579</b>	<b>8 011</b>	<b>1 916</b>	<b>1 828</b>	<b>7 804</b>	<b>7 571</b>	<b>50 256</b>	<b>48 376</b>
<b>Expenses</b>														
Employee expenses	3 925	3 876	5 914	5 377	8 656	8 068	3 080	2 387	1 093	974	4 795	4 471	27 463	25 153
Administrative expenses														
Purchases of goods and services	1 824	3 293	2 256	2 450	5 376	4 213	3 631	2 807	575	277	1 546	1 487	15 208	14 527
Repairs and maintenance	88	188	705	556	43	126	173	331	37	224	-	-	1 046	1 425
Depreciation and amortisation <sup>(1)</sup>	62	38	107	34	475	427	162	187	4	35	34	59	844	780
Other administrative expenses <sup>(1)</sup>	589	673	772	883	1 209	1 379	378	433	134	153	649	741	3 731	4 262
Grants and subsidies expenses														
Current	70	80	112	140	270	299	2 618	2 569	-	-	-	-	3 070	3 088
Interest Expense	-	-	25	10	-	-	-	-	-	-	-	-	25	10
Loss on disposal of assets	-	-	2	2	3	1	257	-	-	-	-	-	262	3
<b>Total Expenses</b>	<b>6 558</b>	<b>8 148</b>	<b>9 893</b>	<b>9 452</b>	<b>16 032</b>	<b>14 513</b>	<b>10 299</b>	<b>8 714</b>	<b>1 843</b>	<b>1 663</b>	<b>7 024</b>	<b>6 758</b>	<b>51 649</b>	<b>49 248</b>
<b>Net Surplus/(Deficit)</b>	<b>(243)</b>	<b>(831)</b>	<b>(58)</b>	<b>(189)</b>	<b>(1 225)</b>	<b>(127)</b>	<b>(720)</b>	<b>(703)</b>	<b>73</b>	<b>165</b>	<b>780</b>	<b>813</b>	<b>(1 393)</b>	<b>(872)</b>

1. Includes DC/IS service charges.

## SECTION 5: FINANCIAL STATEMENTS

## 4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2015 \$'000	2014 \$'000
Corporate and information services	3 730	4 257
<b>Total Goods and Services Received Free of Charge</b>	<b>3 730</b>	<b>4 257</b>

## 5. PURCHASES OF GOODS AND SERVICES

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

**Goods and services expenses**

Consultants <sup>(1)</sup>	947	338
Advertising <sup>(2)</sup>	160	143
Marketing and promotion <sup>(3)</sup>	195	161
Document production	60	63
Legal expenses <sup>(4)</sup>	195	22
Recruitment <sup>(5)</sup>	77	65
Training and study	424	351
Official duty fares	1 194	1 921
Travelling allowance	534	403

1. Includes marketing, promotion and IT consultants.

2. Does not include recruitment advertising.

3. Excludes advertising for marketing and promotion and marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

4. Includes legal fees, claim and settlement costs.

5. Includes recruitment related advertising costs.

## 6. LOSS ON DISPOSAL OF ASSETS

Net proceeds from the disposal of non-current assets	12	-
Less: Carrying value of non-current assets disposed	(274)	(3)
<b>(Loss) on the Disposal of Non-Current Assets</b>	<b>(262)</b>	<b>(3)</b>

## 7. CASH AND DEPOSITS

Cash on hand	3	3
Cash at bank	7 399	7 149
<b>Total Cash and Deposits</b>	<b>7 402</b>	<b>7 152</b>

## 8. RECEIVABLES

**Current**

Accounts receivable	410	229
Less: Allowance for impairment losses	(7)	(6)
	403	223
Interest receivables	2	1
GST receivables	235	382
Other receivables	108	76
<b>Total Receivables</b>	<b>748</b>	<b>682</b>

## 9. INVENTORIES

**General Inventories**

At cost	6	21
<b>Total Inventories</b>	<b>6</b>	<b>21</b>

## SECTION 5: FINANCIAL STATEMENTS

## 10. PROPERTY, PLANT AND EQUIPMENT

	2015 \$'000	2014 \$'000
<b>Land</b>		
At Fair Value	4 932	2 045
	4 932	2 045
<b>Buildings</b>		
At Fair Value	8 752	8 097
Less: Accumulated Depreciation	(4 251)	(3 891)
	4 501	4 206
<b>Infrastructure</b>		
At Fair Value	489	169
Less: Accumulated Depreciation	(119)	(24)
	370	145
<b>Plant and Equipment</b>		
At Cost	10 150	9 820
Less: Accumulated Depreciation	(8 367)	(8 047)
	1 783	1 773
<b>Transport Equipment</b>		
At Cost	1 440	1 459
Less: Accumulated Depreciation	(1 010)	(974)
	430	485
<b>Computer Hardware</b>		
At Cost	216	281
Less: Accumulated Depreciation	(187)	(230)
	29	51
<b>Total Property, Plant and Equipment</b>	<b>12 045</b>	<b>8 705</b>

**Property, Plant and Equipment Valuations**

An independent valuation of land, buildings and infrastructure assets was undertaken by Territory Property Consultants as at 30 June 2015. Refer to Note 12 Fair Value Measurement of Non-Financial Assets for additional disclosures.

**Impairment of Property, Plant and Equipment**

Department property, plant and equipment assets were assessed for impairment as at 30 June 2015. No impairment adjustments were required as a result of this review.

## SECTION 5: FINANCIAL STATEMENTS

**Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2014-15 and 2013-14 is set out below:

2014-15	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Transport Equipment \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2014</b>	<b>2 045</b>	<b>4 206</b>	<b>145</b>	<b>1 773</b>	<b>485</b>	<b>51</b>	<b>8 705</b>
Additions	-	-	-	277	48	-	325
Disposals	-	(257)	-	(8)	(9)	-	(274)
Revaluation Increments	1 467	217	75	-	-	-	1 759
Additions/ (Disposals) from asset transfers	1 420	585	167	111	-	-	2 283
Depreciation and amortisation	-	(250)	(17)	(370)	(94)	(22)	(753)
<b>Carrying Amount as at 30 June 2015</b>	<b>4 932</b>	<b>4 501</b>	<b>370</b>	<b>1 783</b>	<b>430</b>	<b>29</b>	<b>12 045</b>

2013-14	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Transport Equipment \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2013</b>	<b>2 045</b>	<b>4 353</b>	<b>149</b>	<b>1 534</b>	<b>588</b>	<b>67</b>	<b>8 736</b>
Additions	-	-	-	609	-	14	623
Disposals	-	-	-	(3)	-	-	(3)
Additions/(Disposals) from asset transfers	-	88	-	21	-	-	109
Depreciation and amortisation	-	(235)	(4)	(388)	(103)	(30)	(760)
<b>Carrying Amount as at 30 June 2014</b>	<b>2 045</b>	<b>4 206</b>	<b>145</b>	<b>1 773</b>	<b>485</b>	<b>51</b>	<b>8 705</b>

**11. INTANGIBLES**

	2015 \$'000	2014 \$'000
<b>Carrying Amounts</b>		
<b>Intangibles with a finite useful life</b>		
<b>Intangibles – Computer Software</b>		
At Cost	498	136
Less: Accumulated Amortisation	(200)	(109)
<b>Written Down Value – 30 June</b>	<b>298</b>	<b>27</b>

**Impairment of Intangibles**

Department intangible assets were assessed for impairment as at 30 June 2015. No impairment adjustments were required as a result of this review.

<b>Reconciliation of Movements</b>		
<b>Intangibles with a finite useful life</b>		
Carrying Amount at 1 July	27	47
Additions	362	-
Asset Transfer	-	-
Depreciation and Amortisation	(91)	(20)
<b>Carrying Amount as at 30 June</b>	<b>298</b>	<b>27</b>



## SECTION 5: FINANCIAL STATEMENTS

## 12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

## (a) Fair Value Hierarchy

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

2014-15	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
<b>Asset Classes</b>				
Land (Note 10)	-	4 932	-	4 932
Buildings (Note 10)	-	-	4 501	4 501
Infrastructure (Note 10)	-	-	370	370
Plant and equipment (Note 10)	-	-	1 783	1 783
Transport equipment (Note 10)	-	-	430	430
Computer hardware (Note 10)	-	-	29	29
Intangibles (Note 11)	-	-	298	298
<b>Total Fair Value</b>	<b>-</b>	<b>4 932</b>	<b>7 411</b>	<b>12 343</b>

2014-15	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
<b>Asset Classes</b>				
Land (Note 10)	-	-	2 045	2 045
Buildings (Note 10)	-	-	4 206	4 206
Infrastructure (Note 10)	-	-	145	145
Plant and equipment (Note 10)	-	-	1 773	1 773
Transport equipment (Note 10)	-	-	485	485
Computer hardware (Note 10)	-	-	51	51
Intangibles (Note 11)	-	-	27	27
<b>Total Fair Value</b>	<b>-</b>	<b>-</b>	<b>8 732</b>	<b>8 732</b>

## SECTION 5: FINANCIAL STATEMENTS

Land was transferred from Level 3 to Level 2 during 2014-15 as result of the revaluation as shown in table (c) (i) below.

**(b) Valuation Techniques and Inputs**

Valuation techniques used to measure fair value are:

Asset Classes	Level 2 Technique	Level 3 Technique
Land	Market	Cost
Buildings	-	Cost
Infrastructure	-	Cost
Plant and equipment	-	Cost
Transport equipment	-	Cost
Computer hardware	-	Cost
Intangibles	-	Cost

There were no changes in valuation techniques from 2013-14 to 2014-15.

The department's land, buildings and infrastructure are revalued at least once every five years.

The department's land, building and infrastructure are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, including any additions or modifications. The latest revaluation of these assets was performed by Territory Property Consultants as at 30 June 2015.

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

Level 3 fair values are predominantly related to buildings and infrastructure and were determined by computing their depreciated replacement costs because an active market does not exist for such assets due to their unique nature and potential inherent restrictions upon use. The depreciated replacement cost was based on a combination of internal records of the historical cost of the assets, adjusted for contemporary pricing and construction approaches, the remaining useful life of the assets, and current condition of the assets.

**(c) Additional information for Level 3 Fair value Measurements****(i) Reconciliation of Recurring Level 3 Fair Value Measurements**

2014-15	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Transport equipment \$'000	Computer hardware \$'000	Intangibles \$'000
Fair value as at 1 July 2014	2 045	4 206	145	1 773	485	51	27
Additions	-	-	-	277	48	-	362
Disposals	-	(257)	-	(8)	(9)	-	-
Transfers to Level 2	(2 045)	-	-	-	-	-	-
Additions/ (Disposals) from asset transfers	-	585	167	111	-	-	-
Depreciation and amortisation	-	(250)	(17)	(370)	(94)	(22)	(91)
Gains/(losses) recognised in other comprehensive income	-	217	75	-	-	-	-
<b>Fair value as at 30 June 2015</b>	<b>-</b>	<b>4 501</b>	<b>370</b>	<b>1 783</b>	<b>430</b>	<b>29</b>	<b>298</b>

## SECTION 5: FINANCIAL STATEMENTS

2013-14	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Transport equipment \$'000	Computer hardware \$'000	Intangibles \$'000
Fair value as at 1 July 2013	2 045	4 353	149	1 534	588	67	47
Additions	-	-	-	609	-	14	-
Disposals	-	-	-	(3)	-	-	-
Additions/ (Disposals) from asset transfers	-	88	-	21	-	-	-
Depreciation and amortisation	-	(235)	(4)	(388)	(103)	(30)	(20)
<b>Fair value as at 30 June 2014</b>	<b>2 045</b>	<b>4 206</b>	<b>145</b>	<b>1 773</b>	<b>485</b>	<b>51</b>	<b>27</b>

**(ii) Sensitivity analysis**

Unobservable inputs used in computing the fair value of land, buildings and infrastructure include the historical cost and the consumed economic benefit for each asset. Given the large number of assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

**13. PAYABLES**

	2015 \$'000	2014 \$'000
Accounts payable	796	2 113
Accrued expenses	1 433	1 590
<b>Total Payables</b>	<b>2 229</b>	<b>3 703</b>

**14. PROVISIONS****Current**

<b>Employee benefits</b>		
Recreation leave	3 436	3 737
Leave loading	405	374
Other employee benefits	68	47
<b>Other Current Provisions</b>		
Other provisions (fringe benefits, payroll tax , superannuation and other)	980	586
<b>Total Provisions</b>	<b>4 889</b>	<b>4 744</b>
<b>Balance as at 1 July</b>	<b>4 744</b>	<b>4 663</b>
Additional provisions recognised	3 140	3 086
Reductions arising from payments	(2 995)	(3 005)
<b>Balance as at 30 June</b>	<b>4 889</b>	<b>4 744</b>

The Department had 282 employees as at 30 June 2015 (279 employees as at 30 June 2014).

## SECTION 5: FINANCIAL STATEMENTS

## 15. DEPOSITS HELD

	2015 \$'000	2014 \$'000
<b>Current</b>		
Deposits held - natural heritage trust, accountable officers trust account and clearing accounts	1 186	473
<b>Total Deposits Held</b>	<b>1 186</b>	<b>473</b>

## 16. OTHER LIABILITIES

<b>Current</b>		
Unearned revenue	1 266	772
	<b>1 266</b>	<b>772</b>
<b>Non-Current</b>		
Unearned revenue	55	83
<b>Total Other Liabilities</b>	<b>1 321</b>	<b>855</b>

## 17. RESERVES

**Asset Revaluation Reserve**

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

Balance as at 1 July	1 850	1 850
Increment – Land	1 467	-
Increment – Buildings	217	-
Increment – Infrastructure	75	-
<b>Balance as at 30 June</b>	<b>3 609</b>	<b>1 850</b>

## 18. NOTES TO THE CASH FLOW STATEMENT

**Reconciliation of Cash**

The total of department Cash and Deposits of \$7.4 million recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

**Reconciliation of Net (Deficit) to Net Cash From Operating Activities**

<b>Net (Deficit)/Surplus</b>	(1 393)	(872)
<b>Non-Cash Items:</b>		
Depreciation and amortisation	844	780
Repairs & maintenance non cash	8	66
Loss on disposal of assets	262	3
<b>Changes in assets and liabilities:</b>		
(Increase)/Decrease in receivables	(66)	1 014
Decrease in inventories	15	88
(Increase) in prepayments	(45)	(54)
(Decrease)/Increase in payables	(1 474)	1 307
Increase in other provisions	394	28
(Decrease)/Increase in employment benefits	(249)	53
Increase/(Decrease) in other liabilities	466	(93)
<b>Net Cash From Operating Activities</b>	<b>1 238</b>	<b>2 320</b>

## SECTION 5: FINANCIAL STATEMENTS

**19. FINANCIAL INSTRUMENTS**

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

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

**(a) Categorisation of Financial Instruments**

	2015 \$'000	2014 \$'000
<b>Financial Assets</b>		
Cash and deposits	7 402	7 152
Loans and receivables <sup>(1)</sup>	490	235
	7 892	7 387
<b>Financial Liabilities</b>		
Amortised cost	2 616	3 533

1. The amount of loans and receivables excludes GST and FBT recoverable from ATO (statutory receivable).

**(b) Credit Risk**

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

Additionally, the nature of the department's revenue is such that if the debtor was to default on the debt it would cause them to suffer a business impact through the department's ability to discontinue licences etc. until financial obligations are met. Primarily the department's credit risk comes from the regulatory work performed on behalf of landholders (i.e. fire breaks under section 47 of the *Bushfires Act*). In these instances if a debt is not settled the department has the ability, and does, take a lien over the property whereby the debt will be settled on sale of the property.

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

## SECTION 5: FINANCIAL STATEMENTS

**Receivables**

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

	2015 \$'000	2014 \$'000
<b>Internal Receivables</b>		
<b>Ageing of Receivables</b>		
Not Overdue	370	146
Overdue for less than 30 Days	-	-
Overdue for 30 to 60 Days	-	-
Overdue for more than 60 Days (includes S47 Firebreaks)	-	-
<b>Total Gross Receivables</b>	<b>370</b>	<b>146</b>

**Reconciliation of the Allowance for Impairment Losses**

Allowance for impairment losses at the beginning of the reporting period	-	-
Increase/(Decrease) in allowance recognised in profit or loss	-	-
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>-</b>	<b>-</b>

**External Receivables**

<b>Ageing of Receivables</b>		
Not Overdue	45	6
Overdue for less than 30 Days	22	30
Overdue for 30 to 60 Days	1	-
Overdue for more than 60 Days (includes S47 Firebreaks)	59	59
<b>Total Gross Receivables</b>	<b>127</b>	<b>95</b>

**Reconciliation of the Allowance for Impairment Losses**

Allowance for impairment losses at the beginning of the reporting period	6	3
Increase in allowance recognised in profit or loss	1	3
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>7</b>	<b>6</b>

**(c) Liquidity Risk**

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.

The department's liquidity risk includes credit cards which are managed with tight controls and low limits. Credit card use and limits are reviewed regularly.

The following tables detail the undiscounted cash flows payable by the department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted and totals may not reconcile to carrying amounts presented in the Balance Sheet.

## SECTION 5: FINANCIAL STATEMENTS

## Maturity Analysis for Financial Assets and Liabilities

2015	Variable interest \$'000	Non Interest Bearing		Carrying Amount \$'000
		1 year \$'000	2 year \$'000	
<b>Assets</b>				
Cash and deposits	1 184	6 218	-	7 402
Receivables	-	490	-	490
<b>Total Financial Assets</b>	<b>1 184</b>	<b>6 708</b>	<b>-</b>	<b>7 892</b>
<b>Liabilities</b>				
Deposits held	1 184	2	-	1 186
Payables	-	1 430	-	1 430
<b>Total Financial Liabilities</b>	<b>1 184</b>	<b>1 432</b>	<b>-</b>	<b>2 616</b>

2014	Variable interest \$'000	Non Interest Bearing		Carrying Amount \$'000
		1 year \$'000	2 year \$'000	
<b>Assets</b>				
Cash and deposits	466	6 686	-	7 152
Receivables	-	235	-	235
<b>Total Financial Assets</b>	<b>466</b>	<b>6 921</b>	<b>-</b>	<b>7 387</b>
<b>Liabilities</b>				
Deposits held	466	7	-	473
Payables	-	3 060	-	3 060
<b>Total Financial Liabilities</b>	<b>466</b>	<b>3 067</b>	<b>-</b>	<b>3 533</b>

**(d) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. It comprises interest rate risk, price risk and currency risk. The primary market risk that the department is exposed to is interest rate risk.

**(i) Interest Rate Risk**

The department has limited exposure to interest rate risk as all financial assets and financial liabilities, with the exception of the Single Holding Account deposits held, are non-interest bearing. Changes to the variable rates of 100 basis points (1%) at reporting date would have had no effect on the department's profit or loss and equity as interest earned on the Single Holding Account is accounted for as both an asset and a liability.

**(ii) Price Risk**

The department is not exposed to price risk as the department does not hold units in unit trusts.

**(iii) Currency Risk**

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

**(e) Net Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates to their respective net fair values. Where differences exist, these are not material.

## SECTION 5: FINANCIAL STATEMENTS

## 20. COMMITMENTS

	2015		2014	
	Internal \$'000	External \$'000	Internal \$'000	External \$'000
<b>(i) Other Expenditure Commitments</b>				
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:				
Within one year	-	3 223	-	1 121
Later than one year and not later than five years	-	3 897	-	822
	-	<b>7 120</b>	-	<b>1 943</b>
<b>(ii) Operating Lease Commitments</b>				
The Department leases property under non-cancellable operating leases expiring from 1 to 5 years. Leases generally provide the Department with a right of renewal at which time all lease terms are renegotiated. The Department also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:				
Within one year	-	1 391	-	1 282
Later than one year and not later than five years	-	3 378	-	3 542
	-	<b>4 769</b>	-	<b>4 824</b>

## 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

**(a) Contingent Liabilities**

The department is currently involved in a claim but due to the uncertainty of any potential liability no value can be attributed to this claim.

**(b) Contingent Assets**

The department had no contingent assets as at 30 June 2015 or 30 June 2014.

## 22. EVENTS SUBSEQUENT TO BALANCE SHEET 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.



## SECTION 5: FINANCIAL STATEMENTS

## 23. WRITE-OFFS, POSTPONEMENT, WAIVERS GIFTS AND EX GRATIA PAYMENTS

	Department / group		Department / group		Territory Items		Territory Items	
	2015 \$'000	no. of Trans	2014 \$'000	no. of Trans	2015 \$'000	no. of Trans	2014 \$'000	no. of Trans
<b>Write-offs, Postponements and Waivers under the <i>Financial Management Act</i></b>								
Represented by:								
<u>Amounts written off, waived and postponed by Delegates</u>								
Irrecoverable amounts payable to the Territory or an Agency written off	-	-	-	-	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	12	16	3	77	-	-	-	-
<b>Total written off, waived and postponed by Delegates</b>	<b>12</b>	<b>16</b>	<b>3</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ex Gratia Payments under the <i>Financial Management Act</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 24. SCHEDULE OF TERRITORY ITEMS

The following Territory items are managed by the Department on behalf of the Government and are recorded in the Central Holding Authority (refer note 2(c)).

	2015 \$'000	2014 \$'000
<b>TERRITORY INCOME AND EXPENSES</b>		
<b>Income</b>		
Grants and subsidies revenue		
Capital	-	-
Fees from regulatory services	-	2
Royalties and rents	3 123	3 239
Fines	-	1
<b>Total Income</b>	<b>3 123</b>	<b>3 242</b>
<b>Expenses</b>		
Central Holding Authority income transferred	3 123	3 242
<b>Total Expenses</b>	<b>3 123</b>	<b>3 242</b>
<b>Territory Income less Expenses</b>	<b>-</b>	<b>-</b>
<b>TERRITORY ASSETS AND LIABILITIES</b>		
<b>Assets</b>		
Royalties and rent receivable	190	661
<b>Total Assets</b>	<b>190</b>	<b>661</b>
<b>Liabilities</b>		
Central Holding Authority income payable	190	661
<b>Total Liabilities</b>	<b>190</b>	<b>661</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>

## SECTION 5: FINANCIAL STATEMENTS

## 25. BUDGETARY INFORMATION

Comprehensive Operating Statement	2014-15 Actual \$'000	2014-15 Original Budget \$'000	Variance \$'000	Note
<b>Income</b>				
Grants and subsidies revenue				
Current	3 528	1 540	1 988	1
Appropriation				
Output	35 709	34 599	1 110	2
Commonwealth	849	510	339	
Sales of goods and services	6 346	6 400	(54)	
Interest revenue	25	-	25	
Goods and services received free of charge	3 730	4 655	(925)	
Other income	69	-	69	
<b>Total Income</b>	<b>50 256</b>	<b>47 704</b>	<b>2 552</b>	
<b>Expenses</b>				
Employee expenses	27 463	26 806	657	
Administrative expenses				
Purchases of goods and services	15 208	13 585	1 623	3
Repairs and maintenance	1 046	1 124	(78)	
Depreciation and amortisation	844	739	105	
Other administrative expenses	3 731	4 655	(924)	
Grants and subsidies expenses				
Current	3 070	2 580	490	
Interest expenses	25	-	25	
Loss on disposal of assets	262	-	262	
<b>Total Expenses</b>	<b>51 649</b>	<b>49 489</b>	<b>2 160</b>	
<b>Net Deficit</b>	<b>(1 393)</b>	<b>(1 785)</b>	<b>392</b>	
<b>Other Comprehensive Income</b>				
Changes in asset revaluation reserve	1 759	-	1 759	4
<b>Total Other Comprehensive Income</b>	<b>1 759</b>	<b>-</b>	<b>1 759</b>	
<b>Comprehensive Result</b>	<b>366</b>	<b>(1 785)</b>	<b>2 151</b>	

## Notes

The following note descriptions relate to variances greater than 10 per cent or \$1 million, or where multiple significant variances have occurred.

1. The increase in current grants and subsidies revenue is due to new externally funded programs being sourced since the publication of the 2014-15 budget papers
2. The increase in output appropriation is due to increased funding for wildfires, workers compensation and new staffing arrangements
3. The increase in goods and services expenditure is due to wildfire expenses and expenditure on externally funded projects
4. The increase in changes in asset revaluation reserve is due to the increment recorded in fair values of land, buildings and infrastructure assets as a result of the revaluation conducted by Territory Property Consultants during 2014-15.

## SECTION 5: FINANCIAL STATEMENTS

Balance Sheet	2014-15 Actual \$'000	2014-15 Original Budget \$'000	Variance \$'000	Note
<b>Assets</b>				
<b>Current Assets</b>				
Cash	7 402	5 279	2 123	1
Receivables	748	1 698	(950)	
Inventories	6	110	(104)	
Prepayments	215	115	100	
<b>Total Current Assets</b>	<b>8 371</b>	<b>7 202</b>	<b>1 169</b>	
<b>Non-Current Assets</b>				
Property, plant and equipment	12 045	8 708	3 337	2
Intangible assets	298	-	298	
<b>Total Non-Current Assets</b>	<b>12 343</b>	<b>8 708</b>	<b>3 635</b>	
<b>Total Assets</b>	<b>20 714</b>	<b>15 910</b>	<b>4 804</b>	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits held	1 186	457	729	
Payables	2 229	2 398	(169)	
Provisions	4 889	4 663	226	
Other liabilities	1 266	947	319	
<b>Total Current Liabilities</b>	<b>9 570</b>	<b>8 465</b>	<b>1 105</b>	
<b>Non-Current Liabilities</b>				
Other liabilities	55	-	55	
<b>Total Non-Current Liabilities</b>	<b>55</b>	<b>-</b>	<b>55</b>	
<b>Total Liabilities</b>	<b>9 625</b>	<b>8 465</b>	<b>1 160</b>	
<b>Net Assets</b>	<b>11 089</b>	<b>7 445</b>	<b>3 644</b>	
<b>Equity</b>				
Capital	83 052	82 188	864	
Reserves	3 609	1 850	1 759	3
Accumulated funds	(75 572)	(76 593)	1 021	4
<b>Total Equity</b>	<b>11 089</b>	<b>7 445</b>	<b>3 644</b>	

**Notes**

The following note descriptions relate to variances greater than 10 per cent or \$1 million, or where multiple significant variances have occurred.

1. The increase in cash is due to unearned revenue and externally funded projects which will be completed in 2015-16
2. The increase in property, plant and equipment is due to the increment recorded in fair values of land, buildings and infrastructure assets as a result of the revaluation conducted by Territory Property Consultants during 2014-15
3. The increase in the reserves is due to the increment recorded in fair values of land, buildings and infrastructure assets as a result of the revaluation conducted by Territory Property Consultants during 2014-15
4. The variance in accumulated funds is due to a better than budgeted operating result.

## SECTION 5: FINANCIAL STATEMENTS

Cash Flow Statement	2014-15 Actual \$'000	2014-15 Original Budget \$'000	Variance \$'000	Note
<b>Cash Flows From Operating Activities</b>				
<b>Operating Receipts</b>				
Grants and subsidies received				
Current	3 528	1 540	1 988	1
Appropriation				
Output	35 709	34 599	1 110	2
Commonwealth	849	510	339	
Receipts from sales of goods and services	8 447	6 400	2 047	3
Interest received	24	-	24	
<b>Total Operating Receipts</b>	<b>48 557</b>	<b>43 049</b>	<b>5 508</b>	
<b>Operating Payments</b>				
Payment to employees	(27 128)	(26 806)	(322)	
Payments for goods and services	(19 573)	(14 709)	(4 864)	4
Grants and subsidies paid				
Current	(3 070)	(2 580)	(490)	
Interest paid	(24)	-	(24)	
<b>Total Operating Payments</b>	<b>(49 795)</b>	<b>(44 095)</b>	<b>(5 700)</b>	
<b>Net Cash (Used In) Operating Activities</b>	<b>(1 238)</b>	<b>(1 046)</b>	<b>(192)</b>	
<b>Cash Flows From Investing Activities</b>				
<b>Investing Receipts</b>				
Proceeds from asset sales	12	-	12	
<b>Total Investing Receipts</b>	<b>12</b>	<b>-</b>	<b>12</b>	
<b>Investing Payments</b>				
Purchase of assets	(687)	(450)	(237)	
<b>Total Investing Payments</b>	<b>(687)</b>	<b>(450)</b>	<b>(237)</b>	
<b>Net Cash (Used in) Investing Activities</b>	<b>(675)</b>	<b>(450)</b>	<b>(225)</b>	
<b>Cash Flows From Financing Activities</b>				
<b>Financing Receipts</b>				
Deposits received	713	-	713	
Equity injections				
Capital appropriations	450	450	-	
Other equity injections	1 000	1 000	-	
<b>Total Financing Receipts</b>	<b>2 163</b>	<b>1 450</b>	<b>713</b>	
<b>Net Cash From Financing Activities</b>	<b>2 163</b>	<b>1 450</b>	<b>713</b>	
Net Increase/(Decrease) in Cash Held	250	(46)	296	
Cash at Beginning of Financial Year	7 152	5 325	1 827	
<b>Cash at End of Financial Year</b>	<b>7 402</b>	<b>5 279</b>	<b>2 123</b>	

**Notes**

The following note descriptions relate to variances greater than 10 per cent or \$1 million, or where multiple significant variances have occurred.

1. The increase in current grants and subsidies revenue is due to new externally funded programs being sourced since the publication of the 2014-15 budget papers
2. The increase in output appropriation is due to increased funding for wildfires, workers compensation and new staffing arrangements
3. The increase in receipts from sales of goods and services is due to GST refunded which is not included in the budget
4. The increase in payments for goods and services is due to GST paid during the year which is not included in the budget and externally funded projects.

## SECTION 5: FINANCIAL STATEMENTS

Administered Territory Items	2014-15 Actual \$'000	2014-15 Original Budget \$'000	Variance \$'000	Note
<b>TERRITORY INCOME AND EXPENSES</b>				
<b>Income</b>				
Fees from regulatory services	-	28	(28)	
Royalties and rents	3 123	3 884	(761)	
<b>Total Income</b>	<b>3 123</b>	<b>3 912</b>	<b>(789)</b>	
<b>TERRITORY ASSETS AND LIABILITIES</b>				
<b>Assets</b>				
Royalties and rent receivable	190	1 260	(1 070)	
<b>Total Assets</b>	<b>190</b>	<b>1 260</b>	<b>(1 070)</b>	
<b>Liabilities</b>				
Central Holding Authority income payable	190	1 260	(1 070)	
<b>Total Liabilities</b>	<b>190</b>	<b>1 260</b>	<b>(1 070)</b>	
<b>NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Notes**

Variances greater than 10 per cent or \$1 million are recognised as significant and as such require explanation. There were no significant variances between actual and budget amounts in 2014-15.

## CONTACTS

### EXECUTIVE AND CORPORATE SERVICES

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Katherine - Phone: 08 8973 8842

Darwin - Phone: 08 8999 4478

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### WEED MANAGEMENT BRANCH

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### SOIL CONSERVATION

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### PASTORAL LEASE ADMIN

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Email: rangelands@nt.gov.au

### WATER RESOURCES

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Email: waterresources@nt.gov.au

### FLORA AND FAUNA

Phone: 08 8995 5001

### BUSHFIRES NT

Phone: 08 8922 0844

Website: [www.lrm.nt.gov.au](http://www.lrm.nt.gov.au)

## APPENDIX 1

### Northern Territory Catchments Advisory Committee

**The committee comprises:**

- Mr George Roussos (Chair)
- Ms Kate Peake
- Mr Tom Harris
- Ms Mona Liddy
- Mr Colin Beard
- Mr Kit Jolley
- Ms Maria Kraatz

### Bushfires Council of the Northern Territory

**The council comprises:**

- Mr Paul Blore (Chair)
- Ms Alice Beilby
- Mrs Dianne Tynan
- Mr Garry Cook
- Ms Trish Rigby-Christopherson
- Mr Shaun Ansell
- Mr Bruce Sawyer
- Mr Len Rule
- Mr Todd Smith
- Mr Stephen Rothwell
- Mr Chris Whatley
- Ms Elizabeth Bird
- Mr Norman Hooker
- Mr Robert Bright
- Mr Walter Braitling

### Bushfires Committees - Regional

**The committees comprise:**

**Alice Springs Regional**

- Mr Walter Braitling (Chair)
- Mr Angus McKay
- Mr Ashley Severin
- Mr Benjamin Heaslip
- Ms Elizabeth Bird
- Mr William Hayes

**Arafura Regional**

- Mr Leonard Rule (Chair)
- Mr Brian Muir
- Mr Gordon Coward
- Mr Daniel Thompson

**Arnhem Regional**

- Mr Clarry Rogers
- Mr Gibson Farmer
- Mrs Jessie Alderson
- Mr Otto Campion

**Barkly Regional**

- Mr Christopher Towne
- Mr Norman Hooker
- Mr Kenneth Ford
- Mr Stephen Peatling
- Mr Michael Johnson

**Savannah Regional**

- Mr Christopher Whatley (Chair)
- Ms Alice Beilby
- Mr Gary Riggs
- Mr James Zlotzkowsky
- Mr Robert Venturin

**Vernon Regional**

- Mr Robert Bright (Chair)
- Mr Colin Deveraux
- Mr David McLachlan
- Mr Ian Stewart
- Mr Raymond Nichols

### Northern Territory Weed Advisory Committee

**The committee comprises:**

- Mr Brian Hill
- Dr Margaret Friedel
- Mr Garry Fischer
- Mr Neil MacDonald
- Ms Jane Dellow
- Mr Samuel Rando

### Pastoral Land Board

**The Board comprises:**

- Mr Richard Galton (Chair)
- Mr Steven Craig
- Ms Colleen Costello
- Dr Campbell Miller







