

# 2015-16 Annual Report





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# 2015-16 ANNUAL REPORT

DEPARTMENT OF LAND RESOURCE MANAGEMENT





# Purpose

The annual report of the Department of Land Resource Management provides a record of the department's achievements for the 2015-16 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

This annual report provides information to many target audiences about the department's activities and achievements for the 2015-16 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 2016.

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



The Hon. Lauren Moss  
Minister for Environment and Natural Resources  
Parliament House  
State Square  
Darwin NT 0800

Dear Minister

I am delighted to present you with the 2015-16 Annual Report of the Department of Land Resource Management, which has been prepared in accordance with the provisions of section 28 of the *Public Sector Employment and Management Act* and section 12 of the *Financial Management Act*.

As a result of departmental restructuring announced in September 2016, following the August 2016 Northern Territory general election, the Department of Land Resource Management now forms part of a new Government department, the Department of Environment and Natural Resources.

Pursuant to my responsibilities as the Accountable Officer under the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*, I advise that to the best of my knowledge and belief:

- (a) proper records of all transactions affecting the Department of Land Resource Management are kept and all employees under my control observe the provisions of the *Financial Management Act*, its regulations and applicable Treasurer's Directions;
- (b) procedures within the department afford proper internal control and these procedures are recorded in the 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;
- (d) in accordance with section 15 of the *Financial Management Act*, the internal audit capacity was adequate and the results of all internal audit matters were reported to me;
- (e) the financial statements included in this annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions;
- (f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied; and
- (g) in respect to my responsibilities pursuant to section 131 of the *Information Act*, processes have been implemented to achieve compliance with the archives and records management provisions prescribed in Part 9 of the *Information Act*.

Yours sincerely



Alastair Shields  
Acting Chief Executive Officer  
Department of Environment and Natural Resources  
30 September 2016



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# Chief Executive Officer's Overview



I am pleased to present my second Annual Report for the Department of Land Resource Management for the year ended 30 June 2016. The report provides a comprehensive account of the Department's functions and performance against approved budgets and resources for the 2015/2016 financial year.

I continue to be very impressed by the dedication, commitment and professionalism of staff in the Department. They have continued to provide me with their unflinching support in my role as Chief Executive Officer.

The Department's contribution was recognised at the 2015 Chief Minister's Awards, with the Flora and Fauna Division winning the Delivering a Balanced Environment category for the Darwin Harbour Coastal Dolphin Monitoring Program. The Rangelands Division was also shortlisted as a finalist in the Developing the North category for the Legislative Reform and Program Implementation of Non-Pastoral Use Permits under the *Pastoral Land Act*.

I was delighted that a Chief Minister's medal was also presented to Mr Peter Brocklehurst of the Rangelands Division. Peter, known as Doc, is our Principal Vegetation Scientist who has given unwavering and outstanding public service for over 32 years.

The ongoing public and media interest in the allocation of water licences has continued to illustrate to me that there is a strong need to engage with the community, stakeholders and industry to demonstrate that our framework for the allocation of water is consistent with the National Water Initiative and is based on science, including proper modelling. I was pleased to note that an independent review of some of the Department's water modelling by the Goyder Institute concluded that our modelling was fit for purpose.

Events such as the third Northern Territory Water Forum which was held in Katherine in May this year provided a useful opportunity to engage with industry stakeholders and the broader community to demonstrate the approach adopted by the Water Resources Division and the Water Controller.

In May this year, an analysis of ground water levels taken from monitoring bores in the Darwin rural area, and based on estimated water usage, concluded that there is a risk that some 740 out of an estimated 3,300 bores in the Darwin rural area, were at risk of running dry in late 2016, due to the combined effect of back to back poor wet seasons and increased water usage due to the continued development of the Darwin rural area.

The Water Resources Division immediately established "Bore Central" to provide a service to bore holders in the Darwin rural area to provide information tailored to suit their specific bore, together with information on how to limit water usage, and have a contingency plan for the event that their bores run dry.

The Department will continue to work with pastoralists, project proponents, landowners (including Indigenous land owners) 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.

A handwritten signature in blue ink that reads "Alastair Shields".

Alastair Shields  
Acting Chief Executive Officer  
Department of Environment and Natural Resources  
30 September 2016

# Our Department

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# Our Department

The Department of Land Resource Management provides advice and support for the sustainable development of the Northern Territory's land and water, and conservation of its unique native flora and fauna.

## Our Location



The department operates through offices located in Alice Springs, Tennant Creek, Katherine, Batchelor and Darwin to provide natural resource management extension services and advice to landholders across 1,349,129sq kms of the Northern Territory.

## Our Values



As a department we epitomise the Northern Territory Public Sector (NTPS) values which underpin how we deliver services to Territorians and promote collaboration and professionalism. These values guide us in achieving our best performance and set common expectations across the sector for all public servants.

The NTPS Values are:

- commitment to service
- ethical practice
- respect
- accountability
- impartiality
- diversity

## Our History



The Department of Land Resource Management was formed in September 2012, following a change of Government.

## Our Vision



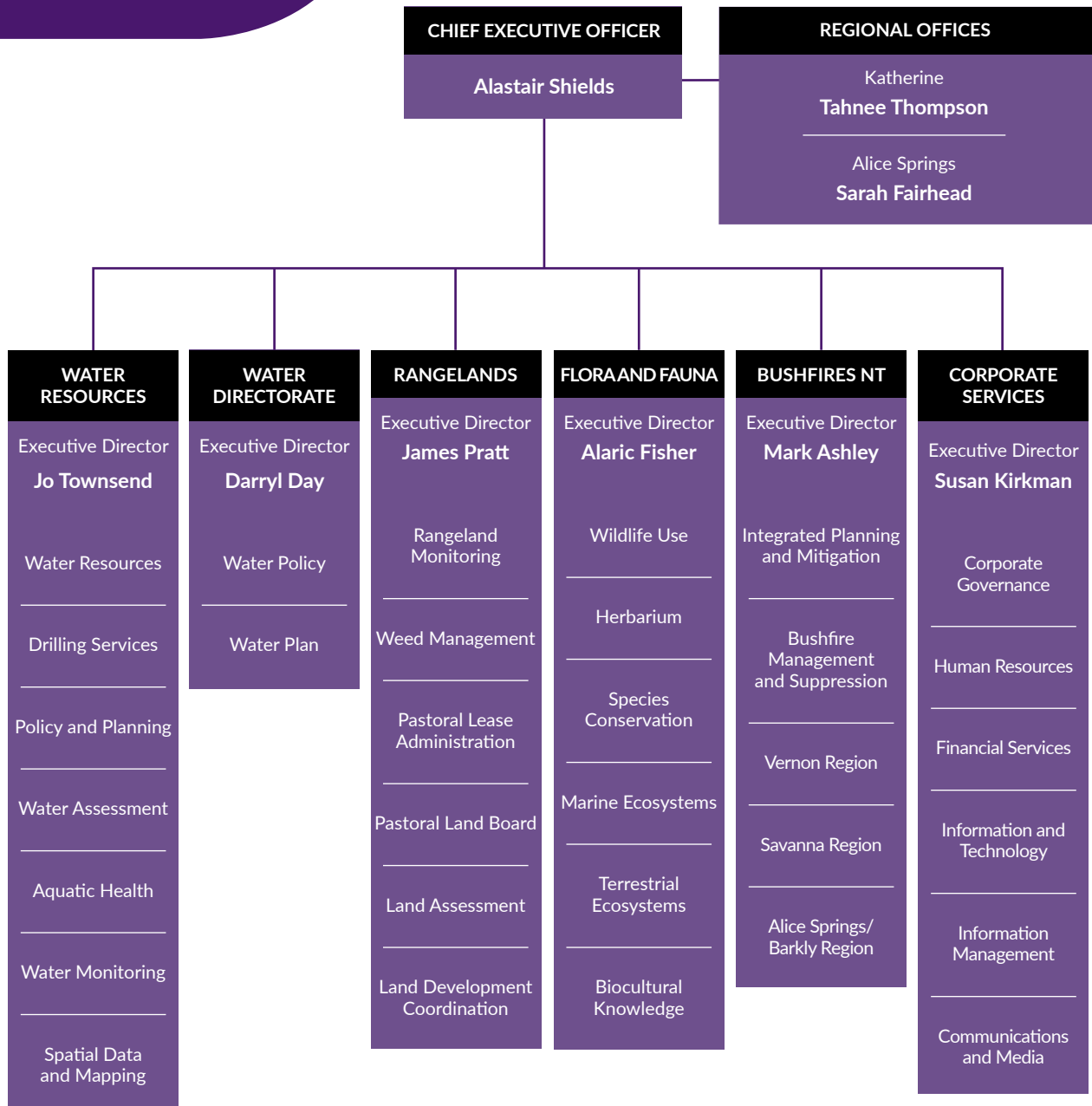
The Northern Territory's land and water resources are used appropriately for economic development and the wellbeing of all Territorians.

## Our Stakeholders



- The community
- Government agencies
- Pastoralists
- Project proponents
- Landowners
- Indigenous land management organisations
- Industry

# Our Structure



*Assess and monitor the Territory's water resources*

*Issue water licences to support economic development*

*Provide natural resource mapping and spatial data information*

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

*Assess and monitor the Territory's land resource*

*Assist landholders in managing the threat and impact of weeds*

*Assess and monitor the Territory's native flora and fauna*

*Manage the threats to our unique flora and fauna*

*Support landholders in the management and mitigation of wildfire*

*Provide support and training to volunteer bushfire brigades across the Territory*

*Provide a wide range of corporate support services*

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# Governance Board



The Governance Board is the department's principal planning and decision-making body on corporate governance matters.

The Governance Board includes representatives from all output groups of the department and also the regions.

Governance Board membership:

## Alastair Shields

*Chief Executive Officer*

Alastair was appointed the Chief Executive Officer in March 2015. Alastair was born and raised in Darwin and has more than 35 years of public sector experience in the Northern Territory. He has qualifications in Law and Accounting and has a Masters in Public Administration.



## 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 Territory Government and Power and Water Corporation for more than 30 years. He holds a Bachelor of Civil Engineering and has extensive national and international experience in water policy.



## 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 over 25 years. In that time, he has covered broad-ranging fields including wildlife inventory, biodiversity monitoring, conservation planning and environmental impact assessment.



## 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 13 years in the Northern Territory Public Sector. He has a Bachelor of Communications and Graduate Certificate in Public Sector Management. James will soon complete a Masters in Public Administration.





## Jo Townsend

*Executive Director, Water Resources*

Jo leads the Water Resources Division which includes drilling services, water assessment, policy and planning, aquatic health and spatial data and mapping. Jo joined the department in September 2015 and has more than 20 years experience in the Northern Territory Public Sector, including 12 years in executive leadership roles. Jo has a Bachelor of Arts and a Graduate Diploma in Applied Psychology.



## Susan Kirkman

*Executive Director, Corporate Services*

Susan provides organisational leadership for the Corporate Services Division 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.



## Mark Ashley

*Executive Director, Bushfires NT*

Mark provides strategic leadership and direction to the Bushfires NT Division through 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.



## 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 and holds a Bachelor of Environmental Science.



## 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 over 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.



## 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 Public Sector 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.



# Strategic Plan 2013-17

The department's Strategic Plan 2013-17 supports the Northern Territory Government's priorities. The department's divisions deliver on the strategic goals as outlined in the Plan.

Strategic goals:

## Goal 1:

The capacity and capability of the Northern Territory's natural resource assets are assessed, and outcomes of use and management, monitored.

## Goal 2:

Enable economic growth through the allocation of natural resource assets for best and sustainable use.

## Goal 3:

Threats to natural resources and regional communities are managed through shared responsibilities and partnerships.

## Goal 4:

An organisation with the capacity and capability to deliver effective services.



# Our People

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# Our People



## Overview

Employees are the lifeblood of every department. At the Department of Land Resource Management, employee commitment and satisfaction is integral in achieving our operational outcomes to effectively deliver services and programs to the Territory community.

Human Resource (HR) Services is dedicated to delivering best practice in HR management for all employees. HR Services works alongside senior managers to support and encourage a positive workplace culture. It does this

through a consistent advisory service and development of programs, policies and frameworks to comply with legislative requirements for employment.

In 2016, the Governance Board approved the release of the Indigenous Employment Strategy 2016-2020 and the Strategic Workforce Plan 2016-2020. Both of these strategic plans support the department in developing a workforce that is high performing, fair and safe, and reflecting the diversity of the community that we serve.

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## Our Workforce

During 2015-16, the department developed a Strategic Workforce Plan to ensure it has adequate human resources to meet its strategic goals and operational plans.

The plan also seeks to deliver a prosperous economy, strong society, balanced environment and confident cultures. A key challenge for the department is to ensure that our workforce has the capacity and capability to deliver against the strategic priorities set by government.

The plan has been developed with actionable strategies to address current and future workforce challenges. Key priorities outlined within the plan include leadership, diversity, culture and workforce planning for the future.

## Workforce Profile

### Employees by Classification

Classification	As at 30 June 2014	As at 30 June 2015	As at 30 June 2016	Classification	As at 30 June 2014	As at 30 June 2015	As at 30 June 2016
AO2	9	5	5	P1	7	9	10
AO3	6	6	7	P2	30	33	32
AO4	15	16	16	P3	30	31	40
AO5	13	15	20	SP1	23	20	18
AO6	15	9	15	SP2	1	2	2
AO7	15	18	17	T1	3	3	1
AQF3A	1	0	1	T2	17	19	21
SAO1	7	9	14	T3	41	42	45
SAO2	10	9	10	T4	17	16	23
ECO1	2	0*	3	T5	5	5	6
EO2	1	0	0	T6	2	1	1
ECO2	5	7	5	SBA	1	2	3
ECO3	1	1	1	ICS	0	1	1
ECO5	1	1	1	Gradt	1	2	1
<b>TOTAL:</b>					<b>279</b>	<b>282</b>	<b>319</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

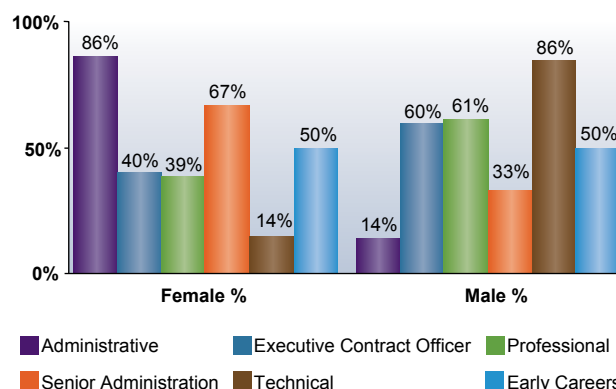
### Gender Comparison

The department's overall gender comparison shifted slightly for males during 2015-16, decreasing from 56 percent in 2014-15 to 54 percent during 2015-16, with a corresponding increase in the number of females during 2015-16. Some 86 percent of employees in the Technical stream are males, which is the highest proportion of males in any area of the department. While some 86 percent of the Administrative stream employees are female, which is the highest proportion of females in any departmental area.

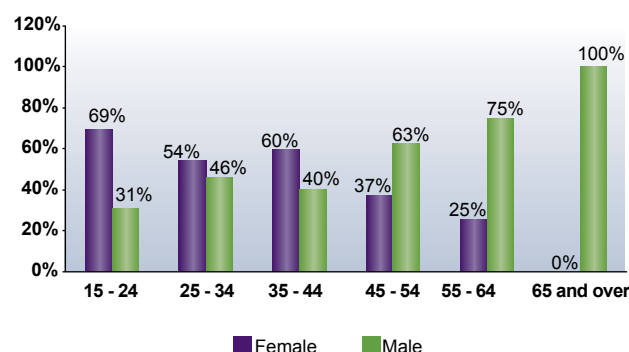
### Employees by Age and Gender

As at 30 June 2016, the department had a total of 319 employees, of which 173 were male and 146 female. Some 28 percent of employees are aged between 35 and 44, which is the largest proportion of employees out of each age group. The most significant difference in comparing gender per age group is within the 55 - 64 age group with 25 percent female and 75 percent male. The department has no female employees aged 65 and over.

### Gender Comparison by Stream at 30 June 2016



### Age by Gender Comparison at 30 June 2016

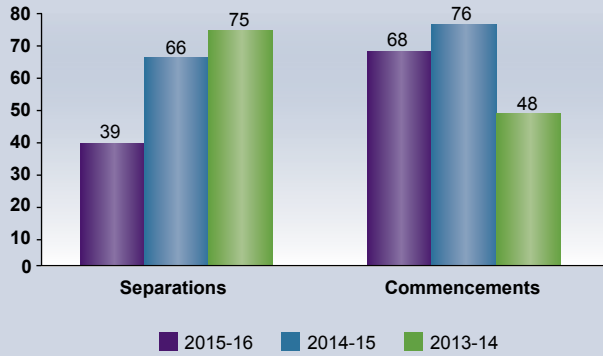


# Recruitment and Retention

During 2015-16, 68 employees were recruited to the department.

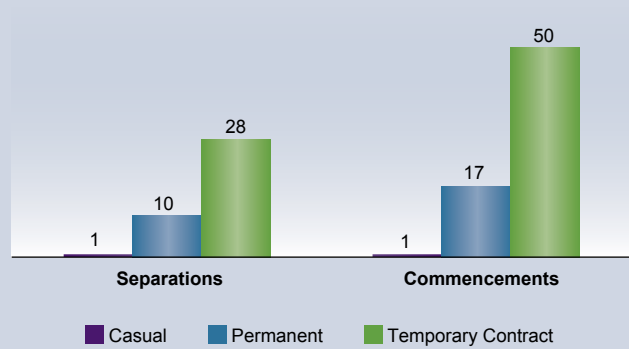
The employee separation rate for 2015-16 is 12.2 percent, compared to 23.4 percent in 2014-15.

## Recruitment and Retention - 3 year Comparison



Source: Personnel Information Payroll System  
 Note: Includes new employees starting with the Northern Territory Public Sector (NTPS) and employees transferring between Departments from other NTPS agencies

## Recruitment and Retention by Employment Status at 30 June 2016



Source: Personnel Information Payroll System

# Staff Recognition and Achievements

The department's Recognition and Reward Scheme continued in 2015-16 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 2015-16 a total of 31 employees, including eight individuals and four teams, received a monthly staff achievement award through the Recognition and Reward Scheme.

The awards were presented to:

Staff Achievement		Team Achievement	
Name	Date	Name	Date
Caroline Green and Jolene Challis	July 2015	Information Management Services Team, including: Julie Keating, Nerida Silva, Priscilla Laughton, Rachelle Salandanan, Nikita Bussenschutt and Angela Arnison, Andrew Morrison, Megan Kittle and Debbie Cheslett	August 2015
Nathan Mills	October 2015	Larrimah Agricultural Land Suitability Team, including: Jonathan Burgess, Aiden Wright, Kaitlyn Andrews and Nick McGrath and Accounting Services Team, including: Annie Butler, Andrea Hollamby and Cleo Vivian-Williams	September 2015
Karlie Weinert	December 2015	Rangelands Monitoring Branch (Darwin, Katherine and Alice Springs), including: Ben Lynes, Ben Schumacher, David Hooper, Gary Bastin, Grant Staben, Jason Barnetston, John Targett, Laurence Tait, Meg Humphrys and Sarah Thorne	November 2015
Steve Tickell	January 2016		
Nick Cuff	March 2016		
Laura Cummins and Jean Gilson	May 2016		
Andrea Ruske	June 2016		

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Flora and Fauna Division received the Delivering a Balanced Environment Award at the Chief Minister's Awards in November 2015.

## Cultivate

In early 2016, the department commenced an innovation program, *Cultivate*. *Cultivate* was aimed at harnessing the collective knowledge and expertise of the department by stimulating innovation and creativity through an annual call for ideas, suggestions and solutions.

Innovative ideas were sought from employees or groups of employees through an application process. Fourteen applications were received and collated for assessment. All short-listed applicants presented their ideas at the second Senior Leader's Forum in May and feedback was sought from their peers.

An overall assessment was made by the department's Governance Board and one application was selected for further scoping. The successful application titled Citizen Science Program for Threatened Species was awarded \$10 000 to further scope the innovative idea.

The Citizen Science Program will provide up-to-date information on the distribution of particular threatened species and improve currency and comprehensiveness of data, by engaging with interested members of the public.

A number of other innovative ideas put forward as part of this process will be progressed in other ways.



## Chief Minister's Awards

### Delivering a Balanced Environment

In November 2015, the department received a Chief Minister's Award for work carried out in partnership with INPEX Operations Australia. The Darwin Harbour Coastal Dolphin Monitoring Program focussed on three species of coastal dolphins during marine construction activities for the Ichthys Project LNG facility.

This world leading practice monitoring program, which travelled almost 60 000km along transects in Darwin Harbour, Bynoe Harbour and Shoal Bay over five years, showed that the abundance of dolphins has remained stable over the marine construction period.

The Rangelands Division was also shortlisted as a finalist in the Developing the North and/or Remote Economies category for its legislative reform and program implementation of Non-Pastoral Use Permits under the *Pastoral Land Act*.



### Chief Minister's Medal – Peter Brocklehurst

Peter (Doc) Brocklehurst was awarded a Chief Minister's Medal at the Chief Minister's Awards in November 2015. Doc is the Principal Vegetation Scientist who has given unflinching, outstanding public service over the past 32 years. During this period of dedication, Doc has progressed vegetation information in the Northern Territory from a state of paucity to an extensive number of readily available, nationally recognised datasets and maps.

Doc has mapped and described the vegetation and land resources of the Northern Territory for a wide range of users to assist sustainable development and also to provide essential information for the conservation and management of nationally and internationally important communities.

### Territory Natural Resource Management and NT Landcare Awards

The department won in two categories of the annual Territory Natural Resource Management (TNRM) Awards held in November 2015.

Katherine Regional Weed Management Officer, Tahnee Thompson won the Individual NRM Champion Award.

Tahnee started her land management career with DLRM's Vegetation Mapping Unit in the Gulf of Carpentaria in August 2008.

Her role with the department involves extensive liaison and engagement with managers of all land tenures, particularly in regards to weed management.

Tahnee is an outstanding natural resource management practitioner and a leader in her community.

The Research in NRM Award was awarded to the department's Flora and Fauna Division for the development of camera trapping methodology, including a comprehensive guide for land managers.

This research focused on declining mammal populations and how camera trapping can aid this research. The comprehensive guide is a detailed, plain-English manual that can be applied by a broad range of land managers in northern Australia, to help ensure that monitoring programs using cameras will provide reliable data that can inform adaptive land management.



Flora and Fauna Division received the Research in Natural Resource Management Award at the Territory Natural Resource Management and NT Landcare Awards in November 2015.



Tahnee Thompson received the Individual Natural Resource Management Champion Award.

The Flora and Fauna Division worked closely with Indigenous Rangers and Traditional Owners involved in the Warddeken and Djelk groups and Fish River Station, and there has been strong uptake of this technology in northern Australia by Indigenous rangers and other users such as environmental consultants.

Australian Government Support through the National Environmental Research Program (NERP) has also been crucial to the success of the project.

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Flora and Fauna Division with their milestone certificates.



Bushfires NT with their milestone certificates.



Corporate Services Division with their milestone certificates.

## Milestone Awards

A ministerial function was held in October 2015, with people from across the NTPS being recognised for 30, 35 and 40 years of service. The following department employees received an award for their extensive contribution to the public service:

### 30 Years

- Marguerite Wall
- Errol Kerle
- Allan Russ

### 35 Years

- Gail-Maree McLeod
- Stephen Hester

### 40 Years

- Desmond YinFoo
- Ian Smith
- Lynton Fritz
- Mervyn Chin

In late 2015, the department amended its Recognition and Reward Scheme Policy to complement the Northern Territory Government Recognition of Milestones Policy by incorporating the recognition of 10 and 20 year service milestones through an annual event hosted by the CEO. Given that many staff members missed out on recognition prior to the policy being implemented, all staff who achieved more than 10 years of service in 2014-15 were recognised in 2015-16 for their long-standing careers with the department and the NTPS. A total of 105 employees were recognised in 2015-16 for achieving service milestones in 2014-15. A further five employees based in Alice Springs were recognised in June 2016, for achieving 10 and 20 year milestones in 2015-16.



## Other staff achievements



### Ashley Beagley

In 2015, Land Management Officer Ashley Beagley was one of two recipients of an International Erosion Control Association (IECA) Young Professional Sponsored Conference Attendance, and participated at the 3rd International Erosion Control Conference in Sydney. As a newcomer to the erosion and sediment control industry, Ashley greatly appreciated this opportunity to enhance her knowledge and exposure to current practices and advances in the field. Her conference attendance enabled her to gain valuable knowledge from leading Industry professionals and increase her understanding of interstate operations.



### Dr Carol Palmer

Since 2007, Dr Carol Palmer, Senior Scientist – Marine Mammals, has clocked up more than 324 days on the water, traversing about 10 000 km of coastal areas in search of three species of dolphin known to inhabit the area. Carol gathered genetic samples and photographed the dorsal fins of the dolphins to identify individuals and provide baseline population estimates. She also

collated existing and historical data. This work has helped to clarify the species status of the humpback and snubfin dolphins across Australia. Carol's PhD thesis was entitled Conservation Biology of Dolphins in Coastal Waters of the Northern Territory, Australia.

Overall, the study helped clarify the taxonomy and distribution of Australian snubfin dolphins in Northern Territory waters and documented the broad distributional patterns of all three coastal dolphin across the Territory.



### Chloe Bonnell

Chloe Bonnell, School Based Apprentice with the Corporate Services Division, won the Group Training Northern Territory (GTNT) School Based Apprentice of the Year Award in April 2016 in recognition of her outstanding achievements and commitment to study at school and within the workplace. Chloe started working with the department in February 2015 while undertaking a Certificate II in Business, and successfully completed her apprenticeship in December 2015. Chloe has continued with the department in 2016 through a new school-based apprenticeship, studying a Certificate III in Accounts Administration.



### Meg Humphrys

Meg Humphrys, Rangelands Monitoring Officer, Alice Springs, was a finalist for the ConocoPhillips Environment Award at the Northern Territory Young Achiever Awards. This award recognises young people who have demonstrated environmental leadership or made a significant contribution to a sustainable Territory. Meg was nominated for her efforts as a Weed Management Officer in Tennant Creek representing the Northern Territory on the Rubber Bush Project. She set up trials and worked with landholders in an extension capacity to promote the new control methods used in the trial. Meg was also recognised for her other work in the environmental space, including her time with the Arid Lands Environment Centre helping organise community events around sustainability and the environment, and her roles at the Alice Springs Desert Park conducting tours for the rare and illusive animals of the Australian desert. Meg now works as a Rangeland Monitoring Officer in Alice Springs, where she continues to develop her skills in understanding the arid landscape with the aim of encouraging positive land management practices.



### Bob White

Bob White retired in July 2015 after 20 years service. Bob commenced employment with the NTPS in 1995 at the NT Rural College and was a committed and enthusiastic Bushfires NT Officer who took a particular interest in the design and supply of equipment suited to fire management across the Savanna Region. Bob was also a volunteer with Bushfires NT.



### Darryl Day

In August 2015, Darryl Day, Executive Director, Water Directorate, was elected as a Fellow of the Institution of Engineers and was awarded the Professional Engineer of the Year Award for the Northern Division of Engineers Australia for his contributions as an engineer to the community and profession through innovation, leadership, ingenuity and creativity. In November 2015, Darryl was also recognised for his sustained outstanding contribution to the water profession when he was appointed as a Fellow of the International Water Association.

# Developing our Workforce Capacity and Capability



## Our Culture

The Department of Land Resource Management (DLRM) is committed to inspiring a collaborative, respectful and accountable workplace culture, where staff feel they are valued, respected and supported.

DLRM's 'Voice of the People' Project (VoPP) continued throughout 2015-16 with the aim of supporting our ideal culture, which ultimately supports the department in realising a workforce with the capacity and capability to deliver effective services to Territorians.

The comprehensive VoPP culture program was developed to address key areas identified for improvement through focus groups and through the 2014 Northern Territory Public Sector (NTPS) People Matter Survey. This included:

- inspiring a sense of identity within the department
- improving and encouraging cross-collaboration throughout the divisions of the department
- celebrating the knowledge, expertise and diversity of the workforce
- fostering innovative approaches to new or improved business, creating new products, processes and/or business models
- supporting a respectful workplace with zero tolerance for bullying.

The VoPP activated a number of key initiatives throughout 2015-16 including:

- DLRM Reward and Recognition Scheme
- 'Cultivate' innovation program
- DLRM Strategic Workforce Plan 2016-2020
- A new eLearning corporate induction program
- Combat Bullying program
- Biannual Senior Leaders' Forum

- Leading engagement initiatives such as 'Lunch with the Chief Executive Officer (CEO)' and the CEO staff roadshow.

The VoPP has continued to evolve with the NTPS People Matter Survey, which has provided further data and feedback to benefit the program. Following the results of the 2014 survey, the VoPP was expanded to align with the sector wide initiative aimed towards developing and improving performance across the NTPS. The NTPS People Matter Survey opened again in May 2016 with participation widely encouraged throughout the department, and a 66 percent response rate was achieved. Results from the survey will be released to agencies in August 2016 and will inform the future of the VoPP for 2016-17.

## Diversity

DLRM 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 cross cultural training, combat bullying, simplified recruitment, code of conduct, and the employee assistance program (EAP). It also provides appropriate policies and procedures to support equity and diversity in the workplace.

In 2016, the department released the Indigenous Employment Strategy 2016-2020 which aims to increase Indigenous employment across all occupations, levels of employment and locations. The strategy also aims to improve Indigenous workforce capability and develop the department into a mature and culturally competent workplace.

As part of this strategy, an Indigenous Employment Reference Group was formed and tasked with ensuring Indigenous employees are able to develop and excel within a supportive, sensitive and appropriate workplace.

In 2015-16, 6.6 percent of employees identified as Indigenous Australians, an increase of 0.3% since 2014-15. In addition to the current 6.6 percent, the department has employed a further three Indigenous employees through the Department of Corporate and Information Services' Indigenous Employment Program.



## Women in Leadership

DLRM continues to actively support the development of women in leadership roles across the department. This includes participation in key development opportunities such as the Future Leaders Program delivered through the Office of the Commissioner for Public Employment (OCPE). One participant completed the program in July 2015 and one employee is also participating in the Public Sector Management Program which is due for completion in late 2016.

The department supported the participation of seven women in the Australian and New Zealand School of Government (ANZSOG) Strategic Triangle Workshop, Public Value and Influence: Strategic management in today's public sector, during 2015-16.

As at 30 June 2016, 47 percent of the department's Governance Board members were female.

## 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 NTPS employees. The department upheld the performance and conduct principle by applying 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 business plan which enables individuals to set goals and targets, and provides a clear line of sight to the department's strategic plan. In 2015-16, 68 percent of employees participated in the electronic PESA process.

To support the PESA process, 'Managing for Performance' workshops were delivered in 2015-16. The workshops aimed to support managers, supervisors and employees to develop an understanding of human behaviour and attain communication techniques to facilitate productive performance management conversations. Four half-day workshops were delivered in Darwin, Palmerston and Alice Springs, with 20 employees participating in the program.

## Learning and Professional Development



The department has a highly professional workforce with a wealth of scientific knowledge and expertise and invests in its employees through learning and professional development opportunities to grow and support its organisational capacity and capability.

HR Services facilitates corporate training for all departmental 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 \$392 872 – equating to \$1 231 per person - on employee learning and professional development in 2015-16.

The department's online learning management system, MyLearning, captures and manages all employee training records, coordinates corporate training and delivers suitable eLearning courses for employees.

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

## Learning Management System

In 2014-15, the department invested in the online MyLearning system, to capture and maintain all employee training records and manage the delivery of corporate training. Since its implementation, 3 126 historical and new training records for DLRM employees have been captured within the system.

Stage Two of the project was completed in 2015-16 and included the development of two new eLearning initiatives, the Corporate Induction Program and the Simplified Recruitment Program. The development of these innovative solutions provides for greater accessibility for all employees, particularly given their geographical spread throughout the Territory.

Both eLearning programs incorporate contemporary design with interactive elements such as graphics, diagrams, videos, and scenarios, and can be undertaken at a user's pace, allowing for flexibility. These initiatives also provide for greater accessibility for all employees.

The Office of the Commissioner for Public Employment (OCPE) joined the Simplified Recruitment eLearning project as a project partner, and this program has subsequently been introduced as a training initiative to all NTPS employees. The Simplified Recruitment eLearning program satisfies the minimum requirements for employees to sit on a recruitment panel within the NTPS.

The Simplified Recruitment Program was introduced in October 2015, with a total of 21 employees completing the program as at 30 June 2016.

Also as at 30 June 2016, a total of 29 department employees had completed the new Corporate Induction eLearning Program since its roll out in March 2016.

## Combat Bullying Program

In line with the provisions of the *Fair Work Act*, the department continued to deliver the Combat Bullying Program throughout 2015-16. The program focusses on providing the tools to senior managers and staff to address any potential workplace bullying.

Workshops supporting the program were delivered in Darwin, Palmerston and Alice Springs with a total of 36 employees attending during 2015-16.

The department is committed to its zero tolerance policy against workplace bullying. To further encourage respectful workplace behaviour, a 100 percent staff participation target was set through its 'Voice of the People' program. As at 30 June 2016, 64.3 percent of employees had completed the program.

## My Development

In May 2016, the department implemented the My Development initiative to enable employees to develop skills for future career opportunities. The initiative is a commitment from the NTPS that ensures all employees

in the Administrative Officer 1 - 5, Professional 1, Physical 1 - 7 and Technical 1 - 3 levels have access to at least one week of cumulative on- or off-the-job training (or a combination of both) for learning and development.

HR Services delivered information sessions to managers and eligible employees on the new initiative, and continues to support its implementation throughout the department.

## Senior Leaders' Forum

In 2015-16, the department established a biannual senior leaders' forum to provide relevant staff with an opportunity for professional development, collaboration, learning and networking.

About 90 staff attended the first senior leaders' forum held over one-and-a-half-days in November 2015. The theme of the forum was 'Developing our Leaders' and the program included topics such as north Australian development, Indigenous employment, strengthening leadership and strategic skills and high-level projects for the department.

The second senior leaders' forum, focussed on the theme of 'Leading within a Changing Environment' was held in May 2016 with over 80 staff attending. The program incorporated key topics such as leading resilient and high-performing teams, management changes, Indigenous employment, Cultivate innovation program and high-level projects for each department division.

## Employment Programs

The department offers a range of capability building programs through the OCPE.

## Public Sector Management Program

This program equips middle to senior managers, to meet challenges by providing them with the knowledge and ability to become effective public sector leaders.

One employee completed this program in 2015-16.

## Future Leaders Program

The Future Leaders Program is an investment in the capability of talented people within the NTPS to deliver strategic needs for the future. In anticipating the needs for tomorrow, leaders must strategically plan for succession in order to enhance capability and create a vibrant and innovative public sector.

One employee completed the program within 2015-16 and another is due to finish in late 2016.

## Apprenticeship and School-Based Apprenticeship Programs

These two programs combine employment with structured learning to develop workplace skills and provide a nationally recognised qualification.

In 2015-16, the department supported four school-based apprentices to complete Certificate II and III in Business, Certificate III in Conservation and Land Management, and a Certificate III in Accounts Administration.

Two commenced apprenticeships with the department in 2015-16.

One school-based apprentice successfully completed a Certificate III in Business in December 2015 and subsequently started a school-based accounting apprenticeship with the department in January 2016.

All three current school-based apprentices are due to complete their studies by December 2016.

One moved to a full-time apprenticeship program during 2015-16 and will continue with the department in 2016-17.

## Graduate Development Program

The Graduate Development Program offers a one- or two-year placement with the department and is aimed at developing the skills, experience, knowledge and abilities of graduates to the level of competence required for management positions. The program combines on-the-job training with professional and personal development opportunities.

Three graduates completed the program in 2015-16, with two securing full-time employment with the department.

One additional graduate employed by the department during 2015-16 is due to complete the program in January 2017.

## Indigenous Cadetship Support

The Indigenous Cadetship Support Program enables Indigenous students who are undertaking a university undergraduate degree to gain the professional qualifications and work experience needed for a range of jobs in the NTPS.

In 2015-16, one student continued the program with the department and is due to complete the required studies in 2016-17.



Barbara Grant, Andrew Wilkinson, Mary Hardy and Jean Gilson at Barbara's graduation

## Indigenous Employment Program

This pre-employment program is specifically designed to attract Indigenous jobseekers and aims to equip trainees with a foundation of skills relevant to entry level positions. On completion, program participants are offered positions within the department.

In 2015-16, the department had three participants in the Indigenous Employment Program.



## Study Assistance

Three employees accessed study assistance during 2015-16 to undertake study ranging from Certificates to Masters level programs. The department supports employees gaining relevant professional and technical skills through higher education studies. This financial assistance equates to an average of \$2325.50 per participating employee.

Areas of study supported during 2015-16 included:

- Masters of Environmental Management
- Certificate IV in Work Health and Safety
- Diploma of Work Health and Safety
- Certified Practising Accountant Program

## Corporate Training



The department delivers a range of corporate training initiatives to employees, including;

- Corporate Induction
- Code of Conduct
- Cross Cultural Workshops
- Simplified Recruitment
- Combat Bullying Program
- Managing for Performance Workshops
- Clear Writing Workshops
- Bounce Back (Change Management) Workshops

## Corporate Induction

The Corporate Induction program is designed to support new employees with settling into their roles by providing integral information about the department, its strategic priorities, corporate culture and key policies and procedures.

It also provides an awareness of corporate functions,

performance agreement processes, entitlements and conditions of service, appropriate workplace behaviour and the NTPS Code of Conduct. 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*.

HR Services held two face-to-face corporate induction sessions in Darwin and Alice Springs in 2015-16 prior to introduction of the new eLearning Corporate Induction Program in March 2016.

A total of 49 department employees completed corporate induction training during 2015-16.

## Code of Conduct

Code of Conduct workshops aim to enhance employees' knowledge of ethical business practices and provide practical strategies for dealing with situations that arise in the workplace. 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.

Six Code of Conduct workshops were held in Darwin, Katherine and Alice Springs during 2015-16 and were attended by a total of 60 department employees.

## Cross Cultural Training

During 2015-16, the department continued to provide a number of cross cultural programs 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.

Eight workshops were held in Darwin and Alice Springs during 2015-16 with 36 department employees completing the program.

The program will continue to be offered throughout 2016-17.

## Simplified Recruitment

Simplified Recruitment training, facilitated by the OCPE's Public Sector Appeals and Grievance Unit, was offered during 2015-16.

Face-to-face sessions were held in Darwin, Katherine and Alice Springs with a total of 36 employees attending the training during 2015-16.

The Simplified Recruitment eLearning program was launched in October 2015. A total of 21 employees completed the online program during 2015-16.

## Clear Writing Workshop

Clear Writing workshops cover basic techniques to develop clear written messages for an intended audience. Participants learn how to say more, using fewer words, with practical exercises to reinforce their learning.

One Clear Writing workshop was offered to employees during 2015-16, with seven department employees participating.

## Managing for Performance Workshops

The department offered Managing for Performance workshops to employees to provide an understanding of the principles required for establishing strong working relationships based on shared and agreed expectations.

Post workshop one-on-one coaching was also available to provide tailored support for managers on performance matters.

Four workshops were delivered in 2015-16, with 15 department staff attending the training.

## Bounce Back – Change Management Workshops

During 2015-16, the department offered 'Bounce Back' change management training to support individual and team resilience through times of change.

The workshop provides practical strategies to support individual and team resilience and develop action plans to support future change initiatives.

More than 80 senior department staff also participated in this workshop as part of the May 2016 Senior Leaders' Forum.

One further 'Bounce Back' workshop was offered during 2015-16, with 11 employees attending.

## HR Online Forms

The department continued to develop and implement a range of online forms to replace paper-based forms in 2015-16. The online system, MyForms, provides an easy way for the department to capture accurate data for reporting and to comply with legislative requirements, and reduces red tape to allow for efficient

## Delegations Database

The department advanced the development of a delegations database in 2015-16 to improve its ongoing management of procurement, finance and human resource delegations. The database is due for completion in 2016-17.

## Legislative Compliance



## Employment Instructions

Under the *Public Sector Employment and Management Act (PSEMA)*, Employment Instructions provide direction to agencies on human resource management matters.

The department's performance against each Employment Instruction is reported below.

Employment Instruction	Action
Number 1 – Filling Vacancies	<p>Recruitment and establishment procedures are available on the staff intranet. HR Consultants provide advice to staff on recruitment and selection processes.</p> <p>Simplified Recruitment training was offered online and face-to-face, facilitated by the Office of the Commissioner for Public employment (OCPE) throughout 2015-16.</p> <p>In 2015-16 the department advertised 83 (ongoing and fixed period) positions; the department had 68 staff commence/transfer in and 39 separations/transfers out. One promotion appeal was lodged for the period.</p>
Number 2 – Probation	<p>The department has a current Probation Policy and flow chart consistent with the PSEMA and relevant awards. New employees are advised of the probation process during induction and provided information about their responsibilities.</p> <p>Senior management is advised monthly on the status of employee probations and manage the reports and timeframes.</p>
Number 3 – Natural Justice	<p>The principles of natural justice are communicated to all employees. Natural justice is adhered to in all dealings with employees and reflected in internal policies and procedures.</p>
Number 4 – Employee Performance Management and Development Systems	<p>The department's performance management system, Personnel Evaluation System (PES), aligns with its strategic plan and objectives.</p> <p>An online system has been implemented across the department to replace paper-based versions. PES training sessions are conducted regularly to support managers and employees in conducting performance discussions.</p>
Number 5 – Medical Examinations	<p>Advice is provided to managers as required by HR consultants.</p> <p>There were no medical incapacity cases in 2015-16.</p>
Number 6 – Performance and Inability	<p>The performance and inability guidelines and procedures are available on the department's intranet.</p> <p>HR Services support managers dealing with under-performance issues and help managers and staff to improve performance.</p> <p>There were no inability cases in 2015-16.</p>
Number 7 – Discipline	<p>The Discipline Guidelines and Procedure are available on the department's intranet site.</p> <p>HR Consultants work closely with managers to ensure processes are followed correctly.</p> <p>There were no section 49 disciplinary actions in 2015-16.</p>
Number 8 – Internal Agency Complaints and section 59 Grievance Reviews	<p>The Grievance Policy and Procedure is available on the department's intranet. HR Consultants work closely with managers to ensure processes are followed correctly.</p> <p>In 2015-16, no internal complaints were received and there was one section 59 Grievance reported. All have been finalised.</p>
Number 9 – Employment Records	<p>The Department of Corporate and Information Services (DCIS) stores all employment records. The department complies with the DCIS policy regarding access to these files. Any requests to access employee records are made through the Director, Human Resources. No requests were lodged for employee information under the <i>Information Act</i> in 2015-16.</p>
Number 10 – Equality of Employment Opportunity Programs	<p>The department has a diversity policy available on the staff intranet. The department adheres to the principles of the NTPS EmployAbility Strategy.</p>
Number 11 – Occupational Health and Safety Standards Programs	<p>The department has a Work Health and Safety (WHS) Committee to ensure WHS compliance. The details of the WHS activities are provided in the annual report. Current obligations, policies and procedures are available to all staff on the intranet.</p>
Number 12 – Code of Conduct	<p>The Code of Conduct is available on the department's intranet and is reinforced through the activities of HR Consultants. The Code of Conduct is also covered through the corporate induction which is mandatory for new staff.</p> <p>Six Code of Conduct workshops were held throughout 2015-16. Sixty people attended across the Darwin, Katherine and Alice Springs regions.</p>
Number 13 – Appropriate Workplace Behaviour	<p>The Bullying Policy and Procedure is available on the department's intranet. The department provides training and education aimed to prevent workplace bullying. Ten Combat Bullying sessions were held throughout 2015-16 and 36 department staff attended across the Darwin, Katherine and Alice Springs regions.</p> <p>HR Consultants provide advice to managers on addressing situations, as required.</p>
Number 14 – Redeployment and Redundancy Procedures	<p>The department adheres to the current redeployment and redundancy provisions.</p> <p>One employee was declared surplus to requirements in 2015-16. No redeployees were made redundant and one transferred under the redeployment provision.</p>
Number 15 – Special Measures	<p>The department does not have a special measures plan in place. However, an Indigenous Employment Strategy and an Indigenous Employment Reference Group have been established to assist in increasing Indigenous employment in the department.</p>



## Industrial Relations

The department is committed to working in partnership with employees and unions as arise.

During 2015-16, the department offered 'Bounce Back' Change Management training to support individual and team resilience through times of change.

## Health and Wellbeing

### Work Life Balance

The department offers flexible working options that are recognised as a valuable tool in achieving greater productivity, as well as supporting employees to improve the balance they may need between work and personal commitments. These arrangements assist staff in returning from parental leave, carer responsibilities, transitioning to retirement, career breaks, part-time work, working from home and flexible working hours to meet work life balance commitments.

In 2015-16, the department supported 54 flexible working arrangements.

### Employee Assistance Program

The department has a formal Employee Assistance Program (EAP) with six service 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 2015-16, 53 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 in 2015-16.

### Christmas Closedown

In 2015, the department participated in a Christmas closedown period, in accordance with the NTPS 2013-2017 Enterprise Agreement. The closedown is during the three-day period which falls between Christmas and New Year and provides employees an opportunity to take leave while the department is closed.

## Workplace Health and Safety



The department is committed to providing and maintaining safe and healthy workplaces. Since 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 the Board.

In December 2015, the department engaged a consultant to review the Work Health and Safety Management System (WHSMS) using the Australian Government's Comcare National self-insurer WHS audit tool (WHS132). This model was chosen because it provides a more thorough examination of the WHSMS than Australian Standards: 4801.

The review determined that the department was well placed to fulfil its WHS requirements. A total of 108 criteria were assessed and three major recommendations made. Each recommendation is currently being reviewed by the Executive Management Group (EMG) to assess the process and timeliness of the action required. In addition, eight minor recommendations relating to document controls were made.

### Work Place Incidents

A total of 37 incidents were reported during 2015-16, 17 more than in 2014-15. A total of \$712 655 was spent on these claims, which was \$326 078 more than the previous year.

A large, stylized number '3' is the central graphic of the page. It is composed of thick green lines with rounded corners. The top loop of the '3' contains the text 'Corporate Governance'. The bottom loop of the '3' contains the number '3'.

# Corporate Governance

3



# 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's governance framework is based on the Australian Securities Exchange's 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 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.

1. Our Department

2. Our People

3. Corporate Governance

4. Outputs and Performance

5. Financial Statements



## Accountability and Standards

The Chief Executive Officer (CEO) 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 reviewed 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 CEO is primarily responsible for providing strategic leadership and system 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 (Chair)
- Executive Director, Rangelands
- Executive Director, Corporate Services
- Executive Director, Water Resources
- Executive Director, Flora and Fauna
- Executive Director, Water Directorate
- Executive Director, Bushfires NT
- Regional Director, South
- Manager, Katherine Region
- 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.

### Executive Management Group

The Executive Management Group (EMG) was established by the CEO and is a functional part of the department's strategic governance framework.

The EMG is the department's senior review body and is responsible for supporting the Governance Board and the CEO to meet strategic responsibilities and objectives.

Members of the EMG:

- Executive Director, Corporate Services (Chair)
- Executive Director, Rangelands
- Executive Director, Water Resources
- Executive Director, Water Directorate
- Executive Director, Flora and Fauna
- Executive Director, Bushfires NT
- Regional Director, South

The key activities of the EMG are to:

- act as a review body for department wide policies, frameworks and systems
- offer advice and feedback on division activities, policies and systems, as required
- promote alignment through divisional collaboration
- provide a forum to consider issues and opportunities arising from department and whole of government activities.

## Divisional Work Health and Safety Committees

As part of the Work Health and Safety (WHS) framework, committees are established within each division across the department. Each WHS Committee is chaired by the relevant Governance Board member.

All 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 requested, a workplace relocation/redesign, or when 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.

In addition, the Bushfires NT WHS Committee, also:

- 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.

Members of the Counter Disaster Committee:

- Chief Executive Officer
- Executive Director, Rangelands (Chair)
- Director, Land Development Coordination, Rangelands
- Director, Corporate Communications and Media, Corporate Services

## 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.

Members of the Audit and Risk Management Committee:

- Executive Director, Bushfires NT (Chair)
- Senior Scientist, Flora and Fauna
- Business Manager, Water Resources
- Director, Corporate Governance (Observer)
- Business Manager, Bushfires NT (Secretariat)

## Information and Communications Technology (ICT) Governance Committee

The ICT Governance Committee:

- reviews and endorses the business cases and project plans for ICT initiatives and investment decisions
- oversees the delivery of ICT initiatives and performance review of project delivery
- oversees the development and monitoring of ICT strategic directions and policies

- periodically monitors the department's ICT environment to ensure risks and issues are identified and appropriately managed
- reviews and endorses submissions for major ICT investments or initiatives for approval by the Northern Territory Government ICT Governance Board.

Members of the ICT Governance Committee:

- Regional Director, South (Chair)
- Executive Director, Flora and Fauna
- Executive Director, Water Resources Division
- Spatial Systems Development Manager, Water Resources Division
- Spatial Data Manager, Weed Management Branch, Rangelands
- Senior Policy Advisor, Bushfires NT
- Chief Financial Officer, Corporate Services
- Chief Information Officer, Corporate Services

## 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 department 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**
  - a. Bushfires Regulations
  - b. Bushfires (Volunteer Bushfire Brigades) Regulations
2. **Lake Eyre Basin Intergovernmental Agreement Act**
3. **Pastoral Land Act** (except provisions about Aboriginal community living areas)
  - a. Pastoral Land Regulations



4. **Soil Conservation and Land Utilisation Act**
5. **Water Act**
  - a. Water Regulations
6. **Weeds Management Act**
  - a. Weeds Management Regulations
7. **Planning Act**
  - a. 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 2015-16

### Bushfires Act

A review of the *Bushfires Act* included extensive public consultation throughout 2014-2015. The *Bushfires Management Act* was introduced and passed by the Legislative Assembly with bi-partisan support in the first half of 2016, and received assent on 7 June 2016. This new Act is expected to commence on 1 November 2016 and includes the following key changes:

- Recognition, authorisation and protection for volunteer fire fighters. Volunteers will be authorised to participate in fire management operations, and will enjoy protection from liability for fire management actions undertaken in good faith
- Introduction of a fire management planning framework incorporating annual regional planning and requirements for district and property level planning when a need is identified through risk assessment. This framework can accommodate a range of fire management regimes, including traditional fire management in the Indigenous estate, and can support projects associated with carbon emission abatement
- Strengthening the roles of the Bushfires Council and Regional Bushfires Committees
- Clarification of fire management responsibilities in different areas, and strengthening of requirements to manage fire risk, particularly in Fire Protection Zones which are areas of rural residential development.

### Weeds Management Act

- Finalised and approved the first statutory weed management plan for neem under the *Weeds Management Act* following public consultation in 2014-15
- Finalised and approved statutory weed management plans for chinee apple, mesquite and prickly acacia following public consultation in 2015-16
- Developed a draft statutory weed management plan for athel pine in collaboration with the Alice Springs Regional Weed Reference Group for public consultation in 2016-17
- Developed and released for public consultation, a draft statutory weed management plan for grader grass.

## Future Legislative Priorities

### Bushfires Act

The *Bushfires Management Act* received assent on 7 June 2016 and is scheduled to replace the *Bushfires Act* from 1 November 2016.

### Water Act

A review and amendment is required to the *Water Act* to:

- give a clearer and more explicit alignment to the National Water Initiative
- implement the decision by government to bring water resource management and regulation of mining and petroleum activities directly under the Act.

### Weeds Management Act

- Conduct public consultation on the statutory weed management plan for athel pine and obtain approval for its implementation
- Approve and initiate implementation of the statutory weed management plan for grader grass

- Review the statutory weed management plans for gamba grass, mimosa and bellyache bush
- Declare all Weeds of National Significance (WoNS) under the *Weeds Management Act*. These weeds include invasive opuntiod cacti, such as prickly pears and rope cacti
- Commence a review to ensure legislation meets the requirements of contemporary practice and development within the Northern Territory.

### Pastoral Land Act

- Commence a review to ensure legislation meets the requirements of contemporary practice and development within the Northern Territory.

## Statutory Committees and Bodies

As at 30 June 2016, the department was responsible for the following statutory committees and bodies:

### Water Advisory Committees

There were three Water Advisory Committees in operation in 2014-15; Alice Springs, Katherine and Berry Springs. Water Advisory Committees are established under section 23 of the *Water Act* to consider and advise the Controller of Water Resources on water management and allocation in specified areas. Committee members are appointed by the Minister for Land Resource Management. In late 2015 and early 2016 expressions of interest for members for a further four Water Advisory Committees were publicly advertised.

## Bushfires Council of the Northern Territory

The Bushfires Council of the Northern Territory recommends measures to the minister for effective fire management on all Territory land apart from the largely urban Emergency Response Areas serviced by 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 for the development of carbon emission abatement projects. The council also played a key role in the review of the

*Bushfires Act* and had significant input into shaping the new *Bushfires Management Act* which is scheduled to commence in November 2016.

Council members include landholders from all Territory regions, and stakeholder representatives from the Northern Territory Bushfire Volunteers Association, Northern and Central Land Councils and each of the six Regional Bushfires Committees. The council also includes members appointed as experts including representatives of the CSIRO, Bureau of Meteorology, and Northern Territory Fire and Rescue Service.

## Bushfires Council of the Northern Territory

The council comprises:

- Mr Paul Blore (Chair)
- Mr Shaun Ansell
- Mr Chris Whatley
- Ms Alice Beilby
- Mr Bruce Sawyer
- Ms Elizabeth Bird
- Mrs Dianne Tynan
- Mr Len Rule
- Mr Norman Hooker
- Mr Garry Cook
- Mr Todd Smith
- Mr Robert Bright
- Ms Trish Rigby-Christopherson
- Mr Otto Champion
- Mr Paul Swain
- Mr Matt Braiting

## Regional Bushfires Committees

The Northern Territory is divided into six fire control regions that reflect varying land use, population density, climate, soils and vegetation type. Each region is represented by a Regional Bushfires Committee.

The regional committees advise the Bushfires Council

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. Regional committees are also key components of regional planning and consultation networks.

Committee members are selected on the basis of experience or skills in bushfire management and maintaining a spread of representation across each region.

## Northern Territory Weed Advisory Committee

The Northern Territory Weed Advisory Committee develops draft weed management plans and advises the Minister on weed issues and the progress of regional weed management through the auspices of the *Weed Management Act*.

Committee members include representatives from the Northern Territory Cattlemen's Association, the Departments of Transport and Primary Industry and Fisheries, the Nursery and Garden Industry Association, the Environment Centre of the Northern Territory and the Regional Weed Reference Groups.

The committee comprises:

- Ms Jane Dellow (Chair)
- Ms Dionne Walsh
- Mr Anthony Cox
- Mr Garry Fischer
- Mr Jay Mohr-Bell
- Ms Anna Gazzard (nee Boustead)
- Dr Margaret Friedel
- Mr Anthony Kerr

## 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 Board comprises:

- Mr Paul Zlotkowski (Chair from 26 June)
- Mr Richard Galton (Chair until 25 June)
- Mr Steven Craig
- Ms Anne Kilgariff
- Dr Leigh Hunt
- Mr David James

In addition to the statutory committees mentioned, the department also had the following non-statutory committee:

## Northern Territory Catchments Advisory Committee

The Northern Territory Catchments Advisory Committee (NTCAC) was established by the Minister for Land Resource Management, and the department, to advise on the use and management of the Territory's water resources and the catchments that support them. Members are drawn from areas with experience and knowledge in water policy, use and management.

NTCAC has held 13 meetings since its formation in 2014 and has developed a draft Water Stewardship Framework and Action Plan for consideration as part of the development of the Territory Strategic Water Plan.

The committee comprises:

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

## Risk Management

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

During 2015-16, the Governance Board reviewed strategic business risks that may prevent delivery of department strategic priorities and goals.

The annual Strategic Risk Assessment was centred 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 risks and 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 Work 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 a number of internal control mechanisms in place to mitigate workplace risks.

Corporate Delegations	The 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, and had in place, the following delegations in 2015-16: Financial delegations Human Resources delegations Procurement delegations Instrument of Delegation - <i>Contracts Act</i> Instrument of Delegation - Guarantees and Indemnities.
Conflict of Interest	Conflicts of interest, whether real or perceived, can erode confidence in the integrity of the department. All employees are responsible for declaring any conflicts. Employees, executive directors and branch managers must also take all reasonable steps to prevent involvement in the declared conflicts.
Whistle-blowers	Staff 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'. No public interest disclosures regarding the department's officers were lodged during the year.
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 NTPS 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> , a range of NT Government policies and procedures are 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 effect on 1 July 2003, creating a general right of access to government information held by departments, limited only in those circumstances where the disclosure of certain information would be contrary to the public interest. The Act also protects the privacy of personal information held by the department.

The *Information Act* covers Freedom of Information (FOI) issues, privacy, records and archives management, and affects how the department collects, uses and stores personal and government information.

The Act is designed to protect personal information, promote the free flow of government information, protect public interests and prevent public sector agencies from the unauthorised disclosure of



information on individual private and business interests held by public agencies.

The department is subject to the *Information Act* and is required to meet the obligations placed on it under that Act. Under the *Information Act* members of the public can gain access to documents or records held by the department unless the document is within an exception or exemption category specified in the legislation.

The *Information Act* also defines strict timeframes for dealing with these requests for information.

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)

During the reporting year, the department received four 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:

<i>Information Act</i> Requests	2013-14	2014-15	2015-16
Applications carried over from previous year	1	1	0
Applications to access personal information	8	0	0
Applications to access government information	5	8	4
Applications to access personal and government information	1	0	0
Applications to correct personal information	0	0	0
Applications transferred	1	0	0
Requests withdrawn	1	0	0
Requests refused	0	0	1
Internal reviews	1	0	0
Responses completed within 30 day period	15	9	4
Responses completed exceeding 30 day period	0	0	0
Applications handled as at 30 June 2016	14	9	4

## Information Awareness Month

Information Awareness Month was held in May 2016 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.

## Records Management

During 2015-16, the department continued to improve record management practices and procedures 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 develops and implements 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-department guidance, support and training in information management best practice and use of the whole of government mandated record keeping system. This program had a particular focus on increasing the electronic management of records across the department.

The Corporate Services Division has achieved full electronic recordkeeping; ongoing development of electronic recordkeeping is being adopted by other business units.

## Ombudsman Enquiries

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

# Monitoring Through Audits and Reviews

## Internal Audits

The following risk based internal audits were conducted under the department's 2015-16 Internal Audit Plan. Management's implementation

of audit recommendations is monitored by the department's Audit and Risk Management Committee.

Internal Audit	Focus	Outcome
Cabinet Information Security Measures	Assess the department's compliance with the required Cabinet information security measures	The audit found a satisfactory level of compliance. Recommendations were made to improve existing controls.
Official Duty Travel	Review of the department's Official Duty Travel against the new NTG Air Travel Policy	There is a satisfactory level of compliance with official duty travel. Recommendations were made to improve existing controls.
Tier 2 Procurement	Test the department's Tier 2 Procurement activities against the <i>Procurement Act</i> and Procurement Directions	No material issues or risks were identified. The audit found existing controls were satisfactory.
Corporate Credit Card Purchases	Evaluate the compliance of departmental Corporate Credit Card Purchases against the <i>Financial Management Act</i> , Treasurer's Directions and NTG policies	The audit identified opportunities for improving internal controls and recommendations have been made to address these.
Petty Cash	Examine the department's petty cash electronic reimbursements and petty cash advance tills against the <i>Financial Management Act</i> and relevant NTG and department policies	Several audit issues were identified during this audit and recommendations have been made to strengthen internal controls.
Firearms Audit	Determine the department's compliance with the <i>Firearms Act</i> and Corporate Firearms Licence requirements and review associated internal administration processes.	The audit found no material issues or risks and there was a satisfactory level of compliance. Recommendations were made to improve existing internal controls and update processes.

## External Audits

### Northern Territory Auditor-General Audits

The Office of the Northern Territory Auditor-General selected the department for the following external audits during 2015-16. Results from all the audits

are published in the Auditor-General's reports to the Legislative Assembly.

External Audit	Focus	Outcome
Compliance Audit	Assess the extent to which the department has complied with the provisions of the <i>Financial Management Act</i> , Treasurer's Directions and Procurement Directions in relation to the responsibilities of the Accountable Officer.	The audit found reasonable assurance that the Accountable Officer's responsibilities are being met and two identified audit issues were noted by the Accountable Officer.
Performance Management System Audit – Evaluation of Internal Audit Framework	Examine the systems developed by the Accountable Officer to achieve compliance with their accountability and control requirements and form an opinion on whether the department's internal audit function is adequate.	The audit identified some improvements in order to better demonstrate an effective internal audit function. Several recommendations were made and focus on better practise activities relating to independence, quality assurance, KPI monitoring and reporting and documentation of the assessment of the adequacy of the department's internal audit function.

## Insurable Risk

Under the Treasurer's Directions (M2.1), departments are required to detail 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	Total Number/Total value of Claims 2015-16
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>	1 claim valued at \$150 000
Workers Compensation	<ul style="list-style-type: none"> <li>Formal risk assessments completed</li> <li>Workplace health and safety (WHS) framework developed and implemented</li> <li>WHS 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>Worklife balance strategies</li> </ul>	<p>Four open worker's compensation claims were carried forward from the previous year.</p> <p>There were seven new cases raised during 2015-16.</p> <p>There were eight cases closed during 2015-16.</p> <p>In 2015-16, workers compensation cost \$308 262.</p>
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.</li> </ul>	1 claim valued at \$1500
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>	12 claims valued at \$32 064
Indemnities	<ul style="list-style-type: none"> <li>Formal risk assessments completed each year and with each new agreement executed</li> </ul>	0 claims

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

Commercial Insurance Premium	Total Number/Total Value of Claims		
	2013-14	2014-15	2015-16
Department - overseas travel insurance, small value one-off insurance	\$88 No claims	\$105 No claims	\$0 No claims
Department - marine insurance to transport drilling rig by barge	\$0 No claims	\$9000 No claims	\$0 No claims

# Corporate Social Responsibility

## Communications and Community Engagement

The department undertook a range of community engagement activities during 2015-16. These included:

- Developing a cross-tenure approach to preventing weed spread with extensive industry consultation, including the development of the industry-based publication, *'Preventing Weed Spread is Everybody's Business'*
- Drafting a Weed Spread Prevention Strategy for the Northern Territory for consideration by the Northern Territory Weed Advisory Committee
- Developing the Barkly Regional Weed Management Plan through the region's Weeds Working Group to form part of a strategic approach to protect the region's economy, community and environment from the adverse impacts of priority weeds
- Administering the Gamba Grass Assistance Program for the sixth consecutive year. Some 2 058 individual landholders participated with about 26 460 litres of herbicide being provided for gamba grass control across the Top End
- Promoting the department's key activities and responsibilities to the community by participating in the annual Northern Territory Show Circuit (Alice Springs, Tennant Creek and Katherine) and the Fred's Pass Show. The department was also promoted during the year at the NT Farm and Garden Day in Katherine. 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. The 2015 show circuit display received great feedback with fantastic support from our regions helping the department to take away the award for Best Government Stand at the Alice Springs Show (jointly with the Department of Primary Industry and Fisheries)





- Sponsoring the 2016 Northern Territory Cattlemen's Association Annual General Meeting and Industry Conference in Alice Springs and Northern Territory Farmers Food Futures Conference in Darwin. A departmental information booth was set up at both events to engage with association members and industry professionals. Staff at the booth provided information about diversification opportunities created by the non-pastoral use provisions introduced to the *Pastoral Land Act*. The new provisions, enabling pastoralists to diversify, 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 rangeland monitoring was also promoted
- Sponsoring the 2016 Territory Natural Resource Management Conference and Awards held in Darwin, in November 2015
- Presenting the Agricultural Land Suitability and Water Resource Program to the Indigenous Economic Forum in Alice Springs, 2015
- Promoting community awareness and reporting of strandings of marine megafauna in Northern Territory coastal waters through the online portal NT WildWatch
- Hosting the annual NT Water Forum, officially opened by the Minister for Land Resource Management in Katherine in May 2016. A total of 95 stakeholders attended the forum, where, the key note address given by the Controller of Water Resources followed by expert presentations on a wide range of topics relating to contemporary water resource assessment and management
- Invited public comment on discussion and summary papers as part of the review of the *Bushfires Act*. The review of the 30-year-old Act focused 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

- In November 2015, the department hosted a delegation from the Consulate General of the Kingdom of the Netherlands, including water experts from the Ministry for Infrastructure and Environment.



The delegation observed the department's Mary River Saltwater Intrusion Program and inspected the newly constructed barrages near Shady Camp to slow saltwater intrusion. The delegation also observed the changes which had occurred to the Mary River floodplain system over the past 40 years and the impact of saltwater intrusion on the floodplains. This visit also focused on riverine and stormwater flood mitigation in the Top End and an inspection of key flood-prone areas in the Northern Territory.

- Many departmental representatives attended the annual Women in Agriculture Conference in Alice Springs in August 2015. This year's conference focussed on the theme of Celebrating Diversity: Cultivating central connections and also included a food security field trip to the Department of Primary Industry and Fisheries' Old Man Plains Research Station



- As part of the annual Movember event, the Water Resources' 'Mo-Bros' crew held a sausage sizzle to raise funds to support men's health, resulting in \$152 being raised for this important cause
- On 30 October 2015, the department participated in National Bandana Day to raise money to support young people living with cancer. Over \$350 was raised within the department through sales and donations.

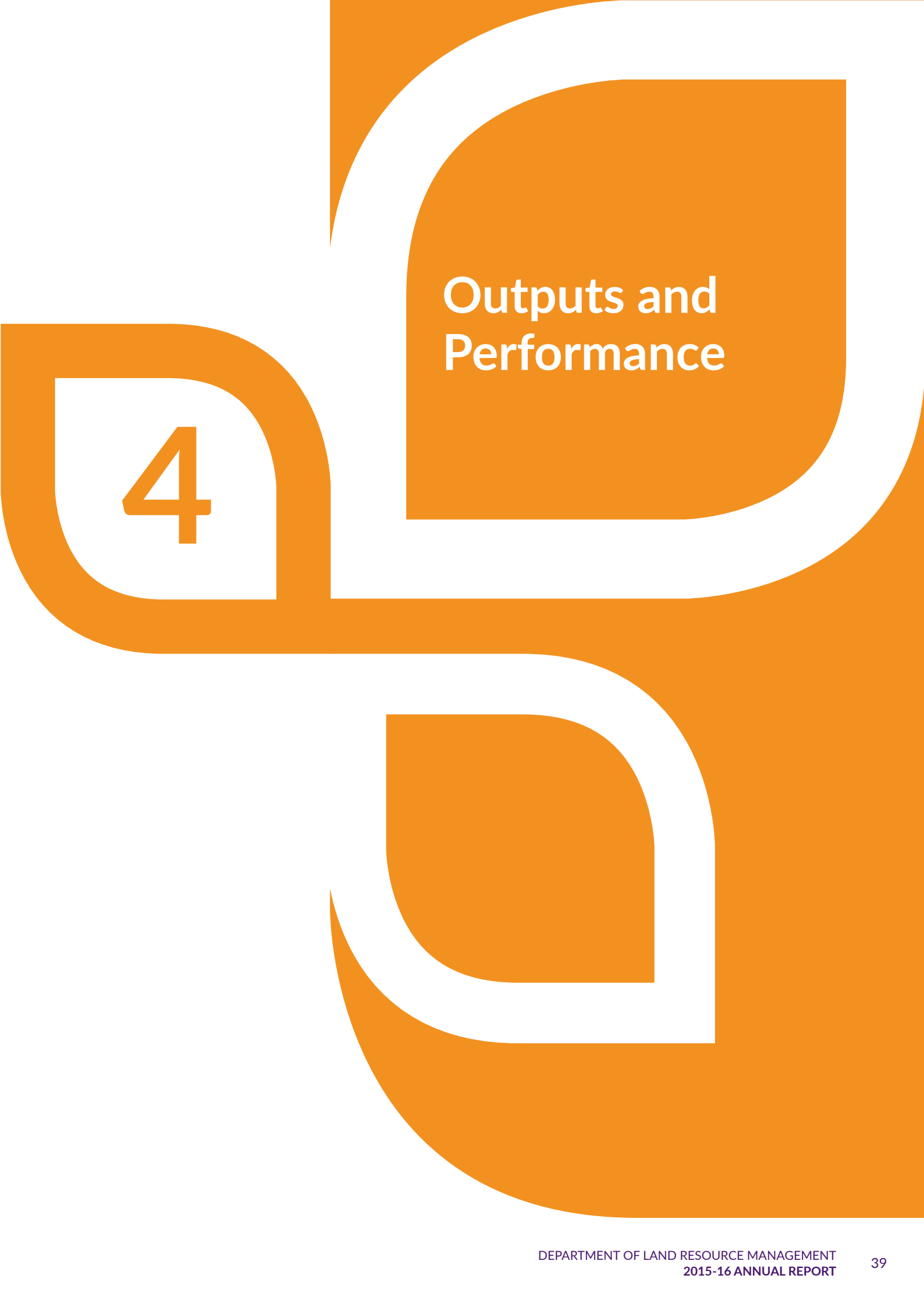


## Grants Programs

The department provides one-off special purpose grants, which, regardless of their type, are distributed under an agreement that includes the purpose of each 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 categories: grants to support the operations of 22 volunteer bushfire brigades, and replacement of volunteer brigade firefighting vehicles	\$1 091 850
Various – Bushfire grants for equipment subsidies and personal 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	\$71 599
University of Technology	Australian Research Council Linkage Grant cash contribution for project titled <i>Preventing and reversing population declines of northern quolls</i>	\$10 000
Northern Territory Field and Game Association	To facilitate weed control at Harrison Dam Conservation Reserve. The grant will be used for aerial weed control and ground work to control olive hymenachne and mimosa infestations, facilitating the continued use of this reserve for waterfowl hunting purpose	\$25 000
Department of Science Information Technology Innovation and the 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	\$100 000
Department of Agriculture and Fisheries	Contribution to the Four Tropical Weeds Eradication Program and the Koster's Curse transition to management plan for 2015-16	\$52 069
Centrefarm (through Department of the Chief Minister (DCM))	Contribution to the Northern Australia Development Office (NADO) together with the Department of Primary Industry and Fisheries and DCM to support the operations of Centrefarm conduit services	\$30 000
Larrakia Nation Aboriginal Corporation	Contribution to the Larrakia Nation, which along with the Department of Lands, Planning and the Environment supports funding for Indigenous traineeships relating to work on Darwin Harbour	\$170 000
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 Adjurmarlari, Jawoyn, Djelk and Mimal ranger groups. This is used to conduct fire planning, mitigation and suppression activities on country in western Arnhem Land.	\$1 695 936
<b>Total</b>		<b>\$3 246 454</b>



# Outputs and Performance

4

# Outputs and Performance



## Financial Snapshot

### Income

In 2015-16, the department received income of \$52.9 million against a budget of \$53 million for:

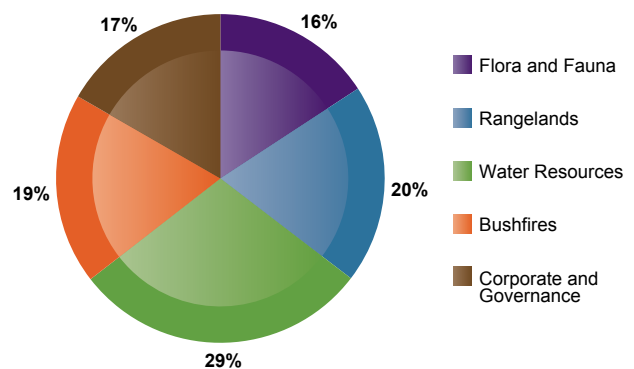
- Northern Territory Parliamentary appropriation of \$35.8 million being the main source of income
- Goods and services income predominately relating to revenue received for service level arrangements in place with three other departments and a Government Business Division for the provision of corporate services of \$5 million
- Other goods and services revenue consisting of works performed by the departments Water Services unit of \$1.4 million and Bushfires NT of \$1.1 million for external parties.
- Grants and subsidies received from the Australian Government and other external parties totalling \$5.8 million
- Notional revenue for corporate services provided by the Department of Corporate Information Services recognised at \$3.7 million.
- Other revenue of \$0.1 million

### Expenditure

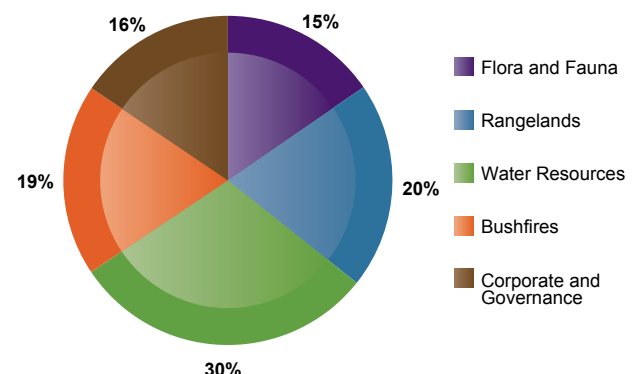
In 2015-16, the department's expenditure totalled \$54.1 million against a budget of \$54.4 million for:

- Employee expenses that represented 54.6 per cent of the total expenditure or \$29.5 million
- Goods and services expenditure of \$15.8 million

Income by Output Group



Expenditure by Output Group





- Repairs and maintenance of assets of \$1.1 million including \$0.6 million spent on the Mary River Saltwater Intrusion Program
- Grants and subsidies payments totalling \$3.2 million including \$1.2 million to support Bushfire Brigades and \$1.7 million for the West Arnhem Fire Management Agreement
- Non-cash expenses totalling \$4.5 million including depreciation charged on the department's asset portfolio and the matching notional expenses charged by the Department of Corporate Information Services.

## Output Groups

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

Provides 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.

### Significant Achievements

- Reduced green tape by implementing a common assessment method with the Australian Government for listing threatened species
- Continued research programs investigating feral cats and small mammal decline in the Top End and Central Australia
- Completed biodiversity monitoring for Nitmiluk, Kakadu, Litchfield, Watarrka and Finke Gorge National Parks
- Increased crocodile egg harvest quotas following a review of the saltwater crocodile management plan
- Launched Flora NT, an online webservice containing comprehensive information on the Territory's unique plants



- Completed seafloor mapping of Darwin and Bynoe Harbours to inform sustainable development of our coastal waters
- Completed annual systematic monitoring of crocodile and magpie geese populations in major Top End Rivers.

### Our Progress

- Commenced development of a Feral Animal Strategy for the Northern Territory
- Published a report on strandings of marine megafauna in Northern Territory coastal waters
- Contributed to the National Wild Dog Management Plan
- Contributed to the reintroduction of the Northern Quoll to mainland Northern Territory from translocated island populations
- Contributed to the development of a Threatened Species Strategy for Groote Eylandt
- Published outcomes of the Australian Feral Camel Management Project in a special edition of the Rangelands Journal
- Continued engagement with Traditional Owners to document Indigenous biocultural knowledge.



**Strategies and plans being developed or under review:**

- Marine Megafauna Strategic Plan 2016-2020
- Integrated Conservation Strategies for Northern Territory National Parks
- Northern Territory Feral Animal Management Strategy
- Implementation Plan for Northern Territory Biodiversity Spatial Database.
- Develop an integrated monitoring program to understand the recovery of mangrove dieback in the Gulf of Carpentaria
- Continue to promote Indigenous biocultural knowledge by publishing books from the Daly, Gulf of Carpentaria and Barkly regions
- Continue to improve access to flora and fauna information by developing online data portals and web services.

**Looking forward (next 12 months)**

- Develop best-practice guidelines for wild dog management on pastoral properties
- Implement a landscape-scale management experiment for feral herbivores and fires to inform management of habitat for small mammals

**Key Deliverables**

Key Deliverables	2014-15 Actual	2015-16 Budget	2015-16 Actual	2016-17 Budget
Number of spatial biodiversity records for the Territory	1.85M	1.87M	1.89M	2.01M
Number of biodiversity information requests met	2400	2500	2400	2400
Number of active inventory, monitoring and applied research programs	35	34	34	34
Number of management programs in place for sustainable wildlife use	6	7	6	7

1. Our Department

2. Our People

3. Corporate Governance

4. Outputs and Performance

5. Financial Statements

## Output: Rangelands

Provides 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.

### Significant Achievements

- Conducted an on-ground rangeland monitoring program on 53 pastoral leases with 288 monitoring sites assessed for the Pastoral Land Board under the *Pastoral Land Act*
- Administered 26 native vegetation clearing proposals to support sustainable development under the *Pastoral Land Act* and *Planning Act*
- Provided written advice to more than 846 development proposals for various Northern Territory Government agencies and authorities
- Facilitated 28 ownership transfers of pastoral leases, under the *Pastoral Land Act*, supporting the economic development of the Northern Territory pastoral estate and Northern Australia. This higher than average number of sales of pastoral leases, indicates continued investment and confidence in the Northern Territory pastoral industry
- Completed the delivery of \$0.6M repairs and maintenance works on engineered designed barrages around the Mary River's Shady Camp area, which will help slow the natural progression of saltwater into the freshwater systems of the river and its floodplains
- Finalised revised land system mapping across pastoral and Indigenous land in the Barkly, Davenport and Elliott pastoral areas
- Finalised and approved the first statutory weed management plan for neem under the *Weeds Management Act* following public consultation in 2014-15
- Finalised and approved statutory weed management plans for chinee apple, mesquite and prickly acacia following public consultation in 2015-16
- Implemented a joint program involving the Department of Correctional Services and Lands,



Planning and the Environment, which resulted in strategic woody weed control being administered in the Katherine River by low security prisoners and community service workers

- Delivered the Gamba Grass Assistance Program in the Top End for the sixth consecutive year with 2 058 individual landholders participating and 26 460 litres of herbicide and spray equipment being provided for gamba grass control across the Top End.

### Our Progress

- Finalised *Soil and Land Suitability Assessment for Irrigated Agriculture in the Larrimah Area, Sturt Plateau* including a technical report and mapping. This study identified 22 830 ha of land that is suitable for a range of irrigated agricultural crops; 10 395 ha on Vermelha Pastoral Lease, 10 015 ha on Mangarrayi Aboriginal Land Trust and 2 320 ha on Wubalawun Aboriginal Land Trust. An accompanying water resource assessment identified significant groundwater supplies in the region of up to 40G/L per year also
- Completed agricultural land suitability fieldwork on crown, pastoral and Indigenous land in the Wildman River, Ali Curung, central Barkly and the Tennant Creek regions
- Provided support to the Pastoral Land Board which approved five non-pastoral use applications under the *Pastoral Land Act*. This included permits for irrigated agriculture (hay production) and horticulture in the Northern Alice Springs region, rice cultivation near Adelaide River; and mango and hay production in the Douglas Daly region. These permits allow for greater diversification in using the pastoral estate for



activities such as agriculture, horticulture, forestry, aquaculture and tourism

- Commenced planning for agricultural land suitability fieldwork in the Gunn Point, Ti-Tree and Wadeye areas.

**Strategies and plans being developed or under review:**

- A draft statutory weed management plan for athel pine in collaboration with the Alice Springs Regional Weed Reference Group for public consultation in 2016-17
- A draft statutory weed management plan for grader grass was developed and released for public consultation.

**Looking forward (next 12 months)**

- Finalise agricultural land suitability projects, through the completion of technical reports and mapping, for fieldwork undertaken at Wildman, Ali Curung, central Barkly and Tennant Creek west regions
- Complete agricultural land suitability fieldwork investigations for the Wadeye, Ti Tree, Alice Springs south, Gunn Point and Dunmarra regions
- Commence an enhanced cabomba weed eradication program in the Darwin River
- Develop and implement an enforcement and compliance program to mitigate the risk of gamba grass in the rural area

- Develop a communications approach for the hay industry that will promote best management practice and reduce potential for weed spread
- Conduct public consultation on the statutory weed management plan for athel pine and obtain approval for its implementation
- Approve and initiate implementation of the statutory weed management plan for grader grass
- Review the statutory weed management plans for gamba grass, mimosa and bellyache bush
- Declare all Weeds of National Significance (WoNS) under the *Weeds Management Act*. These include invasive opuntiod cacti, such as prickly pears and rope cacti
- Commence a review of the *Pastoral Land Act* and the *Weeds Management Act* to ensure legislation meets the requirements of contemporary practice and development within the Northern Territory
- Reconstruct two additional saltwater intrusion barrages around the Mary River’s Shady Camp area to slow the natural progression of saltwater into the river’s freshwater systems and floodplains. This \$0.8M program will result in a total of five engineered designed barrages being completed in the area.

**Key Deliverables**

Key Deliverables	2014-15 Actual	2015-16 Budget	2015-16 Actual	2016-17 Budget
Percentage of pastoral estate monitored in the year	14%	16%	24%	24%
Land clearing applications assessed	20	15	26	20
Area of land receiving weed extension services (000km <sup>2</sup> )	322	380	400	400
Land development proposals assessed <sup>2</sup>	1001	900	846	900
Soil profile sites described and tested for and suitability assessment and mapping <sup>1</sup>	496	280	953 <sup>1</sup>	500

1. Soil profile sites have exceeded the expected yearly output. This is due to a move to high intensity agricultural land suitability mapping involving less travel between sites and new 2015-16 Budget funding for an additional project team to map agricultural land suitability on or in the vicinity of Indigenous land. Fieldwork for this project commenced in July 2015.

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.



## Output: Water Resources

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

### Significant Achievements

- Hosted the 3<sup>rd</sup> Northern Territory Water Forum in Katherine in May 2016
- Declared the Alice Springs Water Allocation Plan 2015-2025
- Released the Draft Berry Springs Water Allocation Plan for public comment
- Commissioned an independent review of licence reliability methodology and assessments through the Goyder Institute for Water Research
- Launched the Darwin Rural Groundwater Watch project in response to expected water supply difficulties in the Darwin Rural area
- Published the Darwin Harbour Region Report Card 2015
- Completed the water assessment study as part of the Larrimah Land and Water Suitability Program
- Managed flood reporting for 53 monitoring stations at strategic locations throughout the Northern Territory
- Published flood mapping for the Alice Springs and Darwin areas to inform land use planning and flood mitigation efforts
- Completed the mid-term review of the Katherine Tindall Water Allocation Plan
- Completed and released the findings of the Pesticide Groundwater Quality Survey of the Katherine Tindall Aquifer
- Undertook investigative drilling around Elliott and Barkly stock route
- Successfully bid for Australian Government funding to conduct feasibility studies into managed aquifer recharge in the Northern Territory
- Completed riverine flooding maps for the Elizabeth and Blackmore Rivers.



### Our progress

- Commenced a new program of fish movement monitoring in the Roper River
- Commenced water resource assessments in the Ali Curung and Wildman River area as part of the Land and Water Suitability Program
- Continued community education and information strategies as part of the Darwin Rural Groundwater Watch project throughout the 2016 calendar year
- Introduced arrangements to support more effective and agile provisions for permanent and partial trading of water licence entitlements
- Undertake a groundwater pesticide and herbicide study in the Darwin Rural area
- Promote education and compliance with the new declaration of exemptions under the *Water Act* which removes the exemption to a licencing requirement for bores equipped to pump 15L per second or less in the Darwin Water Control District
- In conjunction with Geoscience Australia, undertake a pre-agricultural assessment of the area known as Ord Stage 3 in the Keep River region of the Northern Territory
- Undertake stakeholder consultations on the proposed operating and management arrangements to support the removal of the exemptions to mining and petroleum activities in the *Water Act*
  - Partner with Charles Darwin University to undertake scientific research in the Daly River.

**Strategies and plans being developed or under review:**

- A four-year land and water suitability program
- Work with the Rapid Creek Water Advisory Committee on the development of a Water Management Plan for the Rapid Creek and Rapid Creek catchment
- Declaration of the Berry Springs Water Allocation Plan
- Declaration of the Western Davenport Water Allocation Plan
- Water Allocation Plans for the Ooloo Aquifer, Howard East and Ti Tree water allocation plan areas.



- Acceleration of Water Allocation Committees and Plans. Water Allocation Committee members were publicly called for in 2015-16 for Rapid Creek and for the Ti Tree, Alice Springs and Ooloo water allocation plan areas; and a new water advisory committee for the Howard East was established. These committees will advise on the development of new and revised water allocation plans in gazetted plan areas and on a water management plan for Rapid Creek
- Complete water investigations and assessments in Wadeye, Wildman River and Blue Bush as part of the Land and Water Suitability Program. Drilling in Wadeye and Blue Bush commenced in 2015-16 and is expected to continue until August 2016. Investigative drilling in the Wildman River area will commence in August/September 2016
- Commence the Managed Aquifer Recharge feasibility study in conjunction with Jacobs Consulting. This project is expected to run for three years
- Commence a pre-agricultural assessment to support the development of Ord Stage 3 in the Keep River region. The assessment will have a particular focus on salinity and flood risk.

**Looking forward (next 12 months)**

- Removal of the exemption for mining and petroleum activities under the *Water Act* and the development of operational procedures and arrangements
- Removal of the exemption applying to bores equipped to pump 15L per second or less in the Darwin Rural Water Control District. The removal of the exemption will require all water users, other than stock and domestic users, to be licensed under the *Water Act*
- Introduction of Water Trade Policy and Procedures to provide for those who have been approved and licenced to extract water to be able to partially or fully trade water with other licence holders. Trade will allow water entitlements to be used to meet regional and economic priorities within a region or area

**Key Deliverables**

Key Deliverables	2014-15 Actual	2015-16 Budget	2015-16 Actual	2016-17 Budget
Number of water assessment projects completed <sup>1</sup>	3	4	3*	4
Proportion of water allocation plans covered by annual water monitoring programs	80%	85%	100%	85%
River, coastal regions and communities covered by flood risk mapping	26	28	28	39
Proportion of licensed groundwater use covered by current water allocation plans <sup>1</sup>	56%	80%	40%	76%
Annual report cards on aquatic health of Darwin published	Yes	Yes	Yes	Yes

1. The variation in 2015-16 is due to unexpected delays

\* Targets affected by negotiation delays to access the Tennant Creek investigation areas.

## Output: Bushfires NT

Provides support to landholders in the management and mitigation of wildfire and assists volunteer brigades in fire management and suppression outside the Territory's urban centres.

### Significant Achievements

- Led the renegotiation of the West Arnhem Fire Management Agreement to better recognise the central role of Indigenous land managers
- Delivered wildfire management-related training to 372 landowners and community members across the Territory and developed a new fire management training program designed for remote area ranger groups
- Supported volunteer bushfire brigades in managing 405 wildfire incidents throughout the Territory
- Completed a review of the *Bushfires Act* and managed the drafting of new legislation which was passed in the Legislative Assembly and is scheduled to commence in late 2016
- Completed a review of operational procedures and finalised a major update of the Bushfires NT Standard Operating Procedures
- Developed new hazard identification and risk assessment tools to support a new mitigation planning process focussed on community engagement. The effectiveness of this approach is already being reflected in better coordinated mitigation and reduced incidence and intensity of destructive fires
- Conducted a series of mitigation planning workshops across the Territory leading to greatly improved regional and local coordination of bushfire mitigation activity
- Established a formal consultation framework with the volunteer brigade network leading to better coordination and recognition of volunteers.



### Our progress

- The growing fire risk associated with the continuing spread of invasive high fire risk weeds, is being managed through greater emphasis on community involvement in planning and mitigation, improved resource planning and allocation, in conjunction with volunteer bushfire brigades, and improved fire response protocols
- A strategic regional fire break program is in its second year. This program, which is partly funded through the Commonwealth's National Bushfire Mitigation Program, leverages existing fire mitigation infrastructure by joining property fire breaks to create effective regional fire protection networks. It targets known problem areas and is a highly cost effective approach to regional fire protection
- The incident management and mitigation planning components of a new, advanced level fire management training program will be finalised and delivery of this training to volunteers and other stakeholders will commence during 2016-17. This training will strengthen the capacity of the volunteer brigade network, and it accompanies the improved recognition and authority provided for volunteers in the new *Bushfires Management Act*.

**Strategies and plans being developed or under review:**

- New training in incident management, leadership and mitigation planning will be developed for senior volunteer fire fighters and fire wardens during 2016-17
- In association with the commencement of the new *Bushfires Management Act*, fire management and mitigation planning arrangements are being reviewed
- A consultative committee that brings together key volunteer and Bushfires NT personnel, will continue to improve support for volunteer brigades and provide a forum for volunteers to contribute to operational and strategic planning.

**Looking forward (next 12 months)**

- The *Bushfires Management Act* is scheduled to commence on 1 November 2016. Transition arrangements include development of new operational procedures and arrangements, and the development and delivery of training for staff, volunteers and fire wardens
- The new Act introduces a requirement for the development of annual regional bushfire management plans. A suite of planning tools and templates will be developed, along with a regional planning framework incorporating stakeholder consultation and endorsement
- A community awareness program will be developed and presented to explain changes to fire management arrangements and responsibilities



- The fire management arrangements in Fire Protection Zones will be reviewed. The new legislation strengthens fire management requirements within Fire Protection Zones, and its commencement provides an opportunity to review fire management activities in these zones
- Increased support will be provided for the development of carbon emission abatement initiatives including support for landowner groups planning to develop projects and support for ongoing research into emission abatement methodology for different Territory landscapes.

**Key Deliverables**

Key Deliverables	2014-15 Actual	2015-16 Budget	2015-16 Actual	2016-17 Budget
Number of wildfire incidents attended by staff and/or volunteers	409	200	405	300
Number of extension visits to properties	176	100	266	150
Number of stakeholders trained	440	400	372	400
Number of enforcement actions relating to the <i>Bushfires Act</i> and associated regulations, including firebreak compliance inspections <sup>1</sup>	4732	5000	1422	5000
Number of trained volunteers	552	540	574	550

1. Majority of compliance inspections in the Top End rescheduled due to late rains



## Output: Corporate and Governance and Shared Services Provided

### Corporate and Governance

Provides executive leadership and management to the Department of Land Resource Management (DLRM).

### Shared Services Provided

Provides shared corporate and governance services to four agencies and a government business division. Undertakes 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.

### Significant Achievements

- Delivered quality shared corporate services in line with budget and the agreed service statements
- Finalised and implemented the DLRM Strategic Workforce Plan 2016-2020
- Launched the new eLearning Corporate Induction Program
- Launched the new Simplified Recruitment eLearning training package
- Supported the department to increase Indigenous employment through the development of the DLRM Indigenous Employment Strategy 2016-2020
- Implemented the NTG Digital Strategy within the department including the transition to nt.gov.au for the agency website
- Finalised the development of the DLRM ICT Strategy
- Continued to manage the 'Voice of the People' culture program
- Delivered the 2015-16 internal audit program.



### Our Progress

- Provided expert corporate advice and guidance to support the development and delivery of government initiatives and priorities
- Provided strategic financial management analytics to inform business decisions
- Supported the department through targeted strategies and advice to assist in the effective communication of key agency priorities, including changes to the *Bushfires Act*, as well as water allocation plans, weed management plans, land clearing and Darwin Harbour report cards
- Continued to build the risk management capacity across the department
- Continued to build capacity and capability across the department through the delivery of training such as the Combat Bullying Program, change management workshops and cross-cultural training
- Administered key HR systems including the Personnel Evaluation System (PES), MyForms and Learning Management System
- Supported the department in the implementation and introduction of whole-of-government ICT initiatives including Internet Explorer 11, Mobile Device Management, Virtual Private Network and Drop Box; Records Manager and Microsoft Office 2013



- Developed an ICT governance framework for the department
- Delivered key initiatives to address the Northern Territory Public Sector People Matter Survey response plan
- Facilitated the development of emerging leaders through the delivery of two senior leaders' forums
- Managed the recognition of employees through the DLRM Recognition and Reward Scheme
- Developed and launched the Cultivate Program for the department
- Reviewed corporate policies and procedures to support the reduction of red tape and streamlined processes
- Continued to develop online corporate forms
- Advanced the development of the corporate delegations database

**Strategies and plans being developed or under review:**

- Review the Risk Management Framework
- People Matter Action Plan

- Diversity Policy
- Community Engagement Strategy
- Review the internal audit charter, including the Internal Audit Manual
- Review corporate policies

**Looking forward (next 12 months)**

- Continue to deliver quality corporate services to effectively support department outcomes
- Continue to support the department in the development and delivery of government initiatives and priorities
- Engage with stakeholders and influence the development of whole-of-government corporate initiatives
- Inspire a professional and innovative corporate team within a positive and safe working environment
- Deliver robust corporate services, systems, policies and reporting
- Provide leadership and coordination across the department.

# Financials

5

# Financials



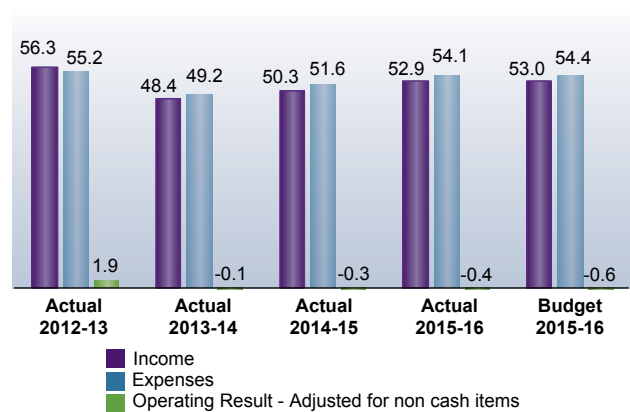
## The Department Financial Statement Overview

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 2016.

The department includes the following outputs:

- Bushfires
- Fauna and Flora
- Rangelands
- Water Resources
- Corporate and Governance.

Operating Results (\$M)



## Financial Performance

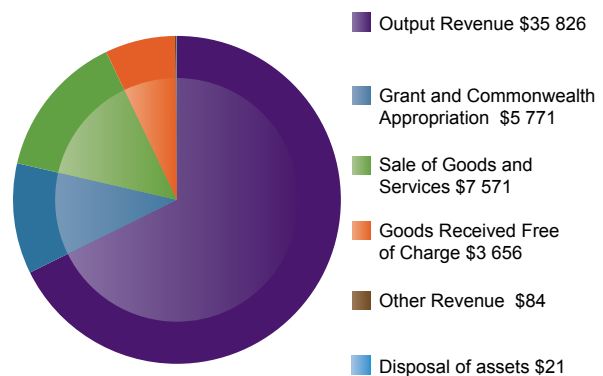
In 2015-16, the department made a net loss of \$1.2 million, or a loss of \$0.4 million prior to the charging of non-cash items such as depreciation and non capitalised assets. This compares to a budgeted loss before non-cash items of \$0.6 million.

The budget saving of \$0.2 million was due to an underspend in externally funded projects of \$0.5 million where the unutilised expense funding will be spent in 2016-17, offset by additional expenditure incurred for Wildfire management and workers compensation.

## Income

The department received income of \$52.9 million in 2015-16, \$0.1 million less than budget, and an increase of \$2.6 million compared to 2014-15.

2015-16 Income by Source \$'000





The department is funded primarily through NT 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.

## Output Revenue

In 2015-16, output revenue of \$35.8 million was received in accordance with budget. Output revenue increased from 2014-15 by \$0.1 million, predominantly due to new funding received for land and water assessments.

## Grants and Commonwealth Appropriation

The department attracts 10.9 percent of its revenue from external sources. In 2015-16, \$5.8 million was received, including \$0.5 million from the Australian Government. This external revenue was \$0.1 million higher than the approved budget of \$5.7 million and was \$1.4 million greater than 2014-15. This increase over the prior year was predominately due to large INPEX supported aquatic projects.

Some of the key externally funded projects in 2015-16 include:-

- West Arnhem Fire Monitoring Agreement
- INPEX Map Habitats in Darwin and Bynoe Harbour
- INPEX Dolphin and Dugong Monitoring

- INPEX Darwin Harbour Indigenous Ranger Marine Program
- National Bushfire Mitigation Project
- INPEX Status of Coastal Dolphins in the NT
- Restoring Central Australian Waterhole
- Storm Tide Inundation Project
- Bellyache Bush - Daly Biodiversity Fund

## Sale of Goods and Services

In 2015-16, income from the sale of goods and services totalled \$7.6 million, consistent with budget and \$1.3 million higher than 2014-15. The most significant income streams are for the provision of corporate services to three other agencies and a Government Business Division totalling \$5.0 million, Water Services revenue \$1.4 million, and Bushfires projects \$1.1 million.

## Goods and Services Received Free of Charge

In 2015-16, notional goods and services received free of charge from Department of Corporate Information Services totalled \$3.7 million, as per the prior year, and \$0.1 million less than budget.

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

The four year trend in income streams and the 2015-16 budget are as follows:

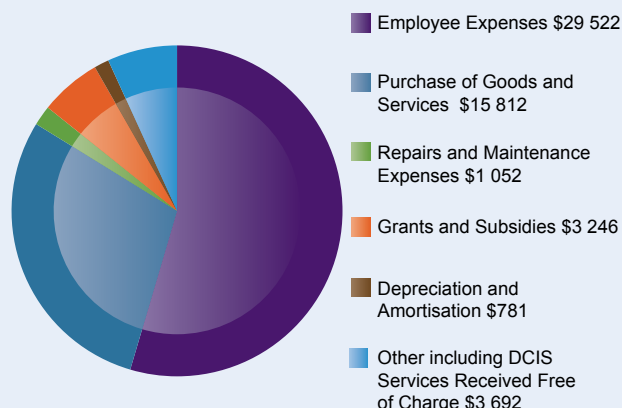
Income Type	Actual 2012-13 \$'000	Actual 2013-14 \$'000	Actual 2014-15 \$'000	Actual 2015-16 \$'000	Variance %	Budget 2015-16 \$'000	Variance %
Output Revenue	35 540	33 038	35 709	35 826	0%	35 826	0%
Grant & Commonwealth Appropriation	9 320	3 082	4 377	5 771	32%	5 718	-1%
Sale of Goods and Services	6 626	7 693	6 346	7 571	19%	7 552	0%
Goods Received Free of Charge	4 641	4 257	3 730	3 656	-2%	3 820	4%
Other Revenue	74	306	94	105	12%	68	-35%
<b>Income Total</b>	<b>56 201</b>	<b>48 376</b>	<b>50 256</b>	<b>52 929</b>	<b>5.3%</b>	<b>52 984</b>	<b>0.1%</b>

## Expenses

The department incurred \$54.1 million in expenses during 2015-16 in the delivery of its programs and services. This was \$0.3 million less than budget and \$2.5 million greater than 2014-15.

Payments to employees and purchase of goods and services account for 83.8 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 Department of Corporate and Information Services representing non-cash transactions.

### 2015-16 Expenses by Source \$'000



### Employee Expenses

Staffing costs represent 54.6 percent of total expenditure or \$29.5 million, \$0.3 million less than budget and a \$2.1 million increase from 2014-15. The increase from the prior year is due to additional Territory funding for Land Suitability Assessment and Wildfire Mitigation, and an increase in externally funded projects expenditure.

### Goods and Services Expenses

Actual spend on the purchase of goods and services in 2015-16 was \$15.8 million, \$0.2 million less than budget and \$0.6 million more than 2014-15. The saving to budget relates to a \$0.4 million under-spend in externally funded projects that will be spent in 2016-17 offset by additional wildfire expenditure.

### Grants and Subsidies

In 2015-16 the department distributed \$3.2 million in grants and subsidies, \$0.3 million more than budget and \$0.1 million more than 2014-15.

Payments were made to the Northern Land Council for the West Arnhem Fire Management Agreement (WAFMA) of \$1.7 million, support for rural Bushfire Brigades of \$1.2 million, a grant of \$0.2 million to Larrakia Nation Aboriginal Corporation for Indigenous

traineeships to undertake monitoring of Darwin Harbour, and \$0.1 million for a collaborative research project between the Northern Territory Government and the Queensland Department of Science Information Technology Innovation and the Arts to provide an integrated system that will inform both governments and land managers on the condition of territory rangelands.

The \$0.3 million overspend against budget was due to additional grant revenue received for the WAFMA project that was paid to the Northern Land Council.

For a full breakdown of grant payments refer to section 4 Grants Programs.

### Repairs and Maintenance Expenses

Actual repairs and maintenance expenditure for 2015-16 was \$1.1 million, consistent with budget and \$6000 higher than 2014-15.

### Depreciation

Depreciation is the allocation of an asset's cost over its useful life. In 2015-16 depreciation was \$0.8 million in accordance with budget and the prior year. Depreciation costs represent 1.4 percent of total expenditure.

## Goods and Services Received Free of Charge

In 2015-16, notional goods and services received free of charge from Department of Corporate and Information Services totalled \$3.7 million, \$0.1 million less than budget and consistent with 2014-15.

The four year expenditure trend and the 2015-16 budget are as follows:

Expenditure type	Actual 2012-13 \$'000	Actual 2013-14 \$'000	Actual 2014-15 \$'000	Actual 2015-16 \$'000	Variance %	Budget 2015-16 \$'000	Variance %
Employee Expenses	25 483	25 153	27 463	29 522	7%	29 755	1%
Purchase of Goods and Services	15 023	14 527	15 208	15 812	4%	16 057	2%
Repairs and Maintenance Expenses	1 017	1 425	1 046	1 052	1%	1 071	2%
Grants and Subsidies	8 107	3 088	3 070	3 246	6%	2 890	-11%
Depreciation and Amortisation	795	780	844	781	-7%	774	-1%
Other including DCIS Services received Free of Charge	4 652	4 275	4 018	3 692	-8%	3 820	3%
<b>Expenses Total</b>	<b>55 077</b>	<b>49 248</b>	<b>51 649</b>	<b>54 105</b>	<b>4.8%</b>	<b>54 367</b>	<b>0.5%</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 departments' asset holdings (what is owned) against liabilities (what is owed).

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

	Actual 2012-13 \$'000	Actual 2013-14 \$'000	Actual 2014-15 \$'000	Actual 2015-16 \$'000
Assets	15 939	16 757	20 714	21 521
Liabilities	( 8 464)	( 9 775)	( 9 625)	( 9 230)
Net Assets/Equity	7 475	6 982	11 089	12 291

## Assets

The department's assets at 30 June 2016 totalled \$21.5 million. The balance of assets consists of:

- Cash balances of \$6.4 million, representing cash held in a financial institution and, petty cash and floats;
- Receivables of \$1 million representing the amount that is owed to the department for goods and services provided and delivered;
- Prepaid expenses of \$0.1 million representing expenses that have been paid before the good or service was received or provided; and
- Property, plant, equipment and computer software of \$14 million.

## Liabilities

The department's liabilities at 30 June 2016 totalled \$9.2 million. The balance of liabilities consists of:

- Deposits held of \$1.5 million to recognise the liability for Natural Heritage Trust Single Holding Account held on behalf of the Australian Government;
- Payables of \$2.1 million representing the amount owed to creditors for goods and services purchased and received;
- Provisions for employee entitlements of \$4.6 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; and
- Unearned revenue of \$1 million representing the amount received for services not yet provided.

## Equity

Equity as at 30 June 2016 is \$12.3 million, an increase in net worth of \$1.2 million from the previous year.

This increase relates to :

- \$0.2 million for the transfer in of completed infrastructure works of two Bushfires NT transportable buildings and a communications tower;
- \$2.2 million appropriation to purchase capital items; offset by
- \$1.2 million operating loss for 2015-16 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 \$6.4 million at 30 June 2016.

The cash flows are summarised as follows:

	Actuals 2012-13 \$000	Actuals 2013-14 \$000	Actuals 2014-15 \$000	Actuals 2015-16 \$000
<b>Cash In</b>				
Operating Receipts	57 038	46 758	48 557	50 622
Equity Injections/Capital appropriation/Deposits	10 956	466	2 175	2 515
	<b>67 994</b>	<b>47 224</b>	<b>50 732</b>	<b>53 137</b>
<b>Cash Out</b>				
Operating Payments	(63 412)	(44 438)	(49 795)	( 51 889)
Purchase of Fixed Assets	( 186)	( 623)	( 687)	( 2 212)
Equity withdrawals/ deposits refunded	(1 427)	-	-	-
	<b>(65 025)</b>	<b>(45 061)</b>	<b>(50 482)</b>	<b>( 54 101)</b>
<b>Net Increase/ ( Decrease) in Cash Held</b>	<b>2 969</b>	<b>2 163</b>	<b>250</b>	<b>( 964)</b>
Cash at Beginning of Financial Year	2 020	4 989	7 152	7 402
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>4 989</b>	<b>7 152</b>	<b>7 402</b>	<b>6 438</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 2016 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.



Alastair Shields  
Chief Executive Officer  
30 August 2016



Joanna Frankenfeld  
Chief Financial Officer  
30 August 2016

## Comprehensive Operating Statement

For the year ended 30 June 2016

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

	Note	2016 \$'000	2015 \$'000
<b>Income</b>			
Grants and subsidies revenue			
Current		5 459	3 528
Appropriation			
Output		35 826	35 709
Commonwealth		312	849
Sales of goods and services		7 571	6 346
Interest revenue		34	25
Goods and services received free of charge <sup>(1)</sup>	4	3 656	3 730
Gain on disposal of assets	5	21	-
Other income		50	69
<b>Total Income</b>	<b>3</b>	<b>52 929</b>	<b>50 256</b>
<b>Expenses</b>			
Employee expenses			
		29 522	27 463
Administrative expenses			
Purchases of goods and services	6	15 812	15 208
Repairs and maintenance		1 052	1 046
Depreciation and amortisation	10,11	781	844
Other administrative expenses <sup>(1)</sup>		3 658	3 731
Grants and subsidies expenses			
Current		3 246	3 070
Interest expense		34	25
Loss on disposal of assets	5	-	262
<b>Total Expenses</b>	<b>3</b>	<b>54 105</b>	<b>51 649</b>
<b>Net Deficit</b>		<b>(1 176)</b>	<b>(1 393)</b>
<b>Other Comprehensive Income</b>			
Changes in asset revaluation reserve		-	1 759
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>1 759</b>
<b>Comprehensive Result</b>		<b>(1 176)</b>	<b>366</b>

(1) Includes DCIS service charges.

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

## Balance Sheet

For the year ended 30 June 2016

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

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	7	6 438	7 402
Receivables	8	965	748
Inventories	9	2	6
Prepayments		151	215
<b>Total Current Assets</b>		<b>7 556</b>	<b>8 371</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	13 107	12 045
Intangible assets	11	858	298
<b>Total Non-Current Assets</b>		<b>13 965</b>	<b>12 343</b>
<b>Total Assets</b>		<b>21 521</b>	<b>20 714</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deposits held	13	1 508	1 186
Payables	14	2 096	2 229
Provisions	15	4 626	4 889
Other liabilities	16	972	1 266
<b>Total Current Liabilities</b>		<b>9 202</b>	<b>9 570</b>
<b>Non-Current Liabilities</b>			
Other liabilities	16	28	55
<b>Total Non-Current Liabilities</b>		<b>28</b>	<b>55</b>
<b>Total Liabilities</b>		<b>9 230</b>	<b>9 625</b>
<b>Net Assets</b>		<b>12 291</b>	<b>11 089</b>
<b>Equity</b>			
Capital		85 430	83 052
Reserves	17	3 609	3 609
Accumulated funds		(76 748)	(75 572)
<b>Total Equity</b>		<b>12 291</b>	<b>11 089</b>

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

## Statement Of Changes In Equity

For the year ended 30 June 2016

2015-16	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>		(75 572)	(1 176)	-	(76 748)
<b>Reserves</b>					
Asset revaluation reserve	17	3 609	-	-	3 609
<b>Capital - Transactions with owners</b>					
Equity injections		83 052	-	-	83 052
Capital appropriation		-	-	2 172	2 172
Equity transfers in		-	-	206	206
Other equity injections		-	-	-	-
Equity withdrawals					
Equity transfers out		-	-	-	-
		83 052	-	2 378	85 430
<b>Total Equity at 30 June</b>		<b>11 089</b>	<b>(1 176)</b>	<b>2 378</b>	<b>12 291</b>

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>					
Equity injections		79 311	-	-	79 311
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>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.



## Cash Flow Statement

For the year ended 30 June 2016

	Note	2016 \$'000 (Outflows) / Inflows	2015 \$'000 (Outflows) / Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Grants and subsidies received			
Current	528	5 459	3 528
Appropriation			
Output		35 826	35 709
Commonwealth		312	849
Receipts from sales of goods and services			
Interest received		34	24
<b>Total Operating Receipts</b>		<b>50 622</b>	<b>48 557</b>
<b>Operating Payments</b>			
Payments to employees			
		(30 445)	(27 128)
Payments for goods and services			
		(18 164)	(19 573)
Grants and subsidies paid			
Current		(3 246)	(3 070)
Interest paid		(34)	(24)
<b>Total Operating Payments</b>		<b>(51 889)</b>	<b>(49 795)</b>
<b>Net Cash (Used In) Operating Activities</b>	18	<b>(1 267)</b>	<b>(1 238)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from asset sales	5	21	12
<b>Total Investing Receipts</b>		<b>21</b>	<b>12</b>
<b>Investing Payments</b>			
Purchases of assets	10,11	(2 212)	(687)
<b>Total Investing Payments</b>		<b>(2 212)</b>	<b>(687)</b>
<b>Net Cash (Used In) Investing Activities</b>		<b>(2 191)</b>	<b>(675)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Receipts</b>			
Deposits received			
		322	713
Equity injections			
Capital appropriations		2 172	450
Other equity injections		0	1 000
<b>Total Financing Receipts</b>		<b>2 494</b>	<b>2 163</b>
<b>Net Cash From Financing Activities</b>		<b>2 494</b>	<b>2 163</b>
Net (decrease)/increase in cash held			
		(964)	250
Cash at beginning of financial year	7	7 402	7 152
<b>Cash at End of Financial Year</b>		<b>6 438</b>	<b>7 402</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 2016

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3. Operating Statement by Output

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## 1. OBJECTIVES AND FUNDING

The Department of Land Resource Management's purpose is to provide natural resource management extension services and advice including the scientific assessment of flora, fauna, land and water assets, and the allocation, management and monitoring of these resources to enable their sustainable and responsible use. 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 the following Outputs:

- Flora and Fauna
- Rangelands
- Water Resources
- Bushfires
- Corporate and Governance.

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

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of Compliance

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.

### (b) Basis of Accounting

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

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 following new and revised accounting standards and interpretations were effective for the first time in 2015-16:

#### **AASB 1048 Interpretation of Standards**

This reflects amended versions of Interpretations arising in relation to amendments to AASB 9 Financial Instruments and consequential amendments arising from the issuance of AASB 15 Revenue from Contracts with Customers. The standard does not impact the financial statements.

#### **AASB 2013-9 Amendments to Australian Accounting Standards [Part C Financial Instruments]**

Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9 and numerous other Standards. The standard does not impact the financial statements.

#### **AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9**

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010). These amendments arise from the issuance of AASB 9 Financial Instruments in December 2014. The standard does not impact the financial statements.

#### **AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality**

The standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing the standard to effectively be withdrawn. The standard does not impact the financial statements.

#### **AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent**

Amendments are made to AASB 128 Investments in Associates and Joint ventures to require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. The standard does not impact the financial statements.

#### **AASB 2014-1 Amendments to Australian Accounting Standards (Part E - Financial Instruments)**

Part E of this Standard defers the application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The standard does not impact the financial statements.

The following standards and interpretations are likely to have an insignificant impact on the financial statements for future reporting periods, but the exact impact is yet to be determined:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018
AASB 1056 Superannuation Entities	1 July 2016
AASB 14 Regulatory Deferral Accounts	1 January 2016
AASB 1057 Application of Accounting Standards	1 January 2016
AASB 2014-1 Amendments to Australian Accounting Standards [Part D Consequential arising from AASB 14 Regulatory Deferral Accounts]	1 January 2016
AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]	1 January 2016
AASB 2014-16 Amendments to Australian Accounting Standards - Agriculture: Bearer Plants [AASB 101,116, 117, 123, 136, 140 and 141]	1 January 2016
AASB 2015-5 Amendments to Australian Accounting Standards - Investment Entities: Applying the Consolidation Exception [AASB 10, 12 and 128]	1 January 2016
AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, 133 and 1057]	1 January 2016
AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128	1 January 2016
AASB 2016-1 Amendments to Australian Accounting Standards-Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	1 January 2017



The following standards and interpretations are expected to have a potential impact on the financial statements for future reporting periods:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049]	1 July 2016	New note disclosure to include remuneration of Key Management Personnel (KMP) and related party transactions.
2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	New disclosure on the reconciliation of the changes in liabilities arising from financing activities
AASB 16 Leases	1 January 2019	Reclassification of operating leases greater than 12 months to finance lease reporting requirements
AASB 9 Financial Instruments	1 January 2018	Simplified requirements for classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier as opposed to only when incurred
AASB 15 Revenue from Contracts with Customers	1 January 2018	Requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	1 January 2018	Amends various AAS's to reflect the deferral of the mandatory application date of AASB 9
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 and AASB 138]	1 January 2016	Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated and clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	Amends the measurement of trade receivables and the recognition of dividends.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	Amends various AAS's to reflect the changes as a result of AASB 9
AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 and 128]	1 January 2016	Allows an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement at cost or using the equity method.
AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-14 Cycle [AASB 1, 2, 3,5, 7, 11, 110, 119, 121, 133, 134,137 and 140]	1 January 2016	The amendments include AASB 5 change in methods of disposal; AASB 7 Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 Discount rate: regional market issue and AASB 134 Disclosure of information 'elsewhere in the interim financial report.

### (c) Reporting Entity

The financial statements cover the Department as an individual reporting entity.

The Department of Land Resource Management (“the Department”) is a Northern Territory department established under the Interpretation Act Administrative Arrangements Order.

The principal place of business of the Department is:

1st Floor, Goyder Centre  
25 Chung Wah Terrace  
PALMERSTON NT 0832

### (d) 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 Administered Territory Items.

### (e) Comparatives

Where necessary, comparative information for the 2014-15 financial year has been reclassified to provide consistency with current year disclosures.

### (f) Presentation and Rounding of Amounts

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

### (g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2015-16 as a result of management decisions.

### (h) Accounting Judgments and Estimates

The preparation of the financial report requires the making of judgments 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 judgments 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.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant

notes to the financial statements. Notes that include significant judgments and estimates are:

- **Employee Benefits - Note 2(v) and Note 15:** 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
- **Property, Plant and Equipment – Note 2(r):** The fair value of land, building, infrastructure and property, plant and equipment are determined on significant assumptions of the exit price and risks in the perspective market participant, using the best information available.
- **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.
- **Allowance for Impairment Losses – Note 2(p), Note 8: Receivables and Note 19: Financial Instruments.** The allowance represents debts that are likely to be uncollectible and are considered doubtful. Debtors are grouped according to their aging profile and history of previous financial difficulties.
- **Depreciation and Amortisation - Note 2(l), Note 10: Property, Plant and Equipment and Note 11: Intangibles.**

### (i) 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.

### (j) 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.

### 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 on passed 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.

### 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.

### Administered Income

The Department collects taxes, fines and regulatory fees on behalf of the Territory. The Department does not gain control over assets arising from these collections, consequently no income is recognised in the Departments financial statements. Accordingly, these amounts are disclosed as income in Note 25: Schedule of Administered Territory Items.

#### (k) 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.

#### (l) 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:



	2016 Years	2015 Years
Buildings	10 - 50	10 - 50
Infrastructure Assets	8 - Infinite	8 - Infinite
Plant and Equipment	1 - 20	1 - 20
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.

### (m) Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

### (n) Cash and Deposits

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner.

### (o) Inventories

Inventories include assets held either for sale (general inventories) or for distribution at no or nominal consideration in the ordinary course of business operations.

General inventories are valued at the lower of cost and net realisable value, while those held for distribution are carried at the lower of cost and current replacement cost. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

The cost of inventories are assigned using a mixture of first-in, first out or weighted average cost formula or using specific identification of their individual costs.

Inventory held for distribution are regularly assessed for obsolescence and loss.

### (p) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the Department estimates are likely to be uncollectible and are considered doubtful. Analysis of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 19: Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days.

### (q) Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### (r) 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 in Note 2(l). 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 labor, 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.

### (s) 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.

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 17 provides additional information in relation to the asset revaluation reserve.

## (t) 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.

## (u) 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.

## (v) 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.

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.

## (w) 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.

## (x) 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 provides additional information in relation to contributions by, and distributions to, Government.

## (y) 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.

## (z) 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.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments Presentation. These include statutory receivables arising from taxes including GST and penalties.

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.

### 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.
- Financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

### Loans and Receivables

For details refer to Note 2(p), but exclude statutory receivables.

### Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

Note 19 provides additional information on financial instruments.

### (aa) 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.

### 3. OPERATING STATEMENT BY OUTPUT

	Flora and Fauna		Rangelands		Water Resources		Bushfires		Corporate and Governance		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income												
Grants and subsidies revenue												
Current	2 610	743	161	170	900	860	1 788	1 755	-	-	5 459	3 528
Appropriation												
Output	4 902	4 861	9 229	8 749	11 899	11 355	6 736	6 519	3 060	4 225	35 826	35 709
Commonwealth	12	34	-	-	-	510	300	305	-	-	312	849
Sales of goods and services	335	87	48	104	1 438	831	789	621	4 961	4 703	7 571	6 346
Interest Revenue	-	-	34	25	-	-	-	-	-	-	34	25
Goods and services received free of charge <sup>(1)</sup>	477	589	898	772	1 132	1 209	346	377	803	783	3 656	3 730
Other income	23	1	3	15	18	42	-	2	6	9	50	69
Gain on disposal of assets	-	-	-	-	18	-	3	-	-	-	21	-
<b>Total Income</b>	<b>8 359</b>	<b>6 315</b>	<b>10 373</b>	<b>9 835</b>	<b>15 405</b>	<b>14 807</b>	<b>9 962</b>	<b>9 579</b>	<b>8 830</b>	<b>9 720</b>	<b>52 929</b>	<b>50 256</b>
Expenses												
Employee expenses	4 392	3 925	6 654	5 914	9 382	8 656	2 904	3 080	6 190	5 888	29 522	27 463
Administrative expenses												
Purchases of goods and services	3 288	1 824	2 467	2 256	4 974	5 376	3 776	3 631	1 307	2 121	15 812	15 208
Repairs and maintenance	55	88	607	705	106	43	200	173	84	37	1 052	1 046
Depreciation and amortisation	118	62	120	107	406	475	116	162	21	38	781	844
Other administrative expenses <sup>(1)</sup>	477	589	898	772	1 137	1 209	343	378	803	783	3 658	3 731
Grants and subsidies expenses												
Current	10	70	192	112	185	270	2 859	2 618	-	-	3 246	3 070
Interest Expense	-	-	34	25	-	-	-	-	-	-	34	25
Loss on disposal of assets	-	-	-	2	-	3	-	257	-	-	-	262
<b>Total Expenses</b>	<b>8 340</b>	<b>6 558</b>	<b>10 972</b>	<b>9 893</b>	<b>16 190</b>	<b>16 032</b>	<b>10 198</b>	<b>10 299</b>	<b>8 405</b>	<b>8 867</b>	<b>54 105</b>	<b>51 649</b>
<b>Net Surplus/(Deficit)</b>	<b>19</b>	<b>(243)</b>	<b>(599)</b>	<b>(58)</b>	<b>(785)</b>	<b>(1 225)</b>	<b>(236)</b>	<b>(720)</b>	<b>425</b>	<b>853</b>	<b>(1 176)</b>	<b>(1 393)</b>

(1) Includes DCIS service charges.

#### 4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2016 \$'000	2015 \$'000
Corporate and information services	3 656	3 730
<b>Total Goods and Services Received Free of Charge</b>	<b>3 656</b>	<b>3 730</b>

#### 5. GAIN/LOSS ON DISPOSAL OF ASSETS

Net proceeds from the disposal of non-current assets	21	12
Less: Carrying value of non-current assets disposed	-	(274)
<b>Gain/(Loss) on the Disposal of Non-Current Assets</b>	<b>21</b>	<b>(262)</b>

#### 6. 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>	695	947
Advertising <sup>(2)</sup>	183	160
Marketing and promotion <sup>(3)</sup>	95	195
Document production	30	60
Legal expenses <sup>(4)</sup>	248	195
Recruitment <sup>(5)</sup>	46	77
Training and study	400	424
Official duty fares	1 356	1 194
Travelling allowance	583	534

(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.

#### 7. CASH AND DEPOSITS

Cash on hand	1	3
Cash at bank	6 437	7 399
<b>Total Cash and Deposits</b>	<b>6 438</b>	<b>7 402</b>

## 8. RECEIVABLES

	2016 \$'000	2015 \$'000
<b>Current</b>		
Accounts receivable	529	410
Less: Allowance for impairment losses	(8)	(7)
	521	403
Interest receivables	2	2
GST receivables	372	235
Other receivables	70	108
<b>Total Receivables</b>	<b>965</b>	<b>748</b>

## 9. INVENTORIES

### General Inventories

At cost	2	6
<b>Total Inventories</b>	<b>2</b>	<b>6</b>

## 10. PROPERTY, PLANT AND EQUIPMENT

<b>Land</b>		
At Fair Value	4 932	4 932
	4 932	4 932
<b>Buildings</b>		
At Fair Value	9 236	8 752
Less: Accumulated Depreciation	(4 784)	(4 251)
	4 452	4 501
<b>Infrastructure</b>		
At Fair Value	489	489
Less: Accumulated Depreciation	(130)	(119)
	359	370
<b>Plant and Equipment</b>		
At Cost	11 645	10 150
Less: Accumulated Depreciation	(8 644)	(8 367)
	3 001	1 783
<b>Transport Equipment</b>		
At Cost	1 440	1 440
Less: Accumulated Depreciation	(1 092)	(1 010)
	348	430
<b>Computer Hardware</b>		
At Cost	211	216
Less: Accumulated Depreciation	(196)	(187)
	15	29
<b>Total Property, Plant and Equipment</b>	<b>13 107</b>	<b>12 045</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.

## Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2015-16 and 2014-15 is set out below:

### Impairment of Property, Plant and Equipment

Department property, plant and equipment assets were assessed for impairment as at 30 June 2016. No impairment adjustments were required as a result of this review.

2015-16	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Transport Equipment \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July	4 932	4 501	370	1 783	430	29	12 045
Additions	-	-	-	1 545	12	-	1 557
Disposals	-	-	-	-	-	-	-
Revaluation Increments	-	-	-	-	-	-	-
Additions/ (Disposals) from Asset Transfers	-	191	-	-	-	-	191
Depreciation and Amortisation	-	(240)	(11)	(327)	(94)	(14)	(686)
Carrying Amount as at 30 June	4 932	4 452	359	3 001	348	15	13 107

2014-15	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Transport Equipment \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July	2 045	4 206	145	1 773	485	51	8 705
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)
Carrying Amount as at 30 June	4 932	4 501	370	1 783	430	29	12 045



## 11. INTANGIBLES

	2016 \$'000	2015 \$'000
<b>Carrying Amounts</b>		
<b>Intangibles with a Finite Useful Life</b>		
<b>Intangibles - Computer Software</b>		
At Cost	1 153	498
Less: Accumulated Amortisation	(295)	(200)
<b>Written Down Value - 30 June</b>	<b>858</b>	<b>298</b>

### Impairment of Intangibles

Department intangible assets were assessed for impairment as at 30 June 2016. 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	298	27
Additions	655	362
Depreciation and Amortisation	(95)	(91)
<b>Carrying Amount as at 30 June</b>	<b>858</b>	<b>298</b>

## 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:

2015-16	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)	-	-	4 452	4 452
Infrastructure (Note 10)	-	-	359	359
Plant and Equipment (Note 10)	-	-	3 001	3 001
Transport Equipment (Note 10)	-	-	348	348
Computer Hardware (Note 10)	-	-	15	15
Intangibles (Note 11)	-	-	858	858
<b>Total Fair Value</b>	<b>-</b>	<b>4 932</b>	<b>9 033</b>	<b>13 965</b>

There were no transfers between Level 1 and Levels 2 or 3 during 2015-16.

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>

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

There were no changes in valuation techniques from 2014-15 to 2015-16.

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.

## (b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

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

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

2015-16	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Transport Equipment \$'000	Computer Hardware	Intangibles \$'000
Fair value as at 1 July	-	4 501	370	1 783	430	29	298
Additions	-	-	-	1 545	12	-	655
Disposals	-	-	-	-	-	-	-
Transfers to Level 2	-	-	-	-	-	-	-
Additions/ (Disposals) from asset transfers	-	191	-	-	-	-	-
Depreciation and amortisation	-	(240)	(11)	(327)	(94)	(14)	(95)
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-
<b>Fair Value as at 30 June</b>	<b>-</b>	<b>4 452</b>	<b>359</b>	<b>3 001</b>	<b>348</b>	<b>15</b>	<b>858</b>

2014-15	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Transport Equipment \$'000	Computer Hardware	Intangibles \$'000
Fair value as at 1 July	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</b>	<b>-</b>	<b>4 501</b>	<b>370</b>	<b>1 783</b>	<b>430</b>	<b>29</b>	<b>298</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. DEPOSITS HELD

	2016 \$'000	2015 \$'000
<b>Current</b>		
Deposits held – Natural Heritage Trust and clearing accounts	1 508	1 186
<b>Total Deposits Held</b>	<b>1 508</b>	<b>1 186</b>

## 14. PAYABLES

Accounts payable	1 744	796
Accrued expenses	352	1 433
<b>Total Payables</b>	<b>2 096</b>	<b>2 229</b>

## 15. PROVISIONS

<b>Current</b>		
<b>Employee Benefits</b>		
Recreation leave	3 604	3 436
Leave loading	447	405
Other employee benefits	46	68
<b>Other Current Provisions</b>		
Other provisions (fringe benefits, payroll tax, superannuation and other)	529	980
<b>Total Provisions</b>	<b>4 626</b>	<b>4 889</b>
<b>Balance as at 1 July</b>	<b>4 889</b>	<b>4 744</b>
Additional provisions recognised	2 753	3 140
Reductions arising from payments	(3 016)	(2 995)
<b>Balance as at 30 June</b>	<b>4 626</b>	<b>4 889</b>

The Department had 319 employees as at 30 June 2016 (282 employees as at 30 June 2015).

## 16. OTHER LIABILITIES

<b>Current</b>		
Unearned revenue	972	1 266
<b>Non-Current</b>		
Unearned revenue	28	55
<b>Total Other Liabilities</b>	<b>1 000</b>	<b>1 321</b>

## 17. RESERVES

### Asset Revaluation Reserve

#### (i) Sensitivity Nature and purpose of the 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.

#### (ii) Movements in the asset revaluation reserve

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

## 18. NOTES TO THE CASH FLOW STATEMENT

### Reconciliation of Cash

The total of department Cash and Deposits of \$6.4 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)</b>	<b>(1 176)</b>	<b>(1 393)</b>
<b>Non-Cash Items:</b>		
Depreciation and amortisation	781	844
Repairs & maintenance non cash	15	8
(Gain)/Loss on disposal of assets	(21)	262
<b>Changes in assets and liabilities:</b>		
(Increase) in receivables	(217)	(66)
Decrease in inventories	4	15
Decrease/(Increase) in prepayments	64	(45)
(Decrease) in payables	(133)	(1 474)
Increase/(Decrease) in employment benefits	188	(249)
(Decrease)/Increase in other provisions	(451)	394
(Decrease)/Increase in other liabilities	(321)	466
<b>Net Cash (Used In)/From Operating Activities</b>	<b>(1 267)</b>	<b>1 238</b>



## 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 deposits held. The department has limited exposure to financial risks as discussed below.

### (a) Categorisation of Financial Instruments

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

#### 2015-16 Categorisation of Financial Instruments

	Designated at Fair Value Through Profit or Loss \$'000	Finance Assets - Loans and Receivables \$'000	Total \$'000
Cash and deposits	6 438	-	6 438
Receivables <sup>(1)</sup>	-	558	558
<b>Total Financial Assets</b>	<b>6 438</b>	<b>558</b>	<b>6 996</b>
Deposits held	1 508	-	1 508
Payables	1 965	-	1 965
<b>Total Financial Liabilities</b>	<b>3 473</b>	<b>-</b>	<b>3 473</b>

(1) The amount of loans and receivables excludes amounts recoverable from the ATO (statutory receivables).

#### 2014-15 Categorisation of Financial Instruments

	Designated at Fair Value Through Profit or Loss \$'000	Finance Assets - Loans and Receivables \$'000	Total \$'000
Cash and deposits	7 402	-	7 402
Receivables <sup>(1)</sup>	-	491	491
<b>Total Financial Assets</b>	<b>7 402</b>	<b>491</b>	<b>7 893</b>
Deposits held	1 186	-	1 186
Payables	1 431	-	1 431
<b>Total Financial Liabilities</b>	<b>2 617</b>	<b>-</b>	<b>2 617</b>

(1) The amount of loans and receivables excludes amounts recoverable from the ATO (statutory receivables).

**(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 licenses 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.

**Receivables**

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

	2016 \$'000	2015 \$'000
<b>Internal Receivables</b>		
<b>Aging of Receivables</b>		
Not overdue	90	370
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>90</b>	<b>370</b>
<b>Reconciliation of the Allowance for Impairment Losses</b>		
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>
<b>External Receivables</b>		
<b>Aging of Receivables</b>		
Not overdue	410	46
Overdue for less than 30 days	-	22
Overdue for 30 to 60 days	1	1
Overdue for more than 60 days (includes S47 Firebreaks)	65	59
<b>Total Gross Receivables</b>	<b>476</b>	<b>128</b>
<b>Reconciliation of the Allowance for Impairment Losses</b>		
Allowance for impairment losses at the beginning of the reporting period	7	6
Increase in allowance recognised in profit or loss	1	1
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>8</b>	<b>7</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 approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when 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 department's remaining contractual maturity for its financial assets and liabilities.

**Maturity Analysis for Financial Assets and Liabilities**

2015-16	Variable Interest Rate Less than a year \$'000	Non - Interest Bearing \$'000	Carrying Amount \$'000
<b>Assets</b>			
Cash and deposits	1 503	4 935	6 438
Receivables	-	558	558
<b>Total Financial Assets</b>	<b>1 503</b>	<b>5 493</b>	<b>6 996</b>
<b>Liabilities</b>			
Deposits held	1 503	5	1 508
Payables	-	1 965	1 965
<b>Total Financial Liabilities</b>	<b>1 503</b>	<b>1 970</b>	<b>3 473</b>

2014-15	Variable Interest Rate Less than a year \$'000	Non - Interest Bearing \$'000	Carrying Amount \$'000
<b>Assets</b>			
Cash and deposits	1 184	6 218	7 402
Receivables	-	491	491
<b>Total Financial Assets</b>	<b>1 184</b>	<b>6 709</b>	<b>7 893</b>
<b>Liabilities</b>			
Deposits held	1 184	2	1 186
Payables	-	1 431	1 431
<b>Total Financial Liabilities</b>	<b>1 184</b>	<b>1 433</b>	<b>2 617</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.

**20. COMMITMENTS**

	2016		2015	
	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	-	3 864	-	3 223
Later than one year and not later than five years	-	4 840	-	3 897
	-	<b>8 704</b>	-	<b>7 120</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	-	1 378	-	1 391
Later than one year and not later than five years	-	2 729	-	3 378
	-	<b>4 107</b>	-	<b>4 769</b>

## 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### (a) Contingent Liabilities

The department has no contingent liabilities as at 30 June 2016. The department was involved in one claim as at 30 June 2015.

### (b) Contingent Assets

The department had no contingent assets as at 30 June 2016 or 30 June 2015.

## 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.

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

	Department / group		Department / group		Territory Items		Territory Items	
	2016 \$'000	no. of Trans	2015 \$'000	no. of Trans	2016 \$'000	no. of Trans	2015 \$'000	no. of Trans
<b>Write-offs, Postponements and Waivers under the <i>Financial Management Act</i></b>								
Represented by:								
<i>Amounts written off, postponed and waived by Delegates</i>								
Irrecoverable amounts payable to the Territory or an Agency written off	-	1	-	-	-	-	-	-
Losses or deficiencies of money written off	-	1	-	-	-	-	-	-
Public property written off	-	3	12	16	-	-	-	-
<b>Total Written Off, Postponed and Waived by Delegates</b>	-	5	12	16	-	-	-	-



## 24. SCHEDULE OF ADMINISTERED 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(d)).

### Territory Income and Expenses

	2016 \$'000	2015 \$'000
<b>Income</b>		
Royalties and rents	5 002	3 123
<b>Total Income</b>	<b>5 002</b>	<b>3 123</b>
<b>Expenses</b>		
Central Holding Authority income transferred	5 002	3 123
<b>Total Expenses</b>	<b>5 002</b>	<b>3 123</b>
<b>Territory Income Less Expenses</b>	<b>-</b>	<b>-</b>

### Territory Assets and Liabilities

	2016 \$'000	2015 \$'000
<b>Assets</b>		
Royalties and rent receivable	24	190
<b>Total Assets</b>	<b>24</b>	<b>190</b>
<b>Liabilities</b>		
Central Holding Authority income payable	24	190
<b>Total Liabilities</b>	<b>24</b>	<b>190</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>

## 25. BUDGETARY INFORMATION

### Comprehensive Operating Statement

	2015-16 Actual \$'000	2015-16 Original Budget	Variance \$'000	Note
<b>Income</b>				
Grants and subsidies revenue				
Current	5 459	3 367	2 092	1
Appropriation				
Output	35 826	35 496	330	
Commonwealth	312	240	72	
Sales of goods and services	7 571	6 052	1 519	1
Interest revenue	34	-	34	
Goods and services received free of charge	3 656	3 820	(164)	
Gain on disposal of assets	21	-	21	
Other income	50	-	50	
<b>Total Income</b>	<b>52 929</b>	<b>48 975</b>	<b>3 954</b>	
<b>Expenses</b>				
Employee expenses	29 522	28 293	1 229	2
Administrative expenses				
Purchase of goods and services	15 812	14 085	1 727	3
Repairs and maintenance	1 052	1 071	(19)	
Depreciation and amortisation	781	614	167	
Other administrative expenses	3 658	3 820	(162)	
Grants and subsidies expenses				
Current	3 246	2 475	771	4
Interest expenses	34	-	34	
Loss on disposal of assets	-	-	-	
<b>Total Expenses</b>	<b>54 105</b>	<b>50 358</b>	<b>3 747</b>	
<b>Net Deficit</b>	<b>(1 176)</b>	<b>(1 383)</b>	<b>207</b>	
<b>Other Comprehensive Income</b>				
Changes in asset revaluation reserve	-	-	-	
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Comprehensive Result</b>	<b>(1 176)</b>	<b>(1 383)</b>	<b>207</b>	

#### Notes

The following note descriptions relate to variances greater than \$0.5 million.

- The increase in current grants and subsidies received is due to new externally funded programs being sourced since the publication of the 2015-16 budget papers.
- The increase in employee expenses is due to additional Territory funding for Land Suitability Assessment and Wildfire Mitigation, and an increase in externally funded projects expenditure.
- The increase in purchases of goods and services is due to additional Territory funding for Land Suitability Assessment and Wildfire Mitigation, and an increase in externally funded projects expenditure.
- The increase in current grants and subsidies expenses relates to additional external funding sourced since the publication of the 2015-16 budget papers relating to West Arnhem Fire Management Agreement (WAFMA) that was paid to the Northern Land Council and a contribution to Larrakia Nation Aboriginal Corporation for Indigenous traineeships to undertake monitoring of Darwin Harbour.

## Balance Sheet

	2015-16 Actual \$'000	2015-16 Original Budget	Variance \$'000	Note
<b>Assets</b>				
<b>Current Assets</b>				
Cash	6 438	6 693	(255)	
Receivables	965	684	281	
Inventories	2	21	(19)	
Prepayments	151	170	(19)	
<b>Total Current Assets</b>	<b>7 556</b>	<b>7 568</b>	<b>(12)</b>	
<b>Non-Current Assets</b>				
Property, plant and equipment	13 107	13 145	(38)	
Intangible assets	858	-	858	1
<b>Total Non-Current Assets</b>	<b>13 965</b>	<b>13 145</b>	<b>820</b>	
<b>Total Assets</b>	<b>21 521</b>	<b>20 713</b>	<b>808</b>	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits held	1 508	474	1 034	2
Payables	2 096	3 704	(1 608)	3
Provisions	4 626	4 745	(119)	
Other liabilities	972	855	117	
<b>Total Current Liabilities</b>	<b>9 202</b>	<b>9 778</b>	<b>(576)</b>	
<b>Non-Current Liabilities</b>				
Other liabilities	28	-	28	
<b>Total Non-Current Liabilities</b>	<b>28</b>	<b>-</b>	<b>28</b>	
<b>Total Liabilities</b>	<b>9 230</b>	<b>9 778</b>	<b>(548)</b>	
<b>Net Assets</b>	<b>12 291</b>	<b>10 935</b>	<b>1 356</b>	
<b>Equity</b>				
Capital	85 430	86 116	(686)	4
Reserve	3 609	1 850	1 759	5
Accumulated funds	(76 748)	(77 031)	283	
<b>Total Equity</b>	<b>12 291</b>	<b>10 935</b>	<b>1 356</b>	

## Notes

The following note descriptions relate to variances greater than \$0.5 million.

- The increase in intangible assets is due to software purchased in 2015-16 from the capital items appropriation.
- The increase in the balance of the Single Holding Account reflecting unspent project funds being returned from previously approved projects.
- The decrease in payables is due to the original budget not reflecting the improvement in the payables opening balance occurring after the publication of the budget papers.
- The decrease in capital equity is due to a reduced value of completed assets transferred from the Department of Infrastructure of \$0.4 million and the transfer of \$0.3 million of capital appropriation to 2016-17 for the final payments for the purchase of the drill rig.
- The increase in 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.

## Cash Flow Statement

	2015-16 Actual \$'000	2015-16 Original Budget	Variance \$'000	Note
<b>Cash Flows from Operating Activities</b>				
<b>Operating Receipts</b>				
Grants and subsidies received				
Current	5 459	3 367	2 092	1
Appropriation				
Output	35 826	35 496	330	
Commonwealth	312	240	72	
Receipts from sales of goods and services	8 991	6 052	2 939	2
Interest received	34	-	34	
<b>Total Operating Receipts</b>	<b>50 622</b>	<b>45 155</b>	<b>5 467</b>	
<b>Operating Payments</b>				
Payments to employees	(30 445)	(28 293)	(2 152)	3
Payments for goods and services	(18 164)	(15 156)	(3 008)	4
Grants and subsidies paid				
Current	(3 246)	(2 475)	(771)	5
Interest paid	(34)	-	(34)	
<b>Total Operating Payments</b>	<b>(51 889)</b>	<b>(45 924)</b>	<b>(5 965)</b>	
<b>Net Cash (Used In) Operating Activities</b>	<b>(1 267)</b>	<b>(769)</b>	<b>(498)</b>	
<b>Cash Flows From Investing Activities</b>				
<b>Investing Receipts</b>				
Proceeds from asset sales	21	-	21	
<b>Total Investing Receipts</b>	<b>21</b>	<b>-</b>	<b>21</b>	
<b>Investing Payments</b>				
Purchases of assets	(2 212)	(2 450)	238	
<b>Total Investing Payments</b>	<b>(2 212)</b>	<b>(2 450)</b>	<b>238</b>	
<b>Net Cash (Used In) Investing Activities</b>	<b>(2 191)</b>	<b>(2 450)</b>	<b>259</b>	
<b>Cash Flows From Financing Activities</b>				
<b>Financing Receipts</b>				
Deposits received	322	-	322	
Equity injections				
Capital appropriations	2 172	2 450	(278)	
Other equity injections	-	-	-	
<b>Total Financing Receipts</b>	<b>2 494</b>	<b>2 450</b>	<b>44</b>	
<b>Net Cash From Financing Activities</b>	<b>2 494</b>	<b>2 450</b>	<b>44</b>	
Net decrease in cash held	(964)	(769)	(195)	
Cash at beginning of financial year	7 402	7 462	(60)	
<b>Cash at End of Financial Year</b>	<b>6 438</b>	<b>6 693</b>	<b>(255)</b>	

## Notes

The following note descriptions relate to variances greater than \$0.5 million.

1. The increase in current grants and subsidies received is due to new externally funded programs being sourced since the publication of the 2015-16 budget papers.
2. The increase in receipts from sales of goods and services is due to new externally funded programs being sourced since the publication of the 2015-16 budget papers and GST refunded which is not included in the budget
3. The increase in employee payments is due to additional Territory funding for Land Suitability Assessment, Wildfire Mitigation, and workers compensation payments.
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.
5. The increase in current grants and subsidies paid relates to additional external funding sourced since the publication of the 2015-16 budget papers relating to West Arnhem Fire Management Agreement (WAFMA) that was paid to the Northern Land Council and a contribution to Larrakia Nation Aboriginal Corporation for Indigenous traineeships to undertake monitoring of Darwin Harbour

## 26. ADMINISTERED TERRITORY ITEMS

In addition to the specific departmental operations which are included in the financial statements, the department administers or manages other activities and resources on behalf of the Territory such as rent. The transactions relating to these activities are reported as administered items in this note.

### Administered Territory Items

	2015-16 Actual \$'000	2015-16 Original Budget	Variance \$'000	Note
<b>TERRITORY INCOME AND EXPENSES</b>				
<b>Income</b>				
Royalties and rents	5 002	5 063	(61)	
<b>Total Income</b>	<b>5 002</b>	<b>5 063</b>	<b>(61)</b>	
<b>TERRITORY ASSETS AND LIABILITIES</b>				
<b>Assets</b>				
Royalties and rent receivable	24	661	(637)	1
<b>Total Assets</b>	<b>24</b>	<b>661</b>	<b>(637)</b>	
<b>Liabilities</b>				
Central Authority income payable	24	661	(637)	1
<b>Total Liabilities</b>	<b>24</b>	<b>661</b>	<b>(637)</b>	
<b>NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	

#### Notes

The following note descriptions relate to variances greater than \$0.5 million.

1. The decrease is due to the debt collection effort during 2015-16 to collect outstanding monies.



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