5

Financials

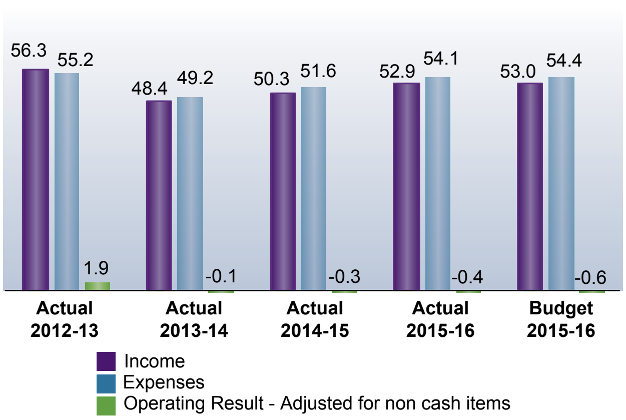
The Department Financial Statement Overview

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)

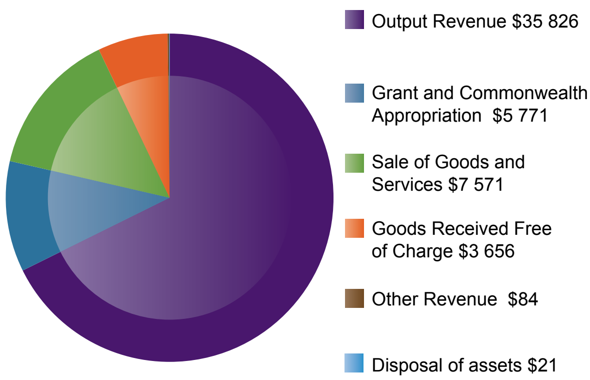


Financial Performance

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 to due an under-spend 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.

2015-16 Income by Source $'000



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.

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:

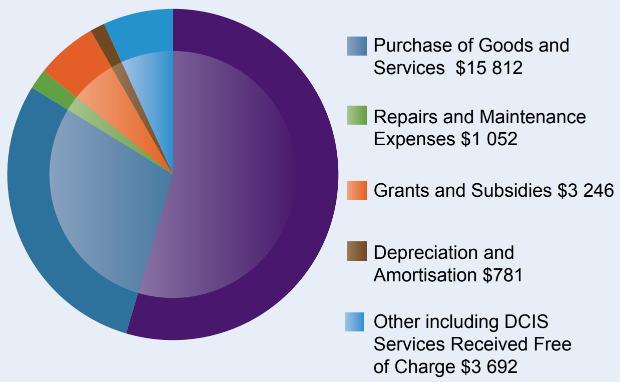
Income Type	Actual 2012-13 $'000	Actual 2013-14 $'000	Actual 2014-15 $'000	Actual 2015-16 $'000	Variance %	Budget 2015-16 $'000	Variance %
Output Revenue	35 540	33 038	35 709	35 826	0%	35 826	0%
Grant & Commonwealth Appropriation	9 320	3 082	4 377	5 771	32%	5 718	-1%
Sale of Goods and Services	6 626	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%
Income Total	**56 201**	**48 376**	**50 256**	**52 929**	**5.3%**	**52 984**	**0.1%**

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%
Expenses Total	**55 077**	**49 248**	**51 649**	**54 105**	**4.8%**	**54 367**	**0.5%**

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
Cash In				
Operating Receipts	57 038	46 758	48 557	50 622
Equity Injections/Capital appropriation/Deposits	10 956	466	2 175	2 515
	67 994	**47 224**	**50 732**	**53 137**
Cash Out				
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)	-	-	-
	(65 025)	**(45 061)**	**(50 482)**	**(54 101)**
Net Increase/ (Decrease) in Cash Held	**2 969**	**2 163**	**250**	**(964)**
Cash at Beginning of Financial Year	2 020	4 989	7 152	7 402
CASH AT END OF FINANCIAL YEAR	**4 989**	**7 152**	**7 402**	**6 438**

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
Income			
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 (1)	4	3 656	3 730
Gain on disposal of assets	5	21	-
Other income		50	69
Total Income	3	**52 929**	**50 256**
Expenses			
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 (1)		3 658	3 731
Grants and subsidies expenses			
Current		3 246	3 070
Interest expense		34	25
Loss on disposal of assets	5	-	262
Total Expenses	3	**54 105**	**51 649**
Net Deficit		**(1 176)**	**(1 393)**
Other Comprehensive Income			
Changes in asset revaluation reserve		-	1 759
Total Other Comprehensive Income		-	**1 759**
Comprehensive Result		**(1 176)**	**366**

(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
Assets			
Current assets			
Cash and deposits	7	6 438	7 402
Receivables	8	965	748
Inventories	9	2	6
Prepayments		151	215
Total Current Assets		7 556	8 371
Non-Current Assets			
Property, plant and equipment	10	13 107	12 045
Intangible assets	11	858	298
Total Non-Current Assets		13 965	12 343
Total Assets		**21 521**	**20 714**
Liabilities			
Current Liabilities			
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
Total Current Liabilities		9 202	9 570
Non-Current Liabilities			
Other liabilities	16	28	55
Total Non-Current Liabilities		28	55
Total Liabilities		**9 230**	**9 625**
Net Assets		**12 291**	**11 089**
Equity			
Capital		85 430	83 052
Reserves	17	3 609	3 609
Accumulated funds		(76 748)	(75 572)
Total Equity		**12 291**	**11 089**

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
Accumulated Funds		(75 572)	(1 176)	-	(76 748)
Reserves					
Asset revaluation reserve	17	3 609	-	-	3 609
Capital - Transactions with owners		83 052	-	-	83 052
Equity injections					
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
Total Equity at 30 June		**11 089**	**(1 176)**	**2 378**	**12 291**

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
Accumulated Funds		(74 179)	(1 393)	-	(75 572)
Reserves					
Asset revaluation reserve	17	1 850	1 759	-	3 609
Capital - Transactions with owners		79 311	-	-	79 311
Equity injections					
Capital appropriation		-	-	450	450
Equity transfers in		-	-	2 298	2 298
Other equity injections		-	-	1 000	1 000
Equity withdrawals					
Equity transfers out		-	-	(7)	(7)
		79 311	-	3 741	83 052
Total Equity at 30 June		**6 982**	**366**	**3 741**	**11 089**

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
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
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		8 991	8 447
Interest received		34	24
Total Operating Receipts		50 622	48 557
Operating Payments			
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)
Total Operating Payments		(51 889)	(49 795)
Net Cash (Used In) Operating Activities	18	(1 267)	(1 238)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	5	21	12
Total Investing Receipts		21	12
Investing Payments			
Purchases of assets	10,11	(2 212)	(687)
Total Investing Payments		(2 212)	(687)
Net Cash (Used In) Investing Activities		(2 191)	(675)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits received		322	713
Equity injections			
Capital appropriations		2 172	450
Other equity injections		0	1 000
Total Financing Receipts		2 494	2 163
Net Cash From Financing Activities		2 494	2 163
Net (decrease)/increase in cash held		(964)	250
Cash at beginning of financial year	7	7 402	7 152
Cash at End of Financial Year		**6 438**	**7 402**

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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20. Commitments
21. Contingent Liabilities and Contingent Assets
22. Events Subsequent to Balance Sheet Date
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25. Budgetary Information
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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 are 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[(1)]	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	-
Total Income	8 359	6 315	10 373	9 835	15 405	14 807	9 962	9 579	8 830	9 720	52 929	50 256
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[(1)]	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
Total Expenses	8 340	6 558	10 972	9 893	16 190	16 032	10 198	10 299	8 405	8 867	54 105	51 649
Net Surplus/(Deficit)	**19**	**(243)**	**(599)**	**(58)**	**(785)**	**(1 225)**	**(236)**	**(720)**	**425**	**853**	**(1 176)**	**(1 393)**

(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
Total Goods and Services Received Free of Charge	**3 656**	**3 730**

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)
Gain/(Loss) on the Disposal of Non-Current Assets	**21**	**(262)**

6. PURCHASES OF GOODS AND SERVICES

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

Goods and services expenses		
Consultants (1)	695	947
Advertising (2)	183	160
Marketing and promotion (3)	95	195
Document production	30	60
Legal expenses (4)	248	195
Recruitment (5)	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
Total Cash and Deposits	**6 438**	**7 402**

8. RECEIVABLES

Current	2016 $'000	2015 $'000
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
Total Receivables	**965**	**748**

9. INVENTORIES

General Inventories

At cost	2	6
Total Inventories	**2**	**6**

10. PROPERTY, PLANT AND EQUIPMENT

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

Property, Plant and Equipment Valuations

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

Impairment of Property, Plant and Equipment

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

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:

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
Carrying Amounts		
Intangibles with a Finite Useful Life		
Intangibles - Computer Software		
At Cost	1 153	498
Less: Accumulated Amortisation	(295)	(200)
Written Down Value - 30 June	**858**	**298**

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.

Reconciliation of Movements		
Intangibles with a Finite Useful Life		
Carrying Amount at 1 July	298	27
Additions	655	362
Depreciation and Amortisation	(95)	(91)
Carrying Amount as at 30 June	**858**	**298**

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
Asset Classes				
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
Total Fair Value	**-**	**4 932**	**9 033**	**13 965**

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
Asset Classes				
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
Total Fair Value	**-**	**4 932**	**7 411**	**12 343**

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.

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.

(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

(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	-	-	-	-	-	-	-
Fair Value as at 30 June	**-**	**4 452**	**359**	**3 001**	**348**	**15**	**858**

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	-	-	-	-
Fair Value as at 30 June	**-**	**4 501**	**370**	**1 783**	**430**	**29**	**298**

(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
Current		
Deposits held – Natural Heritage Trust and clearing accounts	1 508	1 186
Total Deposits Held	**1 508**	**1 186**

14. PAYABLES

Accounts payable	1 744	796
Accrued expenses	352	1 433
Total Payables	**2 096**	**2 229**

15. PROVISIONS

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

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

16. OTHER LIABILITIES

Current		
Unearned revenue	972	1 266
Non-Current		
Unearned revenue	28	55
Total Other Liabilities	**1 000**	**1 321**

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
Balance as at 30 June	**3 609**	**3 609**

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

Net (Deficit)	(1 176)	(1 393)
Non-Cash Items:		
Depreciation and amortisation	781	844
Repairs & maintenance non cash	15	8
(Gain)/Loss on disposal of assets	(21)	262
Changes in assets and liabilities:		
(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
Net Cash (Used In)/From Operating Activities	**(1 267)**	**1 238**

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 (1)	-	558	558
Total Financial Assets	6 438	558	6 996
Deposits held	1 508	-	1 508
Payables	1 965	-	1 965
Total Financial Liabilities	3 473	-	3 473

(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 (1)	-	491	491
Total Financial Assets	7 402	491	7 893
Deposits held	1 186	-	1 186
Payables	1 431	-	1 431
Total Financial Liabilities	2 617	-	2 617

(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
Internal Receivables		
Aging of Receivables		
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)	-	-
Total Gross Receivables	**90**	**370**
Reconciliation of the Allowance for Impairment Losses		
Allowance for impairment losses at the beginning of the reporting period	-	-
Increase/(Decrease) in allowance recognised in profit or loss	-	-
Allowance for Impairment Losses at the End of the Reporting Period	-	-
External Receivables		
Aging of Receivables		
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
Total Gross Receivables	**476**	**128**
Reconciliation of the Allowance for Impairment Losses		
Allowance for impairment losses at the beginning of the reporting period	7	6
Increase in allowance recognised in profit or loss	1	1
Allowance for Impairment Losses at the End of the Reporting Period	**8**	**7**

(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
Assets			
Cash and deposits	1 503	4 935	6 438
Receivables	-	558	558
Total Financial Assets	**1 503**	**5 493**	**6 996**
Liabilities			
Deposits held	1 503	5	1 508
Payables	-	1 965	1 965
Total Financial Liabilities	**1 503**	**1 970**	**3 473**

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

(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
(i) Other Expenditure Commitments 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
	-	**8 704**	-	**7 120**
(ii) Operating Lease Commitments 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
	-	**4 107**	-	**4 769**

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
Write-offs, Postponements and Waivers under the *Financial Management Act*								
Represented by:								
Amounts written off, postponed and waived by Delegates								
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	-	-	-	-
Total Written Off, Postponed and Waived by Delegates	-	**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
Income		
Royalties and rents	5 002	3 123
Total Income	**5 002**	**3 123**
Expenses		
Central Holding Authority income transferred	5 002	3 123
Total Expenses	**5 002**	**3 123**
Territory Income Less Expenses	-	-

Territory Assets and Liabilities

	2016 $'000	2015 $'000
Assets		
Royalties and rent receivable	24	190
Total Assets	**24**	**190**
Liabilities		
Central Holding Authority income payable	24	190
Total Liabilities	**24**	**190**
Net Assets	-	-

25. BUDGETARY INFORMATION

Comprehensive Operating Statement

	2015-16 Actual $'000	2015-16 Original Budget	Variance $'000	Note
Income				
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	
Total Income	**52 929**	**48 975**	**3 954**	
Expenses				
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	-	-	-	
Total Expenses	**54 105**	**50 358**	**3 747**	
Net Deficit	**(1 176)**	**(1 383)**	**207**	
Other Comprehensive Income				
Changes in asset revaluation reserve	-	-	-	
Total Other Comprehensive Income	-	-	-	
Comprehensive Result	**(1 176)**	**(1 383)**	**207**	

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 employee expenses is due to additional Territory funding for Land Suitability Assessment and Wildfire Mitigation, and an increase in externally funded projects expenditure.
3. 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
4. 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
Assets				
Current Assets				
Cash	6 438	6 693	(255)	
Receivables	965	684	281	
Inventories	2	21	(19)	
Prepayments	151	170	(19)	
Total Current Assets	7 556	7 568	(12)	
Non-Current Assets				
Property, plant and equipment	13 107	13 145	(38)	
Intangible assets	858	-	858	1
Total Non-Current Assets	13 965	13 145	820	
Total Assets	**21 521**	**20 713**	**808**	
Liabilities				
Current Liabilities				
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	
Total Current Liabilities	9 202	9 778	(576)	
Non-Current Liabilities				
Other liabilities	28	-	28	
Total Non-Current Liabilities	28	-	28	
Total Liabilities	**9 230**	**9 778**	**(548)**	
Net Assets	**12 291**	**10 935**	**1 356**	
Equity				
Capital	85 430	86 116	(686)	4
Reserve	3 609	1 850	1 759	5
Accumulated funds	(76 748)	(77 031)	283	
Total Equity	**12 291**	**10 935**	**1 356**	

Notes

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

1. The increase in intangible assets is due to software purchased in 2015-16 from the capital items appropriation.
2. The increase in the balance of the Single Holding Account reflecting unspent project funds being returned from previously approved projects.
3. 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.
4. 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.
5. 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.

1. Our Department
2. Our People
3. Corporate Governance
4. Outputs and Performance
5. Financial Statements

Cash Flow Statement

	2015-16 Actual $'000	2015-16 Original Budget	Variance $'000	Note
Cash Flows from Operating Activities				
Operating Receipts				
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	
Total Operating Receipts	50 622	45 155	5 467	
Operating Payments				
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)	
Total Operating Payments	(51 889)	(45 924)	(5 965)	
Net Cash (Used In) Operating Activities	(1 267)	(769)	(498)	
Cash Flows From Investing Activities				
Investing Receipts				
Proceeds from asset sales	21	-	21	
Total Investing Receipts	21	-	21	
Investing Payments				
Purchases of assets	(2 212)	(2 450)	238	
Total Investing Payments	(2 212)	(2 450)	238	
Net Cash (Used In) Investing Activities	(2 191)	(2 450)	259	
Cash Flows From Financing Activities				
Financing Receipts				
Deposits received	322	-	322	
Equity injections				
Capital appropriations	2 172	2 450	(278)	
Other equity injections	-	-	-	
Total Financing Receipts	2 494	2 450	44	
Net Cash From Financing Activities	2 494	2 450	44	
Net decrease in cash held	(964)	(769)	(195)	
Cash at beginning of financial year	7 402	7 462	(60)	
Cash at End of Financial Year	**6 438**	**6 693**	**(255)**	

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
TERRITORY INCOME AND EXPENSES				
Income				
Royalties and rents	5 002	5 063	(61)	
Total Income	5 002	5 063	(61)	
TERRITORY ASSETS AND LIABILITIES				
Assets				
Royalties and rent receivable	24	661	(637)	1
Total Assets	24	661	(637)	
Liabilities				
Central Authority income payable	24	661	(637)	1
Total Liabilities	24	661	(637)	
NET ASSETS	-	-	-	

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.

Contacts

Executive and Corporate Services

Postal Address: PO Box 496, Palmerston NT 0831

Located: 1st Floor, Goyder Centre, 25 Chung Wah Terrace, Palmerston 0830

Phone: 08 8999 5511

Fax: 08 8999 4723

Email: webadmin.dlrm@nt.gov.au

Rangelands

Alice Springs
Phone: 08 8951 9208

Katherine
Phone: 08 8973 8842

Darwin
Phone: 08 8999 4478
Email: rangelands@nt.gov.au

Weed Management Branch

Alice Springs
Phone: 08 8951 9210

Tennant Creek
Phone: 08 8962 4314

Katherine
Phone: 08 8973 8857

Darwin
Phone: 08 8999 4414
Email: weedinfo@nt.gov.au

Land Management

Alice Springs

Phone: 08 8999 4572

Katherine
Phone: 08 8999 4454

Darwin
Phone: 08 8999 4401

Email: rangelands@nt.gov.au

Pastoral Lease Administration

Phone: 08 8999 4474

Email: rangelands@nt.gov.au

Water Resources

Phone: 08 8999 4455

Email: waterresources@nt.gov.au

Flora and Fauna

Phone: 08 8995 5001

Email: biodiversity.dlrm@nt.gov.au

Bushfires NT

Phone: 08 8922 0844

Website: www.lrm.nt.gov.au

Facebook: Bushfires NT

Twitter: @BushfiresNT