



Department of PRIMARY INDUSTRY AND RESOURCES

# Annual Report 2019-20

## ACKNOWLEDGEMENTS

The Department of Primary Industry and Resources is grateful to the many people who assisted with writing and producing the Department of Primary Industry and Resources Annual Report 2019-20 and the generosity of those who contributed photographs.

Aboriginal and Torres Strait Islander people are advised this report may contain images of deceased Aboriginal people.

Published by the Department of Primary Industry and Resources

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**Published October 2020**

ISSN 2208-2948 (print)

ISSN 2208-2956 (online)

## ENQUIRIES

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The Hon Nicole Manison  
Minister for Mining and Industry  
Minister for Agribusiness and Aquaculture  
Parliament House  
Darwin NT 0800

Dear Minister

In accordance with the provisions of the *Public Sector Employment and Management Act 1993*, I am pleased to present you with the annual report on the performance and achievements of the Department of Primary Industry and Resources for the year ended 30 June 2020.

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

- a) proper records of all transactions affecting the department are kept and that employees under my control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations and Treasurer's Directions
- b) procedures within the department afford proper internal control and a current description of such procedures is recorded in the accounting and property manual which has been prepared in accordance with the requirements of the *Financial Management Act 1995*
- 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 the requirements of section 15 of the *Financial Management Act 1995*, the internal audit capacity available to the department is adequate and the results of internal audits have been reported to me
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions
- f) the employment instructions issued by the Commissioner for Public Employment have been satisfied
- g) the department's records management provisions comply with Part 9 of the *Information Act 2002*.

In addition, the Chief Executive of the Department of Corporate and Information Services (DCIS) advised me on 30 July 2020 that, in relation to parts of items a), e) and g), to the best of her knowledge and belief proper records are kept of transactions undertaken by DCIS on behalf of the department, and the employees under her control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations, Treasurer's Directions and Part 9 of the *Information Act 2002*.

Yours sincerely



Alister Trier  
Chief Executive

31 August 2020



## Purpose

This annual report highlights the Department of Primary Industry and Resources' performance in the 2019-20 financial year. It also provides a record of achievement against the Northern Territory Government's 2019-20 Agency Budget Statements (Budget Paper No. 3) and the department's Strategic Plan 2018-2022.

This annual report has been prepared to meet reporting requirements under the *Public Sector Employment and Management Act 1993*, *Financial Management Act 1995* and *Information Act 2002*.

It provides the Minister, Northern Territory Legislative Assembly, industry stakeholders, employees and other interested parties with a record of the department's functions, significant activities undertaken and performance for 2019-20.

The report contains the Chief Executive's review and comprises the following sections:

1. **Our department:** an overview of the department's functions and objectives, strategic priorities, structure and strategic plan.
2. **Performance and achievements:** a summary of operations, achievements, initiatives and progress during 2019-20 against the outcomes and key performance indicators outlined in 2019-20 Budget Paper No. 3 and the department's Strategic Plan 2018-2022.
3. **Our people:** an overview of the department's staff and organisation, and measures in place to ensure staff are productive while feeling valued, respected, supported and safe, including work health and safety measures, professional development and measures taken to uphold public sector principles.
4. **Corporate governance:** a summary of the department's corporate governance framework, information management processes and legislation administered.
5. **Financial Statements:** the department's financial management and performance.
6. **Appendices:** the department's key contacts, grant funding and sponsorship programs, regional and industry newsletters, and abbreviations used in this report.

Feedback on this report is welcome and can be provided to [info.dpir@nt.gov.au](mailto:info.dpir@nt.gov.au).



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## The Northern Territory's primary industries and resources drive economic growth

### Chief Executive's review

I am pleased to present the Department of Primary Industry and Resources Annual Report 2019-20.

The department drives sustainable economic development of the Northern Territory's natural resources by working with industry in the agricultural, fisheries and, minerals and energy sectors.

Our operations cover the entire Territory and play a key role in the emerging development agenda for Northern Australia. The key focus areas for the department are:

- promoting and facilitating development of current industries
- protecting industries and market access
- seeking and growing new industry development opportunities, including diversification of existing production enterprises.

Plant and animal products, energy and mineral resources, and safeguarding our product integrity – these are all central to growing the Territory's prosperity and advancing our regions.

We have a strong record of serving industry sectors with research, extension and product integrity assurance services while developing appropriate policy, managing tenure administration, providing effective regulatory management and working with industry partners to convert opportunities into profitable and sustainable developments.

2019-20 has seen us break new ground, including assisting our industries to navigate the unprecedented challenges of COVID-19, the introduction of the Hemp Industry Regulations 2020 enabling the Territory farming sector to work with a versatile new crop, and

our enabling activities through strengthening legislation and standards contributing to the first petroleum well drilled in the Beetaloo Sub-basin since the moratorium on hydraulic fracturing was lifted.

We have implemented a range of budget repair initiatives, including centralisation of some corporate service and investment attraction functions, delivered significant legislative activity, hosted field days to showcase the latest research, technology and advancements in agribusiness, contributed to a seven-year mineral exploration expenditure high, continued collaboration with Traditional Owners as part of fishing mentor programs, commercial aquaculture and legacy mine projects, and finalised the Memorandum of Understanding for Northern Australia to increase collaborative efforts across the north.

While many achievements are documented throughout this report, significant 2019-20 milestones were reached across key government projects designed to support a strong economy, local jobs growth and regional development.

- Completed all enabling recommendations in Table 16.1 of the Scientific Inquiry into Hydraulic Fracturing's final report to enable assessment of applications for drilling petroleum wells and hydraulic fracturing, which included:
  - implementation of the Code of Practice: Onshore Petroleum Activities in the Northern Territory, which is enforced by the Petroleum (Environment) Regulations 2016
  - release of the Compliance and Monitoring Strategy, which promotes a strong culture of accountability, self-monitoring and reporting from industry

- the staged declaration of reserved blocks as off-limits to any petroleum activities due to the areas' unique values or their important role in providing environmental, social, health and cultural benefits to surrounding communities.
- Undertook further legislative reforms to the *Petroleum Act 1984* and the Petroleum (Environment) Regulations 2016, including developing and consulting on reforms regarding statutory land access agreements.
- Facilitated commencement of the *Hemp Industry Act 2019* and the Hemp Industry Regulations 2020, enabling the development of a Territory hemp sector that will support investment and job creation opportunities in regional areas and capitalise on emerging market opportunities.
- Established four exciting new fishing hot spots for Territory anglers through the artificial reef project across the Greater Darwin region, designed to combine the best features of natural reefs to create new habitats while enhancing productivity and sustainability of key fish stocks.
- Released the draft Environmental Impact Statement and proposed rehabilitation strategy for the former Rum Jungle mine following a decade of delivering rehabilitation solutions, in partnership with the Australian Government, to address long-term environmental legacy issues resulting from uranium mining. This significant milestone to move the project into stage three has been designed to meet the needs and interests of Traditional Owners while achieving contemporary environmental and mined land rehabilitation standards.
- Continued the Berrimah Farm Science Precinct project, moving towards completion of the brand new fit-for-purpose Field Services Building that will create an epicentre of excellence in Northern Australia for agricultural research, diagnostics, and pest and disease surveillance and monitoring.
- Transformed corporate service provision under the Corporate Services Reform program by centralising delivery to effectively and efficiently meet the needs of government's strategic priorities through one division, the Department of Corporate and Information Services.
- Administered \$677,000 in grants for drilling and geophysical programs where there is a lack of geological information to encourage new exploration projects and make the data available to the wider exploration community.
- Processed more than 3,000 resource industry reports and core sample submissions and delivered over 100 geoscience products directly contributing to the significantly improved Territory global standing as an attractive mining destination, ranking 13<sup>th</sup> in the world for jurisdiction investment attractiveness.
- Continued the trajectory towards proof of freedom from citrus canker in late 2020, and from browsing ant in late 2021, through continued management program implementation and industry, stakeholder and community engagement.
- Executed a comprehensive African swine fever preparedness campaign across industry, stakeholder and the community to build understanding of pathway risks and to promote protection measures and implemented pest management activities following the detection of fall armyworm, American foulbrood in bees and ehrlichiosis in dogs.
- Continued collaborative broadacre cropping trials to explore diversified cropping, including rice and peanuts, and fibre crops like modern cotton, in growing a sustainable and diverse cropping industry in the Territory. Modern cotton trials and forecasts suggest approximately 80 per cent of a future Territory cotton industry would be developed using rain-fed cropping strategies, with department trials building local expertise in optimising growth, production and sustainability.

While we still don't have a full picture of the impacts of COVID-19 on our sectors and the challenges ahead, I am confident in the capability and leadership of this department, and in the diversity, professionalism and resilience of our people to support industry to get back on its feet and to accelerate growth.

There is much to do to reconstruct the economy, and the primary industry and resource sectors are key foundations to underpin a strong path moving forward.



**Alister Trier**  
**Chief Executive**  
**Department of Primary Industry and Resources**

**31 August 2020**

# 2019-20 highlights

## STRATEGIC GOAL 1:

### Promote and facilitate the development of our primary industries and resources

- Successfully implemented the National Citrus Canker Eradication Program, with proof of freedom from the disease scheduled for the end of 2020.
- Worked closely with the Northern Land Council to develop new grazing land to support 7,600 head of cattle at Djudain (Western Daly region), including pasture resource investigation, assessment of carrying capacity and enterprise viability.
- Provided support for best practice grazing land management practices in Lewin Springs (Wagiman Land Trust), including assessment of pastures and condition, calculation of safe carrying capacity and a grazing management plan for short and long-term productivity.
- Assisted a range of Aboriginal pastoral properties to develop stock watering points, including assessment of optimum walking distance, livestock water requirements, groundwater availability and appropriate sizing of infrastructure.
- Administered mineral titles, including:
  - 760 granted exploration licences
  - 1,244 granted mineral titles (including extractive mineral exploration licences)
  - progressing 547 mineral exploration licence applications
  - progressing 682 mineral title applications.
- Managed six remote research centres, totalling over 90,000 hectares, growing diverse crops and breeding cattle to build the sustainability and productivity of the Territory's agricultural sector.
- Rose from 23<sup>rd</sup> to 13<sup>th</sup> in the Fraser Institute's world ranking of jurisdictions' attractiveness for exploration and mining investment.
- Installed four artificial reefs in the waters of the Greater Darwin region and 15 smaller reef modules in Darwin Harbour to increase long-term fisheries production and sustainability, and enhance recreational fishing experiences for boat and land-based fishing.
- Authorised petroleum tenure, exploration and production activities that included the resumption of exploration in the Beetaloo Sub-basin.
- Implemented various biosecurity projects for plant and animal health surveillance in Northern Australia, including:
  - the on-farm biosecurity project, BioSecure Hazard Analysis Critical Control Point, to promote biosecurity within the nursery and garden industry in the Territory
  - working with the Northern Australia Biosecurity Surveillance Veterinary Network to undertake quality disease investigations in remote locations
  - training livestock producers and parks and wildlife officers in disease investigation and post-mortem techniques to enhance surveillance capability in remote locations.
- Released the Tanami region airborne magnetic, radiometric and elevation survey data to support mineral exploration in the Territory. The survey was the largest of its kind carried out in the Territory, covering an area of 42,000km<sup>2</sup>.
- Facilitated 16 Aboriginal fishing mentor trips to improve the commercial fishing knowledge and practical skills of Aboriginal coastal licence holders.
- Undertook 38 commercial fishery observer trips to independently monitor activity and assess the ecological sustainability of the Territory's fisheries.
- Granted 20 new authorisations and issued 60 variations of authorisation for mining activities in the Territory.



## STRATEGIC GOAL 2:

### Collaborate and strengthen relationships with our stakeholders and the community

- Collaborated with key industry groups and organisations, including the Northern Territory Farmers Association, Northern Territory Cattlemen's Association, Meat and Livestock Australia, Australian Mango Industry Association and Territory Natural Resource Management, to support industry development programs.
- Case-managed over 170 COVID-19 applications, in a two-month period, to help businesses in the agriculture, fisheries and resources sectors operate safely during the COVID-19 response.
- Worked with industry stakeholders and the community to remain on track for proof of freedom from citrus canker disease in late 2020, and from browsing ants in late 2021.
- Consulted with the extractive industry to review the mining management plan template, providing guidance for documenting the management of environmental, legal and regulatory obligations, including mining rehabilitation expectations and closure requirements.
- Administered \$677,000 in grants to improve geological knowledge and mineralisation targeting greenfields areas of the Territory as part of the \$26 million Resourcing the Territory 2018-2022 initiative.
- Provided reporting and information regarding the department's implementation of recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing to the Onshore Shale Gas Community Business Reference Group and the Independent Officer for overseeing government's implementation of recommendations.
- Continued to implement the Territory's Petroleum Reserved Block Policy at sites where exploration and drilling for petroleum resources is not permitted. As at 30 June 2020, 128 reserved blocks had been declared under the *Petroleum Act 1984*, protecting areas such as towns and residential areas, parks and reserves, and areas of cultural significance.
- Enabled funding agreements to be signed for five Aboriginal marine ranger programs.

## STRATEGIC GOAL 3:

### Use regulation of our industries and resources as a foundation for appropriate economic development

- Enacted the *Hemp Industry Act 2019* and regulations to support applications, licencing, compliance and administration for growing and processing industrial hemp.
- Provided expertise and advice on amendments to the *Biosecurity Act 2018* (Cth).
- Continued development of the Animal Protection Regulations 2020 in consultation with key stakeholders for consideration by the Territory Government and in support of the *Animal Protection Act 2018*. The *Animal Protection Act 2018* and regulations are expected to commence in 2020-21.
- Created the legislative framework through the *Hemp Industry Act 2019* and the Hemp Industry Regulations 2020 to facilitate and regulate the industrial hemp industry in the Territory.
- Assessed and authorised mining activities for key projects, including the Winchelsea Island manganese venture, Nathan River iron ore mine and the Grants Deposit lithium mine.
- Partnered with the Australian Government to address long-term environmental legacy issues resulting from uranium mining at the former Rum Jungle mine site.
- Completed legislative reforms to the *Petroleum Act 1984* and Petroleum (Environment) Regulations 2016 in accordance with several recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing.
- Drafted amendments to the Petroleum Regulations 1994 for statutory land access agreements in accordance with several recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing and conducted consultation on the draft regulations in May 2020.
- Developed a fisheries compliance strategy to guide regulatory and enforcement efforts.

- Assessed and authorised mining activities for the following key projects:
  - Winchelsea Island Project, a joint manganese venture with traditional owners and the Anindilyakwa Land Council
  - Nathan River iron ore project (former Roper Bar mine), authorised to recommence mining
  - Grants Deposit, a key component of the Finniss lithium mine, located 90km southwest of Darwin.
- Finalised appointment of the McArthur River Mine Independent Monitor following a competitive procurement process. As the mine regulator, the Independent Monitor assesses the environmental performance of the mine by reviewing the activities of the mine operator and the department.

#### STRATEGIC GOAL 4:

#### Support our people to be productive while feeling valued, respected, supported and safe

- Kept staff safe and supported during the COVID-19 response with a work from home strategy, physical distancing and hygiene practices, remote access to information technology systems and video conferencing, and registration of 50 staff as approved remote essential workers to ensure continued delivery of essential services.

#### STRATEGIC GOAL 5:

#### Build capability, adopt contemporary technology and improve service delivery

- Aided the capability of industry associations, community organisations, and agribusiness and fishing operators by administering and approving grants to strengthen the recreational fishing industry, animal welfare services, Aboriginal marine ranger training and outcomes for Territory farmers.
- Processed more than 3,000 mineral and energy resources industry reports and core sample submissions, and developed or updated over 100 geoscience products.
- Contributed to the development of a publicly accessible onshore petroleum information portal that will provide petroleum data in accordance with recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing. The portal will go live in 2020-21.
- Commenced implementation of the Contrax management system, providing greater consistency and improved governance in procurement contract management for departmental staff.
- Completed a risk framework for the Territory's top 40 plant pests to inform preparedness, detection, surveillance priorities, diagnostic efforts and recovery planning.

#### SAM NOWLAND – YOUNG ACHIEVER 2019

The Department of Primary Industry and Resources' Samantha Nowland took out the Young Achiever Award at the 2019 Northern Territory Seafood Industry Awards. An Aquaculture Research Scientist at the Darwin Aquaculture Centre, Sam's work in oyster aquaculture earned her this accolade.

The Young Achiever Award winner is determined by a judging panel as a person who 'has made a positive difference to the seafood industry and has the potential



Sam Nowland, Young Achiever 2019

to continue to develop as an effective and respected seafood industry leader'.

The success of the department's trial in commercial farming of the Blacklip Rock Oyster can be largely attributed to Sam's research, work ethic and professionalism, leading to collaborative partnerships with government, industry and Traditional Owners at Warrawi and Pirlangimpi.

Oyster aquaculture had been identified by Traditional Owners as an opportunity to participate in the seafood industry in a culturally appropriate way. This project aims to develop a sustainable industry in coastal Aboriginal communities. Sam's research has optimised the spawning and larval rearing of the Blacklip Rock Oyster, a new aquaculture species with significant commercial potential.

During 2019, Sam also graduated with a PhD in Aquaculture from the University of the Sunshine Coast. In addition, she was awarded the Yulgilbar Foundation Churchill Fellowship to address the challenges facing remote Aboriginal communities in the culture of native rock oysters.

Sam's achievements illustrate the breadth of skill and accomplishment in the department. Her success also demonstrates the value of a progressive and supportive working environment that provides opportunities for staff to develop and excel in their chosen fields.



# 1. Our department

## About us

The Department of Primary Industry and Resources works in partnership with key industry sectors to enable growth and development of the Northern Territory economy. The department maintains and drives development of the Territory's regions, coastal areas, agriculture, minerals, energy and fisheries resources through:

- research and extension
- market and industry development
- tenure and licence administration (minerals and energy, fisheries and chemicals)
- policy development
- regulation.

The industry sectors make significant contributions to the Territory economy. During 2018-19, the mining sector contributed \$4.7 billion to the Territory's gross state product, and the agriculture, forestry and fishing sectors contributed \$700 million. This represented a total of 21.7 per cent of the Territory's annual gross state product.

## Our functions, locations and facilities

The functions of the department are provided through seven output groups – Agriculture, Biosecurity and Animal Welfare, Fisheries, Resource Industry Development, Mining Services, Energy Services, and Corporate and Governance.

The department operates across the Territory with specialised laboratories, research and development facilities and information services to support the growth and development of key industry sectors.

## Our locations and facilities

The department's head office is located in **Paspalis Centrepoint** in Darwin. The city office accommodates staff from the Mines, Energy, Northern Territory Geological Survey (NTGS), and Governance, Services and Policy divisions, and the office of the Chief Executive. The office is also home to the department's Minerals and Energy InfoCentre, with maps, books, journals and government reports on geoscience, mining, minerals and energy in the Territory. Most of the InfoCentre's products, information and data are also available through various online information systems.

The redeveloped **Berrimah Farm Science Precinct** is Northern Australia's centre of excellence for agricultural research and diagnostics. The precinct includes specialist laboratories to deliver essential biosecurity, research and development projects in areas as diverse as veterinary diagnostics, plant pest diagnostics and drinking water testing. The precinct also accommodates staff from the Biosecurity and Animal Welfare, and Agriculture divisions. Construction of a purpose-built quarantine containment facility and plant and animal molecular diagnostics facilities commenced in 2019-20 as part of the \$31.5 million, multi-staged program of works at the precinct.

The **Darwin Aquaculture Centre**, on Channel Island in Darwin Harbour, is a research and development facility supporting the Territory's aquaculture industry. During 2019-20, the centre undertook research into commercialisation of tropical rock oysters and captive breeding of black jewfish. The research supports the Territory's emerging and established aquaculture industries and is enabling aquaculture enterprises in remote communities. The facility operates as an aquaculture hub with three local aquaculture businesses leasing areas to produce animals for their farms. The centre also produces barramundi for local restocking programs.

Exploration **core drill libraries in Darwin and Alice Springs** provide researchers with access to drill core and cuttings collected during exploration drilling by government and the mineral and petroleum industries. The ability to view and sample core, together with associated information services, supports new exploration activities and geological research across the Territory.

The **Katherine Research Station** (1,260 hectares) has broad areas of research and development reflective of the Katherine region's diversity and its potential for further primary industry development. During the 2019-20 reporting period, the research station hosted cattle and managed plantings of cotton, melons, mangoes, sesame, fennel and cassava.

The **Beatrice Hill Research Farm** (2,600 hectares) has a focus on research into cattle and buffalo production systems on improved pastures, including continued sustainable utilisation of floodplains. The research farm is home to a herd of cattle, as part of the National Arbovirus Monitoring Program, and sentinel chickens for monitoring human health.

The **Coastal Plains Research Farm** (140 hectares) has a focus on horticultural research, including varieties of mangoes, rambutans, passionfruit, jackfruit and other tropical fruits. Other trials include wild rice research, spice production, mahogany selection and biosecurity trials. Part of the farm includes a quarantine area for management of Panama disease Tropical Race 4, looking at banana varieties that may be tolerant or resistant to the disease.

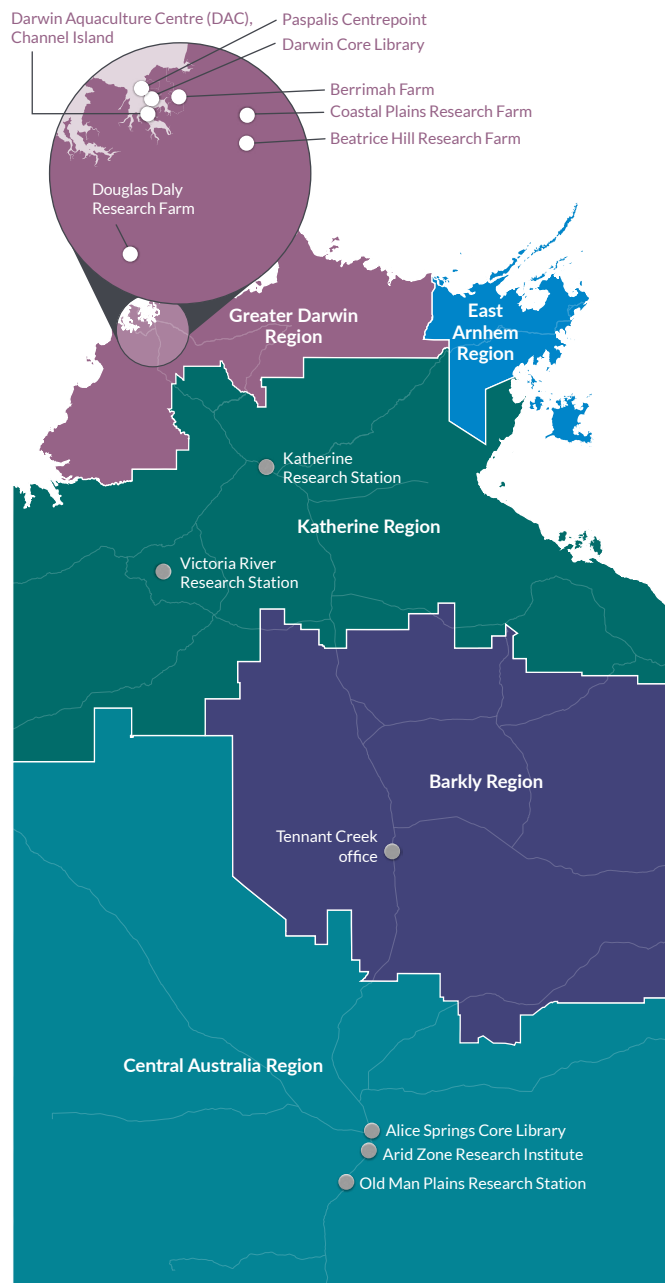
The **Douglas Daly Research Farm** (2,800 hectares) is a mixed farming research and demonstration facility. The farm's focus is beef cattle production and improved pasture development and performance, including a breeding program producing highly fertile cattle adapted to the climate and conditions of the Territory. The department's annual sale of Brahman and tropical composite bulls from the breeding program provides industry with an opportunity to access quality stock resulting from years of department research.

The **Victoria River Research Station** (31,400 hectares), also known as Kidman Springs, is the department's most remote research station, and is significant as a semi-arid tropical rangeland and cattle production research site. The station runs approximately 700 breeder cattle as a typical breeding operation and plays a major part in the department's breeding and annual sale of Brahman bulls.

The **Tennant Creek regional office** delivers animal health and biosecurity services to help develop domestic and international livestock market access. Cattle production and rangeland management are supported through research and extension activities. The mining and petroleum sector is primarily serviced by Darwin and Alice Springs-based staff. This includes working with industry to develop Tennant Creek as a mining, minerals and gas services and supply centre for the Barkly Region, through stimulating exploration, advocating for sustainable mining development, and addressing environmental and public safety issues from historical mining activities.

The **Arid Zone Research Institute (AZRI)** offices and research facilities enable the department to undertake geological surveys and mapping, regulation of mine management, and agricultural research and associated industry support. The department also manages animal welfare and biosecurity matters, including monitoring cattle movements, fruit fly, insect-borne viruses in cattle, and avian viruses in chickens that also affect humans. A research library and accredited water microbiology laboratory also operate from the AZRI location. Agricultural trials of almonds, grapes, jujubes and dates were conducted in 2019-20 and honey producers were supported in managing American foulbrood in beehives.

The **Old Man Plains Research Station** (52,200 hectares) conducts research and extension programs to support sustainable long-term development of the Central Australian pastoral industry. Focus areas for 2019-20 were building producer resilience during consecutive periods of minimal rainfall, sustainable and productive land management, and grazing strategies for improved land condition and profitable production of premium beef.



# Strategic plan 2018–2022

The department's strategic plan outlines its goals and key actions to deliver the vision of economic growth from the Territory's primary industries and resources sector.



# 2020-21 strategic priorities



## CREATING LOCAL JOBS

- Undertake strategic scientific research and extension initiatives to increase on-farm impact and support industry growth.
- Facilitate access to land for extractive and mineral mining, energy and geothermal exploration and production within the Territory.
- Optimise the future operations of the department's research farms.
- Facilitate strategic and innovative utilisation of the Territory's land and water resources.
- Ensure sustainable development of the Territory's fisheries.
- Continue to enhance recreational fishing as part of the \$50 million recreational fishing infrastructure program.



## INVESTING IN THE BUSH

- Improve the quality and quantity of the Territory's pastoral, horticultural, fishing and aquaculture production, with a focus on agribusiness development in the Katherine region.
- Promote local and international business investment in Territory projects, particularly Tennant Creek's development as the mining, mineral and petroleum services centre of the Territory.
- Facilitate primary production in regional areas through Aboriginal business development, employment opportunities and capacity building.
- Facilitate critical infrastructure investment planning to support project development and improve access to regional areas.
- Collaborate with industry to enhance economic development opportunities in remote locations with consequential benefits for regional communities.



## CREATING A SAFER TERRITORY

- Protect the Territory's primary industries from exotic pests and diseases to enhance economic sustainability.
- Work with industry, government and communities to ensure best-practice animal welfare standards are maintained.
- Continue to address safety issues and environmental remediation on legacy mine sites.
- Continue collaboration with the Australian Government to address long-term environmental legacy issues resulting from uranium mining at the former Rum Jungle mine site.
- Ensure the mining and petroleum sectors in the Territory are effectively regulated to meet industry and community expectations.
- Undertake transparent and consistent administration of the legislative frameworks for mineral and energy tenure.
- Continue to provide advice and support for resource management reform of minerals and energy legislation with the Department of Environment and Natural Resources.

## Executive management

The department's Deputy Chief Executive and executive directors support the Chief Executive with leadership and management of strategic, compliance, regulatory and governance matters. This executive management group comprise the department's Board of Management.

The executive directors have a performance monitoring and advisory role that includes consideration and approval of strategies, initiatives and issues impacting the department or its divisions.



### Alister Trier

#### Chief Executive

Alister works closely with industry to lead the growth of the primary industry, fishing, mining and energy sectors, and to strongly contribute to the development of Northern Australia.

Alister joined the Northern Territory public sector in 2002, working in the field of Aboriginal economic development. In 2009, he was appointed to the position of Executive Director Minerals and Energy with responsibility for the development of the resources sector. In 2012, Alister was appointed Chief Executive of the Department of Primary Industry and Fisheries. In 2016, Alister was appointed to his current role as Chief Executive of the merged departments of Primary Industry and Fisheries, and Mines and Energy.

Alister's early career included strategic market and business development, primarily in the international trade and agribusiness sectors across Northern Australia, the Middle East and South East Asia.

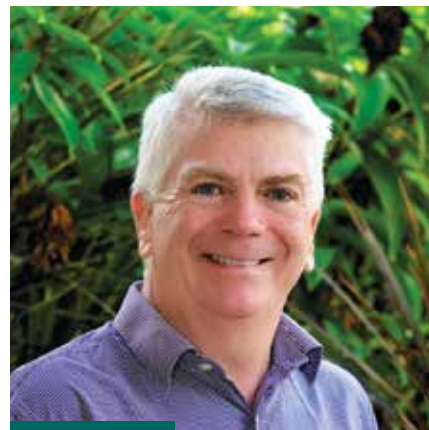


### Rod Applegate

#### Deputy Chief Executive

Rod is responsible for the department's minerals and petroleum resources, corporate services and governance functions, and for providing strategic advice and support to the Chief Executive. He has a strong focus on building relationships with the resources sector, improving stakeholder engagement, and driving the department's operational improvements and performance.

Rod has more than 40 years of experience in the Territory Government working in land and water resource management; strategic planning; regulation of development, building and transport; major project facilitation and resources. He is a graduate of the University of Queensland with a Bachelor of Agricultural Science (Honours 2A), Graduate Certificate in Public Sector Management, Graduate Certificate in Business Administration (Executive), is a member of the Australian Institute of Company Directors, and is a graduate of the Australia and New Zealand School of Government's Executive Fellows Program.



### Ian Curnow

#### Executive Director, Fisheries Division

Ian's principal responsibilities include leading strategic programs that deliver economic, social and cultural benefits through sustainable development of the Territory's fisheries resources.

Ian has a Bachelor of Science in Ecology and more than 35 years of experience in national and state governments across a range of policy and program areas. This includes 25 years of direct experience nationally in the sustainable development of fisheries, leading strategic planning, management, and research and compliance programs.



### Philip Hausler

**Executive Director,  
Agriculture Division**

Philip delivers high-level policy and strategic planning for the Territory's agricultural sector and brings a high level of practical experience to his role as Executive Director.

Responsible for research, development and extension staff throughout the Territory, Philip also oversees the department's seven research facilities and four regional offices.

He has significant executive level experience across the economic development and regulatory arms of the Territory Government and is committed to developing the Territory through the enormous opportunities presented in agriculture. Philip focuses on building effective relationships and partnerships with stakeholders to achieve strong investment, development and environmental outcomes for the Territory's agricultural sector.



### Armando Padovan

**Executive Director,  
Mines Division**

Armando's role is primarily focused on achieving effective regulation of the Territory's mining sector through development, review and implementation of key government reforms and mining policy initiatives.

Armando holds a Master of Science from the University of Adelaide and has experience in a range of senior executive management roles in his 24 years with the Territory public sector. He has previously worked in South Australia, New South Wales and Western Australia.



### James Pratt

**Executive Director,  
Onshore Gas Development**

James provides strategic leadership and policy advice for the department's implementation of the recommendations from the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory. James also provides leadership to the petroleum titles and operations functions within the department.

James has substantial experience in providing policy, legislative and regulatory advice and undertaking community engagement practices. He has held a variety of executive roles in the Territory government during his 17 years with the Northern Territory public sector. James holds a Bachelor of Communication and a Graduate Certificate in Public Sector Management. James has been Acting Deputy Chief Executive of the department since January 2020.





### Ian Scrimgeour

**Executive Director, Northern Territory Geological Survey**

Ian has been the Executive Director of NTGS since 2006. In this role, he oversees the Territory Government's initiatives to grow the exploration sector, including the current Resourcing the Territory initiative.

Ian has a Bachelor of Science and PhD in geology from the University of Adelaide. Prior to joining NTGS, he worked in gold exploration and mining in the Tanami and Pine Creek regions.

Ian joined NTGS in 1995 and worked as a regional mapping geologist based in Alice Springs. From 1998 to 2000, he undertook post-doctoral research on Central Australian geology at the University of Leoben in Austria. After returning to the Territory, Ian moved to Darwin to head up the NTGS geoscience program before being appointed Executive Director.



### Amy Dennison

**Acting Executive Director, Biosecurity and Animal Welfare (from 4 May 2020)**

Amy's current focus is to enhance the sustainability of the Northern Australian plant and livestock industries by ensuring national biosecurity and animal welfare obligations are met. She has extensive background in the sustainable development of renewable and non-renewable resources in the Northern Territory.

Amy has a Bachelor of Environmental Engineering with first class Honours and the University Medal from the University of New South Wales, a Bachelor and Master of Laws, and a Master in Public Administration from the Harvard Kennedy School of Government.

Amy is currently completing a Master of Liberal Arts, Sustainability from the Harvard Extension School.



### Brett Easton

**Acting Executive Director, Governance, Services and Policy**

Brett joined the department in February 2018 to undertake the environmental and mining regulatory reform program and is currently the acting Executive Director of the newly formed Governance, Services and Policy Division, which resulted from the Territory Government's corporate services reform program.

Brett is responsible for governance, risk and audit, freedom of information, media and communications, financial services, and legislative and policy coordination functions of the department.

Brett previously worked on the initial planning approvals to bring ConocoPhillips to Darwin and went on to introduce land clearing controls for the Territory.



### Lorraine Corowa

**Executive Director, Economic Recovery (from 27 April 2020)**

Lorraine is leading the department's economic recovery response to support key industries as they recover from the impact of COVID-19 restrictions.

Working with the department's executive directors, the Department of Trade Business and Innovation, and industry stakeholders, Lorraine is examining new and expanded market opportunities and sustainable development initiatives for the agribusiness, resources and fisheries sectors.

Lorraine has over 32 years of experience in development-focused positions within the Territory Government, including business and industry development, land development, trade and investment facilitation, and regional and Aboriginal economic development.



### Sarah Corcoran

**Executive Director, Biosecurity and Animal Welfare Division**

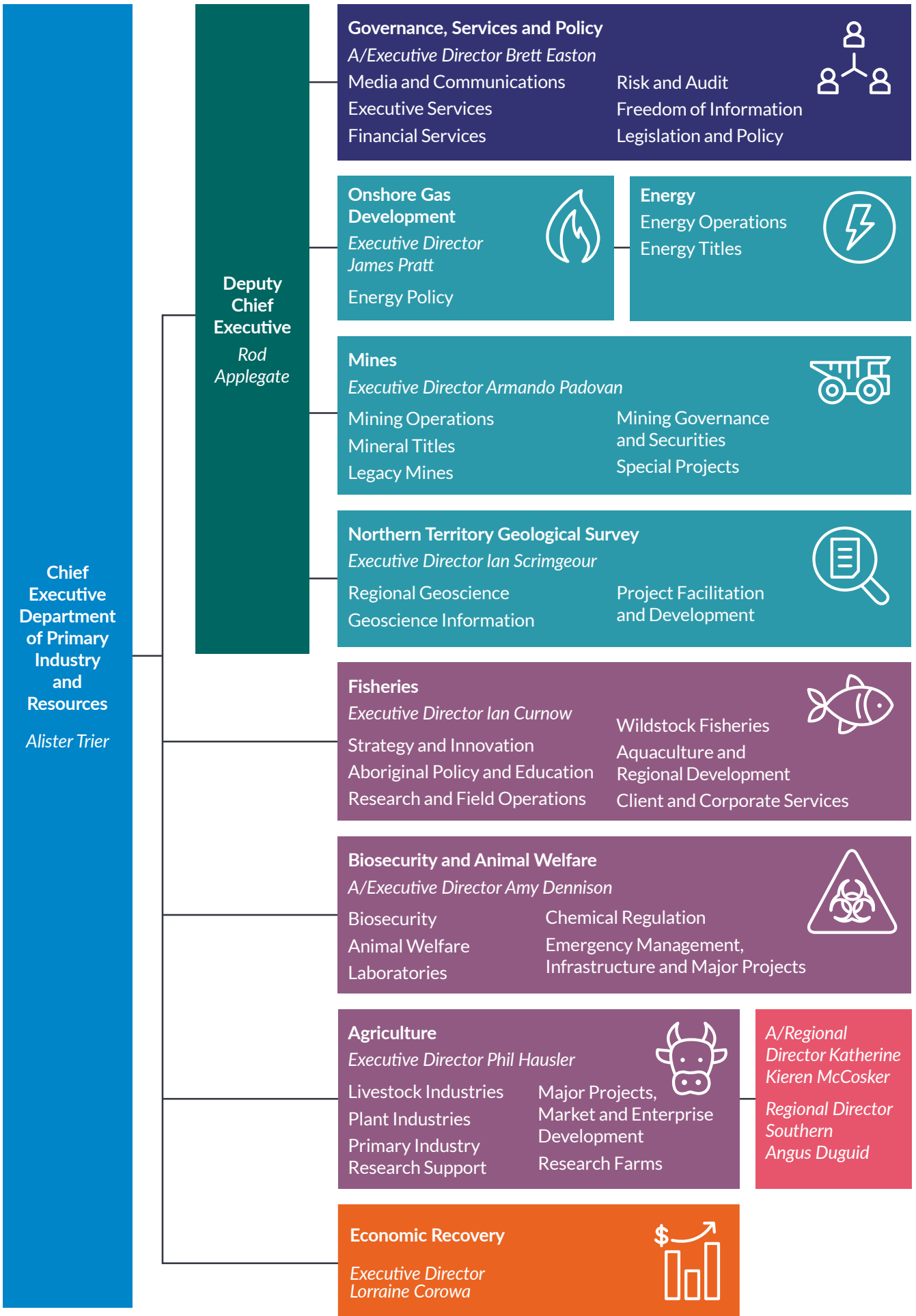
Sarah has a passion for preserving vital agricultural industries and Australia's unique environment from exotic pests and disease.

Sarah holds a Bachelor of Science, majoring in Botany and Zoology, with Honours in Freshwater Ecology and has completed post graduate studies in Epidemiology for Public Health. During her career, she has worked on a number of emergency responses to incursions of exotic pests and pathogens across the biosecurity field, including leading the national eradication programs for red imported fire ants, electric ants, banana freckle and citrus canker.

Sarah led the Biosecurity and Animal Welfare Division from May 2018, before leaving left the department to join Plant Health Australia as Chief Executive Officer in May 2020.

# Organisational chart

The department's structure supports the delivery of its strategic priorities and core business functions.



## RESOURCING THE TERRITORY – NEW DATA TO SUPPORT EXPLORATION

In November 2019, NTGS released final data from a major airborne geophysical survey in the Tanami area, the largest survey of its kind ever undertaken in the Territory.

The Tanami Region Airborne Magnetic and Radiometric Survey was completed as part of the Northern Territory Government's four-year (2018-2022), \$26 million, Resourcing the Territory initiative.

Delivered by NTGS, Resourcing the Territory (2018-2022) is designed to make the Territory a preferred destination for resource investment, supporting local businesses and communities dependent on the exploration and mining sector for business and employment opportunities. The initiative includes a range of pre-competitive geoscience programs to support exploration growth, with a particular focus around Tennant Creek and throughout the Barkly region.

Pre-competitive data acquisition involves gathering geological and geophysical data to upgrade historic data sets and fill data gaps. The data is then analysed to define the geology of basins and regions to identify areas with prospectivity for energy and mineral resources. Generally, priority is assigned to upgrading datasets over areas considered to be prospective but underexplored.

Providing key information on understanding the geology hidden under the sands of the Tanami Desert, the airborne survey measured the natural magnetism of the underlying rocks, allowing geologists to map the distribution and magnetic levels of rock units hidden beneath the sand. The Tanami area is the focus of intensive exploration programs being undertaken by the private sector, including Newmont, Newcrest, Northern Star and Prodigy Gold. The survey provided data to assist companies in targeting their exploration programs and aims to attract industry into areas not currently being explored.

Commencing in August 2018, the airborne survey covered more than 42,000 square kilometres from the West Australian border to about 300 kilometres west of Tennant Creek. The entire survey was flown at 200 metre line spacing with more than 240,000 line kilometres of data acquired by two planes over a period of four months.

Three private companies, Prodigy Gold NL, Independence Group NL and Newmont Exploration Pty Ltd, partnered with this survey to fund an additional 30,000 line kilometres of infill data at 100 metre line spacing to increase the detail of the geophysical data acquired in key areas of interest.

During 2019, NTGS acquired the Mount Peake-Crawford airborne survey, extending the coverage of high resolution data east of the Tanami region to Barrow Creek. NTGS is now partnering with CSIRO to undertake a geological interpretation of both new surveys.

Investment in publicly available geoscientific information attracts exploration activity by highlighting areas of favourable potential, lowering exploration risk and increasing exploration efficiency to make exploration investment more attractive.

Currently the third-placed Australia jurisdiction on the Fraser Institute's global 2019 Mining Investment Attractiveness Index, the Territory also made up significant ground in the worldwide rankings by placing at 13<sup>th</sup>, well up from 23<sup>rd</sup> last year. The Territory also ranked fifth in the world, and second in Australia, for the index that measures the perceived geological mineral potential of a region, reinforcing the value of the Resourcing the Territory (2018-2022) initiative.

These results are highly encouraging and, when combined with the 68 per cent increase in mineral exploration expenditure in the Territory over the past two years, are strong indicators of industry's confidence in the Territory's attractive mineral potential.

The resources sector, both in exploration and production, creates jobs, helps build our regions, grows wealth for Territorians, and contributes to improving essential infrastructure such as transport corridors.



*Tanami geophysical survey plane flying over Prodigy Gold drill rig*



## 2. Performance and achievements

The Department of Primary Industry and Resources' operations, initiatives and achievements for 2019-20 are reported for each of the seven output groups against the department's outcomes and key performance indicators as stated in the Northern Territory Government's 2019-20 Agency Budget Statements (Budget Paper No. 3).

In this section, the department's performance is reported against the following four goals from its Strategic Plan 2018-2022:

- **Goal 1:** Promote and facilitate the development of our primary industries and resources.
- **Goal 2:** Collaborate and strengthen relationships with our stakeholders and the community.
- **Goal 3:** Use regulation of our industries and resources as a foundation for appropriate economic development.
- **Goal 5:** Build capability, adopt contemporary technology and improve service delivery.

The department's performance against **Goal 4:** Support our people to be productive while feeling valued, respected, supported and safe, is reported under section 3: Our people.



In 2019, agriculture, forestry and fishing contributed **\$700 million** to the Territory's economy and employed **over 2,400 people**



**760**  
exploration  
licences granted



Mineral exploration expenditure in 2019 at **7-year high** of **\$132.7 million**



## KEY PERFORMANCE INDICATORS

	2018-19 Actual	2019-20 Budget	2019-20 Actual
Research, development and extension publications delivered	n.a.	60	64
Research, development and extension events delivered	n.a.	30	27 <sup>1</sup>
Programs that facilitate primary industry trade and investment	n.a.	5	5
Projects to facilitate Aboriginal economic development opportunities	n.a.	20	25

n.a.: not applicable

1. Some planned activities could not proceed due to the impact of COVID-19 restrictions.

Note: Key performance indicators were updated in May 2019 for the 2019-20 reporting period.

## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Represented the Territory in international trade and market activities through joint industry and government delegations for the Reaching South to the Territory event in China and promotion of Territory trade and investment opportunities in Indonesia.
- Worked closely with the Northern Land Council to develop new grazing land to support 7,600 head of cattle at Djudain (Western Daly region), including pasture resource investigation, assessment of carrying capacity and enterprise viability.
- Provided support for best practice grazing land management practices in Lewin Springs (Wagiman Land Trust), including assessment of pastures and condition, calculation of safe carrying capacity and a grazing management plan for short and long-term productivity.
- Assisted a range of Aboriginal pastoral properties to develop stock watering points, including assessment of optimum walking distance, livestock water requirements, groundwater availability and appropriate sizing of infrastructure.
- Continued to facilitate delivery of the Rural Financial Counselling Service in the Territory with negotiations progressing to continue this service until 30 June 2021.

- Administered the On-Farm Emergency Water Infrastructure Rebate Scheme, providing financial support to drought-affected primary producers for new water infrastructure projects to meet the water requirements for animal welfare needs and horticultural plantings.
- Provided support to the Cooperative Research Centre for developing Northern Australia (CRCNA) situational analysis of the Northern Australian forestry industry, identifying priority actions and intended impacts for further industry development. The analysis also included a review of Aboriginal forestry enterprises in Northern Australia, with development of these enterprises identified as a key opportunity for developing Northern Australia.

### Collaborate and strengthen relationships with our stakeholders and the community

- Continued to develop and deliver tailored pastoral training courses designed to assist first and second year employees on cattle stations to understand the unique Territory environment and management techniques that can be adapted to maintain high levels of productivity.
- Collaborated with key industry groups and organisations, including the Northern Territory Farmers Association, Northern Territory Cattlemen's Association, Meat and Livestock Australia, Australian Mango Industry Association and Territory Natural Resource Management to support industry development programs.

- Provided support to CRCNA's project to increase high-value food and fibre exports from Northern Australia, especially through Darwin International Airport.
- Developed school students' knowledge of, and interest in, the agriculture sector through school engagement opportunities, including the desertSMART EcoFair in Alice Springs, tours of the department's Katherine Research Station and Ag Inspiration Program workshops for Katherine High School students.
- Produced the quarterly NT Pastoral Feed Outlook providing pastoralists with information on feed supplies, seasonal conditions, drought conditions and fire risks for Territory pastoral districts.

### Use regulation of our industries and resources as a foundation for appropriate economic development

- Provided input to the development of the Hemp Industry Regulations 2020 and information sessions to industry stakeholders.

### Build capability, adopt contemporary technology and improve service delivery

- Completed a review of the annual estimate of the value of the agriculture, forestry and fishing sectors in the Territory, providing increased stakeholder confidence in economic performance data and information produced by the department.
- Developed and tested a system to remotely monitor calving and assist in investigating causes of calf loss, using birthing sensors and global positioning system collars on pregnant cows as part of the FutureBeef project for the Northern Australia beef industry.
- Delivered livestock and pastures training to 20 Indonesian students participating in the Northern Territory Cattlemen's Association Indonesia Australia Pastoral Program prior to their eight-week placement on Territory cattle stations.
- Launched a weekly webinar series providing growers with the opportunity to learn from industry specialists about national and local agricultural projects and research. Topics for the initial series included opportunities for growing and processing industrial hemp, spice growing trials, melon food safety, broadacre cropping projects and water resources.
- Produced instructional YouTube videos on tips for growing cotton in Katherine and on improving mango production by manipulating mango flowering.

## MADDISON CLONAN – RURAL WOMEN'S AWARD TERRITORY FINALIST

Maddison Clonan, a Department of Primary Industry and Resources research horticulturalist based at the Berrimah Farm Science Precinct, was one of three inspiring Territory women selected as the Territory finalists in the 2020 AgriFutures™ Rural Women's Award. The other local finalists were Emily Ford and Amy Kirke, the eventual Territory winner.

The award identifies and supports emerging female leaders who show the desire, commitment and leadership potential to make a greater contribution to rural industries and their communities. Entrants present a project or initiative that will benefit rural industries, businesses and/or communities.

Maddison's project aimed to develop an educational school program to connect young people with food production, developing the next generation of sustainable consumers and inspiring young people to seek careers in food and farming.

Maddison says, "Although I haven't had the opportunity to pursue my project without the support of the awards, I do have plans to develop a portion of the original project. This would be a lesson plan that guides the user through an investigation of a food item, identifying some metrics that can then be loaded onto a live crowd-sourced map.

As users submit entries, the map populates and can be used by others to explore our food system. This will give young people the tools to investigate the sustainability of food independently and develop a source of information for others. I hope to launch it by the end of 2020."

Also a member of the department's Young Leaders Group, Maddison is currently researching the effects of supply chain processes on post-harvest mango quality and the dependency of mango flowering on temperature.

The AgriFutures™ Rural Women's Award is proudly supported and coordinated by the Department of Primary Industry and Resources, its major sponsor. The department is also proud to see another of its staff members recognised for their achievements, with Maddison following in the footsteps of Zoe Malone, a former staff member, as 2019 winner.



Maddison Clonan, Rural Women's Award Territory finalist

# Biosecurity and animal welfare

Outcome: The Territory's reputation and integrity as a producer of quality primary produce is protected and animals are treated humanely.



## KEY PERFORMANCE INDICATORS

	2018 19 Actual	2019 20 Budget	2019-20 Actual
Timely and accurate identification of biosecurity risks through delivery of quality laboratory services to industry and business clients within 28 days	n.a.	95%	95%
Education and awareness events delivered	n.a.	15	15

n.a.: not applicable

Note: Key performance indicators were updated in May 2019 for the 2019-20 reporting period.

## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Successfully implemented the National Citrus Canker Eradication Program, with proof of freedom from the disease scheduled for the end of 2020.
- Continued to progress the National Browsing Ant Eradication Program, which is on track for proof of freedom at the end of 2021.
- Following the detection of fall armyworm, engaged with industry and consulted with other jurisdictions to support pest management activities.
- Implemented an African swine fever preparedness campaign that included:
  - facilitation of a Territory whole of government preparedness exercise
  - participation in the national decision-making preparedness exercise
  - an extensive stakeholder communications campaign
  - development of a national feral pig response policy
  - compliance audits on high-risk businesses for prohibited pig feed
  - enhanced testing capability at the department's Berrimah veterinary laboratories.
- Implemented various biosecurity projects for plant and animal health surveillance in Northern Australia, including:
  - the on-farm biosecurity project, BioSecure Hazard Analysis Critical Control Point, in conjunction with Nursery and Garden Industry Australia to promote biosecurity within the nursery and garden industry in the Territory
  - working with the Northern Australia Biosecurity Surveillance Veterinary Network to undertake quality disease investigations in remote locations
  - training livestock producers and parks and wildlife officers in disease investigation and post-mortem techniques to enhance surveillance capability in remote locations.
- Completed testing as part of a national survey for the presence of white spot syndrome virus in prawns, with no virus detected.
- Commenced activities for the National Diagnostics Project, led by the Grains Research Development Corporation, to enhance diagnostic capability for key biosecurity threats that could impact production and access to domestic and international markets in the mango and forestry industries.
- Commenced a project for early detection of the tomato potato psyllid pest, funded by Hort Innovation.
- Commenced a research project to improve industry understanding of the spread of cucumber green mottle mosaic virus by honeybees in the Territory, funded by Hort Innovation.
- Continued to identify disease-resistant banana varieties for Panama disease (or Fusarium wilt), funded by Hort Innovation.
- Commenced a program to develop a volatile profile for citrus canker, which may enable it to be detected by odour detection dogs.
- Continued the area-wide management project of vegetable diseases to support early detection of viruses and bacteria in vegetable crops, funded by Hort Innovation.



## Collaborate and strengthen relationships with our stakeholders and the community

- Continued support for development of two sentinel herds (one of Bali cattle and one of goats), pest surveillance and veterinary laboratory services in Timor-Leste.
- Finalised the Memorandum of Understanding for Northern Australia, in partnership with the Western Australian, Queensland and Australian governments, to increase collaborative efforts across the north, provide a framework for sharing resources, generate cost efficiencies, encourage sharing of knowledge and information, and streamline processes.
- Administered the Territory Government's animal welfare grants scheme to support local organisations offering valuable animal welfare initiatives across the Territory. See section 6 – Appendices: Grant funding and sponsorship programs for a list of successful grant applications.

## Use regulation of our industries and resources as a foundation for appropriate economic development

- Enacted the *Hemp Industry Act 2019* and regulations to support applications, licencing, compliance and administration for growing and processing industrial hemp under the Act.
- Amended the cattle tick control zones and movement restrictions for livestock to support market access for livestock industries.
- Undertook extensive preparedness work to amend biosecurity audit, inspection and surveillance practices to enable industry to continue to trade during COVID-19 restrictions.
- Completed audits and inspections for citrus growers to support interstate trade for the harvest season.
- Continued development of the Animal Protection Regulations 2020 in consultation with key stakeholders for consideration by the Territory Government and in support of the *Animal Protection Act 2018*. The *Animal Protection Act 2018* and regulations are expected to commence in 2020-21.
- Prepared the Plant Health Amendment Regulations 2020 in consultation with key stakeholders. These amendments to the Plant Health Regulations 2011 will assist with controlling declared pests and facilitating improved transportation of plant and plant-related materials from the Territory to other states and territories.

## Build capability, adopt contemporary technology and improve service delivery

- Completed a risk framework for the Territory's top 40 plant pests to inform preparedness, detection, surveillance priorities, diagnostic efforts and recovery planning.
- Continued development and implementation of the MAX data management system to enable rapid reporting against key deliverables and sharing of data across the department and with other state and territory departments.
- Used dual-imprinted odour detection dogs from the Queensland Government's National Red Imported Fire Ant Eradication Program to support proof of freedom activities for the National Browsing Ant Eradication Program.
- Maintained the National Association of Testing Authorities' accreditation for the department's veterinary laboratories and water laboratories, providing quality-assured veterinary diagnostics and water quality to the Territory community.
- Completed staff certification assurance training to enhance the department's responsiveness to plant biosecurity audits and inspections.
- Commissioned the new Berrimah Farm Science Precinct chemical stores building and staff amenities building, and the new field laboratory for housing livestock and plant research, industry development functions and post-harvest research facilities.



## KEY PERFORMANCE INDICATORS

	2018-19 Actual	2019-20 Budget	2019-20 Actual
Completion of department-facilitated training by Aboriginal people	292	329	304
Capacity-building visits to Aboriginal communities	63	55	22 <sup>1</sup>
Fish stocks assessed as sustainable or recovering	23	20	20

1. Some planned activities could not proceed due to the impact of COVID-19 restrictions.

## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Facilitated 16 Aboriginal fishing mentor trips to improve the commercial fishing knowledge and practical skills of Aboriginal coastal licence holders.
- Undertook 38 commercial fishery observer trips to independently monitor activity and assess the ecological sustainability of the Territory's fisheries.
- Constructed and installed four new artificial reefs in the waters of the Greater Darwin region and 15 small reef modules in Darwin Harbour for land-based anglers to increase long-term fisheries production, enhance recreational fishing opportunities and support the sustainability of key reef fish species.
- Undertook an ecological risk assessment of the aquarium fisheries industry to understand the impacts on target fish species, non-target and protected species, and the broader ecosystem.
- Administered the Territory Government's recreational fishing grants scheme to assist community projects that grow and support recreational fishing. See section 6: Appendices – Grant funding and sponsorship programs for a list of successful grant applications.
- Worked with Anindilyakwa Land Council marine rangers on Groote Eylandt to support tropical Blacklip Rock Oyster hatchery trials as part of the Northern Australian Tropical Rock Oyster research and development project. The project will support increased oyster production, growth and survival, and increased capacity within Aboriginal communities to participate in sustainable growth of commercial aquaculture businesses.

- Completed data collection for the 2018-19 Territory-wide recreational fishing survey aimed at improving the quality of recreational fishing and sustainable management of fish stocks.
- Provided training in scientific fisheries data collection and aquatic surveillance to marine rangers on Groote Eylandt, supporting the rangers' management and protection of aquatic resources.
- Provided assistance with capture and tagging of barramundi for the Territory's Million Dollar Fish competition.
- Contributed to the delivery of a multi-sector, inter-agency situational analysis workshop examining the challenges and opportunities for the Northern Australia aquaculture sector.

### Collaborate and strengthen relationships with our stakeholders and the community

- Participated in six Fisheries Management Advisory Committee meetings, focusing on different areas of fisheries, being offshore snapper, mud crab, recreational fishing and coastal line fishery.
- Facilitated nine Aboriginal marine ranger support visits, including a coastal surveillance patrol exercise with the Thamarrur marine rangers based in Wadeye, and delivered aquatic biosecurity training to Anindilyakwa marine rangers on Groote Eylandt.
- Enabled funding agreements to be signed for five Aboriginal marine ranger programs.
- Updated nationally recognised fisheries compliance training provided to marine rangers to include biosecurity units.

- Reached approximately 9,000 followers of the Fisheries NT Facebook page (@FisheriesNT) with key messages, campaigns and information.
- Reached over 6,000 downloads of the NT Fishing Mate mobile app, providing information on fish species, catch limits, boat ramps and restricted zones.

### Use regulation of our industries and resources as a foundation for appropriate economic development

- Developed a fisheries compliance strategy to guide regulatory and enforcement efforts.

- Undertook a review of fisheries logbook reporting and implemented user-focused improvements to enhance business efficiencies, including logbook submissions via email.
- Implemented infringement notices for administrative offences, for example, late fishing logbook returns, to replace court proceedings.

### Build capability, adopt contemporary technology and improve service delivery

- Enabled electronic logbook reporting for all key fisheries.

## ARTIFICIAL REEFS – MORE PLACES FOR FISH!

Recreational fishing is a key part of the Territory lifestyle and is set to get even better with four exciting new fishing hot spots for Territory anglers created across the Top End.

In December 2019, the Department of Primary Industry and Resources deployed four artificial reef complexes across the greater Darwin region as a means of expanding and improving recreational fishing as a lifestyle activity and tourism feature for the Northern Territory. Two reefs are located between North Gutter and Lee Point, one in the Dundee region and one between the Vernon Islands and Cape Hotham.

Built from concrete, the artificial reefs sit on the seabed and will facilitate fisheries production for the long term, support the sustainability of key fishery resources and augment recreational fishing opportunities. Each of the 118 concrete modules weighs 23 tonnes, is five metres tall and four metres square at the base. Built to last 100 years, the reefs are designed to combine the best features of a natural reef while enhancing its qualities for maximum effect.

The reefs are supported by fish aggregating devices (FADs). FADs provide opportunities to target alternative species that are less susceptible to barotrauma, including pelagic fish such as mackerel, queenfish and trevally. This will reduce pressure on vulnerable reef fish stocks. The department is developing resources to encourage uptake of these practices with recreation and fishing tourism audiences.

Monitoring has also begun on the reefs, led by the Fisheries Division. Anglers can help track the effectiveness of the new reefs by reporting their catches, both good days and not so good days, using the NT Fishing Mate app.

Local business also benefited from the reef project. Shorelands, a long-time Darwin business, was awarded the contract in April 2019 and worked with Subcon Technologies to construct the artificial reef modules. Helping People Achieve, the Top End's only Australian Disability Enterprise, also joined forces with Shorelands to provide welding services. This collaboration provided a great opportunity for local Territorians with disability to showcase their skills and enhance workplace learning through real employment opportunities.

Under the government's five-year, \$50 million investment in recreational fishing, installation of purpose-built artificial reefs not only delivers exciting new fishing areas but also reduces pressure on existing natural reef and fish stocks.

This collaborative project took a huge team effort from all participants and will support our key fishery resources for decades to come.



Artificial reef modules being deployed across the greater Darwin region

# Resource industry development



Outcome: Exploration and development of the Territory's mineral and energy resources is supported by quality information and advice to national and international stakeholders.

## KEY PERFORMANCE INDICATORS

	2018 19 Actual	2019 20 Budget	2019 20 Actual
Statutory industry reports and sample submissions processed	2,987	3,050	3,031 <sup>1</sup>
Geoscience products developed or updated	91	96	108
Target rating for FIAS geological database <sup>2</sup>	24 <sup>th</sup>	15 <sup>th</sup>	16 <sup>th</sup>
Investment attraction and promotional events	14	16	11 <sup>3</sup>

1. A proposed core sample submission was cancelled when a mineral title was transferred.

2. The Fraser Institute annual survey (FIAS) is a global survey of mining companies that ranks the attractiveness of jurisdictions for exploration and mining investment based on respondent perceptions.

3. A number of events scheduled for 2020 were cancelled due to COVID-19 restrictions.

## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Released the Tanami region airborne magnetic, radiometric and elevation survey data to support mineral exploration in the Territory. The survey was the largest of its kind carried out in the Territory, covering an area of 42,000km<sup>2</sup>.
- Released the Mount Peake-Crawford airborne magnetic and radiometric survey acquired over the Barrow Creek region. The survey data will be used by exploration companies to assist in targeting their exploration programs, and to attract industry to areas not currently being explored.
- Released the South West McArthur-Barkly gravity survey acquired in collaboration with Geoscience Australia.
- Launched the Resourcing the Territory website, promoting the Territory Government's 2018-22 initiative to support resources exploration in the Territory and long-term sustainability of the Territory's resources sector.
- Acquired the Barkly region seismic survey in collaboration with Geoscience Australia, with 820km of data extending from the Queensland border to the Beetaloo Sub-basin. The survey provides data on the potential for new gas, liquids and other mineral resources in this underexplored region.
- Released the report on definition and seismic interpretation of the Beetaloo Sub-basin.
- Released the Jervois Range 1:100,000 geological map, geographic information system (GIS) and explanatory notes.
- Promoted the Territory's resource potential at events in the United States (NAPE Summit), Canada (Prospectors & Developers Association of Canada convention) and in China, Japan and South Korea.
- Completed fieldwork for Bloods Range and Lake Amadeus 1:250,000 geological maps.
- Completed Mineral Field Atlas reports and 3D visualisation of Rover mineral field.
- Administered the Geophysics and Drilling Collaborations grant program, funded by the four-year Resourcing the Territory initiative, improving geological knowledge and mineralisation targeting in greenfields areas of the Territory.
- Completed 11 of 13 projects in round 12 of the Geophysics and Drilling Collaborations grants program. The final two projects were not completed due to COVID-19 restrictions.
- Developed a draft Minerals Industry Development Strategy in collaboration with the Department of Trade, Business and Innovation.

## Collaborate and strengthen relationships with our stakeholders and the community

- Undertook major collaborative geoscience programs in the Barkly region with Geoscience Australia under the Australian Government's Exploring for the Future program.
- Chaired two national working groups under the Council of Australian Governments (COAG) Energy Council (the Geoscience Working Group and Government Geoscience Information Committee).
- Collaborated with Investment Territory to promote minerals and energy opportunities, including a joint investment delegation to China.
- Consulted with local communities, Traditional Owners, land councils and pastoralists regarding field-based geoscience activities undertaken by the department and its partners, and kept stakeholders informed.

## Use regulation of our industries and resources as a foundation for appropriate economic development

- Compiled and released mineral production reporting for 2018-19.
- Released mineral exploration reports from 2012 and 2013 under the five-year sunset clause of the *Mineral Titles Act 2010*.
- Provided ongoing project facilitation, assistance and monitoring of developing mining projects.

## Build capability, adopt contemporary technology and improve service delivery

- Digitally captured all legacy drilling and geochemistry data from industry exploration across a large area of the Barkly region, including the Tennant Creek, Alroy, Ranken, Brunette Downs and Mount Drummond 1:250,000 sheets.
- Revised and released 1:250,000 geology GIS datasets in Environmental Systems Research Institute (ESRI) shapefile format.
- Uploaded more than 250 mineral geophysics datasets (<1GB in size) to the Geoscience Exploration and Mining Information System (GEMIS).



# Mining services

Outcome: Project development is facilitated through efficient and effective administration of laws regulating mineral titles and activities associated with mineral exploration and production.



## KEY PERFORMANCE INDICATORS

	2018 19 Actual	2019 20 Budget	2019-20 Actual
<b>Mineral titles management</b>			
Mineral exploration licences granted within nine months	58%	85%	77% <sup>1</sup>
Extractive mineral permits granted within 11 months	20%	85%	0% <sup>1</sup>
<b>Mining operations management</b>			
Mining management plans determined within 90 days	85%	85%	86%
Mine site inspection days	275	200	142 <sup>2</sup>
<b>Legacy mines</b>			
Tender value awarded to Territory enterprises	95%	85%	33% <sup>3</sup>

1. Timelines for the granting of permits are heavily impacted by external factors, such as business confidence, investment levels, downturn in the construction industry and, more recently, the COVID-19 pandemic.
2. Mine site inspections were suspended from March to June 2020 due to COVID-19 travel restrictions.
3. During the procurement process for an independent review, the department consulted the Industry Capability Network NT and invited Territory enterprises to tender. No Territory enterprise with the required multi-disciplinary knowledge and expertise and demonstrated relevant experience was available in the Territory.

## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Administered mineral titles, including:
  - 760 granted exploration licences
  - 1,244 granted mineral titles (including extractive mineral exploration licences)
  - progressing 547 mineral exploration licence applications
  - progressing 682 mineral title applications.
- Granted 20 new authorisations and issued 60 variations of authorisation for mining activities in the Territory.
- Conducted mine site inspections for 54 mining operations to check compliance with the operator's mining authorisations and the *Mining Management Act 2001*.
- Supported development of the Tennant Creek region as a mining hub through collaboration with the Department of Trade, Business and Innovation, and participation in a business forum.
- Ensured ongoing commitment to a minimum 40 per cent weighting for local development for all tenders relating to legacy mines.
- Invested \$6,818 (excluding GST) from the Mining Remediation Fund and committed to an additional \$75,595 (including GST) in funding. The fund is available for projects that minimise or rectify environmental harm caused by unsecured mining activities. In 2019-20, funding invested in remediation of the Redbank copper mine:
  - supported a working group meeting to facilitate consultation with Traditional Owners
  - commissioned an independent review of data for the former mine to identify knowledge gaps for remediation planning and develop an action plan to address these gaps
  - investigated legal aspects of undertaking remediation at the former mine.
- Built the capacity of Aboriginal Traditional Owners through involvement in stage 2A of the Rum Jungle Rehabilitation Project. Work included flora and fauna surveys, geotechnical investigations and cultural monitoring.
- Completed the stage 3 Aboriginal Owner Opportunity Plan at the former Rum Jungle mine site.

## Collaborate and strengthen relationships with our stakeholders and the community

- Participated in two Redbank working group meetings to progress rehabilitation planning.
- Undertook community consultation and engagement in developing approvals for stage 3 of the Rum Jungle Rehabilitation Project, including delivery of 49 recorded consultation meetings.
- Continued to regulate the Ranger uranium mine subject to the *Mining Management Act 2001* and in consultation with key stakeholder groups via various forums, including the Mine Site Technical Committee.
- Consulted with the extractive industry to review the mining management plan template for extractive operations, providing guidance for documenting the management of environmental, legal and regulatory obligations, including mining rehabilitation expectations and closure requirements.

## Use regulation of our industries and resources as a foundation for appropriate economic development

- Undertook regulation of 370 authorised mining projects.
- Assessed and authorised mining activities for the following key projects:
  - Winchelsea Island Project, a joint manganese venture with traditional owners and the Anindilyakwa Land Council

- Nathan River iron ore project (former Roper Bar mine), authorised to recommence mining
- Grants Deposit, a key component of the Finniss lithium mine, located 90km southwest of Darwin.

- Assessed a 12-year mining management plan for Rio Tinto Alcan's Gove bauxite mine and the McArthur River Mine's Overburden Management Project.
- Finalised appointment of the McArthur River Mine Independent Monitor following a competitive procurement process. The Independent Monitor assesses the environmental performance of the mine by reviewing the activities of the mine operator and the department, as the mine regulator.

## Build capability, adopt contemporary technology and improve service delivery

- Managed ongoing digitisation of all mineral title and dealing files.
- Released major enhancements for the Titles Administration System (TAS) and the Mineral Titles Workflow Apps for Charting and Application (WACA).
- Responded to 354 stakeholder information technology service support requests.



# Energy services



Outcome: Project development is facilitated through efficient administration of petroleum titles and assessment of tenure requirements, resource management and operational approvals.

## KEY PERFORMANCE INDICATORS

	2018-19 Actual	2019-20 Budget	2019-20 Actual
Energy titles applications and report assessments completed within 60 days <sup>1</sup>	44%	85%	70%
Number of regulatory inspections for petroleum and pipeline operations <sup>2</sup>	9	24	27

1. Application assessment timeframes were impacted when resources were diverted to the COVID-19 response.

2. The increase in 2019-20 reflects a greater number of operational sites attended for monitoring and compliance activities due to the lifting of the moratorium on hydraulic fracturing and increased industry activity.

## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Assessed and/or approved activities as required under legislation for petroleum exploration and production, which included the resumption of exploration activities within the Beetaloo Sub-basin. Activities approved under the *Petroleum Act 1984* were:
  - one exploration permit renewal
  - one retention licence renewal
  - one offer of an exploration permit application
  - six exploration permit transfers
  - two well operation management plans
  - one revision to a well operation management plan
  - 16 annual reports for permit and licence holders' activities on their tenure<sup>17</sup> variations of work programs
  - 17 variations of work programs
  - 24 suspensions and/or extensions of work programs.

### Collaborate and strengthen relationships with our stakeholders and the community

- Provided reporting and information regarding the department's implementation of recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing to the Onshore Shale Gas Community Business Reference Group and the Independent Officer for overseeing government's implementation of recommendations.

- Continued to implement the Territory's Petroleum Reserved Block Policy at sites where exploration and drilling for petroleum resources is not permitted. As at 30 June 2020, 128 reserved blocks had been declared under the *Petroleum Act 1984*, protecting areas such as towns and residential areas, parks and reserves, and areas of cultural significance.
- Published reports from permit holders under the *Petroleum Act 1984* on petroleum well drilling and petroleum recovery activities, improving the transparency of the Territory's petroleum industry with online publication of:
  - well plan summaries, providing information on a well's construction plans and any geohazards
  - well barrier integrity validation reports, providing information on well integrity.
- Represented the Territory Government on the CSIRO Gas Industry Social and Environmental Research Alliance NT Regional Research Advisory Committee. The committee is responsible for reviewing and approving research projects that address community concerns, issues and potential impacts as a result of onshore gas development in the Territory.



## Use regulation of our industries and resources as a foundation for appropriate economic development

- Completed legislative reforms to the *Petroleum Act 1984* and *Petroleum (Environment) Regulations 2016* in accordance with recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing, which included:
  - requirement for the Minister to consider the principles of ecologically sustainable development in making certain decisions under the *Petroleum Act 1984* and Regulations
  - requirement for the Minister to give public notice of any proposed land release and to allow public submissions
  - a regulation making power for statutory land access agreements and standard minimum protections, a minimum mandatory compensation scheme and environmental securities.
- Drafted amendments to the *Petroleum Regulations 1994* for statutory land access agreements in accordance with several recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing and conducted consultation on the draft regulations in May 2020.
- Commenced utilisation of the Code of Practice: Onshore Petroleum Activities in the Northern Territory, which is empowered under legislation, to ensure petroleum operators adhere to mandated requirements and standards for well operations, surface activities, wastewater management and methane emissions.

## Build capability, adopt contemporary technology and improve service delivery

- Contributed to the development of a publicly accessible onshore petroleum information portal that will provide petroleum data in accordance with recommendations from the Final Report of the Scientific Inquiry into Hydraulic Fracturing. The portal will go live in 2020-21.



*Ian Scrimgeour and Armando Padovan at the 2020 PDAC convention in Canada*

## SHOWCASING THE TERRITORY'S EXPLORATION POTENTIAL

The Northern Territory's rich mineral commodities were showcased on the global stage at the Prospectors & Developers Association of Canada convention in March 2020, a premier mineral exploration and mining convention that attracted 25,000 attendees from over 132 countries.

Only five government geologists from around the world were invited to present in the main program at this key industry event that brought together investors, analysts, mining executives, geologists, students, and government officials. One of them was the Department of Primary Industry and Resources' Ian Scrimgeour, Northern Territory Geological Survey Executive Director, who presented on the Territory's world-class pre-competitive exploration geoscience.

The Territory's recently rankings of fifth in the world for best practice mineral potential and 13<sup>th</sup> in the world for mining investment attractiveness (according to the Fraser Institute's 2019 Annual Survey of Mining Companies), reinforce the importance of opportunities to promote the its wide range of mineral commodities.

Dr Scrimgeour said, "New geoscience is all about making the Territory a more attractive place for industry to invest in exploration, and our pre-competitive baseline datasets highlight our resource potential and lowers exploration risk. There are attractive new areas of prospectively for minerals across the Territory, so it's great to share our contemporary geoscience programs and the large volumes of data we develop to unlock its resources potential".

Promoting the Territory's resource potential and investment opportunities is part of the Territory Government's four-year Resourcing the Territory (2018-2022) initiative, the largest initiative ever undertaken to support resources exploration in the Territory. It aims to make the Territory a preferred exploration investment destination and supports local businesses and communities that rely on the resources sector.

# Corporate and governance

Outcome: Improved organisational performance through strategic and governance leadership and provision of corporate service functions.



## KEY ACHIEVEMENTS

### Promote and facilitate the development of our primary industries and resources

- Managed the department's involvement in COVID-19 coordination and information-sharing activities across state and territory primary industry and resources agencies and its involvement in the inter-jurisdictional Animal Welfare Task Group. Led the public information functions of the department's COVID-19 Incident Management Team to provide targeted updates and information to key industry sectors.
- Developed and implemented community awareness and engagement campaigns for plant and animal biosecurity threats, including African swine fever, citrus canker disease, fall armyworm, American foulbrood disease, canine enteric coronavirus and ehrlichiosis, a tick-borne dog disease. Also led the department's animal welfare community campaign promoting responsible pet ownership and preparing pets for the cyclone season.
- Supported communication and engagement activities across major legislative reform activities, including amendments to the *Petroleum Act 1984*, implementation of the *Hemp Industry Act 2019* and preparations for commencement of the *Animal Protection Act 2018*.

### Collaborate and strengthen relationships with our stakeholders and the community

- Provided support for participation in national forums, including the Agriculture Ministers' Forum (AGMIN), Agriculture Senior Officials Committee (AGSOC), Resources Ministers' Roundtable and Energy Coordination Mechanism.
- Supported the development of 29 ministerial media releases and 21 departmental media releases, and facilitated media interviews and engagement for key announcements.
- Promoted the department's work and industry sector updates through 29 regional and industry-specific newsletters and 329 website articles.
- Developed 13 technical, educational and promotional videos for the department's YouTube channel on topics as diverse as aquatic biosecurity, tips for growing cotton in the Katherine region, mustering cattle at Katherine Research Station and the Northern Territory AgriFutures Rural Women's Award. The videos attracted a total of 584 views during 2019-20.

- Contributed 41 posts to the Territory Government Facebook page (@NTgovernment), reaching more than 88,000 people.
- Contributed to information sharing and awareness activities with industry and inter-jurisdictional programs, including seven social media posts, four feature articles and two webinars for the FutureBeef collaborative program, and 23 posts for the Paddock Power Facebook group, with 272 individual likes, shares and comments.

### Use regulation of our industries and resources as a foundation for appropriate economic development

- Implemented procedures for appointment of authorised officers under the Territory's petroleum legislation.

### Build capability, adopt contemporary technology and improve service delivery

- Facilitated the transfer of the department's information management, procurement, fleet and human resource functions to the Department of Corporate and Information Services as part of the corporate services reform program to consolidate corporate services across the Northern Territory public sector. Supported the restructure of the department's remaining corporate functions into the Governance, Services and Policy division to ensure efficient service delivery.
- Provided the department with a high standard of advice, support and professional financial management services with a focus on client services during a period of significant change.
- Facilitated and managed end-of-year financial monitoring processes that ensured the department achieved budget.
- Ensured financial management, procurement and travel governance was frequently promoted internally through educational information and continued to review and improve finance and travel procedures and processes to ensure efficiency.
- Implemented updated procurement rules and subsequent delegations, and new Treasurer's Directions that included significant changes to income and lease recognition.

- Coordinated relevant training and commenced implementation of the Conrax management system, providing greater consistency and improved governance in procurement contract management.
- Commenced implementation of the Payment Card Industry Data Security Standard as a means of managing risk of external and internal data compromises and ensuring a secure payment card environment.
- Achieved satisfactory compliance with procurement policies and procedures confirmed by the Buy Local Industry Advocate through the Value for Territory assurance audit.
- Coordinated the 2018-19 end-of-year review and the 2019-20 agency compliance audit, assessing the adequacy of the department's internal controls and processes for managing financial resources.

## RUM JUNGLE REACHES A KEY MILESTONE

Over the past 10 years, the Department of Primary Industry and Resources has been instrumental in determining rehabilitation solutions for the former Rum Jungle mine site near Batchelor in the Territory. This work culminated in the recently released proposed rehabilitation strategy outlined in the draft Environmental Impact Statement, a tremendous body of work that, on approval, allows the project to move into stage 3, the rehabilitation process.

In partnership with the Australian Government (represented by the Department of Industry, Innovation and Science), the department's Jackie Hartnett and her rehabilitation team worked with the mining operations and mineral titles teams, and technical experts, to carry out extensive agency and stakeholder collaboration. Release of the draft remediation strategy was a key milestone in the journey towards rehabilitation of the site.

The Rum Jungle mine was operational from 1954 to 1971, producing uranium oxide and copper concentrate. However, the mining process had significant adverse effects on the surrounding environment, particularly within the east branch of the Finniss River. Ongoing rehabilitation of mining legacies across the Territory is a priority for the Territory Government, reflecting its commitment to sustainable resources development.

Designed to meet the needs and interests of joint Traditional Owners, the Kungarakan and Warai people, and comply with contemporary environmental and mined land rehabilitation standards, the primary objectives of the site rehabilitation project are to:

- create a safe and stable environment onsite
- reduce environmental impacts downstream of the site within the east branch of the Finniss River
- support self-sustaining vegetation within rehabilitated landforms
- support the proposed Land Use Plan
- improve site conditions to restore cultural values.

The former Rum Jungle Mine Rehabilitation Project Draft Environmental Impact Statement (EIS) was made available for public comment in January 2020. Community consultation is an important part of the environmental assessment process and release of the draft EIS effectively communicates project design and implementation plans.

This project presents major potential economic opportunities for local contractors, residents and Traditional Owners if funding and approvals for this stage are achieved.



The former Rum Jungle mine site near Batchelor

# COVID-19 response

The COVID-19 pandemic and the Australian and Territory governments' responses had immediate impacts on the Territory's primary industry and resource sectors, with movement restrictions, quarantine requirements and limits on gatherings impacting industry's ability to operate. Delivery of the department's core services was also impacted, requiring an immediate review of how to safely deliver critical business functions in the rapidly changing COVID-19 environment.

The department had three key focus areas during the initial response period:

- ensuring staff were safe and informed
- providing support and advice to our industry sectors, and identifying and addressing issues
- contributing to whole of government activities under the Territory Emergency Management Council, including support to agencies most in need when dealing with the response.

The department's strong relationships with key industry associations provided a solid foundation for collaboration. In addition to regular industry briefings, open lines of communication enabled sharing of time-critical information, identification and resolution of issues, and realisation of positive changes to laws, regulations and procedures. The department was a key contributor to the Territory's COVID-19 response, while also providing advice to the Australian Government on industry-related issues.

## KEY ACHIEVEMENTS

- Provided input to amendments to the *Biosecurity Act 2015* (Cth), resulting in exclusion of pastoral estates from designated biosecurity areas; clarity for the pastoral, horticulture, agriculture and resource sectors on travel restrictions; and inclusion of agriculture, aquaculture, commercial fishing, commercial food production and veterinary services as essential services.
- Provided input to the Northern Territory Chief Health Officer Directions, including the exemption of commercial primary production businesses from the limits on people gathering in a workplace. The exemption enabled agribusiness, aquaculture and commercial fishing businesses to operate with more than 10 staff under the guidance of an approved COVID-19 management plan.
- Assigned department staff to the Territory Government's Emergency Operations Centre, Department of Health and Department of the Chief Minister. Staff advised industry associations, escalated issues and provided vital support and guidance on evolving procedures, legislative processes and timeframes.
- Provided advice to industry associations and businesses on COVID-19 management plans, applications for exemption from mandatory quarantine and applications for approved remote essential worker identification. Working to reduce the backlog of COVID-19 management plan approvals and essential worker applications across the agriculture, fisheries and resources sectors, the department's staff successfully case-managed more than 170 applications between April and June 2020.
- Continued delivery of core departmental services across the Territory, with more than 50 staff granted approved remote essential worker identification to continue work in roles as diverse as livestock officers, plant, animal and aquatic biosecurity officers, veterinary officers, primary produce processing officers, petroleum and pipelines engineers, mining officers and research officers.
- Participated in the Fisheries Research and Development Corporation-initiated national update on the impact of the COVID-19 outbreak to the fisheries industry in January 2020.
- Adopted the nationally agreed policy on COVID-19 diagnostic testing and surveillance in animals.
- Delivered timely internal and external communications, including industry factsheets and newsletters, online content, industry briefings, content for sharing by industry associations, and signage with key safety, distancing and hygiene messaging for all department locations.
- Adopted contemporary technology to support industry and provide essential services while travel restrictions were in place, including:
  - established electronic monitoring (video cameras) to observe fisheries
  - upgraded the Resourcing the Territory website to improve promotion of product releases and news-sharing for the exploration sector
  - increased focus on improving the availability of legacy data to support resource exploration while field activities were not possible.
- Participated in a video produced by Safer Together for oil and gas companies, with information about managing safety on worksites during the COVID-19 response.
- Liaised with funding bodies and project partners to confirm external research commitments and timeframes while all travel, including visits to remote communities, was suspended.
- Collaborated with the Office of the Commissioner for Public Employment and Department of the Chief Minister to develop and implement a working from home strategy to assist vulnerable department employees, and employees supporting vulnerable people. The department coordinated 40 work from home applications.
- Undertook early scenario analysis and worked with industry to map an economic recovery pathway and framework for our industry sectors in a very uncertain future.

# 3. Our people

The department’s Strategic Plan 2018-2022 includes a goal to support its people to be productive while feeling valued, respected, supported and safe.

## Staff profile

As at 30 June 2020, the department employed 424 full-time equivalent (FTE) staff, compared to 491 FTE staff as at 30 June 2019.

The 14 per cent decrease in 2019-20 FTE staff reflects the reduction of staff required for the citrus canker eradication program due to its success, and the transfer of information management, procurement, fleet and human resource functions to the Department of Corporate and Information Services as part of the Territory Government’s corporate services reform program.

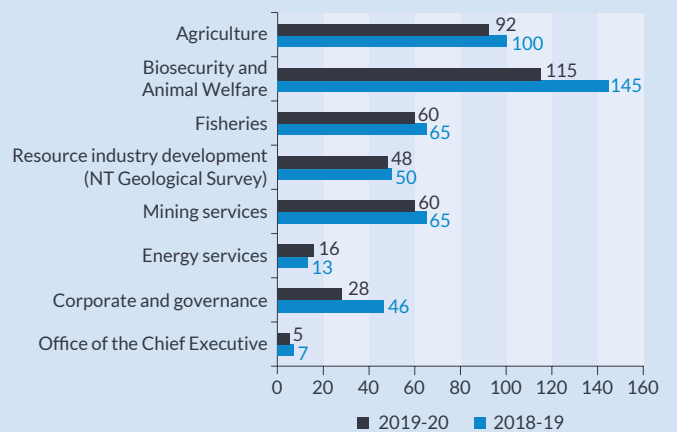
**Table 3.1 Classification of employees by FTE staff as at 30 June 2019 and 2020<sup>1</sup>**

Staffing classification	2018 19	2019 20
Administration (AO1-7, SAO 1-2)	204	163
Technical (T1-6)	145	121
Professional (P1-3, SP1-2)	117	118
Executive (ECO1-6)	19	18
Early careers (AQ)	1	2
Physical (PH1-9)	2	2
Casual survey interviewers (SI)	3	0
<b>Total</b>	<b>491</b>	<b>424</b>

1. Numbers are rounded and are based on FTE (not individuals), including casual and part-time employees.

The department has seven divisions, aligned with the seven output groups detailed in the 2019-20 Budget papers, plus the office of the Chief Executive. FTE staff by division and variations over the previous reporting period are provided in Table 3.1.

**Figure 3.1 FTE staff by division as at 30 June 2019 and 2020<sup>1</sup>**



1. Numbers are rounded and are based on FTE staff (not individuals), including casual and part-time employees.

## Recruitment, retention and separation

During 2019-20, 106 employees were recruited or transferred to the department and 179 employees separated through retirement or cessation of contracts.

There were 45 employees transferred to other government agencies, including 16 employees transferred to the Department of Corporate and Information Services as part of the Territory Government’s corporate services reform program.

The average length of service for staff within the department is 13 years. As a result, 44 per cent of the department’s staff have more than 10 years of service with the Territory Government.

## A safe place to work

The department is committed to providing a safe and healthy working environment for staff, with a proactive work health and safety (WHS) management system based on effective communication, assessment and control of hazards.

All new employees are required to complete the department's online WHS orientation, which provides information and training on the key requirements under the *Work Health and Safety (National Uniform Legislation) Act 2011*.

Additional WHS courses available on the Territory Government's MyLearning portal should be completed if relevant to an employee's workplace and role, including correct lifting and carrying techniques, avoiding slips, trips and falls, hazard identification and risk control.

Overarching governance of WHS systems in the department is managed by the Board of Management's WHS Subcommittee. WHS staff committees at each location deal with local issues, engaging with onsite staff to develop and apply local solutions.

All staff are required to use the Territory Government's online system, Figtree, to report an incident, near miss or hazard.

The department's total number of WHS incidents reported increased by two per cent from the previous year. The number and type of WHS incidents for 2019-20 and the previous year are provided in Table 3.2.

**Table 3.2 WHS incidents**

Incident	2018 19	2019 20
Being hit by an object (for example, a falling object or an animal)	9	8
Biological hazards (bacteria, viruses, insects, plants, birds, animals and humans)	0	4
Body stressing (repetitive and strenuous work injuries)	8	8
Hazardous chemicals	2	1
Environmental factors (for example, extreme heat)	4	3
Hazards	49	37
Hitting objects	12	3
Mental factors (psychological injuries)	0	0
Slips, trips and falls	19	7
Incidents involving cars and other vehicles	6	1
Other	0	3
Unspecified <sup>1</sup>	0	36
<b>Total</b>	<b>109</b>	<b>111</b>

1. Nearly one third of all incidents reported in the online reporting system do not specify the type of WHS incident. This is attributed to upgrades to the online reporting system and an expanded list of incident types.

The number of new workers' compensation cases increased from the previous year. Where appropriate, for example, if workers' compensation claims relate to physical injuries caused by performing their duties, the Department of Corporate and Information Services human resources staff will work with the department to implement measures to prevent similar injuries occurring.

**Table 3.3 Workers' compensation claims**

Workers' compensation claims	2018 19	2019 20
Number of cases open at start of reporting period	9	10
Number of new cases	6	12
Number of reopened claims	5	3
Number of cases closed	10	12
Number of cases open at close of reporting period	10	13
<b>Total cost of claims</b>	<b>\$161,202<sup>1</sup></b>	<b>\$243,425</b>

1. 2018-19 costs reported in the 2018-19 Annual Report are updated here, based on information provided by Gallagher Bassett.

### Staff wellbeing

The department supports flexible working arrangements, including job sharing, part-time and flexible hours, and home-based work to provide a better balance between work and personal commitments. These arrangements improve the attraction and retention of employees leading to improved service delivery. The number of employees accessing flexible working arrangements as at 30 June 2020 is shown in Table 3.4.

**Table 3.4 Number of employees accessing flexible working conditions**

Flexible working arrangements	As at 30 June 2020
Individual flexible working agreement	8
Home-based work or telework	2
Part-time work	60
Use of recreation leave at half pay	31
Purchase of additional leave	1

As part of its COVID-19 response, the department put procedures in place to ensure staff safety, including physical distancing and good hygiene directives in all locations, collaborative online meeting options and cybersecurity tips. The department also implemented a working from home strategy to assist vulnerable employees, and employees supporting vulnerable people, to work remotely.

In 2019-20, the department continued to provide professional and confidential counselling services to employees and their immediate family members through the Territory Government’s Employee Assistance Program (EAP). Services included support for managing personal and workplace relationships, health, depression, substance misuse and trauma.

Employees were offered the quadrivalent influenza (flu) vaccination free of charge to provide protection against seasonal flu. In 2019-20, 246 staff from Darwin, Katherine, Tennant Creek and Alice Springs took advantage of this offer.

The department also subsidised programs for Q fever pre-tests and vaccinations for staff working in and around livestock yards, and vaccinations against hepatitis A, rabies and tetanus for staff working in animal welfare environments.

## Diversity and a positive workplace

Diversity is a core Northern Territory public sector value.

The department strives for diversity and the positive benefits that brings, including wider perspectives, informed decision-making and innovation. The department aims to build a workforce reflective of the diversity of our stakeholders and the community, with an inclusive workplace culture that supports staff from different cultures, backgrounds, ages, education levels, abilities and work experiences.

Workplace diversity results over the 2019-20 reporting period demonstrate:

- a greater gender balance at the executive staff level
- an increase in the percentage of Aboriginal employees
- an increase in the percentage of staff from non-English speaking backgrounds.

**Table 3.5 Staff diversity measures as a percentage of department’s workforce<sup>1</sup>**

Staff diversity	2018 19	2019 20
Male : female ratio	50 : 50	50 : 50
Male : female executive staff ratio (ECO1 – ECO6)	63 : 37	56 : 44
Aboriginal staff <sup>1</sup>	6.1%	7.3%
Staff from non-English speaking backgrounds	8.6%	9.8%
People with a disability <sup>1</sup>	2.0%	2.0%

1. While the department encourages its employees to advise if they are Aboriginal, from a non-English speaking background, or have a disability, employees provide this information voluntarily and the accuracy of the data cannot be guaranteed.

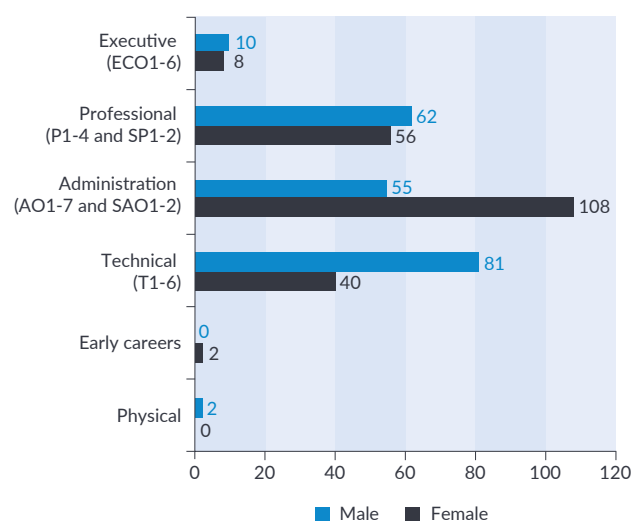
## Gender

As at 30 June 2020, the department had 214 female and 210 male FTE staff.

Female employees were predominantly employed in the administration officer classification, with nearly double the number of female FTE staff than male FTE staff in this classification. This is reversed in technical streams where there are double the number of male FTE staff compared to female FTE staff.

At executive level, 56 per cent of FTE staff are male and 44 per cent female.

**Figure 3.2. Employee classification by gender as at 30 June 2020**



## Aboriginal employment

Under the Territory Government’s Aboriginal Employment and Career Development Strategy 2015-2020, the department’s target rate for Aboriginal employment was 10.2 per cent by 30 June 2020. The actual rate for Aboriginal employment was 7.3 per cent as at 30 June 2020, with 34 employees identifying as Aboriginal.

The Fisheries Division has the highest percentage of the department’s Aboriginal employees, reflecting its work with land councils and communities to strengthen commercial aquaculture businesses in coastal areas. Aboriginal employment was 19 per cent in the Fisheries Division by 30 June 2020.

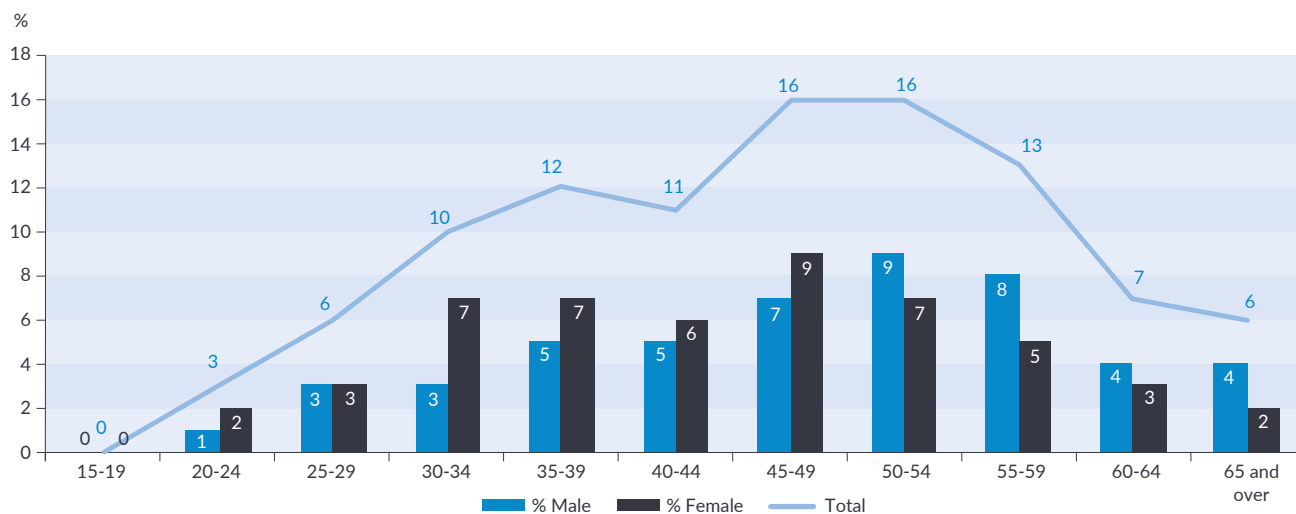
The department continued its special measures plan approved by the Commissioner for Public Employment, which allowed Aboriginal applicants to be given consideration before other applicants for all vacancies, in line with the Territory Government’s Aboriginal Employment and Career Development Strategy 2015-20.

## Age

The department's age profile shows peaks in the 45-49 and 50-54 age categories, corresponding to 32 per cent of total staff or 130 FTE staff.

Employees aged under 30 years comprise nine per cent of total staff, and 13 per cent are aged 60 years or older.

**Figure 3.3. Employee age and gender as at 30 June 2020**



## Communications and networking

The department's Strategic Plan 2018-2022 identifies a number of communications and networking actions to support workplace diversity and to promote a positive workplace.

During 2019-20, the department provided targeted communications and activities to communicate and connect with staff across divisions and locations, including:

- annual division planning meetings, science with coffee networking sessions and information sharing sessions
- seven newsletters from the Chief Executive reporting on key activities and initiatives, work health and safety updates and corporate news
- publication of 328 intranet news items
- meetings of the Young Leaders Group, as an avenue for communicating a youth perspective to senior management on delivery of key initiatives under the department's strategic plan
- the successful trial of Yammer in the Fisheries Division to share news and connect staff across multiple sites
- enhancements to the intranet, including a more prominent news section, a clearer display of related documents on webpages, and access to user metrics to monitor and evaluate site use
- publication of 24 articles in the Territory Government's internal newsletter, The Pulse, promoting the department's achievements and performance

- a communications action plan to provide timely, consistent and accurate information, direction and reassurance to staff during the COVID-19 response, in addition to whole of government communications from the Department of Chief Minister and the Office of the Commissioner for Public Employment
- 38 intranet news items and seven direct email updates from the Chief Executive (published from 10 March to 30 June 2020) providing information on the department's activities, evolving processes and safety measures as part of the COVID-19 response.

## An agile, skilled and resilient workforce

### Training and development

The department works in highly technical fields with rapidly evolving technology. Staff are provided with training and development opportunities to address skills gaps, retain talent and align the department's capability with its strategic plan.

The department invested \$276,598 in training and development in 2019-20, averaging \$652 per FTE staff member.

**Table 3.6 Training and development expenses for 2018-19 and 2019-20**

Category	2018 19	2019 20
Training and study	\$449,520	\$260,182
Professional development	\$39,015	\$16,416
<b>Total</b>	<b>\$488,535</b>	<b>\$276,598</b>
Average expense per FTE	\$995	\$652



Training and development programs undertaken by staff in 2019-20 included:

- advanced first aid training for staff from the Katherine and Tennant Creek offices
- training in public information and communications for an animal, plant, aquatic or environmental biosecurity response
- completion of the six-month National Seafood Industry Leadership Program
- mental health first aid training
- work health and safety training
- leadership and capability courses and programs, including Hands Up for Inclusion Week information sessions and workshops, provided by the Office of the Commissioner for Public Employment
- information sessions provided by the Independent Commissioner Against Corruption (ICAC)
- trauma informed care training series provided by the Northern Territory Redress Coordination Team
- governance forums and courses presented by the Governance Institute of Australia.

The department's expertise and knowledge base was strengthened by staff presentations and/or attendance at a number of conferences, including the Australasian Exploration Geoscience Conference, Australian Industrial Hemp Conference, and Australasia Pacific Extension Network Conference.

Staff also had the opportunity to complete online training courses for emergency management in the Territory Government environment, namely:

- the Australian Inter-service Incident Management System (AIIMS) awareness training
- an introduction to emergency management
- training in WebEOC, the Territory Government's web-enabled crisis information management system.

The Territory Government's MyLearning portal also provides staff with access to a diverse range of online courses, including procurement, contract management, social media use for government communications and appropriate workplace behaviour.

Under the Northern Territory Public Sector 2017-2021 Enterprise Agreement, an annual professional development allowance is available for staff in the professional classification.

## Reporting against employment instructions

Employment instructions set out how public sector employees are to be managed, and how employees are to behave.

The department's performance against each employment instruction is provided below.

Employment instruction – number and description	2019 20
<p><b>1. Filling vacancies</b></p> <p>A Chief Executive Officer must develop a procedure to fill vacancies consistent with the <i>Public Sector Employment and Management Act 1993</i> (PSEMA), its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>The department is guided by the Northern Territory Public Sector (NTPS) Recruitment and Selection Policy, ensuring the most suitable applicants are selected to vacancies. The policy also ensures selection processes are simplified, consistent, fair and transparent, courteous and respectful, assess suitability based on proven capabilities, and are informative about the reasons for selecting successful applicants.</p> <p>The Territory Government's eRecruit online recruitment application tool enables access to standardised templates, automated workflows and online job applications.</p> <p>In 2019-20:</p> <ul style="list-style-type: none"> <li>• 115 vacancies were advertised</li> <li>• 106 new recruits commenced or transferred in</li> <li>• 179 employees separated or transferred out</li> <li>• one promotion appeal and one grievance relating to recruitment processes were lodged.</li> </ul>
<p><b>2. Probation</b></p> <p>A Chief Executive Officer must develop a probation procedure consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>The department's online induction system and intranet provide information on probation procedures.</p>

Employment instruction – number and description	2019 20
<p><b>3. Natural justice</b></p> <p>The principles of natural justice are to be observed in all dealings with employees. This means that if a person may be adversely affected by an impending decision, they must be afforded natural justice before the decision is made.</p>	<p>The principles of natural justice are considered to be fundamental in all dealings with employees and reflected in communications, consultation processes, and internal policies and procedures.</p>
<p><b>4. Employee performance management and development systems</b></p> <p>Chief Executive Officers must develop and implement an employee performance management and development procedure consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>The department’s personal development review (PDR) system is consistent with PSEMA. All employees are required to have a performance plan in place.</p> <p>As at 30 June 2020, 33 per cent of employees were recorded as having PDR discussions in the previous 12 months. The department will transition to a new online PDR system in 2020-21.</p>
<p><b>5. Medical examinations</b></p> <p>Chief Executive Officers may engage a health practitioner and direct an employee to attend an examination in accordance with PSEMA and Employment Instruction Number 5.</p>	<p>In 2019-20, no employees were directed to attend an examination by a health practitioner engaged by the Chief Executive Officer.</p>
<p><b>6. Performance and inability</b></p> <p>Chief Executive Officers may develop employee performance and inability procedures consistent with PSEMA, its subordinate legislation and any relevant or enterprise agreement.</p>	<p>Information regarding under performance and inability action is available on the department’s intranet, with links to the Office of the Commissioner for Public Employment website.</p> <p>The department dealt with five performance management cases in 2019-20.</p>
<p><b>7. Discipline</b></p> <p>Chief Executive Officers must follow the instructions contained in Employment Instruction Number 7 when considering if it is appropriate to suspend or transfer an employee.</p>	<p>Disciplinary action may be taken when an employee is suspected of breaching section 49 of PSEMA or the code of conduct. Guidelines, performance management resources and an information sheet are published on the department’s intranet.</p> <p>During 2019-20 the department had one discipline matter, which was under review on 30 June 2020.</p>
<p><b>8. Internal agency complaints and Section 59 grievance reviews</b></p> <p>The department must develop an internal employee grievance-handling policy and procedure consistent with PSEMA, its subordinate legislation and any relevant award or enterprise agreement.</p>	<p>The department’s grievance-handling policy provides the framework for prompt and effective resolution of internal grievances for all employees and is available on the intranet.</p> <p>A person who is not satisfied with the resolution of their grievance through the department’s process can request the Commissioner for Public Employment to formally review their grievance pursuant to section 59 of PSEMA.</p> <p>Three employees lodged a section 59 grievance during 2019-20 to the Commissioner and the matters have been finalised.</p> <p>Five internal employee complaints were lodged and finalised during 2019-20.</p>
<p><b>9. Employment records</b></p> <p>The department has responsibility for keeping employees’ employment records. The department must comply with the requirements of the <i>Information Act 2002</i> regarding correction, collecting and handling of personal information contained on an employee’s employment record.</p>	<p>The Department of Corporate and Information Services keeps all personnel files for the department.</p> <p>The department keeps individual files on PDR discussions with access restricted to the individual employees and their managers.</p>

Employment instruction – number and description	2019 20
<p><b>10. Equality of employment opportunity programs</b></p> <p>The department must develop an equality of employment opportunity program consistent with PSEMA, its subordinate legislation, the <i>Anti Discrimination Act 1992</i> and any relevant award or enterprise agreement.</p>	<p>The department continued its special measures plan approved by the Commissioner for Public Employment, which allowed Aboriginal applicants to be given consideration before other applicants for all vacancies, in line with the Territory Government’s Aboriginal Employment and Career Development Strategy 2015-20.</p> <p>During 2019-20, special measures applied to all advertised positions.</p> <p>The department also promoted the consultation process for the Northern Territory Gender Equality Framework 2019-24 on its intranet.</p>
<p><b>11. Occupational health and safety standards programs</b></p> <p>The department must develop programs and procedures to ensure employees are consulted in the development and implementation of WHS policies and other governance documents. The department must provide WHS information in the annual report in relation to the department’s occupational health and safety programs.</p>	<p>The department recognises its responsibility to provide a safe working environment and is committed to providing a proactive WHS management system based on effective communication and assessment and control of hazards.</p> <p>Overarching governance of WHS systems in the department is managed by the Board of Management’s WHS Subcommittee. WHS staff committees at each location deal with local issues, engaging with onsite staff to develop and apply local solutions.</p> <p>WHS information on the department’s occupational health and safety programs is reported in this section: A safe place to work.</p>
<p><b>12. Code of conduct</b></p> <p>The NTPS code of conduct stipulates the basic level of conduct expected of NTPS officers as defined in PSEMA. The department may issue a department-specific code of conduct that is consistent with PSEMA.</p>	<p>The code of conduct is provided to new employees through the online induction process and information provided on the department’s intranet.</p> <p>The department does not have its own code of conduct.</p>
<p><b>13. Appropriate workplace behaviour</b></p> <p>The department must develop an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect, and to deal effectively with inappropriate workplace behaviour and bullying.</p>	<p>The department’s policy and guidelines to eliminate and manage inappropriate behaviour in the workplace is available on its intranet.</p> <p>One formal complaint was made in relation to inappropriate workplace behaviour during 2019-20.</p>
<p><b>14. Redeployment and redundancy procedures</b></p> <p>The department must ensure redeployment and redundancy situations are handled as sensitively, efficiently and effectively as possible.</p>	<p>The department provides advice to managers and employees on redeployment and redundancy procedures.</p> <p>No employee was declared as a redeployee during the year.</p> <p>Three employees were terminated through redundancies.</p>
<p><b>15. Special measures</b></p> <p>The department must seek approval from the Commissioner for Public Employment of its special measures programs, plans or arrangements.</p>	<p>The department continued its special measures plan approved by the Commissioner for Public Employment, which allowed Aboriginal applicants to be given consideration before other applicants for all vacancies, in line with the Territory Government’s Aboriginal Employment and Career Development Strategy 2015-20.</p> <p>During 2019-20, special measures applied to all advertised positions.</p> <p>Information on applying for vacancies under special measures is available on the department’s intranet and the Office of the Commissioner for Public Employment’s website.</p>

# Measures to uphold public sector principles

PSEMA Part 1A, sections 5A-5F, lists the general principles relating to the public sector. Under PSEMA, section 28 (2)(f)(i) and (ii), the department must report on measures taken to ensure these principles are upheld, and any significant failures to uphold them.

In 2019-20, the department upheld all the prescribed NTPS principles. The Chief Executive is unaware of any significant failures to uphold the principles.

**Table 3.7 Measures taken to uphold the public sector principles**

Public sector principle	Measures taken to uphold the NTPS principles
<b>Administration management principle</b> (PSEMA, Section 5B)	<p>The department's strategic goals and budget priorities underpin its delivery of effective, efficient and appropriate services.</p> <p>The department is responsive to the changing needs of the community and government, and builds cooperative working relationships with government agencies, key industries and the community to realise its vision.</p> <p>Activities in support of this principle are reported in section 2: Performance and achievements</p>
<b>Human resource management principle</b> (PSEMA, Section 5C)	<p>Employment in the department is based on merit and equal opportunity for all staff. The department promotes a positive work culture and takes direct action to ensure employees are treated fairly and in a non-discriminatory way, are remunerated appropriately, have reasonable access to professional development and have an avenue of appeal when adversely affected by decisions.</p> <p>Activities in support of this principle are reported in this section: Our people.</p>
<b>Merit principle</b> (PSEMA, Section 5D)	<p>The appointment, promotion and transfer of staff in the department is based solely on a person's suitability for the role, including their knowledge, skills, qualifications, experience, and potential for future development.</p> <p>To ensure the merit principle is applied in all recruitment decisions, the department complies with the NTPS recruitment and selection policy, which includes providing advice on the merits of a successful job applicant to all job applicants.</p>
<b>Equality of employment opportunity principle</b> (PSEMA, Section 5E)	<p>The department's human resource management is directed towards equal opportunity for all people, eliminating unlawful discrimination and promoting diversity. The department also has special measures in place to increase the representation of Aboriginal employees.</p> <p>For the 2019-20 reporting period, 115 job vacancies were advertised and all had special measures applied.</p> <p>Additional activities in support of this principle are reported in this section: Our people.</p>
<b>Performance and conduct principle</b> (PSEMA, Section 5F)	<p>All staff have obligations as NTPS employees, including maintaining appropriate behaviour, conforming to the code of conduct, operating within delegations, declaring conflicts of interest and keeping appropriate records.</p> <p>The department provides information on these obligations in its online staff induction, on regularly maintained intranet pages and through intranet news stories.</p>



## 4. Governance

### Governance framework

The department's governance framework includes its Board of Management, subcommittees, management structures, legislation, policies and procedures. The framework underpins the strategic and corporate planning, risk management, emergency management, regulatory compliance, performance and financial management.

The framework supports the department's strategic direction, provides transparency and accountability and encourages efficient decision-making.

The department's corporate governance arrangements are guided by the following principles.

- **Organisational alignment** – the department's structure aligns with its strategic plan and operations.
- **Performance** – governance arrangements positively contribute to overall performance and delivery of services, programs and regulatory responsibilities.
- **Accountability** – governance arrangements enable the department to meet its legislative and regulatory requirements and to satisfy expectations of probity, transparency and accountability obligations.
- **Financial management** – financial resources are safeguarded to ensure accountability and transparency.
- **Risk management** – risks are proactively identified, managed and mitigated.

### Board of Management

The Board of Management provides leadership and strategic decision-making focused on setting and delivering the department's strategic direction, ensuring compliance with statutory obligations and monitoring the department's performance.

In particular, the Board of Management:

- leads the department's delivery against the strategic plan
- champions a service delivery culture across the department
- develops and implements a governance framework focused on strategy formulation, policy development, external accountability, and internal monitoring and supervision
- establishes and communicates the strategic priorities of the department and Territory Government
- oversees business planning, reporting against key performance indicators and review of performance against priorities and goals
- demonstrates the culture, values and behaviour expected of all employees.

#### Membership

As at 30 June 2020

- Alister Trier, Chair, Chief Executive
- Rod Applegate, Deputy Chief Executive
- Ian Curnow, Executive Director Fisheries
- Philip Hausler, Executive Director Agriculture
- Armando Padovan, Executive Director Mines

- James Pratt, Executive Director Onshore Gas Development
- Ian Scrimgeour, Executive Director Northern Territory Geological Survey
- Amy Dennison, Acting Executive Director Biosecurity and Animal Welfare
- Brett Easton, Acting Executive Director Governance, Services and Policy
- Lorraine Corowa, Executive Director Economic Recovery
- Toni Blair, Senior Director Business Connections, Department of Corporate and Information Services

### Meetings

- 29 July 2019
- 20 September 2019
- 18 October 2019
- 20 November 2019
- 13 December 2019
- 13 March 2020
- 15 May 2020
- 25 June 2020

## Subcommittees

### Work Health and Safety Subcommittee

The Work Health and Safety (WHS) Subcommittee oversees management of WHS across the department. The subcommittee monitors the department's WHS performance, risk assessments and management in terms of compliance with legislation, regulations and policies. The WHS subcommittee also makes recommendations to the Board of Management and Chief Executive in relation to annual WHS objectives and targets that comply with legislative requirements.

#### Membership as at 30 June 2020:

- Philip Hausler, Chair, Executive Director Agriculture Division
- Amanda Yong, Communications Manager, Media and Communications
- Andrew Hurwood, Manager Policy, Governance and Securities, Mines Division
- Melanie Hewton, Manager Strategic Business Services, Biosecurity and Animal Welfare Division
- Louis Gomas, Senior Director Petroleum Operations, Energy Division
- Matthew Osborne, Manager Aquaculture and Regional Development, Fisheries Division

- Eloise Beyer, Senior Geologist, Northern Territory Geological Survey (NTGS)

#### Meetings held in 2019-20:

- 20 November 2019
- 2 June 2020

Key outcomes from these meetings included:

- consideration of remote travel guidelines and procedures for the department
- oversight of each division's quarterly WHS report to monitor the department's overall WHS performance
- review of each division's WHS risk register and feedback on the likelihood and consequences of hazards identified in the risk registers
- review of incident reports
- review of WHS information on the department's intranet.

### Risk and Audit Committee

The Risk and Audit Committee provides independent advice and assistance to the Chief Executive and Board of Management on the effectiveness of the department's audit, risk management and internal controls processes and assists the Chief Executive to achieve external accountability and legislative compliance responsibilities.

#### Membership as at 30 June 2020:

- Rod Applegate, Chair, Deputy Chief Executive
- James Pratt, Acting Chair, Acting Deputy Chief Executive (January 2020 to June 2020)
- Jessica Arnold, Acting Director Infrastructure, Major Projects and Emergency Management
- Tania Dhu, Manager, Geophysics and Remote Sensing, NTGS
- Julia Hall, Executive Officer, Agriculture Division
- Myrene Lyle, Director Executive Services, Governance, Services and Policy Division
- Mehrdad Rezazadeh, Senior Petroleum Engineer, Energy Division
- Roslyn Vulcano, Director Mining Operations, Mines Division
- Wei Yorke-Barber, Acting Manager Financial Services

#### Meetings held in 2019-20:

- 12 December 2019
- 16 January 2020
- 19 March 2020

Key outcomes from these meetings included:

- review of the internal audit schedule for consideration by the Board of Management
- review of internal and external audit reports
- review of the audit register and implementation status of recommendations
- revised terms of reference and membership of the committee.

### Audits undertaken in 2019-20

In accordance with the *Financial Management Act 1995*, the department has an internal audit function to assist the Accountable Officer in the performance of their functions. The following audits and reviews were conducted to test internal controls and processes.

Internal audits	Objective	Outcome
<b>Corporate credit card use</b>	To measure compliance against the Northern Territory Government's credit card policy, procedures and guidelines the government's financial framework, and the department's financial and procurement delegations.	No significant issues identified. Recommendations aimed at continuous improvement.
<b>Mining Remediation Fund</b>	To assess the adequacy and operating effectiveness and processes to manage the statutory Mining Remediation Fund.	No significant issues identified. Recommendations aimed at continuous improvement.
<b>Value for Territory audit</b>	To test the department's compliance with the <i>Procurement Act 1995</i> , procurement regulations, governance policy and rules and the Buy Local Plan, required under the Value for Territory Assurance program.	No significant issues identified. Recommendations aimed at continuous improvement.
<b>Negotiable instruments</b>	To review and confirm that negotiable instruments are managed in accordance with relevant legislation and Treasurer's Directions.	No significant issues identified.

The department is subject to the Auditor-General's audit program under the powers and responsibilities established under the *Audit Act 1995*. The following external audits were conducted under the *Audit Act 1995*.

External audits	Objective	Audit opinion
<b>End of year review for the year ending 30 June 2019</b>	To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances, with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statement.	No significant issues identified with the department's accounting, and control procedures were found to be generally satisfactory.
<b>Agency compliance audit for the year ending 30 June 2020</b>	To determine whether the department's internal control systems are designed and operating to manage financial resources allocated from the Public Account.	Observation made in relation to the department's risk and audit framework.

## Information and Communications Technology Governance Committee (formerly Information Management Committee)

As a result of the Territory Government's corporate services area reform and subsequent transfer of many information and communications technology (ICT) functions to the Department of Corporate and Information Services (DCIS), the Board of Management reviewed the role and structure of the Information Management Committee and the ICT governance requirements under Treasurer's Direction ICT 1.4.

In May 2020, the Board of Management agreed to replace the Information Management Committee with the ICT Governance Committee. The new committee comprises representatives from the department, DCIS and Department of Infrastructure, Planning and Logistics (DIPL).

### Membership as at 30 June 2020:

- Ian Scrimgeour, Chair, Executive Director, NTGS
- Toni Blair, Senior Director Business Connections, DCIS
- Phillippe Monforte, Director Digital, DCIS
- Glenn Schipp, Director Fisheries and Aquaculture, Fisheries Division
- Christine Cakebread, Director Petroleum Tenure, Energy Division
- Kieren McCosker, Senior Livestock Scientist, Agriculture Division
- Richard Smith, Senior Director Land Information, DIPL

### Meetings held in 2019-20:

The ICT Governance Committee met on 9 June and 20 June 2020.

Key outcomes in 2019-20 included:

- consideration and endorsement of ICT project proposals out-of-session (by the Information Management Committee)
- development of terms of reference for the ICT Governance Committee, for review and endorsement by the Board of Management
- development of an ICT Governance Committee workplan for 2020-21.

## Budget Finance Subcommittee

The Budget Finance Subcommittee monitors the department's financial performance against strategic budget objects, ensures consistent reporting of financial achievements and provides financial reports to the Board of Management.

The committee also considers all recruitment requests in line with the department's full-time equivalent staffing cap, and makes recruitment-related recommendations to the Chief Executive for senior positions.

### Membership as at 30 June 2020:

- Rod Applegate, Chair, Deputy Chief Executive
- James Pratt, Acting Chair, Acting Deputy Chief Executive (January to June 2020)
- Ian Curnow, Executive Director Fisheries
- Brett Easton, Acting Executive Director Governance, Services and Policy
- Desiree Ng, Acting Chief Financial Officer
- Shirley Wilkshire, Director Human Resources, DCIS

### Meetings held in 2019-20:

- 14 August 2019
- 17 September 2019
- 25 October 2019
- 21 November 2019
- 16 December 2019
- 24 January 2020
- 19 February 2020
- 18 March 2020
- 21 April 2020
- 20 May 2020
- 17 June 2020

Key outcomes in 2019-20 included:

- review of recruitment and higher duties allowance requests with consideration of the department's financial framework and budget
- preparation of recruitment recommendations and advice for the Chief Executive based on staffing caps and budget allocations.



## Young Leaders Group

The Young Leaders Group comprises staff aged under 35 years from across the department who provide 'next generation' input and advice.

The goals of the group are to:

- assist in achieving the department's Strategic Plan 2018-2022 with input from a younger perspective
- provide strategic advice to the Board of Management on relevant matters as required
- improve the involvement of young people in the direction and management of the department
- improve and communicate development opportunities for young people
- improve networking across the department
- facilitate communication with young people on matters that affect them.
- Mitchell Beagley, Aquaculture Technician, Fisheries Division
- Matt Bird, Senior Mining Officer, Mines Division
- Eleanor Fordyce, Livestock Extension Officer, Livestock Industries Development, Agriculture Division
- Lisa Howat, Environmental Scientist, Mines Division
- Meg Humphrys, Pastoral Extension Officer, Livestock Industries Development, Agriculture Division
- Sam Nowland, Aquaculture Research Officer, Aquaculture and Regional Development, Fisheries Division
- Matt Osborne, Manager, Aquaculture and Regional Development, Fisheries Division
- Lil Stedman, Veterinary Officer, Biosecurity and Animal Welfare Division

### Membership as at 30 June 2020:

- Maddison Clonan, Chair, Research Horticulturalist, Plant Industries Development, Agriculture Division
- Gretel Bailey-Preston, Livestock Officer, Agriculture Division

### Meetings held in 2019-20:

The Young Leaders Group held three presentation and networking events, two in the greater Darwin region and one in Alice Springs. The presentations covered areas of interest from the biosecurity and animal welfare, energy and geological surveying areas.

## Information management

The *Information Act 2002* combines laws relating to freedom of information (FOI), privacy, and records. It also establishes the framework for how the department collects and handles personal information.

Under section 11 of the *Information Act 2002*, the department must publish the following information at least once per year.

**Table 4.1 Information Act 2002 reporting requirements**

Information to be published under subsection 11(1) of the <i>Information Act 2002</i>	Availability
A description of the department's structure and functions.	In the department's published annual reports. The department also regularly updates information about the department's structure and functions on its website: <a href="http://dpir.nt.gov.au">dpir.nt.gov.au</a> .
A description of the types of government information held, whether the information can be inspected and any fees payable to access information.	The department produces a wide range of information available free of charge on its website. The department's website provides a link to the Territory Government's online information regarding the types of government information held, FOI requests and fees for accessing information.
A description of procedures for providing access to information under Part 3 of the <i>Information Act 2002</i> (Access and correction rights)	The department's website provides a link to the Territory Government's procedures and applicable fees for lodging an FOI request.
A description of procedures for correcting personal information held by the department under Part 3 of the <i>Information Act 2002</i> .	The department's website provides a link to the Territory Government's procedures for correcting personal information held by the department.

During 2019-20, the department received 12 FOI applications for government or personal information under the *Information Act 2002*. Table 4.2 provides information about FOI applications for 2019-20 and the previous year.

**Table 4.2 Freedom of information applications under the *Information Act 2002***

Type of application	2018 19	2019 20
Applications received 1 July to 30 June	3	12
Applications carried over from previous year	6	7
Applications finalised	2	8
Applications transferred	0	3
Applications carried forward into the following year	6	8
Internal review of department's decision finalised	0	3

For further information about FOI requests, please contact the department's Information Officer:

Information Officer  
 Department of Primary Industry and Resources  
 GPO BOX 3000  
 DARWIN NT 0801  
 08 8999 2314  
 FOI.DPIR@nt.gov.au

## Privacy

The department respects the privacy of individuals in accordance with the *Northern Territory Information Act 2002*, which establishes 10 Information Privacy Principles to govern the collection, use, storage and management of personal information by Territory Government departments.

The department undertakes to protect such information from unauthorised access and disclosure, and to hold such information for only that period of time that it is required by the legislation, business needs, or historical or cultural reasons associated with the function for which the information is collected.

The information collected about users of Territory Government websites, including the department's website, is provided in the Territory Government's privacy statement, accessible via [nt.gov.au/page/copyright-disclaimer-and-privacy](http://nt.gov.au/page/copyright-disclaimer-and-privacy).

No privacy complaints were received in 2019-20.

## Legislation administered

Legislation administered by the Department of Primary Industry and Resources as at 30 June 2020.

*Agricultural and Veterinary Chemicals (Control of Use) Act 2004*

*Agricultural and Veterinary Chemicals (Northern Territory) Act 1994*

*Animal Welfare Act 1999*

*Biological Control Act 1986*

*Bonaparte Gas Pipeline (Special Provisions) Act 2007*

*Energy Pipelines Act 1981*

*Fisheries Act 1988*

*Gene Technology (Northern Territory) Act 2004*

*Geothermal Energy Act 2009*

*Hemp Industry Act 2019*

*Livestock Act 2008*

*McArthur River Project Agreement Ratification Act 1992* (except provision about royalties)

*Meat Industries Act 1996*

*Merlin Project Agreement Ratification Act 1998* (except provision about royalties)

*Mineral Titles Act 2010*

*Minerals (Acquisition) Act 1953*

*Mining (Gove Peninsula Nabalco Agreement) Act 1968* (except provision about royalties)

*Mining Management Act 2001*

*North East Gas Interconnector Pipeline (Special Provisions) Act 2015*

*Petroleum Act 1984* (except provisions about royalties, provisions relating to environmental regulation of exploration and production of petroleum and part V, division 2)

*Petroleum (Submerged Lands) Act 1981*

*Plant Health Act 2008*

*Poppy Regulation Act 2014*

*Tanami Exploration Agreement Ratification Act 2004*

*Trans-Territory Pipeline and Blacktip Gas Projects (Special Provisions) Act 2005*

*Validation (Mining Tenements) Act 1987*

*Veterinarians Act 1994*

## Statutory committees and bodies

The department supported the operation of one board and seven advisory committees during 2019-20. Members for each of the bodies are appointed by the Minister for Primary Industry and Resources following nominations submitted by industry and community representatives.

### Veterinary Board of the Northern Territory

The Veterinary Board of the Northern Territory (the Board) is established under the *Veterinarians Act 1994*.

The Board is responsible for registering appropriately qualified people as veterinary surgeons and veterinary specialists, enabling them to practice veterinary surgery in the Territory.

The Board promotes high standards of professional conduct in veterinary services, investigates matters relating to the professional conduct of registered veterinarians and veterinary specialists, and provides advice on matters relating to the professional conduct of registered veterinarians or veterinary specialists. The Board also investigates and prosecutes suspected offences against the *Veterinarians Act 1994*.

The Board met in August and November 2019, and in February and June 2020. Elections to the Board resulted in one new veterinarian member.

The Board registered 22 veterinarians and received two complaints during 2019-20. Following review and due process, both complaints were dismissed.

### Animal Welfare Advisory Committee

The Animal Welfare Advisory Committee (AWAC) is established under the *Animal Welfare Act 1999*.

AWAC advises the Minister on animal welfare legislation, investigates and reports on animal welfare issues raised by the Minister, and provides advice to organisations and the general community on ways to improve awareness of animal welfare.

AWAC members represent the following organisations:

- RSPCA Darwin Regional Branch
- Australian Veterinary Association
- Local Government Association of the Northern Territory
- Northern Territory Cattlemen's Association
- Charles Darwin University
- Parks and Wildlife Commission of the Northern Territory
- Pet Industry Association of Australia

- Animal Management in Rural and Remote Indigenous Communities
- Department of Primary Industry and Resources

AWAC met once during the 2019-20 reporting period, in December 2019.

### Fisheries management advisory committees

Under section 24 of the *Fisheries Act 1988*, the Minister can establish management advisory committees for each management area or managed fishery to assist the Director of Fisheries in preparing and giving advice on fisheries management plans.

Committee members represent relevant commercial, processing, wholesale, retail, recreational, consumer or other interests in each management area.

Six advisory committees operated during 2019-20:

- Aquarium Fishery Management Advisory Committee (AQFMAC) (established 24 August 2019), which met in January 2020
- Coastal Line Fishery Management Advisory Committee (CLFMAC) (until 5 June 2020), which met in August and November 2019. The committee was re-established as a departmental working group, rather than as a statutory committee, in June 2020
- Mud Crab Fishery Management Advisory Committee (MCFMAC), which met in August 2019
- Offshore Snapper Fishery Management Advisory Committee (OSFMAC), which met in October 2019
- Pearling Industry Advisory Committee, which met in November 2019
- Recreational Fishing Advisory Committee (RFAC), which met in August 2019.

The MCFMAC and OSFMAC provide advice to the director and the Minister on new management actions in each of these important fisheries. Membership includes representatives from industry, fishing tourism, recreational fishing, the Northern Land Council and an environmental non government organisation.

The RFAC provides advice to the Minister on key matters of importance related to recreational fishing, including delivery of objectives in the Territory Government's Recreational Fishing Development Plan 2012-2022. The committee comprises members with a wide range of skills and experience in recreational fishing.

## HEMP IN THE TERRITORY, A GROWTH INDUSTRY

Enacted on 6 May 2020, the *Hemp Industry Act 2019* (Act) and Hemp Industry Regulations 2020 enable development of an exciting and emerging Territory industrial hemp sector, facilitating investment, exports and job creation opportunities in regional areas and capitalising on new market opportunities for industrial hemp.

The Department of Primary Industry and Resources, in consultation with the Office of the Parliamentary Counsel, developed the Hemp Industry Regulations 2020 to support the Act. The regulations cover administration and processes relating to fees, suitability of licence applicants, licence conditions, penalties for infringements, and seizure and/or destruction of hemp plants and hemp material. The regulations also specify approved hemp seed, information to appear in the Hemp Industry Register, and requirements for hemp crop sampling and testing. The department is now managing licencing and compliance operations.

The purpose of industrial hemp legislation is entirely different to that governing medicinal cannabis and the Act specifically excludes extraction or diversion of any cannabinoids for medicinal purposes. The department will continue working with the Commissioner of Police to ensure compliance is strongly maintained.

The Territory is represented on the Australian Industrial Hemp Regulators' Network that coordinates regulatory efforts and promotes sustainable development of low-THC cannabis industry in Australia. Northern Territory (NT) Police, the Department of the Attorney General and Justice, and the Department of Health were also key collaborators. NT Farmers Association and Regional Development Australia were engaged during development of the proposed regulatory approach, along with a range of businesses that are potential participants. Collaborative preparatory work over several years included a 2015 desk-top study on the economic and agronomic prospects of growing industrial hemp and small-plot preliminary experimental trials conducted

at Katherine Research Station in 2016 using low tetrahydrocannabinol (THC) hemp varieties.

Industrial hemp is a viable and versatile new crop offering both excellent economic returns and an environmentally sustainable product. The Territory is already well renowned for mango production, melons, vegetables, grapes, tropical fruit, ornamental plants, pastures and fodder crops. The introduction of industrial hemp as a versatile broadacre crop for the Territory provides significant new opportunities for responsible and sustainable agriculture sector development. Industrial hemp plants differ from cannabis species in that they contain very low levels of Tetrahydrocannabinol (THC) at less than, or equal to, 1 per cent THC content. Importantly, foods and products made from industrial hemp have no psychoactive effects on individuals if consumed.

The agricultural industry will see two main opportunities emerge: a fibre and grain industry, and a viable seed industry. Hemp grain is a highly nutritious food source, either as a whole grain, an emulsified cake, flour or pressed oil. Hemp fibre is used for manufacturing textiles, ropes and lines, paper and building materials. Other value-added products derived from hemp include health lotions, sunscreens, shampoos, soaps, beer, biofuels, animal bedding, stock feed, insulation and car mouldings.

A viable seed industry also represents great investment and job creation potential with the Territory well placed to provide a pre-summer supply of seeds to southern states. With the potential to produce two seed crops each dry season, the Territory has a competitive advantage over other states.

The government is committed to supporting development of new and emerging agricultural industries for the benefit of the whole Territory, particularly regional communities, and will continue to work with the agricultural sector to facilitate ongoing research and development to grow these industries.



*Industrial hemp under cultivation*



## 5. Financial statements

### Financial statement overview

#### For the year ended 30 June 2020

The 2019-20 financial year statements and notes for the Department of Primary Industry and Resources have been prepared on an accrual basis in accordance with the Australian Accounting Standards. The comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement display comparatives to the 2018-19 financial year end and can be found on pages 57, 58, 59 and 60. The department's outcome against original budget explanations can be found at notes 30 and 31.

The department's key areas are administratively grouped into seven outputs. Comparative performance by year can be found at Note 3.

Significant changes occurred within the Corporate and Governance output group as initiatives identified in the Fiscal Strategy Panel's report, A plan for budget repair, were implemented during 2019-20. Corporate services were consolidated and functions relating to human resources, information technology, information management, digital services and fleet management were transferred to the Department of Corporate and Information Services (DCIS). Investment attraction functions transferred to the Office of Investment Attraction within the Department of Trade, Business and Innovation (DTBI). Infrastructure planning, management and delivery, including repairs and maintenance budgets, were transferred to the Department of Infrastructure, Planning and Logistics (DIPL).

Implementation of new accounting standards issued by the Australian Accounting Standards Board (AASB) impacted on the recognition of income (AASB 15 and AASB 1058) and whether the execution of a lease contract (AASB 16) conveyed the right to control the use of an asset for a period of time in exchange

for consideration. The effect of these adoptions are discussed in more detail within the notes.

#### Performance

In 2019-20, the department recorded income of \$92.6 million, a decrease of \$1.3 million compared to 2018-19. The main source of income is output appropriation, of which the department received \$60.3 million, a decrease of \$9.1 million from the previous year. The decrease in output appropriation was largely a result of machinery of government (MoG) transfers to central agencies for corporate, investment attraction and infrastructure services. Further decreases in output appropriation were due to various measures implemented to achieve savings.

All agency own-source revenue was reassessed to apply the principles of AASB 15 Revenue from contracts with a customer and AASB 1058 Income for not-for-profit entities. For the majority of contract arrangements that have identified sufficiently specific performance obligations under an enforceable agreement, revenue was recognised progressively over time using the input method to match expenditure. This had a significant effect on Commonwealth appropriation, which increased by \$8 million, as the department fulfilled obligations towards national partnership agreements in relation to pest eradication programs, mine rehabilitation and coordinated distribution of a national water infrastructure rebate scheme.

Grant income was reassessed under the new standards with the drop between years due to the late commencement of the national partnership agreement in relation to the National Citrus Canker Eradication Program (NCCEP) jurisdictional cost-sharing. Sales of goods and services revenue decreased from the prior

year. While there were some increases in certain areas of the department's collection of regulatory fees, the overall decrease is due to non-continued activities completed in 2018-19 year. Goods and services received free of charge increased by \$5.5 million for recognition of notional services performed by DCIS and DIPL. Miscellaneous revenue, while also affected by the revenue standard adoption, decreased due to reduced initiatives and cessation of a number of externally funded activities. Adoption of the income standards and its effects are discussed further at Note 4.

Total expenses for the 2019-20 year at \$96.2 million was approximately \$4.6 million less than 2018-19.

Employee expenses decreased by approximately \$4.9 million due to the transfer of personnel to central agencies and reduction of employees required to perform externally funded activities, most noticeably in the NCCEP.

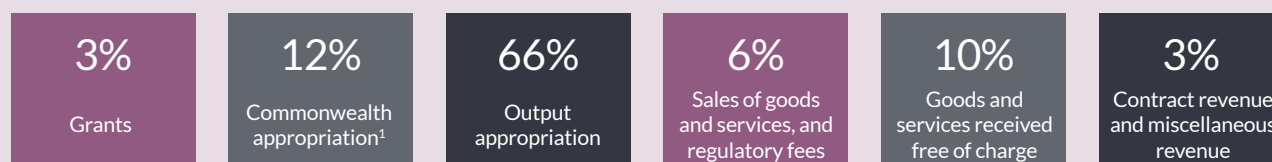
The department's Budget Finance Subcommittee continued to monitor recruitment to stay within the employee staffing cap.

Purchase of goods and services decreased by approximately \$2.5 million in 2019-20. The reduction between years is attributed to savings measures implemented for fleet vehicles, property maintenance, consultants, non-continued activities completed in the previous year and transfer of information technology expenses to DCIS.

## 2019-20 at a glance

### How we are funded

This section outlines the major income streams:



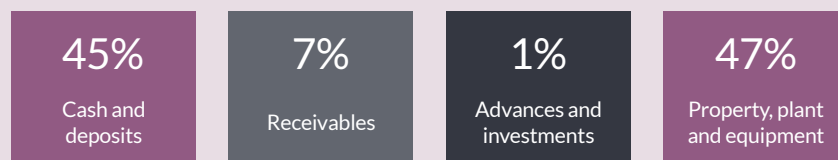
### Composition of expenditure

This section outlines the major expenditure streams:



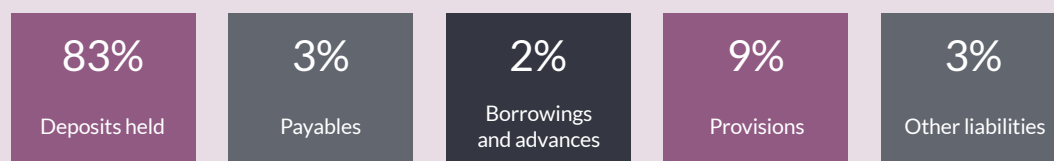
### Assets

Assets are resources controlled by the department from which future economic benefits are expected to be realised.



### Liabilities

Liabilities are present obligations which are expected to result in an outflow of future economic benefits.



1. Commonwealth appropriation includes national partnership agreements.

While the department outlaid appropriated funds towards preventing and monitoring pests and diseases, such as African swine fever, efficiencies were made on national cost-shared eradication response for citrus canker as the program winds down. The COVID-19 pandemic affected the department in the final quarter with further savings made as restrictions impacted official travel and scheduled operational programs.

Repairs and maintenance reduced \$4.2 million from the prior year as this function transferred to DIPL.

Other administrative expenses refers to non-cash adjustments and notional goods and services received free of charge from central agencies, which increased \$5.5 million from the previous year due to machinery of government transfers. Depreciation expense increased slightly.

Grant expenditure rose by \$1.6 million. A national partnership agreement to deliver the On-Farm Emergency Water Infrastructure Rebate scheme resulted in the department paying rebates totalling \$1.9 million of Commonwealth appropriated funds.

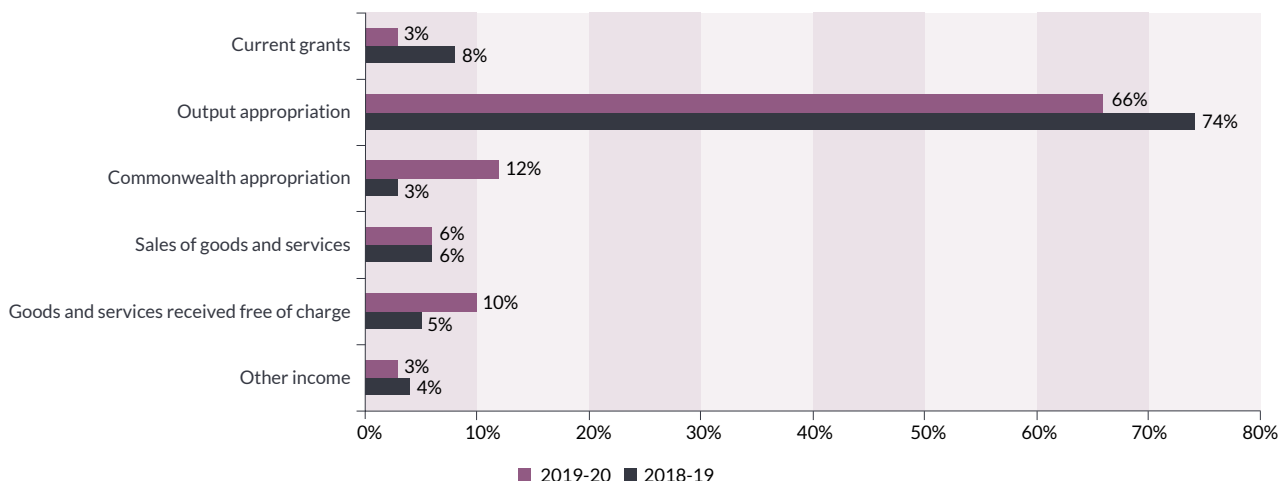
Output appropriated funded grants were reduced from the prior year due to saving measures implemented and the impact of COVID-19 on service delivery. A full list of grants paid in 2019-20 can be found on pages 108 and 109 in section 6: Appendices.

Overall, the department recorded a net deficit of \$3.6 million in 2019-20, compared to \$6.8 million in 2018-19.

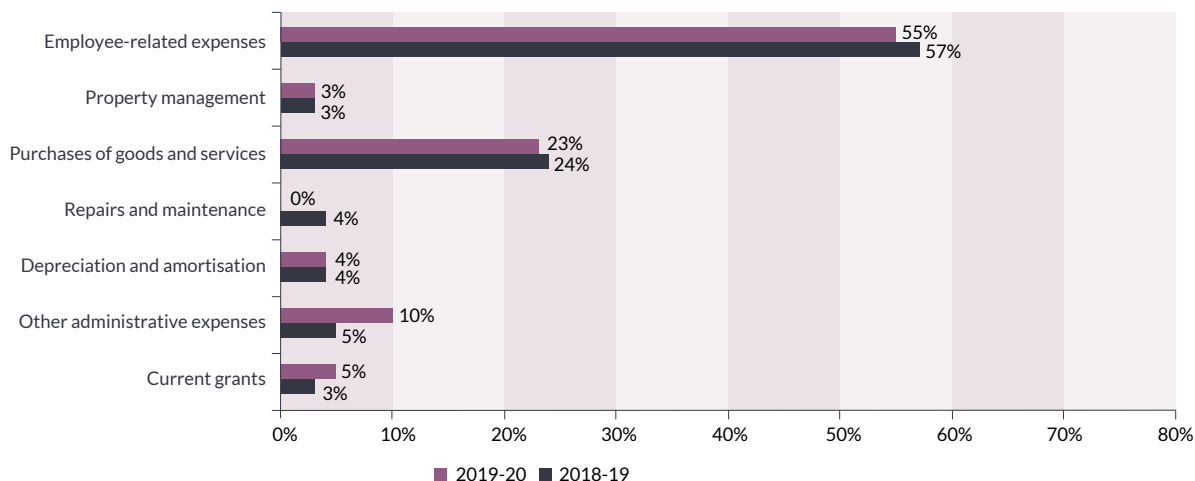
### Position

The department's overall equity position increased by approximately \$3.3 million, compared to the prior year. Assets increased due to receipts from the Mining Levy held in trust. Receivables also increased as the income standards assessment recognised services rendered in relation to fulfilment of national partnership obligations. Other increases were due to purchases of plant and equipment, transfer in of land and completed works from DIPL, offset by depreciation. Liabilities show increases to employee entitlements due to accrued salaries and leave not yet taken, trust monies and the effect of adopting the lease standards AASB 16. Adoption of the lease standards, and its effects, are discussed further at Note 16.

### Income



### Expenses



## Certification of the Financial Statements

We certify that the attached financial statements for the Department of Primary Industry and Resources have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2020 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.



**Alister Trier**  
Chief Executive Officer  
31 August 2020



**Desirée Ng**  
Chief Financial Officer  
31 August 2020



## DEPARTMENT OF PRIMARY INDUSTRY AND RESOURCES

## Comprehensive operating statement

For the year ended 30 June 2020

	NOTE	2020 \$000	2019 \$000
<b>INCOME</b>			
Grants and subsidies revenue	4a		
Current		2,936	7,429
Capital		50	50
Appropriation	4b		
Output		60,288	69,419
Commonwealth		11,030	2,991
Sales of goods and services	4c	5,584	5,833
Goods and services received free of charge	5	9,703	4,243
Gain on disposal of assets	6	38	100
Other income	4d	3,014	3,891
<b>TOTAL INCOME</b>	<b>3</b>	<b>92,643</b>	<b>93,956</b>
<b>EXPENSES</b>			
Employee expenses		52,877	57,823
Administrative expenses			
Property management		2,920	3,055
Purchases of goods and services	7	21,589	23,937
Repairs and maintenance		0	4,203
Depreciation and amortisation	15,16	4,253	4,134
Other administrative expenses <sup>1</sup>		9,681	4,333
Grants and subsidies expenses			
Current		4,882	3,282
Capital		0	15
Interest expenses	8	18	12
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>96,220</b>	<b>100,794</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(3,577)</b>	<b>(6,838)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to net surplus/deficit			
Changes in asset revaluation surplus		825	0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>825</b>	<b>0</b>
<b>COMPREHENSIVE RESULT</b>		<b>(2,752)</b>	<b>(6,838)</b>

1. Includes DCIS service charges and DIPL repairs and maintenance service charges.

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

# Balance sheet

As at 30 June 2020

	NOTE	2020 \$000	2019 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	10	77,432	71,482
Receivables	12	11,886	5,716
Advances and investments	13	1,223	3,332
Prepayments		352	432
<b>Total current assets</b>		<b>90,893</b>	<b>80,962</b>
<b>Non-current assets</b>			
Property, plant and equipment	15,16,23	81,886	82,969
<b>Total non-current assets</b>		<b>81,886</b>	<b>82,969</b>
<b>TOTAL ASSETS</b>		<b>172,779</b>	<b>163,931</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deposits held		74,857	67,014
Payables	17	2,611	2,378
Borrowings and advances	18	1,238	3,337
Provisions	19	8,209	7,862
Other liabilities	20	2,738	3,808
<b>Total current liabilities</b>		<b>89,653</b>	<b>84,399</b>
<b>Non-current liabilities</b>			
Borrowings and advances	18	671	359
<b>Total non-current liabilities</b>		<b>671</b>	<b>359</b>
<b>TOTAL LIABILITIES</b>		<b>90,324</b>	<b>84,758</b>
<b>NET ASSETS</b>		<b>82,455</b>	<b>79,173</b>
<b>EQUITY</b>			
Capital		98,321	96,275
Reserves	22	44,883	44,058
Accumulated funds		(60,749)	(61,160)
<b>TOTAL EQUITY</b>		<b>82,455</b>	<b>79,173</b>

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

## DEPARTMENT OF PRIMARY INDUSTRY AND RESOURCES

## Statement of changes in equity

For the year ended 30 June 2020

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
<b>2019-20</b>					
<b>Accumulated funds</b>					
Adjustment on adoption of AASB 15 and AASB 1058		3,988			3,988
Accumulated funds		(52,566)	(3,577)	0	(56,143)
Transfers from reserves		(8,594)	0	0	(8,594)
<b>Total accumulated funds</b>		<b>(57,172)</b>	<b>(3,577)</b>	<b>0</b>	<b>(60,749)</b>
<b>Reserves</b>					
Asset revaluation reserve	22	44,058	825	0	44,883
<b>Total reserves</b>		<b>44,058</b>	<b>825</b>	<b>0</b>	<b>44,883</b>
<b>Capital – transactions with owners</b>					
<b>Equity injections</b>					
Capital appropriation		16,586	0	401	16,987
Equity transfers in		114,140	0	1,718	115,858
Other equity injections		46,666	0	17	46,683
<b>Total equity injections</b>		<b>177,392</b>	<b>0</b>	<b>2,136</b>	<b>179,528</b>
<b>Equity withdrawals</b>					
Capital withdrawal		(56,809)	0	0	(56,809)
Equity transfer out		(24,308)	0	(90)	(24,398)
<b>Total equity withdrawals</b>		<b>(81,117)</b>	<b>0</b>	<b>(90)</b>	<b>(81,207)</b>
<b>Total capital</b>		<b>96,275</b>	<b>0</b>	<b>2,046</b>	<b>98,321</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>83,161</b>	<b>(2,752)</b>	<b>2,046</b>	<b>82,455</b>
<b>2018-19</b>					
<b>Accumulated funds</b>					
Accumulated funds		(45,728)	(6,838)	0	(52,566)
Transfers from reserves		(8,594)	0	0	(8,594)
<b>Total accumulated funds</b>		<b>(54,322)</b>	<b>(6,838)</b>	<b>0</b>	<b>(61,160)</b>
<b>Reserves</b>					
Asset revaluation reserve	22	44,058	0	0	44,058
<b>Total reserves</b>		<b>44,058</b>	<b>0</b>	<b>0</b>	<b>44,058</b>
<b>Capital – transactions with owners</b>					
<b>Equity injections</b>					
Capital appropriation		16,451	0	135	16,586
Equity transfers in		111,437	0	2,703	114,140
Other equity injections		38,666	0	8,000	46,666
<b>Total equity injections</b>		<b>166,554</b>	<b>0</b>	<b>10,838</b>	<b>177,392</b>
<b>Equity withdrawals</b>					
Capital withdrawal		(56,809)	0	0	(56,809)
Equity transfer out		(24,308)	0	0	(24,308)
<b>Total equity withdrawals</b>		<b>(81,117)</b>	<b>0</b>	<b>0</b>	<b>(81,117)</b>
<b>Total capital</b>		<b>85,437</b>	<b>0</b>	<b>10,838</b>	<b>96,275</b>
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		<b>75,173</b>	<b>(6,838)</b>	<b>10,838</b>	<b>79,173</b>

This 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 2020

	NOTE	2020 \$000	2019 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating receipts</b>			
Grants and subsidies received			
Current		3,259	7,429
Capital		0	50
Appropriation			
Output		60,288	69,419
Commonwealth		7,362	2,991
Receipts from sales of goods and services		10,996	9,844
<b>Total operating receipts</b>		<b>81,905</b>	<b>89,733</b>
<b>Operating payments</b>			
Payments to employees		(52,227)	(57,629)
Payments for goods and services		(26,533)	(33,576)
Grants and subsidies paid			
Current		(4,981)	(3,183)
Capital		0	(15)
Interest paid		(18)	(12)
<b>Total operating payments</b>		<b>(83,759)</b>	<b>(94,415)</b>
<b>Net cash from/(used in) operating activities</b>	11	<b>(1,854)</b>	<b>(4,682)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing receipts</b>			
Proceeds from asset sales	6	20	71
<b>Total investing receipts</b>		<b>20</b>	<b>71</b>
<b>Investing payments</b>			
Purchase of assets		(459)	(387)
<b>Total investing payments</b>		<b>(459)</b>	<b>(387)</b>
<b>Net cash from/(used in) investing activities</b>		<b>(439)</b>	<b>(316)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing receipts</b>			
Deposits received		7,843	10,151
Equity injections			
Capital appropriation		401	135
Other equity injections		17	8,000
<b>Total financing receipts</b>		<b>8,261</b>	<b>18,286</b>
<b>Financing payments</b>			
Finance lease payments		(18)	(5)
<b>Total financing payments</b>		<b>(18)</b>	<b>(5)</b>
<b>Net cash from/(used in) financing activities</b>	11	<b>8,243</b>	<b>18,281</b>
Net increase/(decrease) in cash held		5,950	13,283
Cash at beginning of financial year		71,482	58,199
<b>CASH AT END OF FINANCIAL YEAR</b>	10	<b>77,432</b>	<b>71,482</b>

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

## DEPARTMENT OF PRIMARY INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2020

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## 1. Objectives and funding

The Department of Primary Industry and Resources works in partnership with key industry sectors to enable continuous growth and development of the Territory economy. The department maintains and drives development of the Territory's regions, coastal areas, agriculture, minerals and energy resources through:

- research and extension
- market and industry development
- policy development
- regulation
- tenure and licence administration.

The department also has broad regulatory responsibilities for plant, animal and aquatic biosecurity, animal welfare, agricultural and veterinary chemicals, mineral and energy activities, and ensuring sustainable management and licensing of fishing activities.

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

The department is predominantly funded and therefore dependent, on the receipt of parliamentary appropriations. 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 several output groups. Note 3 provides summarised financial information in the form of a comprehensive operating statement by the output group.

Output groups/outputs:

- Agriculture
- Biosecurity and animal welfare
- Fisheries
- Resource industry development
- Mining services
- Energy services
- Corporate and governance

### a) MoG changes

Transfers out

*Details of transfer:* Repairs and maintenance program transferred to DIPL as part of centralisation of Infrastructure services

*Basis of transfer:* Administrative Arrangements Order (No. 2) 27 June 2019

*Date of transfer:* Effective from 1 July 2019

The assets and liabilities transferred as a result of this change were as follows:

	\$000
<b>Assets</b>	<b>0</b>
<b>Liabilities</b>	
Payables	17
	17
<b>Net assets</b>	<b>(17)</b>

*Details of transfer:* Corporate services (human resources, information management, information technology management, web management and fleet management) and Information and Communication Technology function transferred to DCIS as part of the Corporate Services Reform 3

*Basis of transfer:* Administrative Arrangements Order (No. 2) 27 June 2019

*Date of transfer:* Effective from 1 July 2019

The assets and liabilities transferred as a result of this change were as follows:

	\$000
<b>Assets</b>	
Cash	214
	214
<b>Liabilities</b>	
Provisions	214
	214
<b>Net assets</b>	<b>0</b>

*Details of transfer:* Investment Attraction Unit transferred to DTBI

*Basis of transfer:* Administrative Arrangements Order (No. 2) 27 June 2019

*Date of transfer:* Effective from 1 July 2019

The assets and liabilities transferred as a result of this change were as follows:

	\$000
<b>Assets</b>	
Cash	29
	<b>29</b>
<b>Liabilities</b>	
Payables	2
Provisions	27
	<b>29</b>
<b>Net assets</b>	<b>0</b>

## 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 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires the department to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of the department's financial statements should 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 agency 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 agency 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.

## Standards and interpretations effective from 2019-20

### AASB 15 Revenue from contracts with a customer/ AASB 1058 Income for not-for-profit entities

AASB 15 Revenue from contracts with customers (AASB 15) supersedes AASB 111 Construction contracts, AASB 118 Revenue and related interpretations and applies, with limited exceptions, to all revenue arising from contracts with customers. Under AASB 15 revenue from agreements that are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third party beneficiary will be recognised when or as performance obligations are satisfied. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when assessing contracts with their customers.

AASB 1058 Income for not-for-profit entities (AASB 1058) clarifies and simplifies income-recognition requirements that apply to not-for-profit entities and replaces most of the not-for-profit provisions under AASB 1004 Contributions. AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable the entity to further its objectives, and where volunteer services are received.

In contrast with previous standards, such as AASB 1004, AASB 1058 allows deferral of income from capital grants where there is an enforceable contract with sufficiently specific performance obligations and the agreement does not require the department to transfer the asset to other parties. For such capital grants, the funding received is initially deferred in an unearned revenue liability and subsequently recognised as revenue as or when the department satisfies obligations under the agreement. Where funding is received from another Territory Government-controlled entity other than Commonwealth funds on-passed by the Central Holding Authority, revenue is recognised upfront on receipt.

Under AASB 1058, the department will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of those services can be measured reliably. This treatment is consistent with treatment in prior years.

The department has applied the principles of AASB 15 and AASB 1058 in accounting for research grants for the 2019-20 reporting period. Funding for research agreements that are enforceable, have sufficiently specific performance obligations and where the Territory is required to transfer goods or services to the customer or third-party beneficiary, are accounted for in accordance with AASB 15. Otherwise, AASB 1058 is applied. Most of the department's research agreements have been assessed as meeting criteria under AASB 15. Revenue is generally recognised over time on the basis that comprehensive research data and findings are being provided to the funding providers at least every six months to allow contemporaneous publication of, or making available, research outcomes as the research is carried out.

In accordance with transition provisions, the department has applied the modified retrospective approach on transition to AASB 15 and AASB 1058, with the cumulative effect of applying both accounting standards recognised in accumulated funds or appropriate equity code at 1 July 2019. Accordingly, the comparative information presented for 2018-19 has not been restated and is presented as previously reported. The department applied the accounting standards retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts include contracts where the department had recognised all revenue in prior periods under AASB 1004 Contributions.

The department has applied the following practical expedients permitted by AASB 15 and AASB 1058 on transition:

- application of hindsight on determining the transaction price and allocating the transaction price to the satisfied and unsatisfied performance obligations
- assets previously acquired for significantly less than fair value not remeasured but recorded at cost.

The following tables summarise the transitional impact of adoption of AASB 15 and AASB 1058.

Impact on balances affected by adopting AASB 15 and AASB 1058 as at 1 July 2019:

	\$000
<b>ASSETS</b>	
<b>Receivables</b>	
Accrued contract revenue	2,743
<b>TOTAL ASSETS</b>	<b>2,743</b>
<b>LIABILITIES</b>	
<b>Other liabilities</b>	
Unearned contract revenue	(1,295)
Unearned revenue capital grants	50
<b>TOTAL LIABILITIES</b>	<b>(1,245)</b>
<b>NET ASSETS</b>	<b>3,988</b>

The table below summarises the impacts of adopting AASB 15 and AASB 1058 in the 2019-20 financial statements. It compares actual amounts reported to amounts that would have been reported if previous revenue standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in the current financial year.

Impact on balances affected by adopting AASB 15 and AASB 1058 as at 30 June 2020 is presented below:

#### Comprehensive operating statement

	Note	30 June 2020 without AASB 15/1058 \$000	Impact of AASB15/1058 \$000	30 June 2020 with AASB 15/1058 \$000
<b>INCOME</b>				
Grants and subsidies revenue				
Current	4	3,259	(323)	2,936
Capital	4	0	50	50
Appropriation				
Commonwealth	4	7,362	3,668	11,030
Other income	4	3,782	(768)	3,014
<b>TOTAL INCOME</b>		<b>90,016</b>	<b>2,627</b>	<b>92,643</b>
<b>TOTAL EXPENSES</b>		<b>96,220</b>	<b>0</b>	<b>96,220</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(6,204)</b>	<b>2,627</b>	<b>(3,577)</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>825</b>	<b>0</b>	<b>825</b>
<b>COMPREHENSIVE RESULT</b>		<b>(5,379)</b>	<b>2,627</b>	<b>(2,752)</b>



## Balance sheet

	Note	30 June 2020 without AASB 15/1058 \$000	Impact of AASB 15/1058 \$000	30 June 2020 with AASB 15/1058 \$000
<b>ASSET</b>				
<b>Current assets</b>				
Receivables	12	2,016	9,870	11,886
<b>Total current assets</b>		<b>81,023</b>	<b>9,870</b>	<b>90,893</b>
<b>TOTAL ASSETS</b>		<b>162,909</b>	<b>9,870</b>	<b>172,779</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Other liabilities	20	3,291	(553)	2,738
<b>Total current liabilities</b>		<b>90,206</b>	<b>(553)</b>	<b>89,653</b>
<b>TOTAL LIABILITIES</b>		<b>90,877</b>	<b>(553)</b>	<b>90,324</b>
<b>NET ASSETS</b>		<b>72,032</b>	<b>10,423</b>	<b>82,455</b>
<b>EQUITY</b>		<b>72,032</b>	<b>10,423</b>	<b>82,455</b>

Significant differences in the financial statement line items are described below.

(a) Grants and subsidies revenue – current grant

Jurisdictional cost-shared portion for National Citrus Canker and Browsing Ant eradication programs had been recognised on receipt under the previous standards. Upon adoption of the new accounting standards, the funding arrangements have been assessed as meeting criteria under AASB 15. An associated adjustment was made to opening retained earnings to recognise the unbilled 2018-19 funding that would have been recorded in the prior year. In contrast, the revenue would not have been recognised until it was received in 2019-20 under the previous standards.

(b) Grants and subsidies revenue – capital grant

A capital grant has been accounted for under AASB 1058, the revenue was deferred until the two items of diagnostic equipment were acquired in 2019-20. This amount had been recognised on receipt in 2018-19 under the previous standards.

(c) Commonwealth appropriation and receivables

Commonwealth appropriation under a number of the Commonwealth national partnership agreements, including the former Rum Jungle Mine Site Management Stage 2A, National Citrus Canker and Browsing Ant eradication programs, and On-Farm Emergency Water Infrastructure Rebate Scheme, has been recognised under AASB 15 in line with the department's progress towards completing performance obligations prior to receiving the Commonwealth payments. The corresponding Accrued Contract Revenue was recognised to reflect the department's right to consideration in exchange for services delivered or obligations fulfilled

but that have not been paid at 30 June 2020, which would not have been recognised under the previous standards.

(d) Other income and other liabilities

The department receives grant funding from multiple public and private sources, including Commonwealth, state governments and industries, for delivery of research, biosecurity surveillance and other services. Under the previous standards, the majority of these funds were accounted for as reciprocal transfers and revenue was deferred until obligations were fulfilled. Upon adoption of the new standards, the revenue recognised reflects the performance obligations that have been satisfied, where the agreements have been assessed under AASB 15.

**AASB 16 Leases**

AASB 16 Leases (AASB 16) supersedes AASB 117 Leases and relevant interpretations and introduces significant changes to lessee accounting by removing the distinction between operating and finance leases. For lessees with operating leases, a right-of-use asset has now been recognised on the balance sheet together with a lease liability at the lease commencement, for all leases except for leases with a term of less than 12 months or where the underlying assets are of low value. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged and has not had a significant impact on leases where the department is the lessor.

In accordance with transition provisions, the department has applied the modified retrospective approach on transition to AASB 16, with the cumulative effect of initial application of the standard as an adjustment to the balance sheet as at 1 July 2019. Accordingly, the comparative information presented for 2018-19 has not been restated and is presented as previously reported.

Lease liabilities recognised at 1 July 2019 have been measured at the present value of the remaining lease payments discounted using the Northern Territory Treasury Corporation's institutional bond rate as the incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied to the lease liabilities as at 1 July 2019 was 2.08%.

The corresponding right-of-use asset has been recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 July 2019.

The department has applied the following practical expedients permitted by AASB 16 on transition:

- lease classification has been grandfathered. Where a contract did not contain a lease at 1 July 2019 under AASB 117 and Interpretation 4, these have not been reassessed
- application of a single discount rate to a portfolio of leases with reasonably similar characteristics
- application of onerous contract assessment before transition, in place of performing an impairment review
- leases with a remaining term of less than 12 months as at 1 July 2019 were expensed rather than recognised on the balance sheet
- exclusion of initial direct costs from the measurement of the right-of-use asset as at 1 July 2019
- application of hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

On adoption of AASB 16, the department recognised additional right-of-use assets and lease liabilities for land and office equipment that had previously been classified as operating leases.

Impact on affected balances of adopting AASB 16 as at 1 July 2019 is as follows:

Balance sheet	\$000
<b>ASSETS</b>	
Property, plant and equipment	327
<b>TOTAL ASSETS</b>	
<b>LIABILITIES</b>	
Borrowings and advances	327
<b>TOTAL LIABILITIES</b>	
<b>NET ASSETS</b>	<b>0</b>

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$000
<b>Minimum operating lease commitments as at 30 June 2019</b>	<b>99</b>
Less: commitments relating to short-term leases	(43)
Less: commitments relating to leases of low-value assets	0
Add: lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	375
<b>Undiscounted lease payments</b>	<b>431</b>
Less: effect of discounting using the incremental borrowing rate	(104)
<b>Additional lease liabilities recognised at 1 July 2019</b>	<b>327</b>
Add: commitments relating to leases previously classified as finance leases	364
<b>Adjusted lease liabilities as at 1 July 2019</b>	<b>691</b>

#### AASB 2016-8 Amendments to Australian accounting standards – Australian implementation guidance for not-for-profit entities (AASB 9 Financial instruments)

AASB 2016-8 is effective for the first time in 2019-20 and will require non-contractual receivables arising from statutory requirements to apply the initial recognition and measurement requirements of AASB 9. The requirements of AASB 2016-8 are largely consistent with existing recognition and measurement practices of the department and is therefore not expected to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

#### Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for 2019-20.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

#### c) Reporting entity

The financial statements cover the department as an individual reporting entity. The Department of Primary Industry and Resources is a Northern Territory Government department established under the *Interpretation Act 1978* Administrative Arrangements Order.

The principal places of business of the department are: Berrimah Farm Science Precinct, Makagon Road Berrimah NT 0828; Paspalis Centrepoint Building, Smith Street Mall NT 0800; and 33 Vaughan Street, Berrimah Business Park NT 0828.

#### d) Agency and Territory items

The financial statements of the department 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 in the Central Holding Authority as discussed below.

##### Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies, as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items and, as such, these items are not included in the 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 29 – Schedule of administered Territory items.

#### e) Comparatives

Where necessary, comparative information for the 2018-19 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 \$500 or less 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 2019-20 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in section k below.

#### 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. These 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 for making 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.

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

#### i) Goods and services tax

Income, expenses and assets are recognised net of the amount of 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 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) 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 1995* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by the department as adjustments to equity.

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

#### k) Impact of COVID-19

The Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges to ease financial hardship faced by individuals and businesses as a result of COVID-19.

### 3. Comprehensive operating statement by output group

	Note	Agriculture			Biosecurity and animal welfare			Fisheries			Resource industry development			Mining services			Energy services			Corporate and governance			Total				
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018		
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>INCOME</b>																											
Grants and subsidies revenue	4a																										
Current		255	723	2,681	6,693	0	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,936	7,429
Capital		0	0	50	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50
Appropriation	4b																										
Output		11,253	15,287	9,213	9,473	11,112	11,463	10,215	11,409	7,521	8,588	3,849	2,939	7,125	10,260	60,288	69,419										
Commonwealth		2,098	350	3,599	141	0	0	0	0	5,333	2,500	0	0	0	0	11,030	2,991										
Sales of goods and services	4c	1,710	1,680	2,481	2,488	495	444	2	367	801	770	70	55	25	29	5,584	5,833										
Goods and services received free of charge	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Gain on disposal of assets	6	17	100	18	0	3	0	0	0	0	0	0	0	0	0	0	0										
Other income	4d	1,182	1,495	1,204	1,164	301	242	111	59	147	369	13	306	56	256	3,014	3,891										
<b>TOTAL INCOME</b>		<b>16,515</b>	<b>19,635</b>	<b>19,246</b>	<b>20,009</b>	<b>11,911</b>	<b>12,162</b>	<b>10,328</b>	<b>11,835</b>	<b>13,802</b>	<b>12,227</b>	<b>3,932</b>	<b>3,300</b>	<b>16,909</b>	<b>14,788</b>	<b>92,643</b>	<b>93,956</b>										
<b>EXPENSES</b>																											
Employee expenses		10,032	10,804	14,342	15,029	6,994	6,726	5,923	6,085	7,364	7,977	2,437	2,633	5,785	8,569	52,877	57,823										
Administrative expenses																											
Property management		1,261	1,353	812	878	422	376	88	85	75	84	16	15	246	264	2,920	3,055										
Purchases of goods and services	7	3,346	3,776	4,026	4,896	3,426	2,575	3,583	4,953	5,923	4,651	263	977	1,022	2,109	21,589	23,937										
Repairs and maintenance		0	2,663	0	542	0	723	0	147	0	0	0	0	0	0	0	0										
Depreciation and amortisation	15,16	2,390	2,339	549	504	572	539	111	110	496	501	0	0	135	141	4,253	4,134										
Other administrative expenses <sup>1</sup>		0	26	0	15	0	11	0	10	0	14	0	3	9,681	4,254	9,681	4,333										
Grants and subsidies expenses		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Current		2,711	729	207	338	1,266	1,241	690	961	8	1	0	0	0	12	4,882	3,282										
Capital		0	0	0	0	0	15	0	0	0	0	0	0	0	0	0	0										
Interest expenses	8	12	12	0	0	6	0	0	0	0	0	0	0	0	0	18	12										
<b>TOTAL EXPENSES</b>		<b>19,752</b>	<b>21,702</b>	<b>19,936</b>	<b>22,202</b>	<b>12,686</b>	<b>12,206</b>	<b>10,395</b>	<b>12,351</b>	<b>13,866</b>	<b>13,228</b>	<b>2,716</b>	<b>3,628</b>	<b>16,869</b>	<b>15,477</b>	<b>96,220</b>	<b>100,794</b>										
<b>NET SURPLUS / (DEFICIT)</b>		<b>(3,237)</b>	<b>(2,067)</b>	<b>(690)</b>	<b>(2,193)</b>	<b>(775)</b>	<b>(44)</b>	<b>(67)</b>	<b>(516)</b>	<b>(64)</b>	<b>(1,001)</b>	<b>1,216</b>	<b>(328)</b>	<b>40</b>	<b>(689)</b>	<b>(3,577)</b>	<b>(6,838)</b>										
<b>OTHER COMPREHENSIVE INCOME</b>																											
Items that will not be reclassified to net surplus/deficit																											
Changes in asset revaluation surplus		825	0	0	0	0	0	0	0	0	0	0	0	0	0	825	0										
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>825</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>825</b>	<b>0</b>										
<b>COMPREHENSIVE RESULT</b>		<b>(2,412)</b>	<b>(2,067)</b>	<b>(690)</b>	<b>(2,193)</b>	<b>(775)</b>	<b>(44)</b>	<b>(67)</b>	<b>(516)</b>	<b>(64)</b>	<b>(1,001)</b>	<b>1,216</b>	<b>(328)</b>	<b>40</b>	<b>(689)</b>	<b>(2,752)</b>	<b>(6,838)</b>										

1. Includes DCIS and DIPL service charges.

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

## Income

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.

### 4. Revenue

#### a) Grants and subsidies revenue

	2020			2019
	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	
Current grants	2,932	4	2,936	7,429
Capital grants	0	50	50	50
<b>Total grants and subsidies revenue</b>	<b>2,932</b>	<b>54</b>	<b>2,986</b>	<b>7,479</b>

Grants revenue is recognised at fair value exclusive of the amount of GST. Until 30 June 2019, grant revenue and other non-reciprocal contributions were recognised as revenue when the department obtains control over the asset comprising the contribution, which was normally obtained on receipt.

From 1 July 2019, where a grant agreement is enforceable and has sufficiently specific performance obligations for the department to transfer goods or services to the grantor or a third party beneficiary, the transaction is accounted for under AASB 15. In this case, revenue is initially deferred as a contract liability when received in advance and recognised as or when the performance obligations are satisfied.

The department's contracts with customers are mainly for delivery of activity based services for the eradication and control of pests and diseases, including the National Citrus Canker and Browsing Ant eradication programs. These arrangements have been identified as having sufficiently specific performance obligations under enforceable agreements. Funding is generally received after the completion of performance obligations on a reimbursement basis, revenue is recognised over time because funding providers simultaneously receive and consume the benefits as the services are delivered, and a contract asset representing the department's right to consideration in exchange for the services transferred to the funding providers, is recognised for services rendered but unbilled at each reporting date.

A financing component for consideration is only recognised if it is significant to the contract and the period between the transfer of goods and services and receipt of consideration is more than one year. For the 2019-20 reporting period, there were no adjustments for the effects of a significant financing component.

Where grant agreements do not meet criteria above, it is accounted for under AASB 1058 and income is recognised on receipt of funding except for capital grants revenue received for the purchase or construction of non-financial assets to be controlled by the department. Capital grants with enforceable contracts and sufficiently specific obligations are recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue as or when the department satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the point in time the asset is acquired and control transfers to the department.

Grant revenue, passed on from a Territory Government-controlled entity with the exception of the Central Holding Authority, is recognised upfront on receipt, irrespective of which revenue accounting standard it may fall under in accordance with the Treasurer's Direction on income.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

Grant agreements that satisfy recognition requirements under AASB 15 are disaggregated below.

	2020 \$000
<b>Type of good and service:</b>	
Service delivery	2,677
Research services	255
<b>Total revenue from contracts with customers by good or service</b>	<b>2,932</b>
<b>Type of customer:</b>	
Australian Government entities	405
State and territory governments	2,491
Non-government entities	36
<b>Total revenue from contracts with customers by type of customer</b>	<b>2,932</b>
<b>Timing of transfer of goods and services:</b>	
Over time	2,932
<b>Total revenue from contracts with customers by timing of transfer</b>	<b>2,932</b>

## b) Appropriation

	2020			2019
	\$000	\$000	\$000	\$000
	<b>Revenue from contracts with customers</b>	<b>Other</b>	<b>Total</b>	
Output	0	60,288	60,288	69,419
Commonwealth	11,030	0	11,030	2,991
<b>Total appropriation</b>	<b>11,030</b>	<b>60,288</b>	<b>71,318</b>	<b>72,410</b>

Output appropriation is the operating payment to each agency for the outputs they provide as specified in the *Appropriation Act*. It does not include any allowance for major non-cash costs such as depreciation. The treatment of output appropriations remains the same after adopting AASB 15 and AASB 1058, because they do not have sufficiently specific performance obligations.

Commonwealth appropriation follows from the intergovernmental agreement on federal financial relations, resulting in specific 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 the Department of Treasury and Finance on behalf of the Central Holding Authority and then passed on to the relevant agencies as Commonwealth appropriation. Until 30 June 2019, Commonwealth appropriation was recognised in the period when the department gains control of the funds, which was on receipt of funding.

From 1 July 2019, where appropriation received has an enforceable contract with sufficiently specific performance obligations as defined in AASB 15, revenue is recognised as and when goods and or services are transferred to the customer or third party beneficiary. Otherwise revenue is recognised when the department gains control of the funds. The department has entered

into a number of national partnership agreements, including the former Rum Jungle Mine Site Management Stage 2A, National Citrus Canker and Browsing Ant eradication programs, and On-Farm Emergency Water Infrastructure Rebate Scheme. The performance obligations under these enforceable agreements are sufficiently specific, revenue is recognised over time under AASB 15 in line with the department's progress towards completing performance obligations prior to receiving the Commonwealth payments, because the grantor or the third party beneficiary receives and consumes the benefits as the services are being delivered.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2020 \$000
<b>Type of good and service:</b>	
Service delivery	10,918
Research services	112
<b>Total revenue from contracts with customers by good or service</b>	<b>11,030</b>
<b>Type of customer:</b>	
Australian Government entities	11,030
<b>Total revenue from contracts with customers by type of customer</b>	<b>11,030</b>
<b>Timing of transfer of goods and services:</b>	
Over time	11,030
<b>Total revenue from contracts with customers by timing of transfer</b>	<b>11,030</b>

### c) Sales of goods and services

	2020			2019
	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	
Sales of goods and services	3,516	2,068	5,584	5,833
<b>Total sales of goods and services</b>	<b>3,516</b>	<b>2,068</b>	<b>5,584</b>	<b>5,833</b>

Revenue from regulatory fees is recognised when the department satisfies its performance obligations. These include fees for the issue of licences. The department's sole performance obligations for the issue of a non-intellectual property licence is the issue of the licence, as such revenue is recognised upfront on issue of the licence. The department recognises licences with a term less than 12 months or a low value of \$10,000 or less, upfront on receipt of cash.

#### Sale of goods

Until 30 June 2019, revenue from sales of goods is recognised as revenue when the department transfers significant risks and rewards of ownership of the goods to the buyer. From 1 July 2019, revenue from sales of goods is recognised when the department satisfies a performance obligation by transferring the promised goods. The department's sale of goods revenue is generated from sale of agricultural produce, publications, waybill books and swim bladder tags. The department typically satisfies its performance obligations on transfer of the goods to the customers, which is the sole performance obligation. Payments are typically due when the goods are sold. The adoption of AASB 15 did not change the timing of revenue recognition for sale of goods.

Revenue from these sales is based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is no element of financing present as sales are made with a short credit term.

#### Rendering of services

Until 30 June 2019, revenue from rendering services was recognised by reference to the stage of completion of the contract. From 1 July 2019, revenue from rendering of services is recognised when the department satisfies the performance obligation by transferring the promised services. The department provides a wide range of regulatory services and laboratory testing services, such as administration of mineral and petroleum tenure and licences, veterinary diagnostics and water analytical services, and biosecurity inspections. The department typically satisfies its performance obligations upon the delivery of the services, at a point in time.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2020 \$000
<b>Type of good and service:</b>	
Regulatory services	1,179
Service delivery	745
Sale of goods	1,592
<b>Total revenue from contracts with customers by good or service</b>	<b>3,516</b>
<b>Type of customer:</b>	
Non-government entities	3,516
<b>Total revenue from contracts with customers by type of customer</b>	<b>3,516</b>
<b>Timing of transfer of goods and services:</b>	
Over time	156
Point in time	3,360
<b>Total revenue from contracts with customers by timing of transfer</b>	<b>3,516</b>

#### d) Other income

	2020			2019
	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	
Other income	2,677	337	3,014	3,891
<b>Total other income</b>	<b>2,677</b>	<b>337</b>	<b>3,014</b>	<b>3,891</b>

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

The department receives grant funding from multiple public and private sources, including Commonwealth, state governments and industries, for the delivery of research, biosecurity surveillance and other services.

The majority of the research agreements have been assessed as meeting criteria under AASB 15, and revenue is generally recognised over time using the input method. This is on the basis that comprehensive research data and findings are being provided to the funding providers at least every six months to allow contemporaneous publication of, or making available, research outcomes as the research is carried out.

Most of the services contracts have also been assessed as having sufficiently specific performance obligations and are accounted for under AASB 15. The department typically satisfies its performance obligations over time because the funding providers or third party beneficiaries simultaneously receive and consume the benefits as the services are delivered.

Where the revenue is recognised over time, the department elected to use the input method which recognise revenue on the basis of the department's efforts or inputs (for example, labour hours, resources consumed, cost incurred) to the satisfaction of a performance obligation in proportion to the total

expected inputs to the satisfaction of that performance obligation. The input method is deemed to be a more reliable and effective method in comparison to the output method. The department considered factors used under the output method to measure progress may not be directly observable as the information required to apply these measures may not be available to the department without undue cost. Additionally milestone payments do not correspond directly with the value to the customer of the department's performance completed to date, this makes it more difficult to reliably apply the output method towards recognising the amount of revenue earned to date.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.



	2020 \$000
<b>Type of good and service:</b>	
Service delivery	860
Research services	1,817
<b>Total revenue from contracts with customers by good or service</b>	<b>2,677</b>
<b>Type of customer:</b>	
Australian Government entities	233
State and territory governments	490
Non-government entities	1,954
<b>Total revenue from contracts with customers by type of customer</b>	<b>2,677</b>
<b>Timing of transfer of goods and services:</b>	
Over time	2,075
Point in time	602
<b>Total revenue from contracts with customers by timing of transfer</b>	<b>2,677</b>

## 5. Goods and services received free of charge

	2020 \$000	2019 \$000
Corporate and information services	6,342	4,243
Repairs and maintenance	3,361	0
<b>Total goods and services received free of charge</b>	<b>9,703</b>	<b>4,243</b>

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature. From 1 July 2019, repairs and maintenance expenses and associated employee costs were centralised under DIPL as part of a MoG change and now forms part of goods and services free of charge of the department.

In addition, from 1 July 2019, corporate services staff and functions were centralised under Department of Corporate and Information Services as part of a MoG change and now form part of goods and services free of charge of the department.

## 6. Gain on disposal of assets

	2020 \$000	2019 \$000
Net proceeds from the disposal of non-current assets	20	71
Less: Carrying value of non-current assets disposed	0	(7)
Gain on the disposal of non-current assets	20	64
Proceeds from sale of minor assets	18	36
<b>Total gain on disposal of assets</b>	<b>38</b>	<b>100</b>

## EXPENSES

### 7. Purchases of goods and services

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

	2020 \$000	2019 \$000
<b>Goods and services expenses:</b>		
Consultants <sup>(1)</sup>	3,082	3,584
Advertising <sup>(2)</sup>	149	157
Marketing and promotion <sup>(3)</sup>	286	187
Document production	108	87
Legal expenses <sup>(4)</sup>	86	267
Travel accommodation	274	561
Official duty fares	440	685
Travelling allowance	325	417
Recruitment <sup>(5)</sup>	91	69
Training and study	283	489
Motor vehicle expenses	1,669	2,142
Information technology expenses	2,492	3,271
Laboratory expenses	1,081	1,080
Survey, drafting and drilling	1,624	3,678
Equipment expenses <sup>(6)</sup>	1,240	1,007
Telecommunications and postage	531	694
Livestock expenses and agricultural chemicals	352	491
Research project costs	1,351	1,322
Library services and subscriptions	167	171
Territory Government contributions towards national programs	256	258
Workers compensation insurance premium	280	280
Former Rum Jungle mine site maintenance works	1,819	125
Other expenses	3,603	2,915
<b>TOTAL</b>	<b>21,589</b>	<b>23,937</b>

1. Includes marketing, promotion and information technology consultants.
2. Does not include recruitment advertising or marketing and promotion advertising.
3. Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.
4. Includes legal fees, claims and settlement costs.
5. Includes recruitment related advertising costs.
6. Includes multi-function devices charges, transport equipment and other equipment costs.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

#### Repairs and maintenance expense

From 1 July 2019, repairs and maintenance expenses were centralised under DIPL as part of MoG changes. The department now recognises a notional repairs and maintenance expense under services received free of charge in Note 5.

### 8. Interest expense

	2020 \$000	2019 \$000
Interest from lease liabilities <sup>1</sup>	18	12
<b>Total</b>	<b>18</b>	<b>12</b>

1. 2020 interest expense relates to lease liabilities in accordance with AASB 16, while 2019 interest expense relates to finance lease liabilities in accordance with AASB 117.

Interest expenses consist of interest and other costs incurred in connection with the borrowing of funds. It includes interest on lease liabilities.

## 9. Write offs, postponements, waivers, gifts and ex gratia payments

	Agency				Territory items			
	2020 \$000	No. of trans.	2019 \$000	No. of trans.	2020 \$000	No. of trans.	2019 \$000	No. of trans.
<b>Write-offs, postponements and waivers under the <i>Financial Management Act 1995</i></b>								
Represented by:								
Amounts written off, postponed and waived by delegates								
Irrecoverable amounts payable to the Territory or an agency written off	1	7	4	8	0	0	0	0
Losses or deficiencies of money written off	0	0	0	0	0	0	0	0
Public property written off	3	1	0	0	0	0	0	0
Waiver or postponement of right to receive or recover money or property	14	1	0	0	0	0	0	0
<b>Total written off, postponed and waived by delegates</b>	<b>18</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Amounts written off, postponed and waived by the Treasurer								
Write-offs, postponements and waivers due to COVID-19 <sup>1</sup>	0	0	0	0	227	14	0	0
Irrecoverable amounts payable to the Territory or an agency written off	0	0	0	0	0	0	0	0
Losses or deficiencies of money written off	0	0	0	0	0	0	0	0
Public property written off	0	0	0	0	0	0	0	0
Waiver or postponement of right to receive or recover money or property	0	0	0	0	0	0	0	0
<b>Total written off, postponed and waived by the Treasurer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>227</b>	<b>14</b>	<b>0</b>	<b>0</b>
Write-offs, postponements and waivers authorised under other legislation	0	0	0	0	0	0	0	0
<b>Gifts under the <i>Financial Management Act 1995</i></b>								
Gifts by delegate	0	0	0	0	0	0	0	0
Gifts by Treasurer	91	1	0	2	0	0	0	0
Gifts authorised under other legislation	0	0	0	0	0	0	0	0
<b>Ex gratia payments under the <i>Financial Management Act 1995</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

1. To ease financial hardship faced by the primary industries and resources sector as a result of the COVID-19, the Treasurer approved waivers and postponements of a number of regulatory fees and charges.

## ASSETS

### 10. Cash and deposits

	2020 \$000	2019 \$000
Cash on hand	12	11
Cash at bank	77,420	71,471
<b>Total cash and deposits</b>	<b>77,432</b>	<b>71,482</b>

For the purposes of the balance sheet and the cash flow statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account that are ultimately payable to the beneficial owner – refer also to Note 28.

### 11. Cash flow reconciliation

#### a) Reconciliation of cash

The total of department's 'cash and deposits' of \$77.432 million recorded in the balance sheet is consistent with that recorded as 'Cash' in the cash flow statement.

#### Reconciliation of net surplus/(deficit) to net cash from operating activities

	2020 \$000	2019 \$000
<b>Net surplus/deficit</b>	<b>(3,577)</b>	<b>(6,838)</b>
<b>Non-cash items:</b>		
Depreciation and amortisation	4,253	4,134
Asset write-offs/write-downs	2	0
(Gain)/loss on disposal of assets	(20)	(64)
Repairs and maintenance non-cash	80	226
<b>Changes in assets and liabilities:</b>		
Decrease/(increase) in receivables	(3,426)	(2,996)
Decrease/(increase) in prepayments	80	38
(Decrease)/increase in payables	233	131
(Decrease)/increase in provision for employee benefits	267	190
(Decrease)/increase in other provisions	80	7
(Decrease)/increase in other liabilities	174	490
<b>Net cash from operating activities</b>	<b>(1,854)</b>	<b>(4,682)</b>

**b) Reconciliation of liabilities arising from financing activities**

2019 20	Cash Flows					Non Cash				Total non-cash \$000	30 June \$000
	Recognised on AASB 16 adoption \$000	Adjusted 1 July \$000	Deposits received \$000	Appropriation \$000	Equity injection/ (withdrawals) \$000	Lease liabilities repayments \$000	Lease and other movements (remeasurements/ transfers) \$000	Other liability related changes \$000	Other equity related changes \$000		
Deposits held	67,014	0	7,843	0	0	0	0	0	0	0	74,857
Borrowings and advances	3,696	4,023	0	0	0	(18)	13	(2,109)	0	(2,096)	1,909
Equity injections/ withdrawals	0	0	0	401	17	0	0	0	1,628	1,628	2,046
<b>Total</b>	<b>70,710</b>	<b>71,037</b>	<b>7,843</b>	<b>401</b>	<b>17</b>	<b>(18)</b>	<b>13</b>	<b>(2,109)</b>	<b>1,628</b>	<b>(468)</b>	<b>78,812</b>

2018 19	Cash Flows					Non Cash				Total non-cash \$000	30 June \$000
	Recognised on AASB 16 adoption \$000	Adjusted 1 July \$000	Deposits received \$000	Appropriation \$000	Equity injection/ (withdrawals) \$000	Finance lease payments \$000	Lease and other movements (remeasurements/ transfers) \$000	Other liability related changes \$000	Other equity related changes \$000		
Deposits held	56,863		10,151	0	0	0	0	0	0	0	67,014
Borrowings and advances	5,702		0	0	0	(5)	0	(2,001)	0	(2,001)	3,696
Equity injections/ withdrawals	0		0	135	8,000	0	0	0	2,703	2,703	10,838
<b>Total</b>	<b>62,565</b>		<b>10,151</b>	<b>135</b>	<b>8,000</b>	<b>(5)</b>	<b>0</b>	<b>(2,001)</b>	<b>2,703</b>	<b>702</b>	<b>81,548</b>

**c) Non-cash financing and investing activities**

Lease transactions

During the financial year, the department recorded right-of-use asset for the lease of land and office equipment with an aggregate value of \$680,612.

## 12. Receivables

	2020 \$000	2019 \$000
<b>Current</b>		
Accounts receivable	1,046	5,089
Less: Loss allowance	(202)	(308)
Contract receivables	453	0
Less: Loss allowance	0	0
Accrued contract revenue	10,144	0
Less: Loss allowance	0	0
	<b>11,441</b>	<b>4,781</b>
GST receivables	281	195
Other receivables	164	740
<b>TOTAL RECEIVABLES</b>	<b>11,886</b>	<b>5,716</b>

Receivables are initially recognised when the department becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

Accounts receivable and contract receivables are generally settled within 30 days.

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables the department estimates are likely to be uncollectible and are considered doubtful.

### Accrued contract revenue

Accrued contract revenue arise from contracts with customers where the department's right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once the department's rights to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers are reported as part of other receivables.

Significant changes in accrued contract revenue balances during the year were due to Commonwealth national partnership agreements revenue being recognised under AASB 15 in line with the department's progress towards completing performance obligations prior to receiving the Commonwealth payments.

### Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. The department applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

No loss allowance was recorded for receivables from entities controlled by the Territory Government or other government departments on the basis that any impairment would be immaterial due to their high credit ratings. The department has determined there are three receivables groups for measuring expected credit losses based on their risk characteristics and demonstrated loss patterns.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information, including macroeconomic factors and their expected impacts on the default rates of each group. The national average unemployment rate is forecast to increase significantly over the next year and the Territory shares a similar pattern. The increase in unemployment is highly likely to result in increases in defaults. It has been estimated that a one per cent change in the unemployment rate approximates a five per cent change in its default rates.

Other receivables were also assessed for impairment in accordance with AASB 9, no loss allowance was recorded.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes a failure to make contractual payments for a period greater than 90 days past due.

The current economic environment has negatively impacted the operations of most businesses. In some instances, it may affect the ability of businesses to settle their payments. Territory Government responses to COVID-19 include deferral of mining and petroleum rents, which resulted in an increase in outstanding receivables for that particular group at the reporting date. However, it is unlikely to increase the credit risk of the receivables significantly.

The loss allowance for receivables and reconciliation as at the reporting date is disclosed below.

### Loss allowance for receivables

Internal receivables	2020				2019			
	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000
Not overdue	143	0%	0	143	168	0%	0	168
Overdue for less than 30 days	0	0%	0	0	1	0%	0	1
Overdue for 30 to 60 days	0	0%	0	0	0	0%	0	0
Overdue for more than 60 days	0	0%	0	0	0	0%	0	0
<b>Total</b>	<b>143</b>		<b>0</b>	<b>143</b>	<b>169</b>		<b>0</b>	<b>169</b>

External receivables Commonwealth and state departments	2020				2019			
	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000
Not overdue	9,877	0%	0	9,877	17	0%	0	17
Overdue for less than 30 days	41	0%	0	41	3,762	0%	0	3,762
Overdue for 30 to 60 days	0	0%	0	0	0	0%	0	0
Overdue for more than 60 days	0	0%	0	0	0	0%	0	0
<b>Total</b>	<b>9,918</b>		<b>0</b>	<b>9,918</b>	<b>3,779</b>		<b>0</b>	<b>3,779</b>

External receivables Receivables group 1 – Salary overpayment recovery	2020				2019			
	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000
Not overdue	0	45%	0	0	2	44%	(1)	1
Overdue for less than 30 days	0	51%	0	0	0	50%	0	0
Overdue for 30 to 60 days	0	63%	0	0	0	58%	0	0
Overdue for more than 60 days	0	66%	0	0	1	59%	(1)	0
<b>Total</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>3</b>		<b>(2)</b>	<b>1</b>

External receivables	2020				2019			
	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000
Receivables group 2 – Mining levy and rent								
Not overdue	0	1%	0	0	0	1%	0	0
Overdue for less than 30 days	0	3%	0	0	0	4%	0	0
Overdue for 30 to 60 days	165	29%	(48)	117	0	41%	0	0
Overdue for more than 60 days	259	57%	(148)	111	313	98%	(306)	7
<b>Total</b>	<b>424</b>		<b>(196)</b>	<b>228</b>	<b>313</b>		<b>(306)</b>	<b>7</b>

External receivables	2020				2019			
	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000	Gross receivables \$000	Loss rate %	Expected credit losses \$000	Net receivables \$000
Receivables group 3 – Goods and services and other regulatory fees								
Not overdue	865	0.1%	(1)	864	750	0.0%	0	750
Overdue for less than 30 days	81	0.3%	0	81	32	0.1%	0	32
Overdue for 30 to 60 days	149	1.6%	(2)	147	40	0.5%	0	40
Overdue for more than 60 days	63	4.5%	(3)	60	3	1.4%	0	3
<b>Total</b>	<b>1,158</b>		<b>(6)</b>	<b>1,152</b>	<b>825</b>		<b>0</b>	<b>825</b>

Total amounts disclosed exclude statutory amounts and includes contract receivables and accrued contract revenue.



## 12. Receivables

Reconciliation of loss allowance for receivables

	2020 \$000	2019 \$000
<b>Internal receivables</b>		
Opening balance	0	0
Written off during the year	0	0
Recovered during the year	0	0
Increase/decrease in allowance recognised in profit or loss	0	0
<b>Total internal receivables</b>	<b>0</b>	<b>0</b>
<b>External receivables</b>		
Opening balance	308	222
Written off during the year	(1)	(4)
Recovered during the year	(65)	(10)
Increase/decrease in allowance recognised in profit or loss	(40)	100
<b>Total external receivables</b>	<b>202</b>	<b>308</b>

### 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.

## 13. Advances and investments

	2020 \$000	2019 \$000
<b>Current</b>		
Advances paid	1,223	3,332
Less: Loss allowance	0	0
	1,223	3,332
<b>Total advances and investments</b>	<b>1,223</b>	<b>3,332</b>

### Advances paid

Advances paid are recognised initially at fair value plus or minus relevant transaction costs and are recognised in the balance sheet when the agency becomes party to the contractual provisions of the financial instruments. Where the advances are provided with interest free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount lent. This fair value is calculated in accordance with Note 23.

Subsequently, advances paid are measured at amortised cost using the effective interest method.

Loss allowances on advances paid reflect lifetime expected credit losses and represent the amount of advances paid estimated to be uncollectible and considered doubtful.

### Credit risk exposure of advances paid

The advances paid recognised by the department relates to concessional loans approved under the Farm Business Concessional Loans Scheme funded by the Australian Government. The Queensland Rural and Industry Development Authority (QRIDA) manages these concessional loans on behalf of the Territory Government.

QRIDA has conducted an impairment assessment in accordance with AASB 9 at the reporting date. No loss allowance was recorded for advances paid as a result of the review.

## 14. Other assets

### a) Agency as a lessor

The department subleases floor space in the Darwin Aquaculture Centre, which is situated on the land leased under a 50-year head lease agreement. The sublease agreements include make-good clauses that requires the lessees to restore the licence area to a satisfactory condition at the end of the lease term.

Leases under which the department transfers substantially all the risks and rewards incidental to the use of the leased asset to the lessee are classified as finance leases. Other leases are classified as operating leases.

From 1 July 2019, subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee (intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

### Finance leases

At the lease commencement date, the department recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The department does not have any finance lease arrangements as a lessor.

### Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset

and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The department subleases floor space in the Darwin Aquaculture Centre, which is situated on the land leased under a 50-year head lease agreement. Lease payments are made in arrears and by equal quarterly instalments, which are subject to CPI review and include licence fees for the use of the equipment. All subleases have lease terms of five years or less and are classified as operating subleases.

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

	2020 \$000	2019 \$000
Not later than one year	187	202
Later than one year and not later than five years	143	330
Later than five years	0	0
<b>Total</b>	<b>330</b>	<b>532</b>

#### b) Contract cost asset

Costs to obtain a contract are expensed where goods and services will be transferred within one year or less and only capitalised if deemed material. Territory Government employee costs that satisfy the criteria for recognition as a cost to fulfil a contract are not capitalised and expensed immediately. Other costs to fulfil a contract are accounted for as a contract cost asset if deemed material. For the 2019-20 reporting period, no costs were capitalised as a contract cost asset.

## 15. Property, plant and equipment

### a) Total property, plant and equipment

	2020 \$000	2019 \$000
<b>Land</b>		
At fair value	23,176	21,761
	<b>23,176</b>	<b>21,761</b>
<b>Buildings</b>		
At fair value	137,080	135,615
Less: accumulated depreciation	(85,298)	(82,350)
	<b>51,782</b>	<b>53,265</b>
<b>Infrastructure</b>		
At fair value	7,897	7,722
Less: accumulated depreciation	(5,034)	(4,575)
	<b>2,863</b>	<b>3,147</b>
<b>Plant and equipment</b>		
At fair value	11,053	11,048
Less: accumulated depreciation	(7,917)	(7,584)
	<b>3,136</b>	<b>3,464</b>
<b>Computer hardware</b>		
At fair value	364	405
Less: accumulated depreciation	(293)	(302)
	<b>71</b>	<b>103</b>
<b>Transport equipment</b>		
At fair value	3,701	3,699
Less: accumulated depreciation	(2,843)	(2,836)
	<b>858</b>	<b>863</b>
<b>Leased property, plant and equipment<sup>1</sup></b>		
At capitalised cost	0	386
Less: accumulated depreciation	0	(20)
	<b>0</b>	<b>366</b>
<b>Total property, plant and equipment</b>	<b>81,886</b>	<b>82,969</b>

1. 2018-19 balance relates to leased assets under finance lease arrangement as per AASB 117.

## 2020 property, plant and equipment reconciliations

From 1 July 2019, property, plant and equipment includes right-of-use assets under AASB 16 Leases, effective from that date. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below:

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Computer hardware \$'000	Transport equipment \$'000	Leased property, plant and equipment \$'000	Total \$'000
<b>Carrying amount as at 1 July 2019</b>	<b>21,761</b>	<b>53,265</b>	<b>3,147</b>	<b>0</b>	<b>3,464</b>	<b>103</b>	<b>863</b>	<b>366</b>	<b>82,969</b>
Reclassification <sup>1</sup>	366	0	0	0	0	0	0	(366)	0
Recognition of right-of-use assets on initial adoption of AASB 16	323	0	0	0	4	0	0	0	327
<b>Adjusted carrying amount as at 1 July 2019</b>	<b>22,450</b>	<b>53,265</b>	<b>3,147</b>	<b>0</b>	<b>3,468</b>	<b>103</b>	<b>863</b>	<b>0</b>	<b>83,296</b>
Additions	0	0	0	0	289	0	170	0	459
Additions of right-of-use assets	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(3)	0	0	0	(3)
Depreciation expense – asset owned	0	(2,947)	(459)	0	(614)	(32)	(175)	0	(4,227)
Amortisation expense – right-of-use asset	(22)	0	0	0	(4)	0	0	0	(26)
Additions/disposals from administrative restructuring	0	0	0	0	0	0	0	0	0
Additions/disposals from asset transfers	735	1,464	175	0	0	0	0	0	2,374
Revaluation increments/decrements including remeasurement	13	0	0	0	0	0	0	0	13
Impairment losses	0	0	0	0	0	0	0	0	0
<b>Carrying amount as at 30 June 2020</b>	<b>23,176</b>	<b>51,782</b>	<b>2,863</b>	<b>0</b>	<b>3,136</b>	<b>71</b>	<b>858</b>	<b>0</b>	<b>81,886</b>

## 2019 property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2018-19 is set out below:

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Computer hardware \$'000	Transport equipment \$'000	Leased property, plant and equipment \$'000	Total \$'000
<b>Carrying amount as at 1 July 2018</b>	<b>21,761</b>	<b>55,244</b>	<b>3,303</b>	<b>20</b>	<b>2,625</b>	<b>81</b>	<b>837</b>	<b>376</b>	<b>84,247</b>
Additions	0	0	0	0	241	56	90	0	387
Disposals	0	0	0	0	(7)	0	0	0	(7)
Depreciation and amortisation	0	(2,898)	(455)	0	(567)	(34)	(170)	(10)	(4,134)
Additions/(disposals) from administrative restructuring	0	0	0	0	0	0	0	0	0
Additions/disposals from asset transfers	0	919	299	(20)	1,172	0	106	0	2,476
Revaluation increments/decrements	0	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0	0
<b>Carrying amount as at 30 June 2019</b>	<b>21,761</b>	<b>53,265</b>	<b>3,147</b>	<b>0</b>	<b>3,464</b>	<b>103</b>	<b>863</b>	<b>366</b>	<b>82,969</b>

1. Existing finance lease asset under AASB 117 are reclassified and presented under the corresponding underlying asset from 1 July 2019.

**b) Property, plant and equipment held and used by the department**

A reconciliation of the carrying amount of property, plant and equipment held and used by the department at the beginning and end of 2019-20 is set out below:

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Computer hardware \$'000	Transport equipment \$'000	Leased property, plant and equipment \$'000	Total \$'000
<b>Balance at 1 July</b>								
Gross carrying amount	21,761	131,375	7,722	11,048	405	3,699	386	176,396
Accumulated depreciation/amortisation	0	(80,658)	(4,575)	(7,584)	(302)	(2,836)	(20)	(95,975)
<b>Carrying amount as at 1 July 2019</b>	<b>21,761</b>	<b>50,717</b>	<b>3,147</b>	<b>3,464</b>	<b>103</b>	<b>863</b>	<b>366</b>	<b>80,421</b>
Reclassification <sup>1</sup>	366	0	0	0	0	0	(366)	0
Recognition of right-of-use assets on initial adoption of AASB 16	203	0	0	4	0	0	0	207
<b>Adjusted carrying amount as at 1 July 2019</b>	<b>22,330</b>	<b>50,717</b>	<b>3,147</b>	<b>3,468</b>	<b>103</b>	<b>863</b>	<b>0</b>	<b>80,628</b>
Additions	0	(71)	0	289	0	170	0	388
Additions of right-of-use assets	0	0	0	0	0	0	0	0
Disposals	0	0	0	(3)	0	0	0	(3)
Depreciation expense – asset owned	0	(2,857)	(459)	(614)	(32)	(175)	0	(4,137)
Amortisation expense – right-of-use asset	(18)	0	0	(4)	0	0	0	(22)
Additions/disposals from administrative restructuring	0	0	0	0	0	0	0	0
Additions/disposals from asset transfers	735	1,464	175	0	0	0	0	2,374
Revaluation increments/decrements including remeasurement	13	0	0	0	0	0	0	13
Impairment losses	0	0	0	0	0	0	0	0
<b>Carrying amount as at 30 June 2020</b>	<b>23,060</b>	<b>49,253</b>	<b>2,863</b>	<b>3,136</b>	<b>71</b>	<b>858</b>	<b>0</b>	<b>79,241</b>

1. Existing finance lease asset under AASB 117 are reclassified and presented under the corresponding underlying asset from 1 July 2019.

c) **Property, plant and equipment where entity is lessor under operating leases**

A reconciliation of the carrying amount of property, plant and equipment where department is lessor under operating leases at the beginning and end of 2019-20 is set out below:

	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Computer hardware \$000	Transport equipment \$000	Leased property, plant and equipment \$000	Total \$000
<b>Balance at 1 July</b>								
Gross carrying amount	0	4,240	0	0	0	0	0	4,240
Accumulated depreciation/amortisation	0	(1,692)	0	0	0	0	0	(1,692)
<b>Carrying amount as at 1 July 2019</b>	<b>0</b>	<b>2,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,548</b>
Reclassification <sup>1</sup>	0	0	0	0	0	0	0	0
Recognition of right-of-use assets on initial adoption of AASB 16	120	0	0	0	0	0	0	120
<b>Adjusted carrying amount as at 1 July 2019</b>	<b>120</b>	<b>2,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,668</b>
Additions	0	71	0	0	0	0	0	71
Additions of right-of-use assets	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Depreciation expense – asset owned	0	(90)	0	0	0	0	0	(90)
Amortisation expense – right-of-use asset	(4)	0	0	0	0	0	0	(4)
Additions/disposals from administrative restructuring	0	0	0	0	0	0	0	0
Additions/disposals from asset transfers	0	0	0	0	0	0	0	0
Revaluation increments/decrements including remeasurement	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
<b>Carrying amount as at 30 June 2020</b>	<b>116</b>	<b>2,529</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,645</b>

1. Existing finance lease asset under AASB 117 are reclassified and presented under the corresponding underlying asset from 1 July 2019.

## Acquisitions

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

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

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

### Complex assets

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

### Subsequent additional costs

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

### Construction (work in progress)

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

## 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.

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

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

For right-of-use assets under leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, the department has elected to measure the asset at cost. These right-of-use assets are not subject to revaluation.

The latest revaluations as at 30 June 2018 were independently conducted by the Territory Property Consultants Pty Ltd. Refer to Note 23: Fair value for additional disclosures.

### 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 or whenever there is indication of impairment. 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 current replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

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 surplus. Note 22 provides additional information in relation to the asset revaluation surplus.

The department's property, plant and equipment assets were assessed for impairment as at 30 June 2020. No impairment adjustments were required as a result of this review.

### 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 estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2020	2019
Buildings	50 years	50 years
Infrastructure assets	16-50 years	16-50 years
Plant and equipment	10 years	10 years
Computer hardware	3-6 years	3-6 years
Transport equipment	2-10 years	2-10 years
Leased land	n.a.	40 years
Right-of-use assets <sup>1</sup>	5-50 years	n.a.

1. Further information on right-of-use assets is disclosed in Note 16.

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

## 16. Agency as a lessee

The department leases land, plant and equipment, and vehicles. Most of these leases are short-term leases or leases of low-value assets.

Leases contracts for leases that are recognised on balance sheet, are typically made for fixed periods of 5 to 50 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. The department does not provide residual value guarantees in relation to leases.

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

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

## Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 15.

	Land \$000	Plant and equipment \$000	Total \$000
Balance as at 1 July 2019	689	4	693
Additions	0	0	0
Disposals	0	0	0
Amortisation expense	(22)	(4)	(26)
Revaluation increments/decrements including remeasurement	13	0	13
Impairment losses	0	0	0
Impairment losses reversed	0	0	0
<b>Carrying amount as at 30 June 2020</b>	<b>680</b>	<b>0</b>	<b>680</b>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where the agency is the lessee:

	\$000
Amortisation expense of right-of-use assets	(26)
Interest expense on lease liabilities	(18)
Expense relating to short-term leases	(69)
Expense relating to leases of low-value assets	(18)
Variable lease payments, not included in the measurement of lease liabilities	0
Intergovernmental leases	(1,527)
Income from subleasing right-of-use assets	202
Gains or losses arising from sale and leaseback transactions	0
<b>Total amount recognised in the comprehensive operating statement</b>	<b>(1,456)</b>

## Recognition and measurement (under AASB 16 from 1 July 2019)

The department assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The department recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The department recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	40-50 years
Plant and equipment	5 years

If ownership of the leased asset transfers to the department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are subsequently measured at fair value which approximates costs except for those arising from leases that have significantly below-market terms and conditions principally to enable the department to further its objectives and are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability including indexation and market rent review that approximates fair value and only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

#### Inter-governmental leases

The department applies the inter-governmental leases recognition exemption as per the Treasurer's Direction – Leases and recognises these as an expense on a straight-line basis over the lease term. These largely relate to the lease of motor vehicles from NT Fleet. Leases of commercial properties for office accommodation are centralised within DCIS. Consequently all lease liabilities and right-of-use assets relating to these arrangements are recognised by DCIS and not disclosed within the department's financial statements.

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the department to further its objectives, are measured at cost.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, subject to impairment. They are not subject to revaluation.

#### Recognition and measurement (under AASB 117 until 30 June 2019)

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 are capitalised and recorded under property, plant and equipment. A lease asset and a lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Repayments of principal reduce lease liabilities. The interest components of the lease payments are expensed.

Operating lease payments are recognised as an operating expense in the comprehensive operating statement on a straight-line basis over the lease term.

## LIABILITIES

### 17. Payables

	2020 \$000	2019 \$000
Accounts payable	1,740	1,216
Accrued expenses	871	1,162
<b>Total payables</b>	<b>2,611</b>	<b>2,378</b>

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 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

### 18. Borrowings and advances

	2020 \$000	2019 \$000
<b>Current</b>		
Loans and advances	1,223	3,332
Lease liabilities	15	5
	<b>1,238</b>	<b>3,337</b>
<b>Non-current</b>		
Lease liabilities	671	359
	<b>671</b>	<b>359</b>
<b>Total borrowings and advances</b>	<b>1,909</b>	<b>3,696</b>

Borrowings and advances are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

The advances recognised by the department relate to the concessional loans approved under the Farm Business Concessional Loans Scheme funded by the Australian Government. QRIDA manages these concessional loans on behalf of the Territory Government.



## Lease liabilities

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

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the entity
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the department's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are determined in accordance with AASB 117 until 30 June 2019. From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

The following table presents liabilities under leases for 2019-20.

	\$000
<b>Balance at 1 July 2019</b>	<b>364</b>
Recognition of lease liabilities on initial adoption of AASB 16	327
<b>Adjusted balance at 1 July 2019</b>	<b>691</b>
Additions/Remeasurements	13
Interest expenses	18
Payments	(36)
<b>Balance at 30 June 2020</b>	<b>686</b>

The department had total cash outflows for leases of \$1,649,945 in 2019-20.

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

	2020		2019	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	817	4	1,023	13
Later than one year and not later than five years	1,154	4	1,555	35
Later than five years	294	0	368	0
	<b>2,265</b>	<b>8</b>	<b>2,946</b>	<b>48</b>

## 19. Provisions

	2020 \$000	2019 \$000
<b>Current</b>		
Employee benefits		
Recreation leave	6,411	6,057
Leave loading	771	843
Airfares	57	72
Other current provisions		
Fringe benefits tax	36	55
Payroll tax	437	407
Superannuation	497	428
<b>Total provisions</b>	<b>8,209</b>	<b>7,862</b>

The department employed 424 full-time equivalent employees as at 30 June 2020 and 491 full-time equivalent employees as at 30 June 2019.

### Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the Department of Primary Industry and Resources and, as such, no long service leave liability is recognised in department's financial statements.

### 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 therefore not recognised in agency financial statements.

## 20. Other liabilities

	2020 \$000	2019 \$000
<b>Current</b>		
Unearned contract revenue	2,738	3,808
<b>Total other liabilities</b>	<b>2,738</b>	<b>3,808</b>

### Unearned contract revenue

Unearned contract revenue relates to consideration received in advance from customers in respect of research and services contracts. Unearned contract revenue balance as at 30 June 2020 is \$2.738 million (balance at 1 July 2019 was \$2.563 million).

Of the amount included in the unearned contract revenue balance as at 1 July 2019, \$1.563 million has been recognised as revenue in 2019-20.

The department anticipates to recognise as revenue any liabilities for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2020 \$000
Not later than one year	2,431
Later than one year and not later than five years	307
Later than five years	0
<b>Total</b>	<b>2,738</b>

### Unearned capital grants

Below is a reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the department.

	2020 \$000
Unearned capital grants on initial application of AASB 1058	50
Add: receipt of cash during the financial year	0
Less: income recognised during the financial year	(50)
<b>Total unearned capital grants</b>	<b>0</b>

For assets acquired, performance obligations are typically satisfied at the point in time the asset is acquired.

## 21. Commitments

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured. Following the adoption of AASB 16 Leases, operating lease commitments as reported in 2019, satisfying eligibility criteria, have now been recognised as a lease liability on the balance sheet and in Note 18.

Similarly, following the adoption of AASB 15 Revenue from contracts with customers and AASB 1058 Income of not-for-profit entities, a significant portion of capital commitments and other non-cancellable commitments as reported in 2019 have now been recognised as unearned liabilities on the balance sheet.

Disclosures in relation to capital and other commitments are detailed below:

	2020		2019	
	Internal \$000	External \$000	Internal \$000	External \$000
<b>(i) Capital expenditure commitments</b>				
Capital expenditure commitments are primarily related to the construction of buildings and infrastructure. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:				
Within one year	0	0	0	2,912
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
<b>Total capital expenditure commitments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,912</b>
<b>(ii) Other expenditure commitments</b>				
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:				
Within one year	0	855	0	7,405
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
<b>Total other expenditure commitments</b>	<b>0</b>	<b>855</b>	<b>0</b>	<b>7,405</b>

## 22. Reserves

### Asset revaluation surplus

#### (i) Nature and purpose of the asset revaluation surplus

The asset revaluation surplus 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 surplus.

	Land		Buildings		Total	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000	2020 \$000	2019 \$000
<b>(ii) Movements in the asset revaluation surplus</b>						
Balance as at 1 July	15,255	15,255	28,803	28,803	44,058	44,058
Changes in accounting policies	0	0	0	0	0	0
Correction of prior period errors	0	0	0	0	0	0
Increment/decrement	825	0	0	0	825	0
Impairment (losses)/reversals	0	0	0	0	0	0
Transfers to accumulated funds	0	0	0	0	0	0
<b>Balance as at 30 June</b>	<b>16,080</b>	<b>15,255</b>	<b>28,803</b>	<b>28,803</b>	<b>44,883</b>	<b>44,058</b>

## 23. 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 department 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 department 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

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

### a) Fair value hierarchy

The department does not recognise any financial assets or liabilities at fair value as these are recognised at amortised cost. The carrying amounts of these financial assets and liabilities approximate their fair value.

The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total fair value	
	2019 20 \$000	2018 19 \$000	2019 20 \$000	2018 19 \$000	2019 20 \$000	2018 19 \$000	2019 20 \$000	2018 19 \$000
<b>Asset classes</b>								
Land <sup>1</sup> (Note 15)	0	0	3,760	3,760	19,416	18,001	23,176	21,761
Buildings (Note 15)	0	0	1,941	2,044	49,841	51,221	51,782	53,265
Infrastructure (Note 15)	0	0	0	0	2,863	3,147	2,863	3,147
Plant and Equipment <sup>1</sup> (Note 15)	0	0	0	0	3,136	3,464	3,136	3,464
Computer hardware (Note 15)	0	0	0	0	71	103	71	103
Transport equipment (Note 15)	0	0	0	0	858	863	858	863
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>5,701</b>	<b>5,804</b>	<b>76,185</b>	<b>76,799</b>	<b>81,886</b>	<b>82,603</b>

1. From 1 July 2019, property, plant and equipment includes right-of-use assets under AASB 16 Leases.

There were no transfers between Level 1 and Levels 2 or 3 during 2019-20.

## b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2019-20 are:

Asset classes	Level 2 techniques	Level 3 techniques
Land	Market	Cost
Buildings	Market	Cost
Infrastructure		Cost
Plant and equipment		Cost
Computer hardware		Cost
Transport equipment		Cost

There were no changes in valuation techniques from 2018-19 to 2019-20.

Territory Property Consultants Pty Ltd provided valuations for the land, buildings and infrastructure assets.

Level 2 fair values of land and buildings were based on active market comparison approach which seeks to determine the current value of an asset by referencing to recent comparable transactions involving sale of similar assets.

Level 3 fair values of land were assessed having regard to the highest and best use of the land. Level 3 fair values of specialised buildings and infrastructure were determined by computing their current replacement costs because an active market does not exist for such facilities. The current replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction approaches. Significant judgement was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage, and records of the current condition of the facilities.

## c) Additional information for level 3 fair value measurements

### (i) Reconciliation of recurring level 3 fair value measurements of non financial assets

2019 20	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Computer hardware \$000	Transport equipment \$000	Total \$000
<b>Fair value as at 1 July 2019</b>	18,001	51,221	3,147	3,464	103	863	<b>76,799</b>
Reclassification of existing finance lease asset	366	0	0	0	0	0	<b>366</b>
Recognition of right-of-use asset on initial application of AASB 16	323	0	0	4	0	0	<b>327</b>
<b>Adjusted fair value as at 1 July 2019</b>	<b>18,690</b>	<b>51,221</b>	<b>3,147</b>	<b>3,468</b>	<b>103</b>	<b>863</b>	<b>77,492</b>
Additions	735	1,464	175	289	0	170	<b>2,833</b>
Disposals	0	0	0	(3)	0	0	<b>(3)</b>
Remeasurement	13	0	0	0	0	0	<b>13</b>
Transfers from level 2	0	0	0	0	0	0	<b>0</b>
Transfers to level 2	0	0	0	0	0	0	<b>0</b>
Depreciation/amortisation	(22)	(2,844)	(459)	(618)	(32)	(175)	<b>(4,150)</b>
Gains/losses recognised in net surplus/deficit	0	0	0	0	0	0	<b>0</b>
Gains/losses recognised in other comprehensive income	0	0	0	0	0	0	<b>0</b>
<b>Fair value as at 30 June 2020</b>	<b>19,416</b>	<b>49,841</b>	<b>2,863</b>	<b>3,136</b>	<b>71</b>	<b>858</b>	<b>76,185</b>

2018 19	Land \$000	Buildings \$000	Infrastructure \$000	Plant and equipment \$000	Computer hardware \$000	Transport equipment \$000	Total \$000
<b>Fair value as at 1 July 2018</b>	18,001	53,097	3,303	2,625	81	837	<b>77,944</b>
Additions	0	919	299	1,413	56	196	<b>2,883</b>
Disposals	0	0	0	(7)	0	0	<b>(7)</b>
Transfers from level 2	0	0	0	0	0	0	<b>0</b>
Transfers to level 2	0	0	0	0	0	0	<b>0</b>
Depreciation/amortisation	0	(2,795)	(455)	(567)	(34)	(170)	<b>(4,021)</b>
Gains/losses recognised in net surplus/deficit	0	0	0	0	0	0	<b>0</b>
Gains/losses recognised in other comprehensive income	0	0	0	0	0	0	<b>0</b>
<b>Fair value as at 30 June 2019</b>	<b>18,001</b>	<b>51,221</b>	<b>3,147</b>	<b>3,464</b>	<b>103</b>	<b>863</b>	<b>76,799</b>

## (ii) Sensitivity analysis

Unobservable inputs used in computing the fair value of buildings include the historical cost and the consumed economic benefit of each building. Given the large number of the department's buildings, 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.

## 24. 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 department becomes a party to the contractual provisions of the financial instrument. The department's financial instruments include cash and deposits, receivables, advances paid, payables, advances received and borrowings.

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.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The department's investments are predominantly managed through the Northern Territory Treasury Corporation adopting strategies to minimise the risk.

### a) Categories of financial instruments

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

#### 2019-20 Categories of financial instruments

	Fair value through profit or loss			Fair value through other comprehensive income \$000	Total \$000
	Mandatorily at fair value \$000	Designated at fair value \$000	Amortised cost \$000		
Cash and deposits	0	0	77,432	0	<b>77,432</b>
Receivables <sup>1</sup>	0	0	1,297	0	<b>1,297</b>
Advances paid	0	0	1,223	0	<b>1,223</b>
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>79,952</b>	<b>0</b>	<b>79,952</b>
Payables	0	0	1,740	0	<b>1,740</b>
Advances received	0	0	1,223	0	<b>1,223</b>
Financial lease liabilities	0	0	686	0	<b>686</b>
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>3,649</b>	<b>0</b>	<b>3,649</b>

1. Total amounts disclosed here exclude statutory amounts.

## 2018-19 Categories of financial instruments

	Fair value through profit or loss			Fair value through other comprehensive income \$000	Total \$000
	Mandatorily at fair value \$000	Designated at fair value \$000	Amortised cost \$000		
Cash and deposits	0	0	71,482	0	71,482
Receivables <sup>1</sup>	0	0	4,781	0	4,781
Advances paid	0	0	3,332	0	3,332
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>79,595</b>	<b>0</b>	<b>79,595</b>
Payables	0	0	1,216	0	1,216
Advances received	0	0	3,332	0	3,332
Financial lease liabilities	0	0	364	0	364
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>4,912</b>	<b>0</b>	<b>4,912</b>

1. Total amounts disclosed here exclude statutory amounts.

### Categories of financial instruments

The department's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- FVTPL.

These classifications are based on the department's business model for managing the financial assets and the contractual terms of the cash flows. Where assets are measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income.

Financial instruments are reclassified when, and only when, the department's business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the department to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. The department's financial assets categorised at amortised cost include cash, receivables and advances paid.

#### Financial assets at fair value through other comprehensive income

Financial assets are classified at fair value through other comprehensive income when they are held by the department to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

These assets are initially and subsequently recognised at fair value. Changes in the fair value are recognised in other comprehensive income, except for the recognition of impairment gains or losses and interest income which are recognised in the operating result in the comprehensive operating statement. When financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the comprehensive operating statement.

For equity instruments elected to be categorised at FVOCI, changes in fair value recognised in other comprehensive income are not reclassified to profit or loss on derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when the department's right to receive payments is established.

The department does not have any financial assets under this category.

#### Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL where they do not meet the criteria for amortised cost or FVOCI. These assets are initially and subsequently recognised at fair value with gains or losses recognised in the net result for the year.

#### Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. The department's financial liabilities categorised at amortised cost include all accounts payable, advances received, lease liabilities and borrowings.

## Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the liabilities are either held for trading or designated as FVTPL. Financial liabilities classified at FVTPL are initially and subsequently measured at fair value with gains or losses recognised in the net result for the year.

For financial liabilities designated at FVTPL, changes in the fair value of the liability attributable to changes in the department's credit risk are recognised in other comprehensive income, while remaining changes in the fair value are recognised in the net result.

The department does not have any financial liabilities under this category.

### (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.

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.

Credit risk relating to receivables is disclosed in Note 12 and advances paid in Note 13.

### (c) Liquidity risk

Liquidity risk is the risk that the department 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 funds to meet its liabilities when they fall due. This is achieved by ensuring that minimum levels of cash are held in the department's bank account to meet various current employee and supplier liabilities. The department's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event that one-off extraordinary expenditure items arise that deplete cash to levels that compromise the department's ability to meet its financial obligations.

The following tables detail the department's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet which are based on discounted cash flows.

#### 2020 Maturity analysis for financial liabilities

	Carrying amount \$000	Less than a year \$000	1 to 5 years \$000	More than 5 years \$000	Total \$000
<b>Liabilities</b>					
Payables	1,740	1,740	0	0	1,740
Advances received	1,223	1,223	0	0	1,223
Lease liabilities	686	33	129	866	1,028
<b>Total financial liabilities</b>	<b>3,649</b>	<b>2,996</b>	<b>129</b>	<b>866</b>	<b>3,991</b>

#### 2019 Maturity analysis for financial liabilities

	Carrying amount \$000	Less than a year \$000	1 to 5 years \$000	More than 5 years \$000	Total \$000
<b>Liabilities</b>					
Payables	1,216	1,216	0	0	1,216
Advances received	3,332	3,332	0	0	3,332
Financial leased liabilities	364	17	68	541	626
<b>Total financial liabilities</b>	<b>4,912</b>	<b>4,565</b>	<b>68</b>	<b>541</b>	<b>5,174</b>

### (d) Market risk

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

#### i) Interest rate risk

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

#### 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.



## 25. Related parties

### i) Related parties

The Department of Primary Industry and Resources is a government administrative entity and is wholly owned and controlled by the Territory Government. Related parties of the department include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly
- close family members of the portfolio minister or KMP, including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMP or the portfolio minister or controlled or jointly controlled by their close family members.

### ii) KMP

The department's KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the department. These include the Minister for Primary Industry and Resources, the Chief Executive Officer, the ten members of the Board of Management, and the Chief Financial Officer.

### iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits of Minister for Primary Industry and Resources as the Minister's remunerations and allowances are payable by the department of the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of the department is set out below:

	2019 20 \$000	2018 19 \$000
Short-term employee benefits	2,220	2,147
Post-employment benefits	244	259
Termination benefits	0	271
<b>Total</b>	<b>2,464</b>	<b>2,677</b>

### iv) Related party transactions

#### Transactions with Territory Government controlled entities

The department's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation and on-passed Commonwealth national partnership and specific purpose payments.

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

2020

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	2019 20 \$000	2019 20 \$000	2019 20 \$000	2019 20 \$000
All Territory Government departments	11,471	15,194	143	2
Associates	0	0	0	0
Subsidiaries	0	0	0	0
<b>Total</b>	<b>11,471</b>	<b>15,194</b>	<b>143</b>	<b>2</b>

2019

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	2019 20 \$000	2019 20 \$000	2019 20 \$000	2019 20 \$000
All Territory Government departments	6,234	10,796	169	209
Associates	0	0	0	0
Subsidiaries	0	0	0	0
<b>Total</b>	<b>6,234</b>	<b>10,796</b>	<b>169</b>	<b>209</b>

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

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public, including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no related party transactions in excess of \$10,000.

## 26. Contingent liabilities and contingent assets

### a) Contingent liabilities

The department has entered into contracts and agreements which contain indemnities. The contingent liabilities arising from these indemnities are unquantifiable, and the likelihood of occurrence is considered low. For all the events that would give rise to potential liabilities, the department has comprehensive risk management strategies in place.

The department had no reportable contingent liabilities as at 30 June 2020 or 30 June 2019.

### b) Contingent assets

The department had no contingent assets as at 30 June 2020 or 30 June 2019.

## 27. Events subsequent to balance date

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

## 28. Accountable Officer's Trust Account

In accordance with section 7 of the *Financial Management Act 1995*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

Nature of trust money	Opening balance 1 July 2019 \$000	Receipts \$000	Payments \$000	Closing balance 30 June 2020 \$000
Aboriginal land rents	3,930	3,464	3,231	4,163
Cash securities	28,302	1,220	2,061	27,461
Mining remediation	32,011	9,124	7	41,128
NT Fishing Industry Research and Development Funds	2,163	415	885	1,693
Employee Award Scheme	54	0	3	51
NT Seafood Council	199	159	271	87
Miscellaneous	42	0	42	0
<b>Total</b>	<b>66,701</b>	<b>14,382</b>	<b>6,500</b>	<b>74,583</b>

## 29. 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)).

	2020 \$000	2019 \$000
<b>TERRITORY INCOME AND EXPENSES</b>		
<b>Income</b>		
Grants and subsidies revenue		
Capital	2,245	1,500
Fees from regulatory services	4,450	8,886
Royalties and rents	9,909	4,420
Other income	27	7
<b>Total income</b>	<b>16,631</b>	<b>14,813</b>
<b>Expenses</b>		
Central Holding Authority income transferred	16,631	14,813
<b>Total expenses</b>	<b>16,631</b>	<b>14,813</b>
<b>Territory income less expenses</b>	<b>0</b>	<b>0</b>
<b>TERRITORY ASSETS AND LIABILITIES</b>		
<b>Assets</b>		
Central Holding Authority receivables	667	3,197
<b>Total assets</b>	<b>667</b>	<b>3,197</b>
<b>Liabilities</b>		
Unearned Central Holding Authority income	667	3,197
<b>Total liabilities</b>	<b>667</b>	<b>3,197</b>
<b>Net assets</b>	<b>0</b>	<b>0</b>

## 30. Budgetary information

### a) Comprehensive operating statement

Comprehensive operating statement	2019 20 Actual \$000	2019 20 Original budget \$000	Variance \$000	Note
<b>INCOME</b>				
Grants and subsidies revenue				
Current	2,936	6,300	(3,364)	1
Capital	50		50	2
Appropriation				
Output	60,288	64,981	(4,693)	3
Commonwealth	11,030	648	10,382	4
Sales of goods and services	5,584	5,505	79	
Goods and services received free of charge	9,703	4,184	5,519	5
Gain on disposal of assets	38	0	38	6
Other income	3,014	1,803	1,211	7
<b>TOTAL INCOME</b>	<b>92,643</b>	<b>83,421</b>	<b>9,222</b>	
<b>EXPENSES</b>				
Employee expenses	52,877	56,896	(4,019)	8
Administrative expenses				
Purchases of goods and services	24,509	16,086	8,423	9
Repairs and maintenance	0	3,814	(3,814)	10
Depreciation and amortisation	4,253	3,958	295	
Other administrative expenses	9,681	4,184	5,497	11
Grants and subsidies expenses				
Current	4,882	2,441	2,441	12
Capital	0	0	0	
Interest expense	18	0	18	
<b>TOTAL EXPENSES</b>	<b>96,220</b>	<b>87,379</b>	<b>8,841</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>(3,577)</b>	<b>(3,958)</b>	<b>381</b>	
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to net surplus/deficit				
Asset revaluation reserve	825	0	825	
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>825</b>	<b>0</b>	<b>825</b>	
<b>COMPREHENSIVE RESULT</b>	<b>(2,752)</b>	<b>(3,958)</b>	<b>1,206</b>	

## Notes:

Variances greater than 10 per cent or \$0.5 million are recognised as significant and, as such, require explanation.

Original budget forecasts were completed prior to the implementation of new accounting income standards for AASB 15 Revenue from contracts with customers and AASB 1058 Income for not-for-profit entities.

1. The original budget figures consisted of funds expected to be received for the NCCEP response. No national partnership agreement existed at the time of publication and a portion was subsequently recognised as Commonwealth appropriation once an agreement was executed during the year.
2. An agreement that is part of the Priority Pest and Disease Planning, Surveillance and Response Program for the purchase of two diagnostic assaying instruments to assist with the citrus canker response.
3. Reduction in output appropriation was largely as a result of MoG changes with the transfer of functions to central agencies. Other reductions include cessations of initiatives and savings measures.
4. Reassessment under AASB 15 recognised specific performance obligations satisfied over a period of time. National partnership agreements for the On-Farm Emergency Water Infrastructure Rebate Scheme, former Rum Jungle mine site rehabilitation, National Browsing Ant Eradication Program (NBAEP), Develop Citrus Canker Specific Scent Lures and NCCEP completed performance obligations during this period. Previously, national partnership funds were recognised upon receipt.
5. Functional transfers to central agencies (DIPL and DCIS) as part of the MoG resulted in increased services recognised as free of charge.
6. The department disposed of obsolete plant and equipment.
7. New agreements or revised revenue estimates as a result of changes due to accounting income standards.
8. Transfers between allocation and agencies resulted in the end budget forecast of \$54.98 million. The department was under to this forecast by \$2.1 million. Employee expenses decrease is attributed to the transfer of personnel to central agencies and the reduction of employees required to perform externally funded activities, particularly the eradication of citrus canker as the response progressed toward proof of freedom. The department continued to monitor recruitment to stay within the employee staffing cap.
9. Revised budget transfers between allocation during the year and adjustments for externally funded projects account for the variance. Funding for the rehabilitation of former Rum Jungle mine site and Citrus Canker Scent Lures was not known at time of original budget publication. The revised end budget was \$28.06 million. The department was under budget by \$3.5 million due to saving measures, travel restrictions due to COVID-19, delayed procurement and implementation of initiatives (RecFishing, Onshore Gas) or externally funded activities (primarily national partnership activities).
10. Repairs and maintenance function was transferred to DIPL.
11. Other administrative expenses include the notional goods and services free of charge which increased as a result of functional transfers to central agencies.
12. Grant increase is primarily attributed to payments for the On-Farm Emergency Water Infrastructure Rebate Scheme, and the strategic industry development grants carried over from the prior year's budget.

## b) Balance sheet

Balance sheet	2019 20 Actual \$000	2019 20 Original budget \$000	Variance \$000	Note
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and deposits	77,432	57,836	19,596	1
Receivables	11,886	2,721	9,165	2
Advances and investments	1,223	5,332	(4,109)	3
Prepayments	352	471	(119)	4
<b>Total current assets</b>	<b>90,893</b>	<b>66,360</b>	<b>24,533</b>	
<b>Non-current assets</b>				
Property, plant and equipment	81,886	79,416	2,470	5
<b>Total non-current assets</b>	<b>81,886</b>	<b>79,416</b>	<b>2,470</b>	
<b>TOTAL ASSETS</b>	<b>172,779</b>	<b>145,776</b>	<b>27,003</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Deposits held	74,857	56,863	17,994	6
Payables	2,611	2,251	360	7
Borrowings and advances	1,238	5,701	(4,463)	8
Provisions	8,209	7,665	544	
Other liabilities	2,738	3,318	(580)	9
<b>Total current liabilities</b>	<b>89,653</b>	<b>75,798</b>	<b>13,855</b>	
<b>Non-current liabilities</b>				
Borrowings and advances	671	0	671	8
<b>Total non-current liabilities</b>	<b>671</b>	<b>0</b>	<b>671</b>	
<b>TOTAL LIABILITIES</b>	<b>90,324</b>	<b>75,798</b>	<b>14,526</b>	
<b>NET ASSETS</b>	<b>82,455</b>	<b>69,978</b>	<b>12,477</b>	
<b>EQUITY</b>				
Capital	98,321	91,367	6,954	10
Reserves	44,883	44,058	825	11
Accumulated funds	(60,749)	(65,447)	4,698	12
<b>TOTAL EQUITY</b>	<b>82,455</b>	<b>69,978</b>	<b>12,477</b>	

## Notes:

Variances greater than 10 per cent or \$0.5 million are recognised as significant and, as such, require explanation.

1. The department achieved greater than estimated original cash forecast due mainly to Accountable Officer's Trust monies which includes mining securities, cash securities and fishing industry research funds. Actual cash at the end of the 2018-19 financial year was approximately \$13 million higher than opening cash forecast. Thus, the total increase to cash between years was approximately \$5.9 million.
2. Receivables was higher to original budget due to recognition of debts relating to completed performance obligations for national partnership agreements, which include national cost shared response programs owed from the Commonwealth and other jurisdictions. Other receivables relate to externally funded activities.
3. Advances and investments was lower to original budget due to repayments of the Farm Business Concessional Loan Scheme.
4. Costs relating to information technology services were transferred to the central agencies as part of the MoG and prepaid salaries also reduced to the prior year.
5. Property, plant and equipment original budget was lower to the 2018-19 closing balance of \$82.969 million. During the 2019-20 year implementation of AASB 16 Leases increased the value of assets of previously recognised lease arrangements where the department's remeasurement demonstrated a right-of-use asset. Other increases included infrastructure works completed during the year and Katherine land lots transfers between the department and DIPL. However, the department's overall asset balance between years reduced due to depreciation and amortisation.
6. Deposits held was revised up from \$56.863 million to the closing balance of 2018-19 \$67.015 million. By the end of 2019-20 the balance was \$74.857 million. The variation is due to receipts to the Accountable Officer's Trust Account in relation to mining securities.
7. Variance to revised estimated relate to higher than anticipated accrued expenses.
8. Current borrowing and advances reduction relate primarily to Farm Business Concessional Loan Scheme repayments that occurred during the year not anticipated at time of original estimate. Non current variance increase is the corresponding lease liability recognition of right-of-use assets as a result of AASB 16 Leases implementation.
9. Other liabilities was revised down from \$3.318 million to the 2018-19 closing balance of \$2.6 million. The actual variance to budget was impacted by implementation of the new income standards and cessation or commencements of externally funded activities.
10. The capital budget was revised from \$91.367 million to match the 2018-19 closing balance of \$96.275 million. This increased during the year to \$98.321 million due to capital appropriation and completed infrastructure works transferred in.
11. The reserve variance is a result of land transfers between the department and DIPL.
12. The estimated accumulated funds budget was revised from \$65.447 million to the \$57.172 million actual 2018-19 closing balance. The difference between the two years is due to the net deficit.

c) Cash flow statement

Cash flow statement	2019 20 Actual \$000	2019 20 Original budget \$000	Variance \$000	Note
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Operating receipts</b>				
Grants and subsidies received				
Current	3,259	6,300	(3,041)	1
Capital	0		0	
Appropriation				
Output	60,288	64,981	(4,693)	2
Commonwealth	7,362	648	6,714	3
Receipts from sales of goods and services	10,996	7,308	3,688	4
<b>Total operating receipts</b>	<b>81,905</b>	<b>79,237</b>	<b>2,668</b>	
<b>Operating payments</b>				
Payments to employees	(52,227)	(56,896)	4,669	5
Payments for goods and services	(26,533)	(19,900)	(6,633)	6
Grants and subsidies paid				
Current	(4,981)	(2,441)	(2,540)	7
Capital	0	0	0	
Interest paid	(18)	0	(18)	
<b>Total operating payments</b>	<b>(83,759)</b>	<b>(79,237)</b>	<b>(4,522)</b>	
<b>Net cash from/(used in) operating activities</b>	<b>(1,854)</b>	<b>0</b>	<b>(1,854)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Investing receipts</b>				
Proceeds from asset sales	20	6	14	
<b>Total investing receipts</b>	<b>20</b>	<b>6</b>	<b>14</b>	
<b>Investing payments</b>				
Purchase of assets	(459)	(401)	(58)	
<b>Total investing payments</b>	<b>(459)</b>	<b>(401)</b>	<b>(58)</b>	
<b>Net cash from/(used in) investing activities</b>	<b>(439)</b>	<b>(395)</b>	<b>(44)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Financing receipts</b>				
Deposits received	7,843	0	7,843	8
Equity injections				
Capital appropriation	401	401	0	
Other equity injections	17	0	17	
<b>Total financing receipts</b>	<b>8,261</b>	<b>401</b>	<b>7,860</b>	
<b>Financing payments</b>				
Finance lease payments	(18)	0	(18)	
<b>Total financing payments</b>	<b>(18)</b>	<b>0</b>	<b>(18)</b>	
<b>Net cash from/(used in) financing activities</b>	<b>8,243</b>	<b>401</b>	<b>7,842</b>	
Net increase/(decrease) in cash held	5,950	6	5,944	
Cash at beginning of financial year	71,482	57,830	13,652	
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>77,432</b>	<b>57,836</b>	<b>19,596</b>	



## Notes:

Variances greater than 10 per cent or \$0.5 million are recognised as significant and as such require explanation.

1. Variance is due to a national partnership agreement executed for the NCCEP after budget publication which resulted in a realignment between grants and Commonwealth appropriation.
2. Reduction in output appropriation was largely as a result of MoG changes with the transfer of functions to central agencies. Other reductions include cessations of initiatives and savings measures.
3. Commonwealth appropriation increased due to receipts of national partnership agreements for the On-Farm Emergency Water Infrastructure Rebate Scheme, NBAEP, Develop Citrus Canker Specific Scent Lures and NCCEP completed performance obligations during this period.
4. Receivables were revised upwards to match the 2018-19 closing balances which had a flow-on effect as to the receipts collected.
5. Payments to employees was lower due to recruitment strategies to monitor staffing cap, transfer of personnel to central agencies and the reduction of employees required to perform externally funded activities, particularly the eradication of citrus canker as the response progressed toward proof of freedom.
6. Revised budget transfers between allocation during the year and adjustments for externally funded projects account for the variance. Funding for the rehabilitation of former Rum Jungle mine site and Citrus Canker Scent Lures was not known at time of original budget publication. The department was under to the revised end budget due to saving measures, travel restrictions due to COVID-19, delayed procurement and implementation of initiatives (RecFishing, Onshore Gas) or externally funded activities (primarily national partnership activities).
7. Grant increase is primarily attributed to payments for the On-Farm Emergency Water Infrastructure Rebate Scheme and strategic industry development grants.
8. The variance against deposit received is the result of higher than anticipated cash received into the Accountable Officer's Trust Account relating to mining securities.

### 31. Budgetary information: 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 regulatory fees, petroleum and mining rents.

The department does not gain control over assets arising from these collections, consequently no income is recognised in the department's financial statements. The transactions relating to these activities are reported as administered items in this note.

Administered Territory items	2019 20 Actual \$000	2019 20 Original budget \$000	Variance \$000	Note
<b>TERRITORY INCOME AND EXPENSES</b>				
<b>Income</b>				
Grants and subsidies revenue				
Capital	2,245	0	2,245	1
Fees from regulatory services	4,450	8,796	(4,346)	2
Royalties and rents	9,909	4,000	5,909	3
Other income	27	55	(28)	
<b>Total income</b>	<b>16,631</b>	<b>12,851</b>	<b>3,780</b>	
<b>Expenses</b>				
Other administrative expenses	16,631	12,851	3,780	
<b>Total expenses</b>	<b>16,631</b>	<b>12,851</b>	<b>3,780</b>	
<b>Territory income less expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TERRITORY ASSETS AND LIABILITIES</b>				
<b>Assets</b>				
Other receivables	667	3,450	(2,783)	4
<b>Total assets</b>	<b>667</b>	<b>3,450</b>	<b>(2,783)</b>	
<b>Liabilities</b>				
Unearned Central Holding Authority income	667	3,450	(2,783)	4
<b>Total liabilities</b>	<b>667</b>	<b>3,450</b>	<b>(2,783)</b>	
<b>Net assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	

#### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$0.1 million.

- The Australian Government Department of Agriculture and Water Resources co-contributed towards construction of the Molecular laboratory to support improved diagnostic capability in Northern Australia. Assessment under AASB 1058 determined capital grants with enforceable contracts and sufficiently specific obligations are recognised progressively as the obligations are satisfied, in this case, completion over time as the work progresses.
- Revenue in relation to rents was reclassified from fees from regulatory services to royalties and rent. The \$4.45 million is the levy on mining securities payable to the Central Holding Authority.
- The increase is attributable to the above-mentioned reclassification, the petroleum regulation statutory fees increase from 1 January 2020 and the adoption of AASB 15 criteria for mining and petroleum rents licence/permits where the reassessment determined that revenue is recognised the moment the licence is granted.
- The original budget represented unearned revenue for mining and exploration licenses as this revenue was recognised over the period of the licence term. However, reassessment under AASB 15 criteria found the performance obligation upon issuing the licence is the point in time when the licence is granted, thus no unearned revenue is required. Funding in relation to capital grants have been reassessed under AASB 1058 and is recognised as unearned when received. Upon adoption of the standards, the closing 2018-19 balances was restated to reflect works completed to date. The actuals represents the remaining portion of Molecular laboratory funding to complete the infrastructure.



## 6. Appendices

### Key contacts

#### Department of Primary Industry and Resources

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##### TENNANT CREEK REGIONAL OFFICE

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##### VICTORIA RIVER RESEARCH STATION (KIDMAN SPRINGS)

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#### DEPARTMENTAL HOTLINES

- **Animal welfare** – to report animal cruelty or neglect: 1300 720 386 (all calls are confidential)
- **Citrus canker hotline** – to report suspected symptoms of citrus canker disease: 1800 931 722
- **Fishwatch hotline** – to report fish kills or suspected illegal fishing: 1800 891 136

# Grant funding and sponsorship programs

## GRANT PROGRAM RECIPIENTS

Animal welfare fund grants	Expenditure \$
Alice Springs Town Council	8,000
Animal Management in Rural and Remote Indigenous Communities	45,000
Ark Aid Incorporated	9,500
Darwin Wildlife Sanctuary	8,500
Friends of Nina's Ark Incorporated	4,450
Nhulunbuy Pets and Wildlife Shelter Incorporated	20,000
PAWS Darwin	15,000
RSPCA Darwin Regional Branch Incorporated	35,000
Top End Rehoming Group Incorporated	15,000
Wildcare Incorporated	9,900
AusTurtle Incorporated	8,650
<b>Total</b>	<b>179,000</b>

Industry development grants	Expenditure \$
Amateur Fishermen's Association of the Northern Territory	185,000
Northern Territory Buffalo Industry Council Incorporated	85,000
Northern Territory Farmers Association Incorporated	199,453
Northern Territory Seafood Council (AOTA) <sup>1</sup>	180,000
Northern Territory Guided Fishing Industry Association Incorporated (AOTA) <sup>1</sup>	82,000
<b>Total</b>	<b>731,453</b>

1. Does not reconcile to grant payments in financial statements as it is paid from the Accountable Officer's Trust Account (AOTA).

Strategic grants	Expenditure \$
Amateur Fishermen's Association of the Northern Territory	30,000
Northern Territory Farmers Association Incorporated	481,000
<b>Total</b>	<b>511,000</b>

Aboriginal marine rangers grants	Expenditure \$
Anindilyakwa Land Council	60,000
Bawinanga Aboriginal Corporation	60,000
Mabunji Aboriginal Resource Indigenous Corporation	60,000
Marthakal Homelands Resource Centre	60,000
Northern Land Council	120,000
Thamarrurr Development Corporation Limited	60,000
<b>Total</b>	<b>420,000</b>

Resources grants	Expenditure \$
Geophysics and Drilling Collaborations Program	677,094
<b>Total</b>	<b>677,094</b>

On-Farm Emergency Water Infrastructure Rebate scheme	Expenditure \$
On-Farm Emergency Water Infrastructure Rebate <sup>2</sup>	1,943,011
<b>Total</b>	<b>1,943,011</b>

2. Australian Government appropriation – national partnership funding.

Recreational fishing grants	Expenditure \$
Amateur Fishermen's Association of the Northern Territory	79,577
Darwin Game Fishing Club Incorporated	5,000
Katherine Game Fishing Club Incorporated	14,000
Palmerston Game Fishing Club Incorporated	19,836
<b>Total</b>	<b>118,413</b>

Other grants	Expenditure \$
Northern Australia Biosecurity Capability Program – Nursery and Garden Industry Australia Limited <sup>3</sup>	27,273
Northern Land Council – Progression of Blue Mud Bay 'Heads of Agreement Initiatives'	510,000
<b>Total</b>	<b>537,273</b>

3. Grants funded by external providers.

## SPONSORSHIP AND SCHOLARSHIP RECIPIENTS

Sponsorships	Expenditure \$
Australian Stock Horse Society Northern Territory Branch Incorporated – Timber Creek Campdraft	1,000
Charles Darwin University (CDU) Foundation – CDU prize 2020	250
Minerals Council of Australia Northern Territory – Annual gala dinner support partner	8,000
Nightcliff Orchid Society – annual show	150
Northern Territory Farmers Association Incorporated – 2019 Food Futures Roadshow	1,500
Northern Territory Seafood Council – NT Seafood Industry Awards	2,200
Petroleum Exploration Society of Australia Limited	227
Royal Agricultural Society of the Northern Territory Incorporated – 2020 Darwin show	1,020
Douglas Daly Community Development Association Incorporated – Campdraft	455
<b>Total</b>	<b>14,802</b>

Earth sciences, mining or petroleum scholarships	Expenditure \$
Jason O'Meara	12,000
<b>Total</b>	<b>12,000</b>

## Regional and industry newsletters

The department produces a number of regional and industry newsletters, connecting key stakeholders and business operators with information on its work and research. There are over 2,000 subscribers to the department's newsletters.

Newsletter name	Published
<b>COVID-19 industry update</b>	25 March 2020
	9 April 2020
	8 May 2020
<b>Alice Springs Rural Review</b>	3 September 2019
	12 September 2019
<b>Barkly Beef</b>	30 July 2019
	3 September 2019
	18 December 2019
<b>Katherine Rural Review</b>	3 September 2019
	25 September 2019
	12 December 2020
	24 April 2020
<b>Top Paddock</b>	16 August 2019
	3 September 2019
	4 October 2019

Newsletter name	Published
<b>Animal Health</b>	12 May 2020
<b>Pastoral Market Update</b>	18 July 2019
	21 August 2019
	6 September 2019
	19 November 2019
	17 January 2020
<b>NT Pastoral Feed Outlook</b>	18 May 2020
	12 September 2019
	3 December 2019
<b>Livestock Biosecurity News</b>	14 April 2020
	13 September 2019
	5 December 2019
	16 April 2020
<b>Veterinary Board of the Northern Territory</b>	13 May 2020

## Abbreviations

AASB	Australian Accounting Standards Board	ICAC	Independent Commissioner Against Corruption
AGES	Annual Geoscience Exploration Seminar	ICT	Information and communications technology
AGMIN	Agriculture Ministers' Forum	KMP	Key management personnel
AGSOC	Agriculture Senior Officials Committee	MCFMAC	Mud Crab Fishery Management Advisory Committee
AIIMS	Australian Inter-service Incident Management System	MoG	Machinery of Government
AOTA	Accountable Officer's Trust Account	NBAEP	National Browsing Ant Eradication Program
AQFMAC	Aquarium Fishery Management Advisory Committee	NCCEP	National Citrus Canker Eradication Program
ATO	Australian Tax Office	NT	Northern Territory
AWAC	Animal Welfare Advisory Committee	NTFIDRF	Northern Territory Industry Research and Development Funds
AZRI	Arid Zone Research Institute	NTGPASS	Northern Territory Government and Public Authorities Superannuation Scheme
CDU	Charles Darwin University	NTGS	Northern Territory Geological Survey
CLFMAC	Coastal Line Fishery Management Advisory Committee	NTPS	Northern Territory public sector
COAG	Council of Australian Governments	NP	National Partnership
CRCNA	Cooperative Research Centre for Developing Northern Australia	OCI	Other comprehensive income
CSS	Commonwealth Superannuation Scheme	OSFMAC	Offshore Snapper Fisher Management Advisory Committee
DCIS	Department of Corporate and Information Services	PDR	Personal development review
DIPL	Department of Infrastructure, Planning and Logistics	PSEMA	<i>Public Sector Employment and Management Act 1993</i>
DTBI	Department of Trade, Business and Innovation	QRIDA	Queensland Rural and Industry Development Authority
EAP	Employee Assistance Program	RFAC	Recreational Fishing Advisory Committee
ESRI	Environmental Systems Research Institute	SPP	Specific Purpose Payment
FIAS	Fraser Institute annual survey	TAS	Titles Administration System
FOI	Freedom of information	WACA	Workflow Apps for Charting and Application
FRDC	Fisheries Research and Development Corporation	WHS	Work health and safety
FTE	Full-time equivalent		
FVOCI	Fair value through other comprehensive income		
FVTPL	Fair value through profit or loss		
GEMIS	Geoscience Exploration and Mining Information System		
GIF	Graphics interchange format		
GIS	Geographic information system		



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