



NORTHERN TERRITORY

2026-27 Budget



Northern Territory
Economy

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Executive summary

The Middle East conflict has disrupted global energy markets, including in Australia and the Territory. Damage to infrastructure and interruptions to normal traffic through the Strait of Hormuz have driven sharp increases in oil, gas, fertiliser and plastics prices. These supply shocks are adding to inflationary pressures, tightening financial conditions and weighing on global demand and sentiment. However, as the Territory is a significant energy exporter, higher energy prices, if sustained, will generate a positive terms-of-trade shock, delivering additional income to exporters over time, and making the Territory a more attractive destination for energy development through direct investment.

For industries heavily reliant on energy, the Middle East conflict has materially changed the outlook for growth, primarily through direct increases in petrol and diesel prices and the impact to operating costs for exposed industries, such as tourism, transport and logistics, mining, agriculture, and construction. While it is too early to assess the full economic impact, which will depend on the extent and duration of the conflict, for the purposes of economic modelling, it is assumed the price of oil will average around US\$100 per barrel from April to September 2026, before easing to around US\$70 by the end of the forward estimates.

There is a material downside risk to the economic outlook if the conflict escalates and there is further destruction of critical energy infrastructure impacting fuel supply. This would disproportionately affect the Territory economy, given reliance on imported fuel, long supply chains, and high use of fuel in production by businesses. Nationally, ongoing or greater supply chain disruption would likely see progression through the National Fuel Security Plan stages to targeted action. Level 4 involves directing fuel supply to ensure national supply is allocated fairly and effectively at the state and territory level.

Flood-related road closures in early 2026 along major freight corridors and disruptions to communities including Katherine, Daly River, Palumpa, Beswick, Jilkminggan and Darwin River are expected to temporarily affect the movement of goods and increase transport costs for some industries during 2025-26. There will be clean up and rebuilding costs post-flood that will contribute to economic activity.

Gross state product (GSP) in 2025-26 is forecast to increase by 2.7%, driven by an increase in exports as the Darwin liquefied natural gas (LNG) plant recommenced production in early 2026. However, the Territory's domestic state final demand (SFD) is expected to decline by 0.8% in 2025-26 due to a decline in private investment reflecting completion of Barossa-related construction. Household consumption is expected to contribute modestly to growth as higher borrowing costs temper discretionary demand following the February and March 2026 cash rate increases. Markets anticipate a further increase in May 2026.

In 2026-27, Territory GSP is forecast to grow by 5.8%, as the Ichthys and Darwin LNG plants operate at or near full capacity. As a result, exports will be the principal driver of growth, with services trade, for both exports and imports, expected to weaken as higher global oil prices raise the cost of air travel and freight, and heightened geopolitical uncertainty dampens consumer and business confidence. Together, these factors are expected to discourage overseas travel, reducing inbound tourism exports and outbound travel-related imports. Household consumption is forecast to decline as households feel the full effects of higher interest rates, elevated energy prices and stronger inflation, which will erode recent real income growth. In 2027-28, export levels are forecast to stabilise and public investment is anticipated to ease from recent highs to more sustainable levels. By 2028-29, the Territory's GSP growth is expected to revert to trend.

Table i: Northern Territory – key economic forecasts (%)

	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Gross state product ¹	1.0	2.7	5.8	1.4	3.0	3.0
State final demand ¹	2.9	- 0.8	- 0.7	0.8	1.8	2.7
Employment ¹	1.5	1.1	0.6	0.9	1.6	1.6
Unemployment rate ²	4.1	4.6	5.2	4.7	4.6	4.6
Consumer price index ³	1.6	5.2	3.2	1.0	2.5	2.5
Wage price index ¹	3.3	2.6	3.7	3.3	3.4	3.3
Population ³	1.4	1.2	1.1	1.1	1.2	1.2

a: actual; e: estimate; f: forecast

1 Year-average percentage change.

2 Year average.

3 Year-ended percentage change.

Source: Department of Treasury and Finance; Australian Bureau of Statistics (ABS)

Employment growth is forecast to be 1.1% in 2025-26 before easing to 0.6% in 2026-27 as labour market conditions are expected to soften in the near term as the Middle East conflict has led to sharply lower confidence, which may delay some investment and hiring decisions. Recent Reserve Bank of Australia (RBA) rate increases will also weigh on activity. Over the forward estimates, employment is forecast to grow broadly in line with labour force growth. The unemployment rate is expected to be 4.6% in 2025-26, before increasing to 5.2% in 2026-27 as activity slows following consecutive interest rate increases. The unemployment rate is then projected to return to a steady state rate of around 4.6% over the forward estimates as the economy is assumed to return to be operating at around its productive capacity in line with long-run trend growth.

In year-ended terms, Darwin's headline inflation is estimated to increase to 5.2% by the June quarter 2026 and remain elevated at 3.2% in the June quarter 2027 following disruptions to global oil supply and production, which has increased petrol and diesel prices. Across the forward estimates, year-ended consumer price index (CPI) growth is expected to ease sharply as fuel prices return to only slightly above pre-conflict levels. CPI is then assumed to return to 2.5%, consistent with the mid-point of the RBA's target band in the medium term.

Territory wage growth is expected to moderate to 2.6% in 2025-26, largely reflecting prolonged negotiations of public enterprise agreements. In 2026-27, wage growth is forecast to rebound by 3.7% as wage pressures rise due to higher inflationary expectations and as new public enterprise agreements take effect. Across the forward estimates, wage growth is expected to settle at around 3.3%.

The Territory's population is estimated to grow by 1.2% in 2025-26, driven by net overseas migration inflows and natural increase but partly offset by net interstate migration outflows. Population growth is then forecast to be 1.1% in 2026-27 as overseas migration arrivals continue to ease and natural increase remains weak, reflecting a continuation of the recent trend whereby ongoing cost-of-living pressures are impacting family planning decisions. Population growth is forecast to remain at 1.1% in 2027-28, as previous strong migration flows stabilise to be around recent long-run levels.

Risks to the outlook

The major risk to the economic forecast relates to the course of the Middle East conflict and the impact on oil and fuel prices. The budget's economic forecast assumes the price of oil will average US\$100 per barrel from April to September 2026, before easing to around US\$70 per barrel by the end of the forward estimates. The forecasts will be negatively impacted if oil prices are materially higher than assumed or stay high for longer. Brent crude oil increased by around 109% from an average of US\$69 per barrel in 2025 to US\$144 per barrel in early April 2026. The International Energy Agency estimates the conflict has led to around a 10% reduction in global daily oil supply. Energy markets are likely to continue to be volatile as production resumes and ramps up, and tanker security and logistics stabilise. The current Brent price is close to the budget assumption, but responses to political, military and logistic developments are highly uncertain. Overall, it is considered there is downside risk to the budget's economic forecasts from global factors over the next two years, with the potential for increased investor interest in progressing domestic energy projects presenting some upside investment opportunities beyond that.

Related to the global factors is domestic interest rate risk. The RBA is already in a tightening cycle and higher fuel prices will be factored into near-term cash rate decision-making. For the forecast period, additional cash rate increases to address fuel price inflation could have broader impacts on consumption and investment across the national and Territory economies, household and business confidence, and expenditure. On balance, national factors represent downside risk to the forecast.

Locally, the Territory was affected by cyclones and widespread flooding in 2025-26. These events are factored into the forecast based on available information regarding the extent of damage, and estimates of the cost and time to recover and rebuild communities and infrastructure. There is short-term risk to the forecast if local economies take longer than expected to recover, and potential improvement if public investment increases.

Uncertainty in economic forecasts is also driven by the reliance on data that is subject to reporting limitations, error and revisions, and methodological changes. The impact of this uncertainty is generally more pronounced in smaller jurisdictions, such as the Territory.

The Territory's tourism sector is particularly exposed to a sustained increase in global energy prices arising from a permanent reduction in oil supply. Higher fuel costs would place upward pressure on airfares and transport expenses, reducing the affordability of travel to and within the Territory. Given the Territory's reliance on long distance air travel, drive tourism and road transport, this would weigh on both international and interstate visitor demand.

Chapter 1

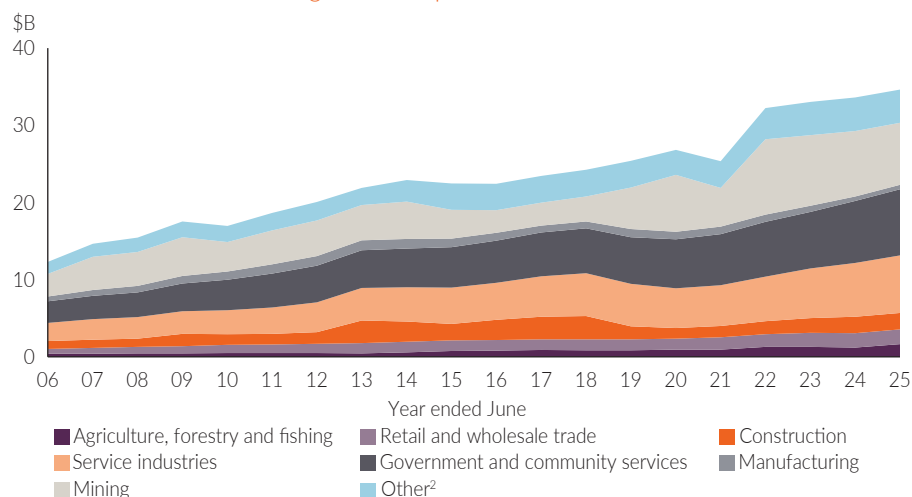
Structure of the economy

Overview

The Territory economy is shaped by its rich mineral and petroleum resources, unique natural and cultural attractions, and strategic role in national defence. Economic activity and jobs are often driven by mining, government and community services, and other service industries, which together account for more than two-thirds of GSP.

In 2024-25, the Territory's GSP was \$34 billion, representing a 1% increase from 2023-24. In current price terms, Territory GSP increased by 3% to \$34.6 billion. The two largest sectors account for around half of GSP, with government and community services' share of 24.7% and mining's share of 23.2% (Chart 1.1). Industry output can be volatile in the short term, particularly during periods of major investment activity. For example, the \$6 billion Barossa project, which began construction in 2020-21, supported economic activity during its construction phase and has since been completed. Over the longer term, changes in the economy tend to occur gradually, as growth builds on existing strengths and comparative advantages.

Chart 1.1: Contributions to gross state product¹



¹ Current prices

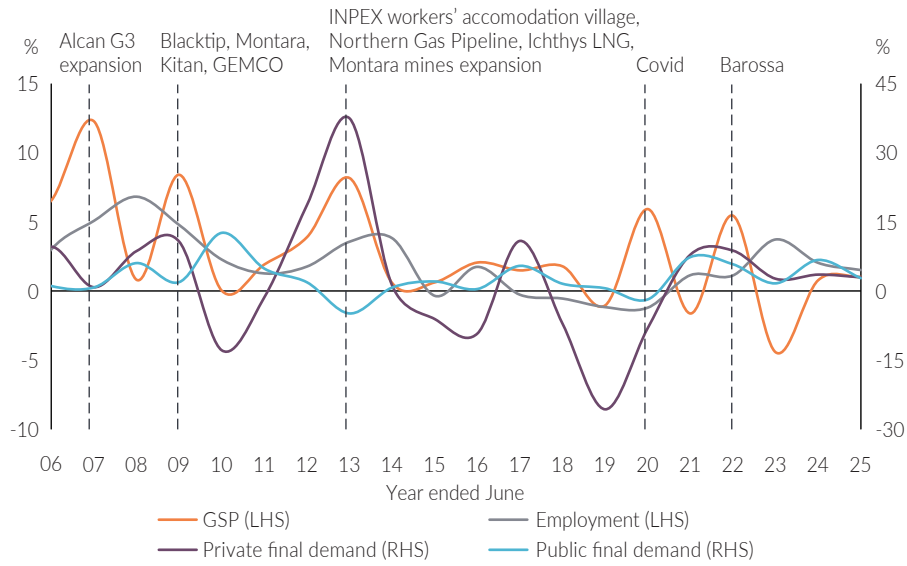
² 'Other' includes ownership of dwellings, taxes less subsidies and statistical discrepancy.

Source: ABS, *Australian National Accounts: State Accounts*

The small size of the Territory economy means major investment projects can have a significant impact on GSP growth and private final demand. This is reflected in recent GSP outcomes where fluctuations in LNG production and the timing of major projects, such as Barossa, have contributed to pronounced swings in economic growth. With the Barossa project now complete, a more stable period of activity is expected over the coming year.

While sectors directly affected by major projects can be volatile, growth in the government and community services, retail and wholesale trade, and service industries sectors are typically more stable, with growth influenced by changes in population and real income growth. Collectively, these sectors account for around half of the total economic activity, and around 85% of employment in the Territory. The stability and scale of these sectors help support economic growth outside major investment cycles (Chart 1.2).

Chart 1.2: Economic cycles in the Territory¹



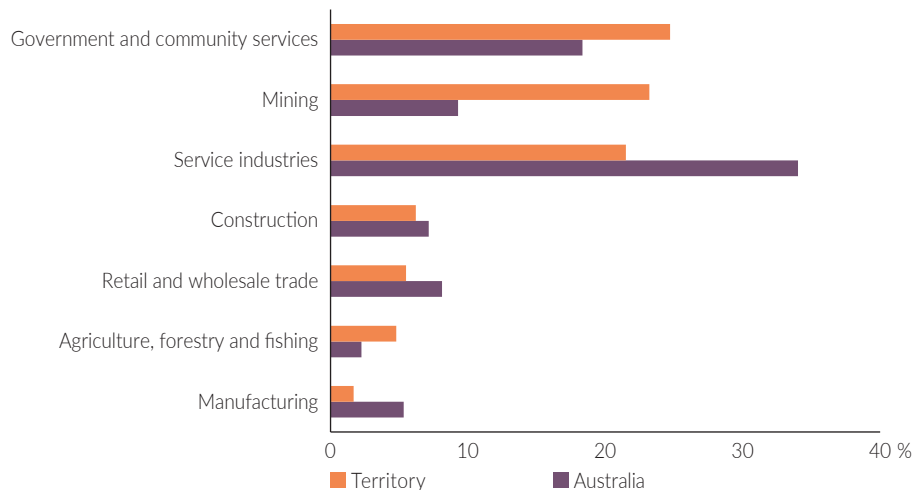
GEMCO: Groote Eylandt Mining Company; GSP: gross state product; LHS: left-hand side; RHS: right-hand side
 1 Year-average change.

Source: ABS, *Australian National Accounts: State Accounts, Labour Force, Australia, National, state and territory population*; Department of Treasury and Finance

Government and community services, and mining are the largest sectors in the Territory economy. This contrasts with the national economy, where the service industries sector (34%) and government and community services sector (18.3%) are the largest components of economic activity (Chart 1.3).

The services industry sector encompasses a broad range of discrete industries that support other sectors of the Territory’s economy including tourism-related services such as arts and recreation, and accommodation. At a national level, the service industries sector is more diversified and includes a greater share of higher value and specialised services, while the Territory’s service industries sector is more concentrated in essential services.

Chart 1.3: Key industry proportions of gross state product and gross domestic product¹



¹ Defence and tourism are significant in the Territory but not discrete industries in ABS reporting. Specific reporting for these industries is captured in the Department of Defence annual reports and Tourism Research Australia: *State Tourism Satellite Accounts*. For more information, see the Defence and Tourism sections of Industry Outlook.

Source: ABS, *Australian National Accounts: State Accounts*

The government and community services sector is the largest employer in the Territory, reflecting strong demand for services and the complexity of service delivery. Government and community services sector has been the largest employer over the years, followed by the services industries and the retail and wholesale trade sector (Chart 1.4). In contrast, the mining industry contributes significantly to economic output but has a small share of employment due to the capital-intensive nature of its operations (Chart 1.5).

The Territory's manufacturing industry has a smaller share in economic activity than nationally, comprising 1.7% of GSP compared with 5.3% of gross domestic product (GDP). This reflects the Territory's relatively small contribution from fabricated metals and food manufacturing. A similar pattern is evident in employment, with manufacturing accounting for a smaller share of jobs than nationally, particularly in food and transport equipment manufacturing. Retail and wholesale trade largely depend on household and business spending, and are influenced by changes in employment, population growth and overall consumer demand.

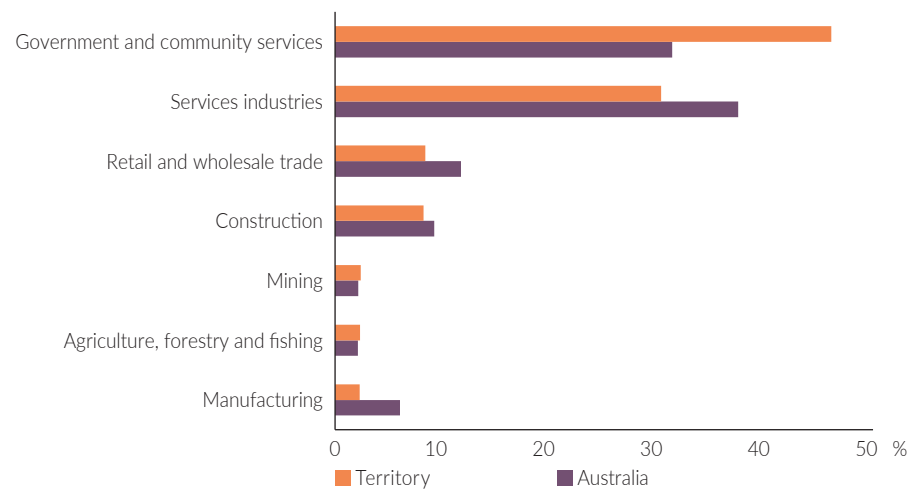
In the Territory, construction is dominated by engineering activity. Historically, large-scale mining, energy and defence projects have generated substantial increases in economic activity during construction phases. Public investment in roads and infrastructure, such as remote housing, also supports the construction sector.

Chart 1.4: Northern Territory's employment by industry over time



Source: ABS, Labour Force, Australia, Detailed, Quarterly

Chart 1.5: Share of employment by key industries

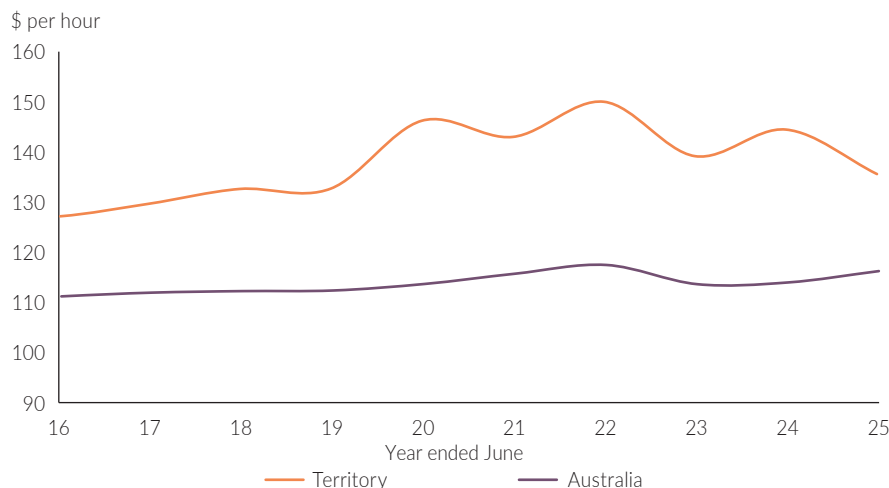


Source: ABS, Labour Force, Australia, Detailed, Quarterly

Output per hour worked in the Territory is relatively high, largely due to the capital-intensive nature and substantial share of the mining industry in the economy. In 2024-25, each hour worked in the Territory generated around \$135 of output, compared with \$115 per hour nationally (Chart 1.6).

Over the 10 years to 2024-25, output per hour worked in the Territory increased at an annual average rate of 0.8%, compared with 0.3% nationally, indicating stronger productivity growth over the period.

Chart 1.6: Output per hour worked



Source: ABS, Australian National Accounts: State Accounts, Labour Force, Australia; Department of Treasury and Finance

Sectors of the economy

Government and community services

The government and community services sector is a major component of the Territory economy, accounting for 24.7% of GSP and 46.1% of employment in 2024-25. The sector comprises:

- public administration and safety (10.5% of GSP and 15.4% of employment)
- health care and social assistance (8.9% of GSP and 20.4% of employment)
- education and training (5.3% of GSP and 10.4% of employment).

The sector is a stable contributor to economic activity, averaging around 23.1% of GSP and 38.5% of employment over the past two decades. Employment growth has been driven largely by healthcare and social assistance, reflecting new government programs and strong growth in service demand. In 2024-25, government and community services employed around 66,300 people, and is the Territory's largest source of employment.

Mining

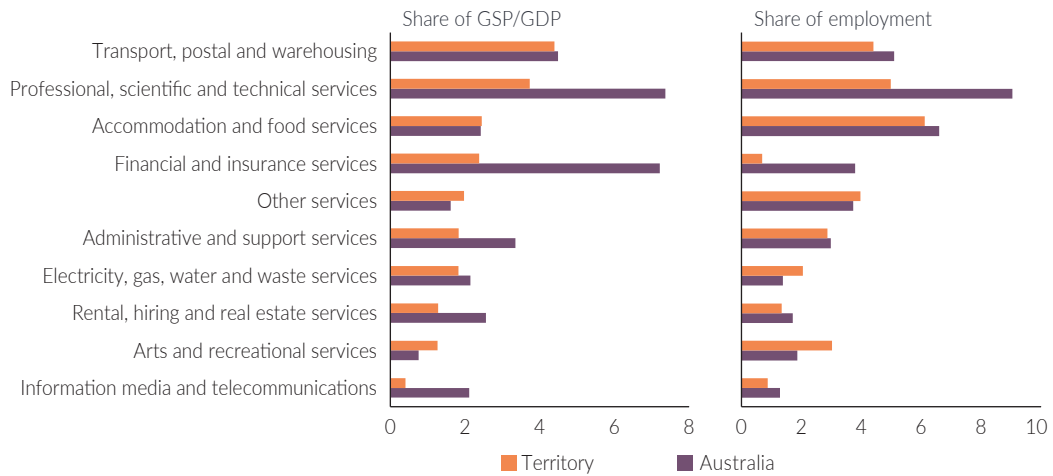
Mining is a central pillar of the Territory economy, reflecting the abundance of natural resources, including natural gas, manganese, zinc/lead, gold and bauxite, along with rare earths and critical minerals such as lithium. This industry underpins export earnings, supports regional employment, and drives significant investment in infrastructure and processing capacity across the Territory.

In 2024-25, the mining sector accounted for 23.2% of GSP, a decline of 2 percentage points from the previous year. Notwithstanding this moderation, mining is the second largest contributor to the Territory economy and its share of GSP has increased by 4.8 percentage points over the past two decades. The Territory's mining sector employed about 3,400 people in 2024-25, or 2.4% of total Territory employment. This is slightly above the mining share nationally.

Services sector

The services sector accounted for 21.5% of GSP and 30.3% of employment in 2024-25. The sector comprises a range of smaller industries serving a broad client base, with each accounting for 0.4% to 4.4% of GSP (Chart 1.7).

Chart 1.7: Service industries percentage of GDP/GSP and employment



GDP: gross domestic product; GSP: gross state product

Source: ABS, Australian National Accounts: State Accounts; Department of Treasury and Finance

Service industries are a relatively steady source of economic activity, and in 2024-25 employed around 43,500 people, largely in the labour-intensive industries of accommodation and food services, and arts and recreation services.

Nationally, services account for a larger share of economic activity than in the Territory, reflecting the concentration of professional, scientific and technical services, and financial and insurance services in the larger population centres (Chart 1.7). In the Territory transport, postal and warehousing is the largest industry of the services sector, reflecting the Territory's large land mass.

Retail and wholesale trade

Retail and wholesale trade accounted for 5.5% of GSP in 2024-25, with retail trade contributing 2.9% and wholesale trade 2.6%. This combined share has been stable over the past two decades, averaging 5.7% of GSP. The sector accounted for 8.4% of total Territory employment in 2024-25. Retail trade accounted for about 10,200 employed people, reflecting its labour-intensive nature, while wholesale trade employed around 1,900 people in 2024-25.

Construction

In 2024-25, the construction industry accounted for 6.2% of GSP, a decline of 0.1 percentage points compared with 2023-24. Over the past 20 years, construction has averaged 8.3% of GSP, although its share varies significantly from year to year due to timing of large projects. Construction employed 11,800 people in 2024-25, accounting for 8.2% of Territory employment.

Manufacturing

The manufacturing industry accounted for 1.7% of GSP in 2024-25, unchanged from the previous year. Over the past two decades, manufacturing has averaged 4.4% of GSP, with the lower recent share reflecting structural changes in the sector. This includes the ceasing of helium production at the Darwin LNG plant in 2023 and lower levels of construction activity, which reduced demand for manufactured inputs. Key manufacturing activities in the Territory include food products, fabricated metals and transport equipment. The sector accounted for 2.3% of Territory employment, with about 3,300 people employed in manufacturing in 2024-25.

Agriculture, forestry and fishing

In 2024-25, the agriculture, forestry and fishing industry accounted for 4.8% of GSP, an increase of 1.2 percentage points from 2023-24. Over the past 20 years, the sector has averaged 3.2% of GSP. While accounting for a relatively small share of overall economic output, the sector plays an important role in supporting economic activity and employment in regional areas. In 2024-25 agriculture, forestry and fishing accounted for 2.3% of the Territory's employment, employing 3,300 people. The sector is characterised by a high degree of volatility, with output fluctuating significantly from year to year. This reflects its heavy exposure to weather conditions, biosecurity risks, global commodity price movements and changes in input costs.

Chapter 2

Economic growth

Outlook

The Territory economy is expected to grow by 2.7% in 2025-26 and 5.8% in 2026-27. Growth in both years is supported by increased LNG exports. As a net energy exporter, the Territory will experience some economic upside from higher fuel prices though benefits will be partly offset by higher business input prices and cost-of-living pressures, which will impact household consumption and broader domestic activity.

Table 2.1: Territory economic growth forecasts¹ (%)

	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Gross state product	1.0	2.7	5.8	1.4	3.0	3.0
State final demand	2.9	- 0.8	- 0.7	0.8	1.8	2.7

a: actual; e: estimate; f: forecast

¹ Year-average percentage change.

Source: Department of Treasury and Finance; ABS, *Australian National Accounts: State Accounts, Australian National Accounts: National Income, Expenditure and Product, Balance of Payments and International Investment Position, Australia*

Summary

The Territory was impacted by several cyclones and widespread flooding in 2025-26, with Katherine experiencing the worst floods since 1998. Flood-affected regions include the Top End, Big Rivers, East Arnhem, Barkly and Central Australia. Losses to communities and businesses have been significant and the full impact is yet to be fully assessed. The initial response includes managing emergency shelters, evacuations and accommodation, with the clean-up beginning in late March and will progress to rebuilding and refitting affected housing, business and community infrastructure including roads and bridges.

The Middle East conflict is driving up energy prices globally, with Brent crude oil prices increasing by around 109% from an average of US\$69 per barrel in 2025 to US\$144 per barrel in early April 2026. The International Energy Agency estimates the conflict has led to around a 10% reduction in global daily oil supply.

Since the onset of the Middle East conflict, Darwin's unleaded petrol price peaked at 264.2 cents per litre on 31 March 2026 (before the fuel excise cut), up 84.9 cents per litre from the pre-conflict price of 179.3 cents per litre on 27 February. For diesel fuel, the price in Darwin peaked at 328.4 cents per litre on 9 April, up 144.5 cents per litre from the pre-conflict price of 183.9 cents per litre.

Higher energy prices have entered supply chains and pose further inflationary risks that, if sustained, will put pressure on the RBA to increase the cash rate. This could threaten the growth forecast if household and business confidence declines sharply over 2026.

The situation in the Middle East remains fluid, with military actions driving sharp swings in energy and financial markets. The economic impacts will depend on the extent and duration of the conflict, and scale of disruption to energy markets.

The economic modelling assumes the price of oil will average around US\$100 per barrel from April to September 2026, before easing to around US\$70 by the end of the forward estimates period. In line with this scenario, higher oil prices have an immediate impact on inflation, increasing Darwin's CPI by 5.2% in the year-ended June quarter 2026, up from an estimated 2.9% in the 2025-26 Mid-Year Report.

Higher inflation and subsequent cash rate increases will dampen demand and higher energy prices will be felt differently across industries depending on the overall energy intensity of production. The most directly exposed sectors are transport and logistics, tourism and, to a lesser extent, mining, agriculture and construction.

Over the forward estimates, a renewed global focus on energy security could accelerate investment in energy production in Australia. For the Territory, this could accelerate investment in the Beetaloo Sub-basin and existing LNG facilities in Darwin. In early 2026, Santos and INPEX separately announced plans to invest in the Beetaloo Sub-basin. If pilot drilling and testing yield positive results, the higher energy prices will strengthen the terms of trade and accelerate the transition to scale up production in the basin. The rapid scaling of new investment could shield the Territory economy from some adverse impacts of the Middle East conflict.

Overall, for net energy exporting economies like the Territory, higher energy prices can support new investment and economic growth, and contribute to higher tax revenue. The opposite is true for net energy importers including some of the Territory's Asian trading partners.

Industries more directly exposed to fuel prices like tourism are expected to experience a decline in activity in the near term as flights and drive tourism trips increase in price. Imported goods from Asia are also likely to increase in price, resulting in some substitution towards domestic manufacturing and services. For example, Territory families may choose to holiday closer to home.

Territory economic outlook

The Territory economy is forecast to grow by 2.7% in 2025-26 (Chart 2.1). Exports are expected to increase rapidly as production at the Darwin LNG plant ramps up over the June quarter 2026 and output from the Ichthys plant reaches full production following repair and maintenance work in 2025.

The Middle East conflict poses significant downside risks to global demand, trade flows and the Territory's external outlook (see Box 1) and disruptions to shipping through the Strait of Hormuz has led to production shutdowns and refinery closures across the world.

Territory SFD growth is forecast to decline by 0.8% in 2025-26, however this was anticipated as private investment related to the development at the Barossa gas field for the Darwin LNG plant came to an end. Flood-related road closures in early 2026, particularly along major freight corridors, are expected to temporarily affect the movement of goods and increase transport costs for some industries during 2026. Business closures and reduced industry activity in flood-affected regions will also impact growth in early 2026. Household consumption is expected to ease and contribute only modestly to growth, as recent interest rate and fuel price increases impact discretionary spending.

Public demand supports growth in 2025-26, with elevated infrastructure investment and service delivery expansions underway. Flooding in 2026 will increase government emergency management spending and clean up and rebuilding costs as communities recover.

In 2026-27, Territory GSP is forecast to grow by 5.8%, driven by an 18.4% increase in exports as the Ichthys and Darwin LNG plants operate at or near full capacity. Lithium exports are also expected to recommence from the Finniss mine, following the announcement of a return to production in 2026. However, services trade for both exports and imports is expected to be heavily impacted by higher oil prices, which will discourage overseas travel. After reporting modest growth in 2025-26, household consumption is forecast to decline in 2026-27 as higher interest rates, energy prices and uncertainty continue to impact demand.

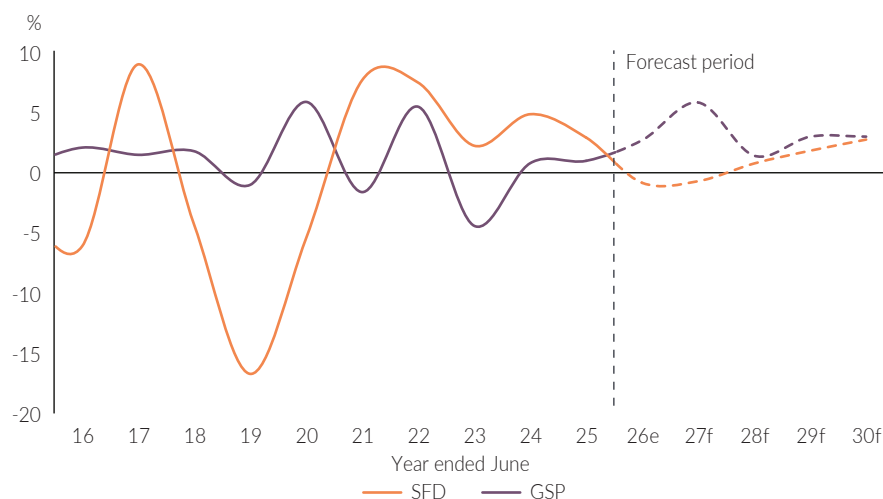
Private investment is expected to decline modestly as private dwelling investment declines with higher interest rates and construction costs. Also, small businesses are expected to decrease investment due to heightened uncertainty and higher fuel costs associated with the Middle East conflict. This is partly offset by both Santos and INPEX committing to invest in the Beetaloo Sub-basin. Public investment is forecast to remain at elevated levels as major infrastructure projects continue (Chart 2.2).

In 2027-28, GSP is forecast to grow by 1.4%, with a recovery in household consumption (as cost-of-living pressures ease) and investment in the Beetaloo Sub-basin. Gas production from the Beetaloo Sub-basin is anticipated to commence and contribute to domestic energy security as gas from Blacktip ceases. A modest decline in public investment from recent elevated levels is expected as major defence and infrastructure projects wind down. Goods exports are not expected to contribute significantly to growth in 2027-28, with LNG exports plateauing at peak production.

Over the forward estimates, the economy is expected to operate at around trend levels, with growth around 3% each year, supported by a 4.3% expansion in private investment and 2.6% growth in household consumption. This reflects population growth stabilising at around 1.2% and normalising prices and interest rates. Public investment continues to decline from elevated levels.

These projections do not factor in potential or planned projects yet to reach final investment decision. Some of these projects may reach final investment decision during the forecast period but are not currently reflected in the outlook.

Chart 2.1: Territory gross state product and state final demand¹



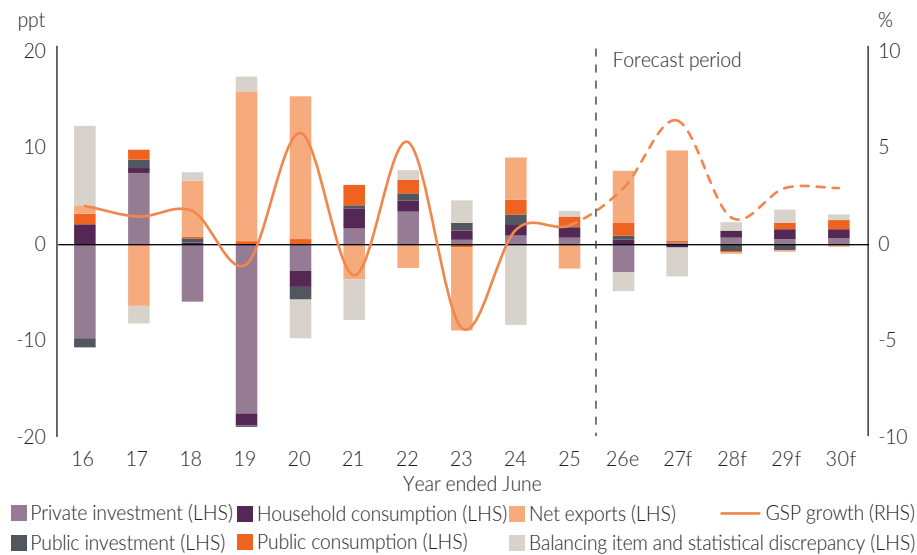
e: estimate; f: forecast; GSP: gross state product; SFD: state final demand

¹ Year-average percentage change.

Note: Data contained in the chart incorporates latest revised figures from quarterly ABS releases and will not be the same as those in the annual state accounts release.

Source: ABS, *Australian National Accounts: State Accounts*, *Australian National Accounts: National Income, Expenditure and Product*, *Balance of Payments and International Investment Position, Australia*; Department of Treasury and Finance

Chart 2.2: Contributions to Territory gross state product growth



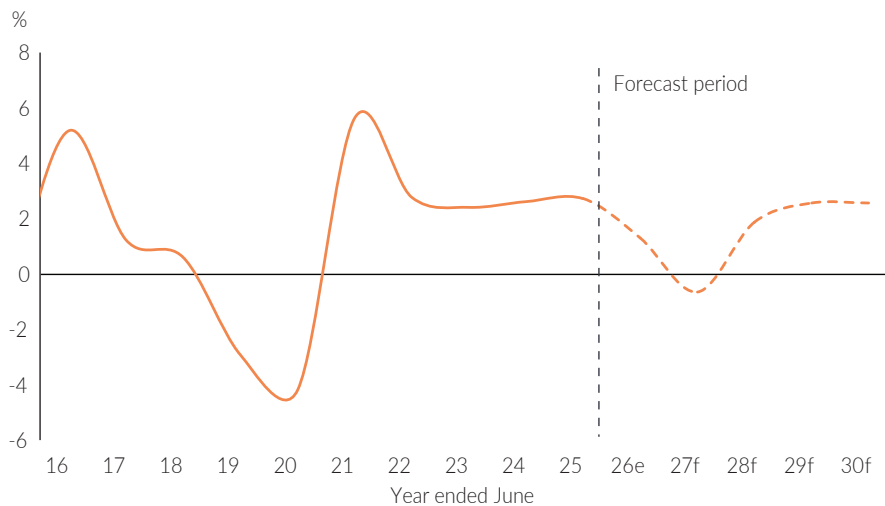
e: estimate; f: forecast; GSP: gross state product; LHS: left-hand side; ppt: percentage points; RHS: right-hand side
 Note: Data contained in the chart incorporates latest revised figures from quarterly ABS releases and will not be the same as those in the annual national accounts release
 Source: Department of Treasury and Finance; ABS, *Australian National Accounts: State Accounts, Australian National Accounts: National Income, Expenditure and Product, Balance of Payments and International Investment Position, Australia*

Household consumption

Household consumption is estimated to increase by 0.8% in 2025-26 (Chart 2.3). Household spending was supported by real wage growth in the first half of 2025-26, but recent cash rate increases by the RBA along with the prospect of further rate rises are impacting discretionary spending. The stronger Australian dollar, which appreciated by 8% from July 2025 to February 2026, was expected to partially offset cost-of-living pressures through lower import prices, however the Middle East conflict has eroded this benefit. Higher energy prices will push up production costs in Asia where the majority of Australian imports are sourced. This will further offset the impact of the recent appreciation if the conflict is ongoing.

The impact of flooding on household consumption will vary across the Territory. Reduced or disrupted consumption is likely in many communities due to supply route disruptions, particularly in remote communities where access is limited and flooding has been severe. Emergency accommodation and replacement of damaged household items will temporarily lift consumption in the June quarter, but the full impact of flooding will not be known until comprehensive damage assessments can be made.

In 2026-27, high interest and fuel prices will continue to impact household consumption, which is expected to decline by 2.1%. Household consumption growth of 1.9% is forecast for 2027-28, then will gradually return to long run averages. This reflects improving real wages and a more stable inflation environment accompanied by less restrictive monetary policy.

Chart 2.3: Household consumption¹

e: estimate; f: forecast

¹ Year-average percentage change.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product*; Department of Treasury and Finance

Private investment

Private investment is estimated to contract by 15.8% in 2025-26 as the construction phase of the Barossa project to supply new gas to the Dawin LNG plant is completed (Chart 2.4). However, activity in the Beetaloo Sub-basin and the Sturt Plateau pipeline and compression plant will contribute to investment activity. Private investment in flood affected areas to repair and replace damaged infrastructure and machinery and equipment, particularly in the agricultural and pastoral sectors, will support activity in 2025-26 and 2026-27. Core Lithium is also investing to restart operations in June 2026, which will support growth.

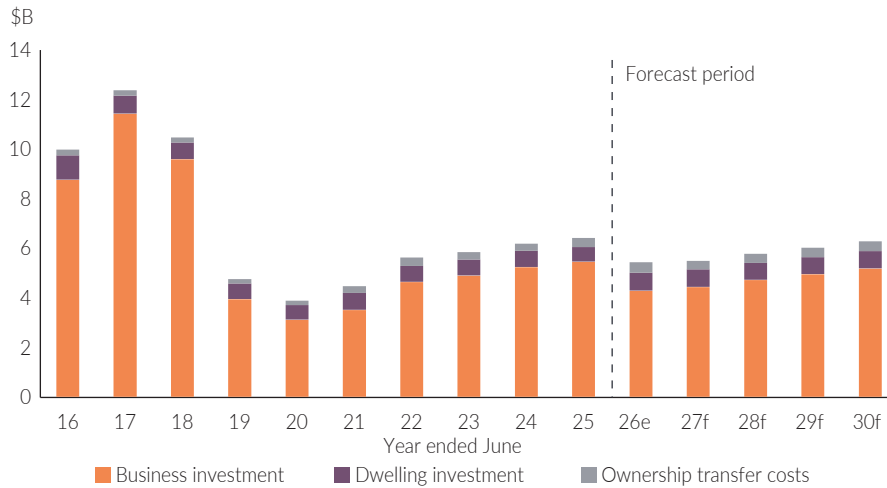
Private investment is forecast to decrease modestly in 2026-27. Beetaloo Energy reached final investment decision for the Carpentaria pilot project in December 2025, and the first gas is expected at the end of 2026. Tamboran Resources has completed the largest drilling program undertaken in the Beetaloo Sub-basin and is on track to deliver its first gas towards the end of 2026. These developments are partly offset by a reduction in investment by smaller businesses, as confidence has weakened amid heightened uncertainty and higher fuel costs associated with the Middle East conflict.

In early 2026, Santos and INPEX separately announced new investment plans for the Beetaloo Sub-basin. The Territory government has released new acreage for onshore petroleum exploration, including 4,000 square kilometres in February 2026, with this new acreage pitched to global investors.

Beyond the expansion of onshore gas exploration and production, there are a range of projects expected to contribute to private investment over the forecast period, including the Granites' Tanami gold mine expansion 2, rehabilitation of the Ranger uranium mine site, expanding investment in a number of small gold mining activities and progress towards rare earths mining.

Higher energy prices are expected to increase investment attraction in Australian energy projects, including in the Territory.

Chart 2.4: Territory private investment



e: estimate; f: forecast

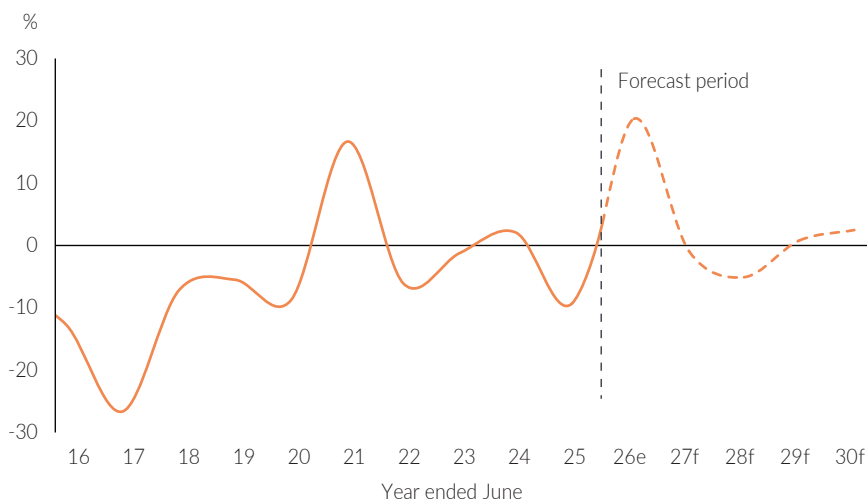
Source: ABS, Australian National Accounts: National Income, Expenditure and Product; Department of Treasury and Finance

Private dwelling investment is forecast to increase by 20.3% in 2025-26, building on momentum from late 2025. Growth is being supported by the HomeGrown and FreshStart housing grants, which have been extended to 30 September 2027 (Chart 2.5).

Notwithstanding these incentives, recent RBA cash rate increases will impact new housing approvals from mid-2026, particularly among first home buyers, who are more sensitive to higher borrowing costs. Private dwelling investment is forecast to decline by 0.9% in 2026-27, as earlier grant-driven approvals growth dissipates and high construction costs impact confidence and demand. Private dwelling investment is expected to decline by 5.1% in 2027-28 as the lagged effects of tighter monetary policy can take up to 18 months to fully flow through to activity.

Investment is forecast to return to long-run trend by 2029-30, consistent with anticipated GSP growth of 3%, reflecting an easing in cost-of-living pressures, normalisation of private investment cycles and ongoing demographic factors supporting demand for new and upgraded housing stock.

Chart 2.5: Territory private dwelling investment¹



e: estimate; f: forecast

1. Year-average percentage change.

Source: ABS, Australian National Accounts: National Income, Expenditure and Product; Department of Treasury and Finance

Public consumption

Public consumption is estimated to grow by 3.8% in 2025-26, driven by growth in demand for health and community-related services, and the emergency response to natural disasters in early March 2026.

Public consumption growth is expected to moderate to 0.5% in 2026-27, supported by ongoing frontline service delivery and the revised timing of various programs from 2025-26 to 2026-27. Commonwealth government spending is expected to be constrained by fiscal pressures. Public consumption is expected to decline by 0.3% in 2027-28, as one-off program spending ends and expenditure returns to around trend growth in the final year of the forward estimates.

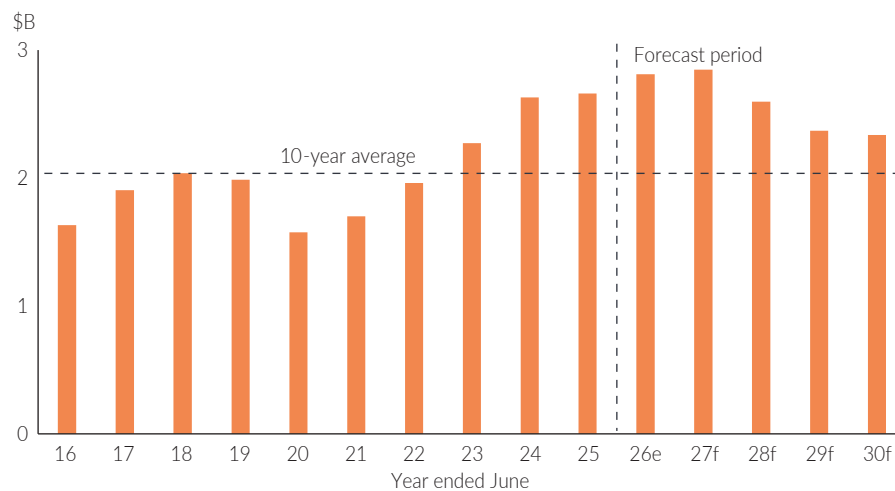
Public investment

Public investment is estimated to grow by 5.6% in 2025-26 and by 1.2% in 2026-27. This reflects ongoing activity on large infrastructure projects, such as the Northern Marine Complex, including the Darwin ship lift project, and new infrastructure works in education and corrections commencing in 2026-27. Infrastructure reconstruction and repairs related to natural disasters is also expected to place additional pressure on public investment in 2025-26 and 2026-27.

Public investment is expected to decline by 8.7% in 2027-28 and 8.8% in 2028-29 as large-scale projects, including several defence projects, reach completion. Despite the decline in public investment in the outer years, there is a solid pipeline of works to support the level of activity above the 10-year average (Chart 2.6).

The Territory's strategic importance to national and regional security is expected to result in ongoing investment by the Commonwealth and United States (US) governments, which could see public investment in new projects by the end of the forward estimates (refer to the *Defence* section in the *Industry Outlook* publication for further information).

Chart 2.6: Public investment in the Territory



e: estimate; f: forecast

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product*; Department of Treasury and Finance

External trade

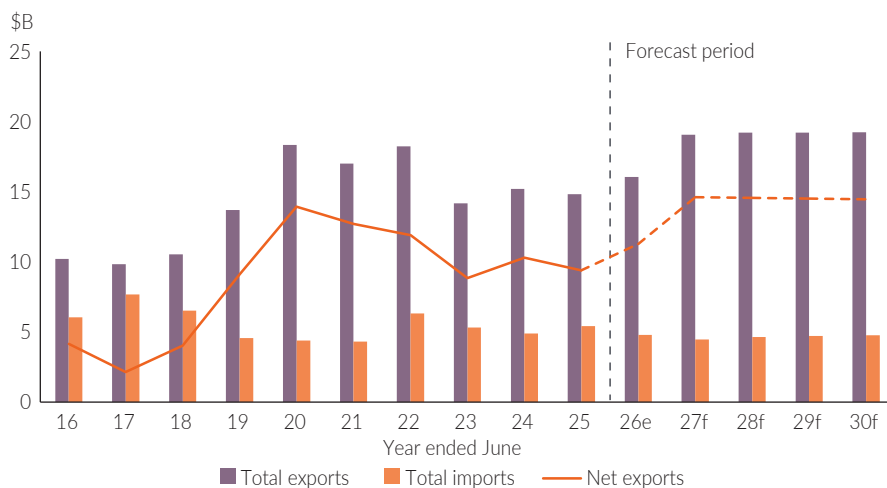
The balance of trade is expected to strengthen significantly in 2025-26, increasing by 19.8%, mainly due to the return of LNG exports from the Darwin plant (which recorded its first LNG cargo in January 2026) and exports of manganese resuming from GEMCO. Imports are expected to fall by more than 10% due to lower capital goods requirements, which further improves the trade balance. Flood-related transport disruptions may have an impact on the timing of some live cattle shipments and movement of mineral commodities from remote mine sites. These effects are expected to be short lived and not forecast to have a material effect on aggregate export volumes in annual terms.

In 2026-27, the balance of trade is forecast to improve significantly, increasing by 29.6%. This outcome is driven by an 18.4% increase in exports with both the Ichthys and Darwin LNG plants anticipated to operate at or near full capacity. This should result in exports reaching peak levels and strongly contributing to GSP. The recommencement of mining and production operations at Core Lithium's Finiss mine is expected to contribute to export growth, with the first shipment targeted for the December quarter 2026.

Services exports and imports are forecast to decline in the near term, reflecting reduced overseas tourism expenditure amid heightened global uncertainty and a weaker global growth outlook. Increases in flight prices, driven by higher fuel costs and capacity constraints, are expected to reduce the affordability of international and domestic travel. At the same time, cuts to airline routes and flight frequencies, particularly to long haul and regional destinations, are likely to limit travel options to and from the Territory. These factors are expected to weigh on inbound tourism and reduce outbound travel by residents, resulting in weaker services trade in the near term.

The balance of trade is expected to moderate at a high level in 2027-28 as LNG exports plateau at long-term operational levels, with no further increases in production capacity expected in the forecast period. Imports are forecast to rise modestly in line with the recovery in private investment, including early works related to emerging mineral and gas developments (Chart 2.7).

Chart 2.7: Territory net exports



e: estimate; f: forecast

Source: ABS, Australian National Accounts: State Accounts, Balance of Payments and International Position, Australia; Department of Treasury and Finance

Table 2.2: Components of Territory gross state product (expenditure)¹

	Chain volume measure (\$M) ¹					
	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Total consumption	26 523	27 021	26 770	27 004	27 633	28 401
Household consumption	14 596	14 752	14 439	14 714	15 096	15 489
Public consumption	11 927	12 270	12 331	12 291	12 536	12 912
Total investment	9 114	8 224	8 230	8 265	8 280	8 496
Private investment	6 443	5 414	5 384	5 669	5 911	6 161
Dwelling investment	595	720	713	677	682	699
Ownership transfer costs	370	432	341	375	383	391
Business investment	5 478	4 262	4 330	4 617	4 846	5 071
Public investment	2 672	2 810	2 845	2 596	2 369	2 335
State final demand	35 637	35 245	35 000	35 269	35 912	36 897
Net exports	9 443	11 266	14 600	14 547	14 499	14 451
Total exports	14 892	16 007	18 954	19 076	19 093	19 117
Total imports	5 449	4 741	4 353	4 529	4 594	4 667
Balancing item ²	- 11 118	- 11 720	- 12 772	- 12 465	- 11 941	- 11 723
Gross state product	33 960	34 796	36 828	37 352	38 470	39 625

	Year average change (%)					
	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Total consumption	2.8	2.2	- 0.9	0.9	2.3	2.8
Household consumption	2.5	0.8	- 2.1	1.9	2.6	2.6
Public consumption	3.1	3.8	0.5	- 0.3	2.0	3.0
Total investment	3.4	- 9.5	0.1	0.4	0.2	2.6
Private investment	4.1	- 15.8	- 0.5	5.3	4.3	4.2
Dwelling investment	- 9.4	20.3	- 0.9	- 5.1	0.8	2.5
Ownership transfer costs	33.6	16.8	- 21.1	10.0	2.1	2.1
Business investment	4.2	- 22.0	1.6	6.6	5.0	4.6
Public investment	1.6	5.6	1.2	- 8.7	- 8.8	- 1.4
State final demand	2.9	- 0.8	- 0.7	0.8	1.8	2.7
Net exports	- 8.2	19.8	29.6	- 0.4	- 0.3	- 0.3
Total exports	- 1.9	8.0	18.4	0.6	0.1	0.1
Total imports	11.4	- 12.6	- 8.2	4.0	1.4	1.6
Balancing item ²	- 1.7	5.9	9.0	- 2.4	- 4.2	- 1.8
Gross state product	1.0	2.7	5.8	1.4	3.0	3.0

	Percentage point contribution to the change in year average GSP					
	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Total consumption	2.1	1.7	- 0.7	0.6	1.7	2.0
Household consumption	1.1	0.4	- 0.9	0.7	1.0	1.0
Public consumption	1.1	1.3	0.2	- 0.1	0.7	1.0
Total investment	0.9	- 2.6	0.0	0.1	0.0	0.6
Private investment	0.8	- 3.0	- 0.1	0.8	0.6	0.6
Dwelling investment	- 0.2	0.4	0.0	- 0.1	0.0	0.0
Ownership transfer costs	0.3	0.2	- 0.3	0.1	0.0	0.0
Business investment	0.7	- 3.5	0.2	0.8	0.6	0.6
Public investment	0.1	0.4	0.1	- 0.7	- 0.6	- 0.1
State final demand	3.0	- 0.9	- 0.7	0.7	1.7	2.6
Net exports	- 2.5	5.5	9.6	- 0.1	- 0.1	- 0.1
Total exports	- 0.9	3.5	8.5	0.3	0.0	0.1
Total imports	- 1.7	2.0	1.1	- 0.5	- 0.2	- 0.2
Balancing item ²	0.6	- 1.9	- 3.0	0.8	1.4	0.6
Gross state product	1.0	2.7	5.8	1.4	3.0	3.0

a: actual; e: estimate; f: forecast; GSP: gross state product

¹ Inflation adjusted, components may not add to totals due to rounding and ABS chain volume estimation.

² Balancing item includes statistical discrepancy.

Note: Actual result for 2024-25 is sourced from ABS State Accounts released annually in November. Forecasts are derived from quarterly publications, ABS National Accounts and Balance of Payments, which incorporates the most up to date data and revisions. Therefore, comparisons between actuals to the forecasts will not align.

Source: ABS, Australian National Accounts: State Accounts, Australian National Accounts: National Income, Expenditure and Product, Balance of Payments and International Investment Position, Australia; Department of Treasury and Finance

International and national outlook

Global economic conditions have become more uncertain due to the Middle East conflict and disruptions to energy production, pricing and international shipping. This increased geopolitical risk is impacting global economic confidence, reflected in volatility across financial markets and pricing in core energy markets.

A key driver of the economic risk is disruption to global energy supply chains. Retaliatory actions in the region have affected key production and transit corridors, including the effective closure of the Strait of Hormuz, through which around 20% of global oil and LNG exports pass. These developments have resulted in renewed upward pressure on global oil and gas prices, and increased uncertainty regarding future supply.

Persistently higher global energy prices will place pressure on domestic fuel, transport and broader input costs, and present a real risk to the inflation outlook. Higher inflation will weigh on household consumption and be a factor in monetary policy decision-making.

Higher energy prices, weaker global confidence and increased financial market volatility are expected to influence domestic economic conditions over the forecast period, primarily through higher input costs, reduced demand and shifts in global risk sentiment.

Domestic monetary conditions have also tightened. The RBA increased the cash rate by 25 basis points at both its February and March 2026 meetings in response to inflation being above its 2% to 3% target range. Price pressures have been most persistent in services, housing-related costs and areas affected by supply-side constraints. Market expectations now reflect the possibility of further monetary tightening over 2026. A prolonged period of restrictive monetary policy will negatively impact households, business spending and investment decisions, and slow economic and employment growth prospects.

Box
1

Impacts of Middle East conflict

The Middle East conflict poses a material risk to global economic conditions through higher energy prices, increased shipping and insurance costs, and weaker global confidence. Disruptions to shipping through the Strait of Hormuz, an essential route for global oil supply, have constrained production and refining activity, and contributed to heightened volatility in energy markets. Higher energy prices are flowing through supply chains, adding to inflationary pressures and increasing the likelihood of tighter monetary policy and impacting the global economic growth outlook.

The International Energy Agency (IEA) has warned the conflict could result in one of the largest oil supply disruptions in modern history. In April, the IEA estimates that global oil production is down by around 10% as a result of the Middle East conflict. Many governments are releasing strategic petroleum reserves to stabilise markets, but the IEA cautions that stock releases alone are insufficient, and reopening key shipping routes is critical to restoring global energy security.

The International Monetary Fund's (IMF) April 2026 *World Economic Outlook* reference forecast assumes the conflict remains limited in duration and scope, with disruptions easing by mid-2026, and global growth projected to slow to 3.1% in 2026 (a downward revision of 0.2 percentage points from the January 2026 outlook), while global inflation is expected to rise modestly before resuming its decline in 2027. The IMF also outlines more adverse scenarios in which the conflict lasts longer or escalates. In an adverse scenario that has a larger and more persistent increase in energy prices and some tightening in financial conditions, global growth could slow to around 2.5% and inflation rise further. In a severe scenario, where energy supply disruptions extend into 2027, inflation expectations become less anchored and financial conditions tighten sharply, with global growth falling to around 2% in both 2026 and 2027, and inflation remaining elevated. The IMF notes that downside risks dominate, particularly for energy importing and more vulnerable economies.

The Organisation for Economic Co-operation and Development's (OECD) baseline outlook assumes energy market disruptions will gradually ease over time, with global growth revised down by 0.3 percentage points in 2026. Inflation is projected to rise in the near term, largely driven by energy prices, before moderating as price pressures fade. In a more significant downside scenario, where disruptions to production or shipping worsens, in the second year of the shock global output declines by 0.5% and inflation rises by 0.9%.

National impacts

Commonwealth Treasury analysis indicates a short-lived oil price shock would lift inflation and reduce GDP growth moderately, broadly in line with the OECD baseline outlook, relative to the 2025-26 Mid-Year Economic and Fiscal Outlook forecasts. Under a more prolonged disruption scenario, where oil prices remain elevated for an extended period, impacts on inflation and economic activity would be more pronounced, with growth remaining below its 'no conflict' trajectory for several years. Assessments suggest higher oil prices account for around half of the reduction in growth, with the remainder due to broader confidence and trade effects.



Box 1 *continued*

Territory impacts

The direct impact of this shock is expected to affect the economy through several channels. Higher global oil prices flow directly through to domestic fuel prices, raising transport and logistics costs for households and businesses. These higher fuel costs also feed indirectly into the prices of a wide range of goods and services, including food, construction materials and manufactured goods, placing upward pressure on inflation. In response to higher inflation, monetary policy is likely to remain tighter for longer than previously assumed, negatively impacting sentiment for households and businesses, increasing borrowing costs, ultimately weighing on consumption and investment decisions.

Overall, the persistence, scale and duration of the disruption remain highly uncertain. While the ceasefire announced on 8 April 2026 has now been extended (at 22 April), the duration of the extension remains open-ended. Preparations are underway for further negotiations, although participation by Iran and any outcomes remain highly uncertain. The situation remains fragile and a breakdown of talks or resumption of hostilities would present a material downside risk to the economic outlook.

Modelling assumes global oil prices average US\$100 a barrel from April to September 2026 before gradually easing to around US\$70 a barrel by the end of the forward estimates. These shocks will affect industries unevenly, with the Territory more exposed due to the relatively large share of energy-intensive industries and its dependence on global supply chains.

Higher fuel and logistics costs would be particularly challenging for industries operating in remote and regional areas in the Territory, where transport costs are already elevated.

Mining investment in the energy sector is expected to benefit relative to other sectors, as higher global energy prices incentivise investment in energy projects in the Territory, with proponents operating in the Beetaloo Sub-basin actively seeking to expand investment.

Transport, warehousing and logistics is the most energy-intensive industry per dollar of output and will face the most significant input costs and demand response impacts especially for discretionary services. Tourism, accommodation and food services will also be impacted as higher travel costs dampen demand.

Construction activity may moderate in response to higher import and freight costs for building materials, and potential supply chain disruptions. Retail and other household-facing industries are expected to experience weaker conditions as higher fuel and energy costs constrain real household incomes and spending. Agriculture is also likely to face modest adverse impacts, particularly through higher transport and input costs, including for fertilisers.



Box 1 *continued*

A more severe downside risk would arise if the Middle East conflict resulted in permanent damage to oil production or transport infrastructure, leading to a sustained reduction in global supply. Unlike temporary disruptions, such an outcome would place persistent upward pressure on energy prices, exacerbating global inflation and increasing production and transport costs. In extreme scenarios, prolonged supply disruption or a loss of additional production capacity could result in fuel rationing in Australia, with fuel supplies prioritised to critical sectors to support essential services and ensure fair and effective allocation under the national framework.

Fuel rationing in the Territory would have immediate and widespread impacts, reflecting the Territory's heavy reliance on fuel-intensive transport, long supply chains and remote service delivery. Industries reliant on road transport, such as construction, agriculture, mining services and retail, would be particularly affected. Fuel rationing could further constrain visitor mobility by limiting flight availability, curtailing drive tourism and restricting tour operations, particularly in remote destinations.

Fuel rationing would also affect households, particularly in regional and remote areas where travel distances are long and fuel use is less discretionary. Higher costs and reduced access to fuel would limit mobility, reduce participation in economic activity and place additional pressure on household budgets, further weighing on local demand.

Overall, fuel rationing would amplify the economic impacts of higher energy prices in the Territory by directly constraining activity, disrupting supply chains and increasing uncertainty for households and businesses. These effects would weigh most heavily on non-resource industries and regional communities, materially worsening the outlook for economic growth.

Chapter 3

External economic environment and trade

Outlook

Exports are expected to increase in 2025-26 and 2026-27, driven by increasing production from the Darwin LNG plant. From 2027-28, the contribution from exports is expected to plateau with both Darwin and Ichthys LNG plants reaching steady-state full production.

Table 3.1: Territory trade (\$M, chain volume measure)

	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Total exports	14 892	16 007	18 954	19 076	19 093	19 117
Total imports	5 449	4 741	4 353	4 529	4 594	4 667
Balance of trade	9 443	11 266	14 600	14 547	14 499	14 451

a: actual; e: estimate; f: forecast

Source: ABS, *Australian National Accounts: State Accounts*; Department of Treasury and Finance

International trade

In 2024-25, exports declined by 1.9%, while imports increased by 11.4%. The decline in exports was largely due to the unplanned maintenance at the Ichthys LNG plant between August and October 2024. The large increase in imports reflects development of the Barossa gas field for the Darwin LNG plant. The Territory's balance of trade detracted 2.5 percentage points from GSP growth in 2024-25.

Net exports are projected to increase by 19.8% in 2025-26. This robust outlook is driven by production recommencing from the Darwin LNG plant, with the first export cargo shipped in January 2026, along with GEMCO manganese exports resuming following reconstruction after Cyclone Megan in 2024. The balance of trade is further supported by weaker import volumes, reflecting lower capital goods requirements as major project construction concludes. Recent flood-related transport disruptions to trade are assumed to be transitory.

In 2026-27, net exports are expected to strengthen further, increasing by 29.6%, underpinned by an 18.4% increase in aggregate exports, driven by both Ichthys and Darwin LNG plants operating at or near full capacity, and lithium exports from the Finniss mine resuming. As a result, goods exports are projected to reach historic highs and be the primary driver of GSP growth. By contrast, services trade is forecast to fall sharply across both exports and imports, reflecting weaker international tourism expenditure amid global economic uncertainty.

While the Barossa project has successfully transitioned into Darwin LNG's operations, any potential disruptions to its production schedule pose a risk to the Territory's balance of trade trajectory.

The Australian dollar appreciated in late 2025, but since the escalation of the Middle East conflict has weakened slightly. If this depreciation continues it could provide a competitive tailwind for the export sector but will also place upwards pressure on the cost of imported goods, including energy products.

Global economic outlook

The International Monetary Fund's (IMF) *World Economic Outlook*, released April 2026, presents the Middle East conflict as the primary downside risk to the global economy, alongside elevated uncertainty related to trade policy settings. Prior to the Middle East conflict, the global economy was expected to stabilise supported by technology-related investments, favourable financial conditions and monetary and fiscal policy.

The IMF's reference forecast assumes the conflict is limited in duration and intensity, with disruptions easing and production and trade flows in the region to normalise by mid-2026. Under this scenario, global growth is projected to be 3.1% in 2026 and 3.2% in 2027 (down 0.2 percentage points in 2026, and unchanged in 2027, compared with the IMF January 2026 outlook). The downward revision reflects the economic effects of higher energy prices, supply disruptions to the growth is primarily caused by Middle East conflict.

The IMF also presents two downside scenarios in the event of a more prolonged and severe conflict that results in sustained damage to energy infrastructure. Under the adverse scenario, oil price increases persist, resulting in global growth slowing to 2.5% in 2026 and 3% in 2027 (down 0.8 and 0.2 percentage points, respectively). The severe scenario assumes greater damage to energy infrastructure and global growth declines to 2% in 2026 and 2.2% in 2027 (down 1.3 and 1.0 percentage points, respectively).

Global headline inflation is projected to rise to 4.4% in 2026 and 3.7% in 2027 (up by 0.6 percentage points in 2026, compared to IMF January 2026 outlook) reflecting higher energy and food prices. Under the adverse scenario, global inflation is estimated to reach 5.4% in 2026 and 3.9% in 2027, while under the severe scenario, inflation increases to 5.8% in 2026 and 6.1% in 2027.

The Middle East conflict's economic impact is expected to vary in different regions owing to financial flows, geographical proximity and energy dependencies. The overall effect on growth in advanced economies is expected to be modest compared to the emerging and developing economies. Downside risks dominate the outlook from renewed supply chain disruptions, tighter financial conditions, and increasing fiscal and financial vulnerabilities. Over the medium term, the IMF notes that structural reforms, enhanced fiscal buffers and international cooperation could support resilience and mitigate longer-term growth impacts.

The OECD *Interim Report*, released in March 2026, forecasts global GDP to moderate from 3.3% in 2025 to 2.9% in 2026 and 3% in 2027. Persistently higher energy prices are expected to weigh on consumer spending and business investment, combined with weaker real income growth, commodity shortages and tighter financial conditions. The OECD's *Interim Report* notes that any new policy measures to address energy price pressures should be targeted to vulnerable households and viable firms and preserve incentives for energy efficiency.

Table 3.1: Reference economic growth forecast IMF, *World Economic Outlook*, April 2026¹

	2025a	2026f	2027f	2028f	2029f	2030f	2031f
Australia	2	2	1.7	1.9	2.1	2.3	2.3
Canada	1.7	1.5	1.9	1.7	1.7	1.7	1.8
China	5	4.4	4	4	3.7	3.3	3.3
European Union	1.6	1.3	1.4	1.6	1.5	1.4	1.4
India	7.6	6.5	6.5	6.5	6.5	6.5	6.5
Indonesia	5.1	5	5.1	5.2	5.2	5.2	5.2
Japan	1.2	0.7	0.6	0.6	0.6	0.6	0.6
Korea, Republic of	1	1.9	2.1	2.2	2	1.9	1.9
Malaysia	5.2	4.7	4.3	4.3	4.3	4.3	4.3
Singapore	5	3.5	2.7	2.5	2.5	2.5	2.5
Taiwan	8.7	5.2	3	2.4	2.4	2.4	2.1
Thailand	2.4	1.5	2.1	2.3	2.5	2.5	2.5
United States	2.1	2.3	2.1	2.1	1.9	1.8	1.8
Vietnam	8	7.1	6.7	6.2	5.6	5.4	5.4
Emerging market and developing economies	4.4	3.9	4.2	4.2	4.1	4	4
Advanced economies	1.9	1.8	1.7	1.7	1.6	1.5	1.5
World	3.4	3.1	3.2	3.2	3.2	3.1	3.1
Territory major trading partners	3.3	2.5	2.1	2.0	2.0	1.9	1.8

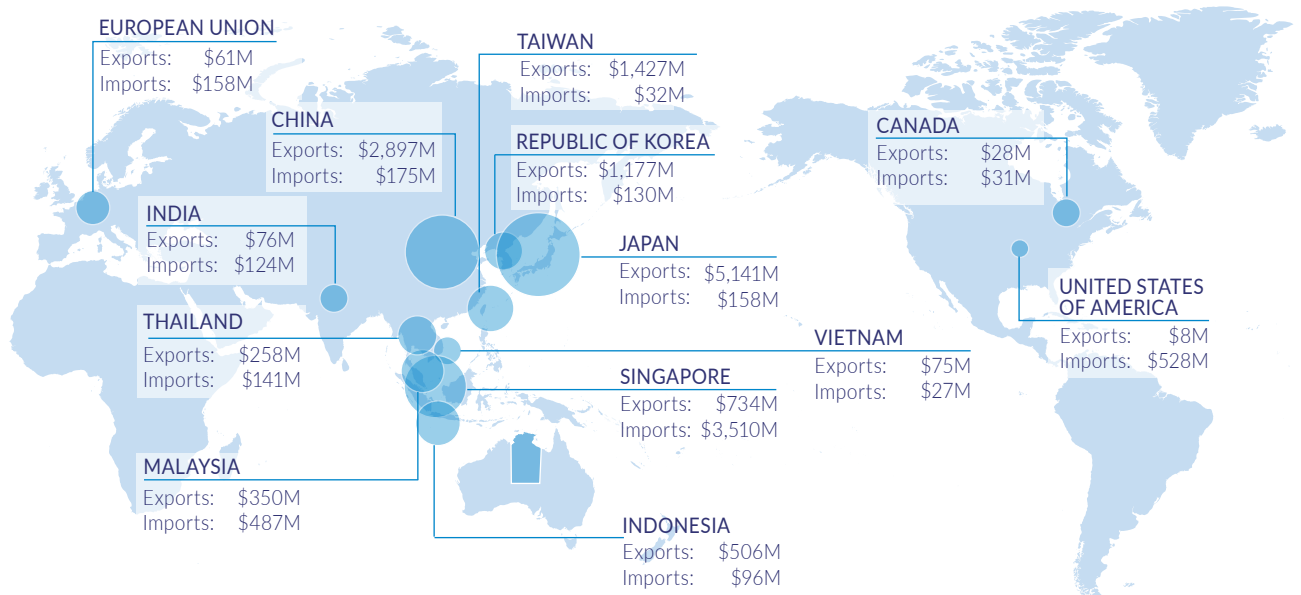
a: actual; f: forecast

¹ Year-average percentage change in gross domestic product.

Source: IMF, *World Economic Outlook*, April 2026; ABS, *International trade in goods, Australia*; Department of Treasury and Finance

Major trading partners

Map 3.1: Territory's major trading partners, 2025¹



¹ Annual total, current prices.

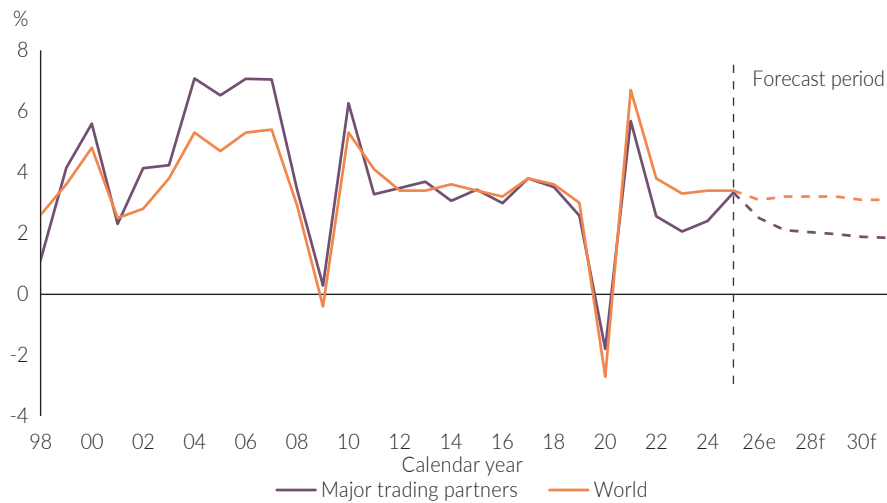
Source: ABS, *International Trade in Goods, Australia*; Department of Treasury and Finance

The Territory’s major trading partner growth tracks the aggregate GDP of 13 of the Territory’s largest current and historical export destinations (Chart 3.1). These include Japan, China, Taiwan, Republic of Korea, Singapore, Thailand, Indonesia, Malaysia, European Union, India, Vietnam, Canada and the US (Map 3.1).

Based on IMF forecasts, aggregate growth in major trading partners is expected to moderate from 3.3% to 2.5% in 2026 and remain within a narrow range thereafter. This outcome largely reflects the growth trajectories of Japan, China, Taiwan and the Republic of Korea, which account for the largest share of index weighting.

Economic growth in Japan and China is expected to moderate from 1.2% to 0.7% in 2026 and 5% to 4.4% in 2026, respectively, reflecting the negative impact of Middle East conflict on reduced investments and weaker external demand. Taiwan is expected to see its economic growth drop sharply from 8.7% to 5.2% in 2026, resulting in a slowdown in exports and weaker domestic demand. In contrast, Republic of Korea is expected to see economic growth strengthen from 1% to 1.9% in 2026, supported by stronger manufacturing output.

Chart 3.1: Major trading partner growth¹



¹ Annual total.

Source: IMF, *World Economic Outlook*, April 2026; ABS, *International Trade in Goods, Australia*; Department of Treasury and Finance

Commodity outlook

The main commodities produced in the Territory include LNG, bauxite, manganese, gold and cattle, with LNG recording the largest share of production.

Export volumes are generally relatively stable with plants optimising production volumes. This means mining plants tend to run at around full capacity for the productive life of the infrastructure. However, prices for contracts relating to new supply can be influenced by prevailing global market conditions, which may affect export value. Over time, this can change investment incentives and decisions on the volume of future exports.

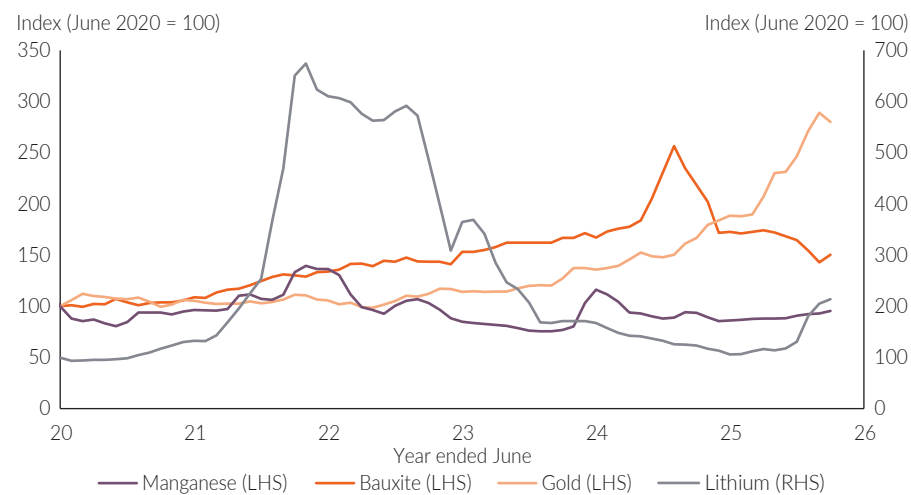
Bauxite and manganese are key inputs for aluminium and steel production, respectively. In 2025, bauxite prices declined, largely reflecting weaker demand from China. Despite this, production from Territory mines was relatively stable. Manganese prices fluctuated due to weak Chinese demand, although this was partly offset by the resumption of operations at the GEMCO mine, which supported Territory export volumes. Aluminium demand, driven by the uptake of energy-efficient technology, is expected to support bauxite prices, while growth in electric vehicle production is anticipated to underpin manganese demand for battery use.

The global shift towards decarbonisation has driven demand for lithium, which is widely used in green technologies and batteries. Lithium prices increased in late 2025, leading to plans to re-open the Finniss lithium mine near Darwin.

Gold prices rose sharply in 2025, supported by strong central bank buying, robust investment demand and geopolitical uncertainty. Easing monetary policy also boosted gold's appeal by lowering real yields. Prices have declined in March 2026 with reports of investors selling off gold as a source of liquidity to rebalance portfolios. In the medium term, prices are expected to remain high and support gold mining and further exploration in the Territory (Chart 3.2).

The Territory's main live animal export is cattle. Cattle prices fluctuated over the first half of 2025 before reporting consistent growth for the remainder of the year. In 2025, the Territory exported a total of 313,984 head of cattle, compared to 274,181 the previous year, with Indonesia being the largest destination, followed by Vietnam. The increase in exports was supported by favourable weather conditions. The prolonged wet season is anticipated to contribute to support production in 2026, although recent flooding has disrupted supply lines. In addition, the Indonesian Government removed quota restrictions on live cattle imports in mid-2025, allowing unrestricted entry to support national food security. This represents a positive development for the Territory's cattle trade.

Chart 3.2: Commodity prices



LHS: left-hand side; RHS: right-hand side

Source: AME Group; IMF; Department of Treasury and Finance

National economy

Australia's GDP grew by 1.3% in 2024-25 and 2.6% in the year-ended December 2025, the fastest pace in two years, supported by private and public expenditure.

In the second half of 2025, household consumption grew solidly, reflecting real disposable income growth, rising household wealth and robust spending during promotional periods. Business investment also increased sharply, largely driven by non-mining machinery and equipment investments relating to data centres, renewable energy transition and aircraft purchases. Net trade and inventories have modestly detracted from growth in recent quarters, as solid export growth was outpaced by a strong rise in import volumes.

The RBA's February 2026 *Statement on Monetary Policy* forecasts near-term GDP growth of 2.1% in the year-ended June 2026. Growth is then expected to moderate to 1.8% in the year-ended December 2026 and 1.6% to June 2027 as more restrictive monetary policy begins to weigh on economic activity (Chart 3.3).

The RBA reports the Middle East conflict is likely to reduce GDP growth in 2025-26 relative to earlier forecasts. Inflation is expected to be materially higher, which markets anticipate will see the RBA increase cash rates again in May (Chart 3.4), taking interest rates back to the last peak in early 2025. This is likely to see growth materially weaker than the RBA's February statement.

Chart 3.3: Australia – annual gross domestic product growth



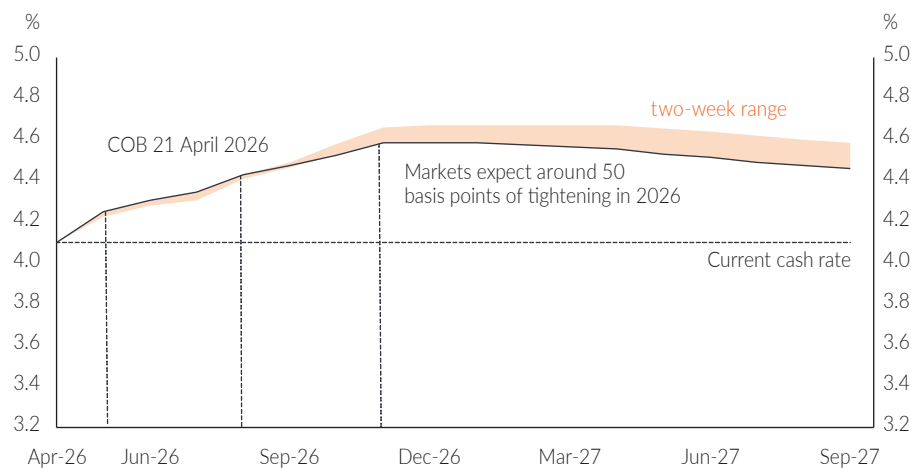
Source: ABS, Australian National Accounts: National Income, Expenditure and Product; RBA

Interest rates

In March 2026, the RBA increased the cash rate by 25 basis points to 4.1%. This was the second rate increase in 2026. While inflation has fallen substantially since its peak in 2022, it picked up materially in the second half of 2025. Information since the February RBA meeting suggests some of the increase in inflation reflects greater capacity pressures with demand running ahead of supply capacity. Since then, the Middle East conflict has resulted in sharply higher fuel prices, which, if sustained, will add further to inflation. Short-term measures of inflation expectations have already risen. As a result, the RBA judged there is a material risk that inflation will remain above target for longer than previously anticipated.

Globally, the Middle East conflict poses substantial inflation and interest rate risks. A long or more severe conflict will put further upward pressure on energy prices, lifting near-term inflation and potentially embedding higher inflation over the medium term if supply is impaired or price increases become entrenched in inflation expectations. Higher prices and prolonged uncertainty may weigh on growth in Australia's major trading partners and, in turn, on Australia.

Chart 3.4: Market cash rate expectations



COB: close of business

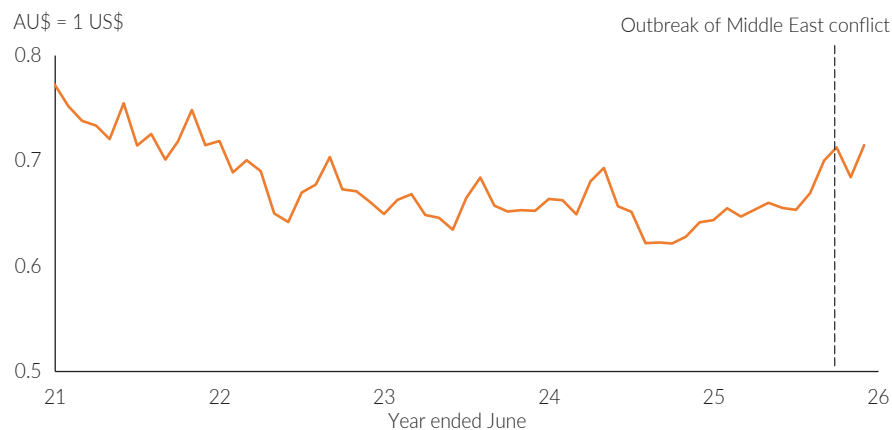
Source: Department of Treasury and Finance; Australian Securities Exchange

Exchange rates

The Australian dollar reflects global interest rate differentials, international commodity prices and broader shifts in global risk sentiment. The Australian dollar traded within a relatively narrow range against US dollars for most of 2025. In early 2026, the Australian dollar appreciated, driven by domestic interest rate increases and a weakening of US dollar, with this strength expected to persist. However, in March 2026, the Australian dollar trended lower against the US dollar, reflecting safe haven flows into the US currency amid rising global risk aversion. Market expectations for the RBA to raise the cash rate and broaden the interest rate spread has supported the recent appreciation of the Australian dollar.

The OECD's March 2026 *Economic Outlook* notes that subdued global growth prospects and increasingly fragmented international trade conditions have continued to weigh on risk sensitive currencies such as the Australian dollar. For the Territory, a lower Australian dollar has mixed macroeconomic implications. It provides a competitive tailwind for the local export sector, particularly LNG, mineral commodities and international tourism by enhancing global competitiveness and boosting Australian dollar denominated exports. However, a sustained depreciation places upward pressure on the cost of imported capital goods and machinery, needed for major resource and infrastructure projects and potentially impacting investment decisions.

Chart 3.5: Australian/US dollar exchange rate



Source: RBA

Chapter 4

Population

Outlook

The Territory population is expected to grow by 1.2% in 2025-26 driven by net overseas migration and natural increase. Growth is expected to ease to 1.1% in 2026-27 as overseas arrivals ease and natural increase remains subdued. Over the forward estimates, population growth is forecast to reach 1.2% as migration flows normalise and natural increase recovers.

Table 4.1: Territory population forecasts

	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Population (persons)	264 556	267 704	270 579	273 535	276 687	279 876
Year-ended change (%)	1.4	1.2	1.1	1.1	1.2	1.2

a: actual; e: estimate; f: forecast

Source: ABS, *National, state and territory population*; Department of Treasury and Finance

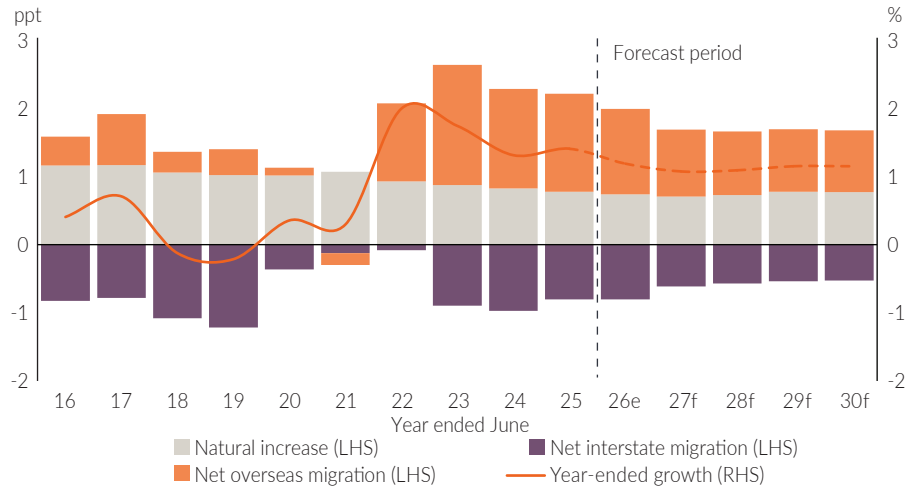
The Territory's population is estimated to grow by 1.2% to 267,704 persons in 2025-26 (Chart 4.1). Strong overseas migration is expected to be the main driver of growth, contributing 1.3 percentage points, followed by natural increase contributing 0.7 percentage points, while net interstate migration is estimated to detract 0.8 percentage points.

The Territory's population growth is expected to ease to 1.1% in 2026-27 and 2027-28. Natural increase, while still a contributor to growth, is forecast to remain subdued by weaker births as ongoing inflationary pressures together with broader social norms weigh on family formation decisions. Net overseas migration is also expected to ease over this period, particularly as strong post-covid flows normalise. This is partly offset by net interstate migration improving towards longer-term levels, supported by investment growth.

The new five-year Designated Area Migration Agreement (DAMA) signed in March 2025 is supporting skilled international migrant inflows. The DAMA, which provides Territory businesses pathways to sponsor skilled and semi-skilled overseas workers, was expanded to increase the number of eligible occupations and annual nomination cap. The Territory Government also launched the Global Worker Attraction program in February 2026, to address critical skills shortages through overseas and interstate recruitment events.

Population growth is forecast at 1.2% in 2028-29 and 2029-30. Natural increase and net overseas migration are expected to be steady contributors to growth over these years, adding an average 0.8 and 0.9 percentage points per annum respectively, while net interstate migration is expected to detract on average 0.5 percentage points from growth per annum.

Chart 4.1: Territory’s annual population growth and percentage point contribution by component



e: estimate; f: forecast; ppt: percentage points; LHS: left-hand side; RHS: right-hand side
 Source: ABS, National, state and territory population; Department of Treasury and Finance

The Territory’s overseas migration flows are influenced by Commonwealth policy. Over the past year, changed Commonwealth policy settings have increased risks to the Territory’s future overseas migration flows. These include national planning levels for international students with tighter limits on private education providers, two-tiered visa application processes, further increases to student visa costs, and new arrival control determinations that allow restrictions on the arrival of certain classes of temporary visa holders. While these changes are aimed at strengthening the integrity and quality of Australia’s international education system, the additional regulatory and financial burdens may dampen demand for international education in the Territory and migration flows.

Natural increase has been in steady decline in recent years, mainly due to fewer births. This reflects broader fertility rate trends and more recently, cost-of-living pressures and economic uncertainty that impact household formation decisions. The forecasts assume a modest recovery in births over the forecast period as economic pressures ease.

Population profile

The Territory’s population is characterised by a relatively young age profile, with a median age of 33.9 years, compared with 38.4 years nationally. This reflects a large number of persons aged 25 to 34 years living and working in the Territory, as well as the Territory’s large Aboriginal population that, based on the 2021 Census, had a median age of 26 years (Chart 4.2). Around a third of the Territory’s population identifies as Aboriginal (31%) compared with 3.8% nationally. The Territory’s population also comprises a larger proportion of males than females (106.2 males to every 100 females), compared with 98.6 males to every 100 females nationally.

Chart 4.2: Population age profile, Australia and the Territory by Aboriginal status, 30 June 2021



Source: ABS, 2021 Census

Recent activity

In 2024-25, the Territory's population grew by 1.4% to 264,556 persons. Net overseas migration was the main contributor to growth with elevated overseas arrivals. Natural increase also contributed to growth, while net interstate migration detracted from growth, however less so than the previous year.

Natural increase

Natural increase has been moderating in the Territory, contributing on average 0.9 percentage points per annum to population growth over the five years to 2024-25. This is higher than the national contribution of 0.4 percentage points per annum, largely due to the Territory's younger age profile and higher fertility rate.

In 2024-25, the Territory's natural increase was 2,024 persons, down 4.8% from 2,125 persons the year before, driven by higher deaths and steady number of births. The total fertility rate (TFR), which represents the average number of children born to a woman during the reproductive lifetime, was 1.6 for the Territory in 2024-25 compared to 1.5 for Australia. The Territory has continued to experience a softening in its TFR in line with the national trend as changing socioeconomic factors such as delayed parenthood, smaller family size intentions and cost-of-living impact on decision-making.

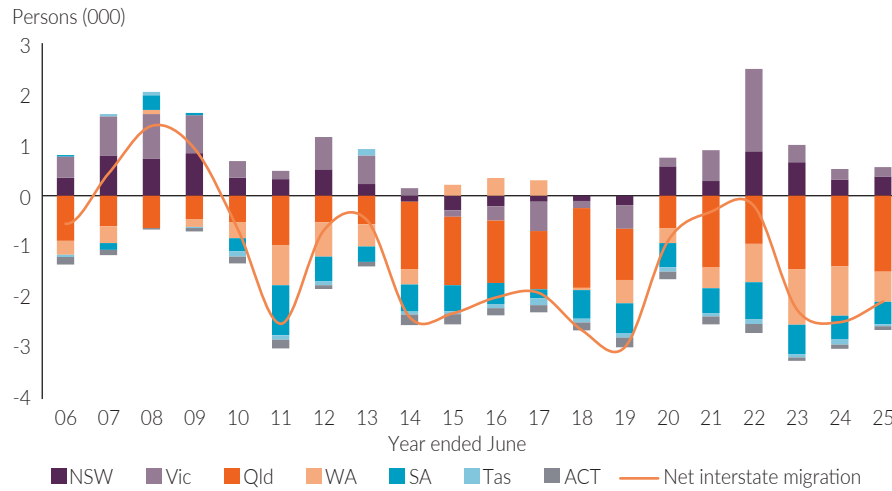
Interstate migration

Interstate migration is the most volatile component of population growth and generally detracts from the Territory's population. Over the five years to 2024-25, net interstate migration detracted on average 0.6 percentage points per annum from growth.

Net interstate migration improved from -2,516 persons in 2023-24 to -2,105 persons in 2024-25, largely due to improved net migration outcomes with Western Australia. Overall, interstate departures from the Territory were lower by 1,331 persons, with less departures to each jurisdiction. This was partly offset by lower interstate migration arrivals to the Territory from all jurisdictions except Western Australia, Tasmania and the Australian Capital Territory.

In 2024-25, the Territory continued to see positive net migration flows with New South Wales and Victoria at around 380 and 190 persons respectively, while negative net migration flows remained the greatest with Queensland and Western Australia at around 1,510 and 600 persons, respectively (Chart 4.3).

Chart 4.3: Territory net interstate migration, by jurisdiction



Note: Net interstate migration by jurisdictions in 2020-21 does not align to the Territory's overall net interstate migration due to the impact of covid-related Medicare address changes.
 Source: ABS, National, state and territory population

Overseas migration

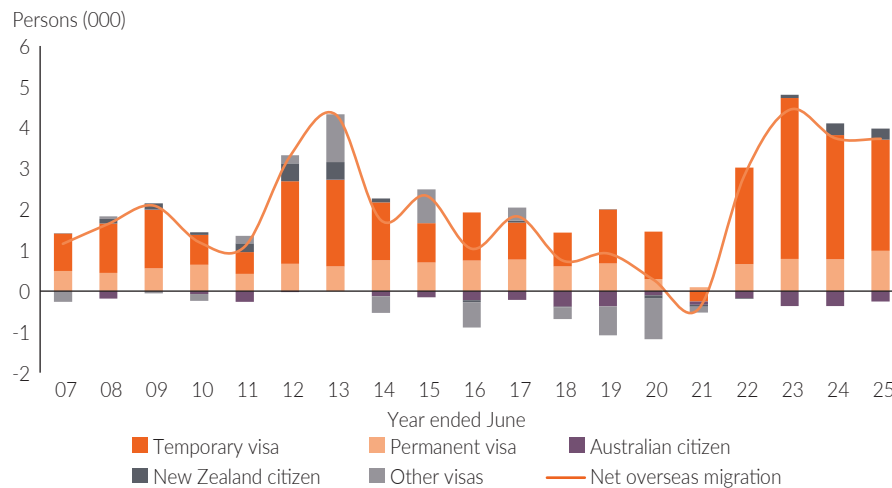
Historically, net overseas migration has supported population growth in the Territory, contributing on average 1.1 percentage points per annum over the five years to 2024-25.

The Territory's net overseas migration declined by 0.4% to 3,753 persons in 2024-25, however is still at historically elevated levels due to strong overseas arrivals and weak departures since covid, and supported by advocacy for fit-for-purpose policy settings for the Territory (such as the DAMA).

Temporary visa holders continued to be the main component of net overseas migration in 2024-25 (Chart 4.4), largely temporary student, skilled and working holiday visa holders. The composition of temporary visa holder arrivals is changing though, with temporary skilled visa numbers increasing, and student and working holiday visa numbers declining further in 2024-25 since peaking in 2022-23.

Permanent visa holders have also been consistently contributing to the Territory's overseas migration since covid, notably for skilled visa holders.

Chart 4.4: Territory net overseas migration, by visa category



Source: ABS, National, state and territory population

Regional growth

Table 4.2: Territory population by region, 30 June 2025

	Population	Proportion of total	Year-ended change	5-year average year-ended change
	No.	%	%	%
Greater Darwin	159 284	60.2	1.7	1.5
Darwin city	31 021	11.7	2.6	1.7
Darwin suburbs	60 925	23.0	1.4	1.1
Palmerston	43 006	16.3	1.4	2.1
Litchfield	24 332	9.2	2.0	1.4
Rest of the Territory	105 272	39.8	0.9	1.1
Alice Springs	43 434	16.4	1.2	1.5
Katherine	22 026	8.3	1.0	0.9
Daly-Tiwi-West Arnhem	18 716	7.1	1.0	0.8
East Arnhem	14 913	5.6	0.0	0.6
Barkly	6 183	2.3	0.5	0.5
Total	264 556	100.0	1.4	1.3

Source: ABS, *Regional population*

Greater Darwin was the main source of the Territory's population growth in 2024-25, increasing by 1.7% to 159,284 persons while the rest of the Territory grew by 0.9% to 105,272 persons.

Greater Darwin experienced population growth across all major centres, with Darwin suburbs and Darwin city being the larger contributors to growth followed by Palmerston and Litchfield. Growth across Greater Darwin has been supported by residential developments at Berrimah, Lyons and Palmerston South, and the opening of Charles Darwin University's Danala Education and Community Precinct in late 2024. Future plans to develop a purpose built 350 student accommodation will unlock further growth in Darwin city.

Population growth in the rest of the Territory was concentrated in Alice Springs and Katherine. Alice Springs grew by 1.2% in 2024-25 while both Katherine and Daly-Tiwi-West Arnhem grew by 1%, above their five-year average. Barkly reported population growth at 0.5% while East Arnhem's population was unchanged. East Arnhem, in particular the Gove Peninsula, is entering a period of major economic transition as Rio Tinto progresses to mine closure later this decade, which will reshape the region's population and workforce profile. The Gove Peninsula Future Reference Group, which comprises Commonwealth and Territory governments, Traditional Owner groups, Northern Land Council, Rio Tinto and local communities, is working to address key barriers and opportunities for the township's long-term socioeconomic sustainability.

Chapter 5

Labour market

Outlook

Employment growth is forecast to ease to 1.1% in 2025-26 and 0.6% in 2026-27, reflecting the completion of works for several major investments and the impact on demand as a result of the fuel price shock in early 2026. The unemployment rate is expected to peak at 5.2% in 2026-27 before declining to average around 4.6% over the forward estimates, broadly in line with the Territory's natural rate of unemployment.

Table 5.1: Territory labour market (%)

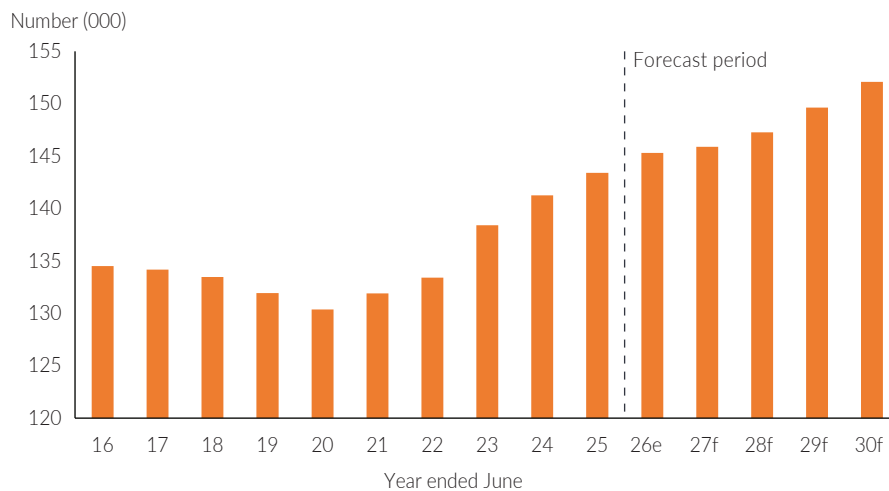
	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Employment growth ¹	1.5	1.1	0.6	0.9	1.6	1.6
Unemployment rate ²	4.1	4.6	5.2	4.7	4.6	4.6
Participation rate ²	72.8	72.8	72.7	71.9	72.1	72.1

a: actual; e: estimate; f: forecast

¹ Year-average change.

² Year average.

Source: ABS, *Labour Force, Australia*; Department of Treasury and Finance

Chart 5.1: Territory employment¹

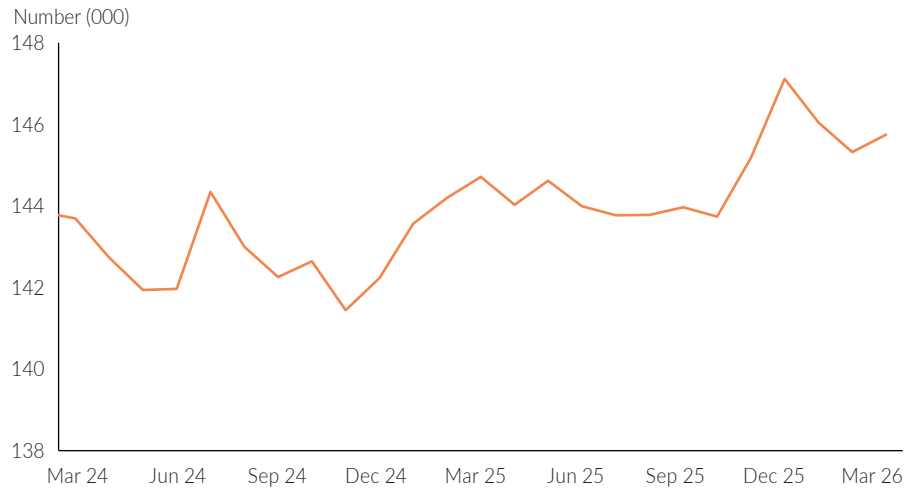
e: estimate; f: forecast

¹ Year average.

Source: ABS, *Labour Force, Australia*; Department of Treasury and Finance

Territory employment was around 143,400 in 2024-25 (Chart 5.1) and is estimated to increase by 1.1% in 2025-26. The Territory reported solid employment growth in 2025 before moderating in early 2026 (Chart 5.2), influenced by the timing of works for the Northern Marine Complex including the Darwin ship lift project, Manton Dam and planned maintenance works at the Ichthys LNG plant in mid-August to November 2025.

Chart 5.2: Territory employment by month¹



¹ Seasonally adjusted.
Source: ABS, Labour Force, Australia

Labour market conditions are expected to soften in the near term, reflecting slower domestic investment activity and weaker business confidence over recent months. In addition, cash rate increases in the first quarter of 2026 by the RBA and the Middle East conflict are expected to weigh on economic activity and employment growth.

Territory job vacancies increased by 18.5% to 6,400 in the year-ended February 2026, compared to an increase of 4.1% nationally. There are now 0.9 vacancies for every unemployed person in the Territory compared to 0.5 nationally (Chart 5.3). The rise in Territory job vacancies signals a tightening labour market, reflecting stronger than expected national labour market conditions impacting the ability of Territory businesses to secure workforce. The gap also highlights ongoing skilled labour shortages, with a high dependence on overseas and interstate migration to fill vacancies. For the Territory to continue to reach its potential, it is critical that Commonwealth migration policy settings are flexible enough to ensure the Territory’s high economic growth potential is not constrained by national policies that inhibit labour supply.

Chart 5.3: Ratio of job vacancies to unemployed persons by jurisdiction

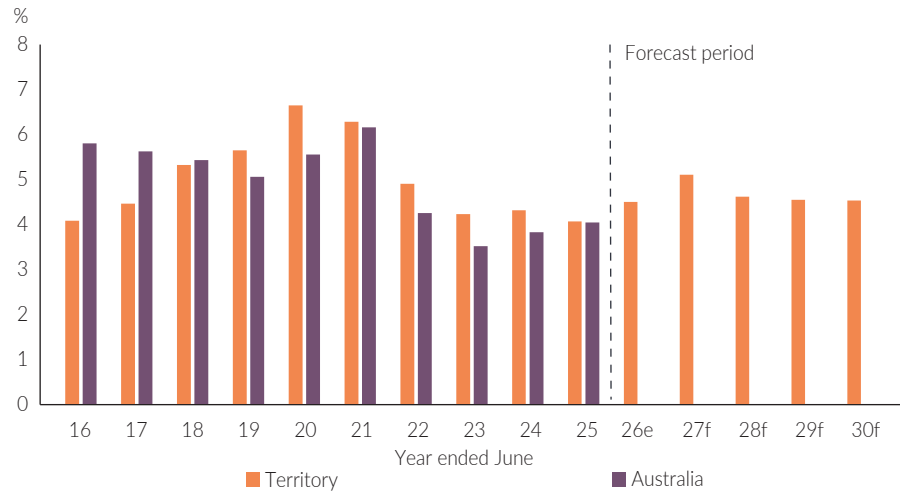


Source: ABS, Job Vacancies, Australia, Labour Force, Australia

Employment growth is forecast to ease to 0.6% in 2026-27 and 0.9% in 2027-28, before strengthening to 1.6% in 2028-29 and 2029-30.

The unemployment rate is expected to ease to 4.6% in 2025-26 before increasing to 5.2% in 2026-27 (Chart 5.4). This increase reflects lower tourist visitation and spending, lower household consumption related to higher interest rates, and low levels of private investment following completion of works for the Barossa project. Ongoing uncertainty related to the Middle East conflict and its impact on fuel prices and inflation, and consumer and business confidence is a risk to the labour market and unemployment outlook. The unemployment rate is expected to moderate to 4.6% over the forward estimates as conditions stabilise.

Chart 5.4: Territory unemployment rate¹



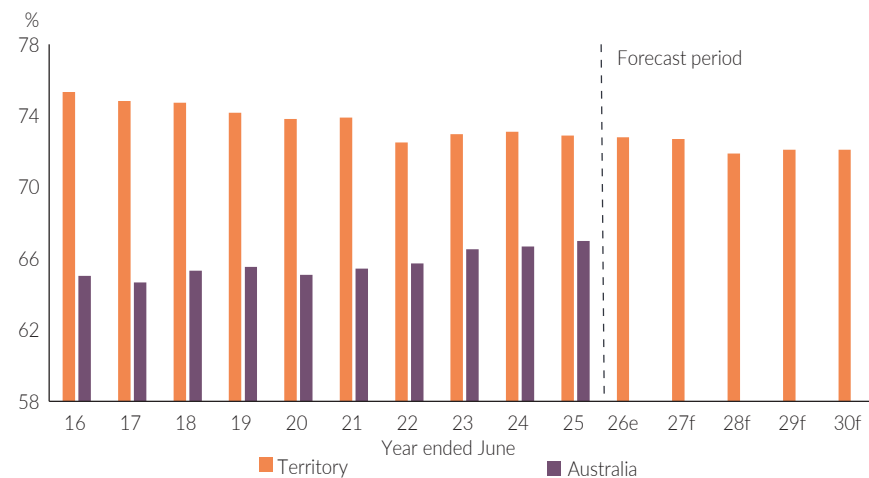
e: estimate; f: forecast

¹ Year average.

Source: ABS, *Labour Force, Australia*; Department of Treasury and Finance

Participation is expected to remain steady over the rest of 2025-26 to average 72.8%, with weaker employment growth offset by an increase in the number of unemployed people (Chart 5.5). As labour demand declines, the participation rate is expected to moderate, noting the Territory has a project-driven economy and transient population, with a greater tendency for workers who are unable to secure local work to move interstate. Over the forward estimates, the participation rate is forecast to stabilise at levels consistent with a return of private demand to trend.

Chart 5.5 Territory participation rate¹



e: estimate; f: forecast

¹ Year average.

Source: ABS, *Labour Force, Australia*; Department of Treasury and Finance

Government initiatives

The 2026 Global Worker Attraction program was launched to boost the Territory's skilled workforce, with recruitment efforts focused on the UK, Ireland, South Africa, New Zealand and interstate. The program includes international recruitment events and promotion through the WorkerConnect web-based platform that makes it easy for Territory businesses to list vacancies and connect with jobseekers. This is expected to ease skill shortages and support employment growth across priority industries.

In December 2025, a \$35 million joint investment by the Territory Government and Commonwealth was announced to expand First Nations vocational education and training opportunities, strengthen the First Nations workforce and deliver culturally safe learning environments. The initiative is expected to boost skills and support employment pathways, particularly in remote communities.

Chapter 6

Prices and wages

Outlook

Inflation in Darwin trended up over 2025-26 and is expected to increase significantly in the March and June quarters due to higher fuel prices. Oil prices are expected to remain elevated in 2026-27 and feed into production costs for a broad range of goods and services. Wage growth is forecast to ease in 2025-26 before picking up in 2026-27 as price inflation pressures feed into wage negotiations and new public enterprise agreements take effect.

Table 6.1: Darwin consumer price index and Territory wage price index (%)

Financial year	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Consumer price index						
Year-ended change	1.6	5.2	3.2	1.0	2.5	2.5
Year-average change	1.8	3.8	5.2	1.1	1.9	2.5
Wage price index						
Year-ended change	3.3	2.9	3.5	3.3	3.4	3.3
Year-average change	3.3	2.6	3.7	3.3	3.4	3.3
Calendar year						
2024a	2025a	2026f	2027f	2028f	2029f	
Consumer price index						
Year-ended change	1.7	3.3	6.3	0.9	1.7	2.5
Year-average change	2.5	2.3	5.5	2.6	1.3	2.4

a: actual; e: estimate; f: forecast

Source: ABS, *Consumer Price Index, Australia*, *Wage Price Index, Australia*; Department of Treasury and Finance

The Middle East conflict has materially changed the outlook for inflation due to its impact on fuel prices. The full economic impact will depend on the extent and duration of the conflict.

In year-ended terms, inflation is expected to reach 5.2% by the June quarter 2026 and remain elevated at 3.2% in the June quarter 2027, before moderating to 1% by the June quarter 2028. Over the rest of the forward estimates, price growth is forecast to be around the middle of the RBA's target band as wage growth stabilises, interest rates ease and demand returns to long-run levels.

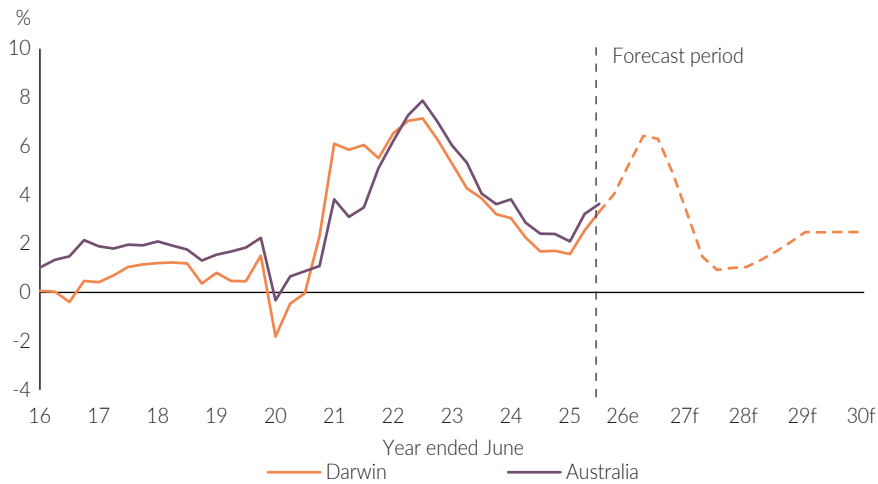
On 1 April 2026, the Commonwealth halved the fuel excise for three months, effectively reducing the cost of fuel by 26.3 cents per litre. State and territory governments also agreed to forego GST revenue to reduce the fuel excise a further 5.7 cents per litre over the same period. The Commonwealth has also waived the heavy vehicle road user charge for three months and delayed the next scheduled increase by six months. These measures will somewhat reduce inflationary pressures in the near term.

Outlook

The Darwin CPI is expected to increase significantly in 2025-26, with inflationary pressures expected to persist into 2026-27 (Chart 6.1). In year-ended terms, Darwin's inflation rate is estimated to increase from 1.6% in the June quarter 2025 to 5.2% in the June quarter 2026. Inflationary pressures had been building steadily to February 2026, however were significantly magnified by rapid increases in fuel prices.

Over the forward estimates, Darwin inflation is forecast to return to 2.5%, consistent with the mid-point of the RBA target band.

Chart 6.1: Consumer price index, Darwin¹



e: estimate; f: forecast

¹ Year-ended change.

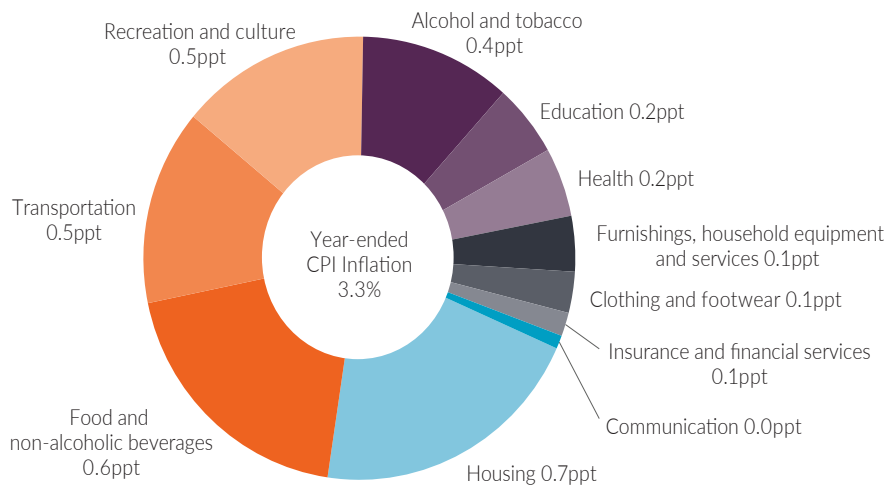
Source: ABS, *Consumer Price Index, Australia*; Department of Treasury and Finance

Higher fuel prices will increase production costs for a range of goods and services, particularly in the Territory economy, which is highly dependent on interstate freight. Typically, the indirect impact gradually rises over the short to medium term as producers pass on cost increases to consumers. Partly offsetting this outlook is the strength of the Australian dollar, which appreciated by 8% from July 2025 to February 2026. A stronger Australian dollar will act to dampen inflationary pressures, noting the high degree of import penetration across the Australian economy.

Recent activity

Headline inflation in Darwin increased by 3.3% in the year-ended December quarter 2025, compared with 3.6% nationally. The largest contributor to Territory inflation was housing, followed by food and non-alcoholic beverages, transport, and recreation and culture. The increase in the housing category was driven by rents and utilities, reflecting tight supply in the established housing market and cessation of the Commonwealth Energy Bill Relief Fund in December 2025 (Chart 6.2).

Chart 6.2: Contributors to annual inflation, December quarter 2025, Darwin



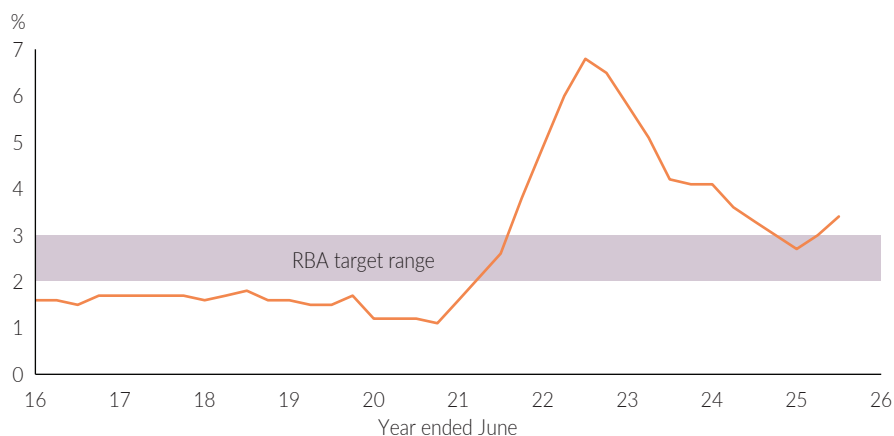
ppt: percentage points

Source: ABS, *Consumer Price Index, Australia*; Department of Treasury and Finance

Services inflation was 3.5% in the year-ended December quarter 2025, outpacing goods inflation (3.2%) over the same period. Both goods and services inflation are tracking above long-term rates. Goods inflation is expected to increase significantly in the short to medium term, with some upward pressure on services inflation as these expectations are factored in wage negotiations.

Nationally, there are indications the economy is running above potential growth, with strong private demand and stable labour market conditions lifting underlying demand. Trends in Darwin inflation tend to track closely with national inflation, suggesting similar drivers of price inflation (Chart 6.1). Therefore, national estimates of underlying inflation (which adjusts for irregular or temporary price changes) are relevant to the Territory context. Underlying inflation has increased since June 2025 after declining over 2023-24 and 2024-25 (Chart 6.3).

The upward trend in underlying inflation contributed to the RBA decision to raise the cash rate in both February and March 2026, to 4.1% as at April 2026. The RBA also acknowledges the Middle East conflict will create risks for both price and inflation expectations that will be considerations in future decision-making. Tighter monetary policy could ease inflationary pressures in 2026-27 by reducing demand.

Chart 6.3: National trimmed mean consumer price index¹

¹ Year-ended change.

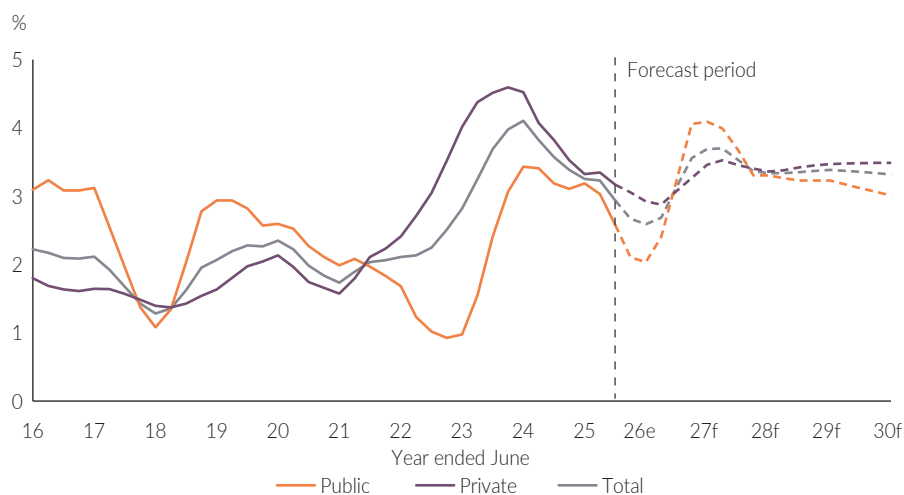
Source: RBA

Wage price index

Outlook

Territory wage growth is expected to moderate to 2.6% in 2025-26 before strengthening to 3.7% in 2026-27 (Chart 6.4). Across the forward estimates, wage growth is forecast to average 3.3% per annum.

Chart 6.4: Territory wage price index¹



e: estimate; f: forecast

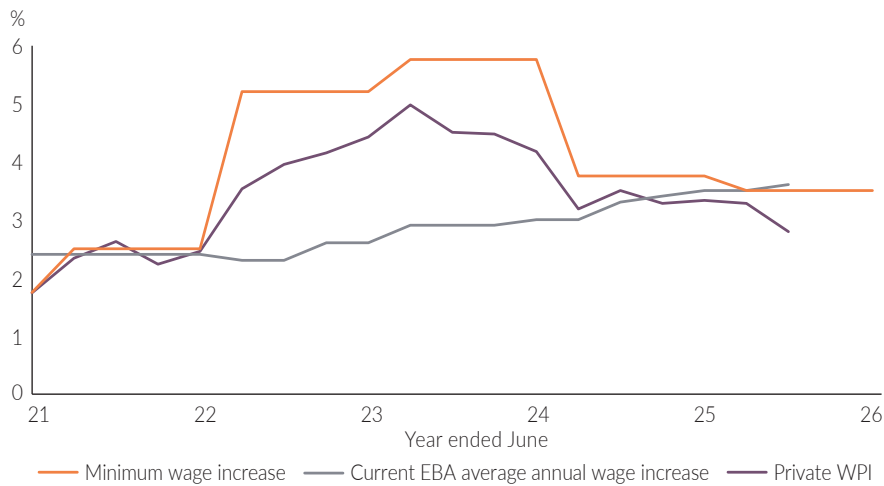
¹ Year-ended change.

Source: ABS, *Wage Price Index, Australia*; Department of Treasury and Finance

Private sector wage growth in the Territory is expected to decline to around 2.9% in 2025-26, reflecting easing labour market conditions though with a 3.5% increase in the national minimum wage. Similar to nationally, Territory private sector wage growth has been trending down since the March quarter 2024. Private sector wage growth is then forecast to increase to 3.5% in 2026-27. This largely reflects price inflation pressures feeding into future wage negotiations. Private wage growth is not expected to reach the same highs as in 2023-24, when domestic activity was relatively strong. Over the forward estimates, private wage growth is forecast to remain around 3.5%, driven more by labour demand than inflationary pressures.

In December 2025, a number of major Northern Territory Public Sector (NTPS) enterprise agreements were finalised. In year-average terms, public sector wage growth in the Territory is expected to increase by 2% in 2025-26 before strengthening to 4.1% in 2026-27 as pay rises under the new NTPS enterprise agreements take effect. Public sector enterprise agreements are expected to contribute modestly to wage growth over the forward estimates. Public wage growth is assumed to return to 3% by 2029-30 as labour market conditions and inflation stabilise.

There is risk to the 2026-27 outlook if the 2026 minimum wage decision is for a substantial increase. Minimum wage increases directly affect employees paid on award wages and have indirect impacts through the precedent they set for private sector wage negotiations (Chart 6.5).

Chart 6.5: Territory private WPI, EBAs and minimum wage increases¹

EBA: enterprise bargaining agreement; WPI: wage price index

¹ Year-ended change.

Source: ABS, *Wage Price Index, Australia*; DEWR, *Trends in Federal Enterprise Bargaining*; Fair Work Commission; Department of Treasury and Finance

Recent activity

Territory WPI growth moderated from 3.3% in 2024-25 to 2.9% by December 2025 in year-average terms. This reflects a 2.6% increase in public sector wages and 3.2% increase in private sector wages. Nationally, the WPI increased by 3.4% over the same period.

Other measures of wage growth slightly improved in 2025, reflecting tighter labour market conditions. The WPI is calculated based on a fixed sample of jobs and not affected by changes in the composition of the workforce or hours worked. In contrast, average weekly full-time (ordinary time) earnings does not control for changes in workforce composition, increasing by 3% in the year-ended November 2025 compared to 2.9% a year earlier.

Chapter 7

Residential property market

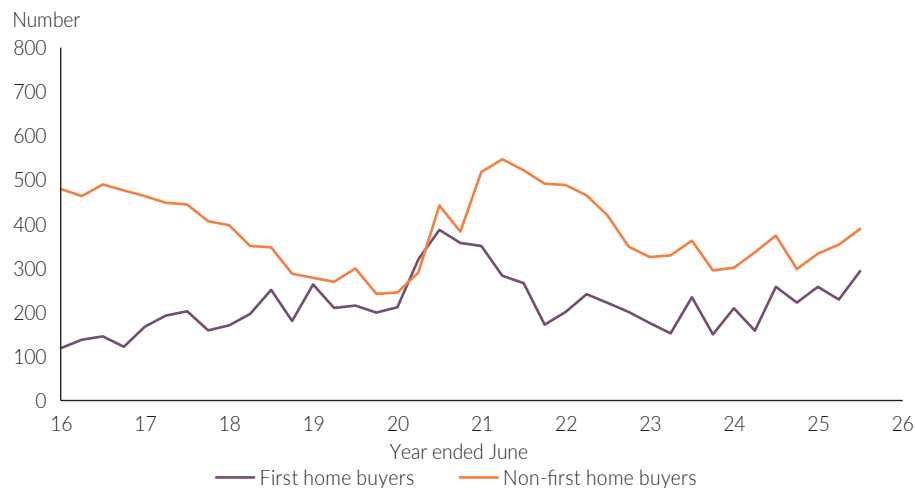
Outlook

Residential construction is expected to slow in 2026 as tighter monetary policy impacts borrowing capacity, and global uncertainty flows through to household and business confidence, and dwelling investment decisions.

Residential construction strengthened over the past year, supported by Territory Government housing grants that were introduced in October 2024 to stimulate new housing construction. The HomeGrown Territory grant offers \$50,000 to first home buyers building or buying a new home, while the FreshStart new home grant offers \$30,000 to existing homeowners to buy or build a new home. To maintain the momentum and offset the impact of higher interest rates, the Territory Government has extended the FreshStart and HomeGrown grants for eligible transactions until 30 September 2027. The extension of these stimulus measures provides medium-term certainty for the local construction sector.

Housing finance commitments for new dwellings, a leading indicator of residential construction activity, totalled 363 commitments in 2025, a 63.5% increase over the previous year. Broader owner-occupier housing finance has also strengthened. In quarterly terms, new loans for first home buyers increased by 13.6% to 293 commitments and for non-first home loans up by 4% to 389 commitments in the year-ended December 2025 (Chart 7.1). The strong response from first home buyers is consistent with the intent of the HomeGrown grant to support entry into the market through new construction.

Chart 7.1: Northern Territory housing finance by owner type, quarterly



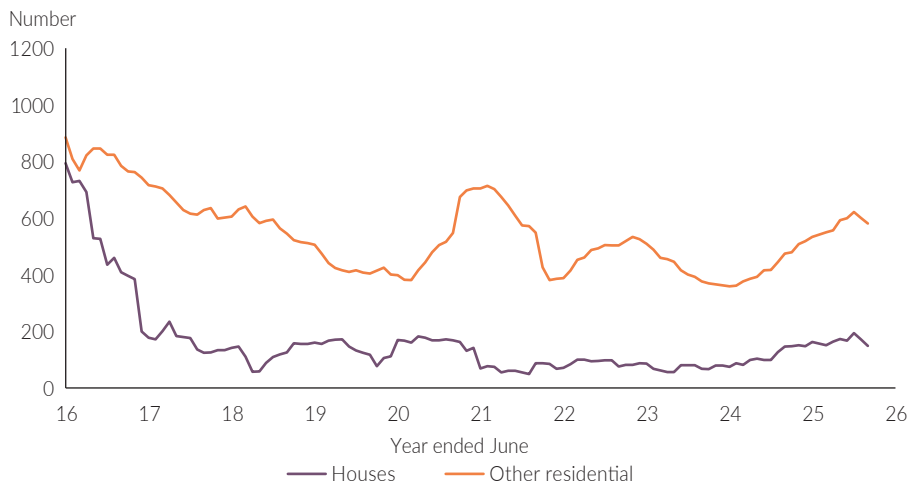
Source: ABS, *Lending Indicators*

Demand for new houses has trended upward since 2024 and is also reflected in building approvals data (Chart 7.2). In addition to the new grants, the increase in demand reflects an easing in household budget pressures as inflation moderated through 2024 and 2025, and growth in real wages. Supported by ongoing land releases, the total number of dwellings under construction has strengthened since mid-2024 (Chart 7.3).

In 2026, weaker employment growth and consumer sentiment combined with higher inflation and interest rates are expected to see households become more cautious and increase their savings. This is likely to impact interest in long-term financial commitments in buildings and property.

On the supply side, skilled labour shortages continue to pose a risk to construction costs, and recent sharp increases in fuel prices will flow through to transport costs embedded in most construction-related goods. However, new land releases at Farrar West and Zuccoli in Palmerston, and Asche, Lee Point and Northcrest in Darwin will support scope for new dwelling construction when market conditions improve.

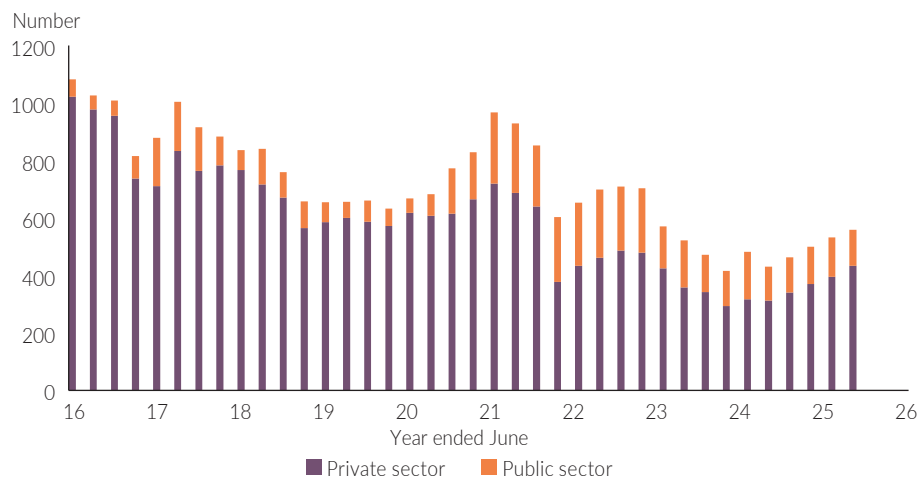
Chart 7.2: Northern Territory building approvals by type of building¹



¹ Moving annual total.
Source: ABS, Building Approvals

Public sector investment continues to provide a consistent baseline of construction work across the Territory. This public pipeline is underpinned by the rollout of the National Partnership on the Remote Housing Investment Package. This \$4 billion Commonwealth and Territory investment over 10 years to 2034 aims to halve overcrowding through the delivery of essential infrastructure upgrades, additional remote housing, and housing improvements in remote homelands.

Chart 7.3: Dwellings under construction, quarterly by sector



Source: ABS, Building Activity, Australia

Recent activity

Following a moderation in 2023, sales volumes steadily improved throughout 2024 and 2025.

Darwin continues to record relatively high rental yields compared to other capital cities, supporting strong investor interest.

Median house and unit prices

The Darwin median house price in the December quarter 2025 was around \$670,000 and the median price of units was around \$440,000 (charts 7.4a and b). Elsewhere in the Territory, median house prices were around \$468,5000 in Alice Springs, \$275,000 in Tennant Creek, and \$390,000 in Katherine. Median unit prices were around \$285,000 in Alice Springs and \$295,000 in Katherine. Property sales volumes increased over 2025, with sales growing every quarter in all regions except Tennant Creek.

Chart 7.4a: Territory house prices

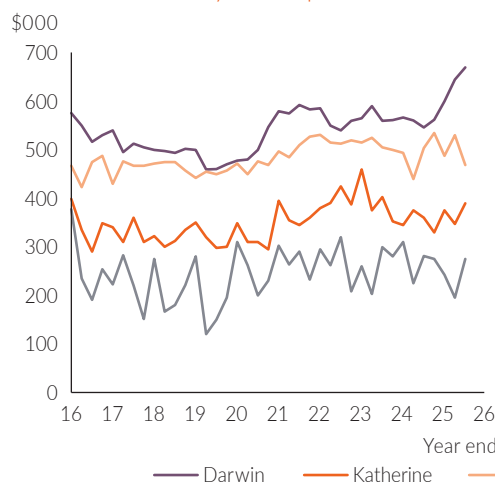
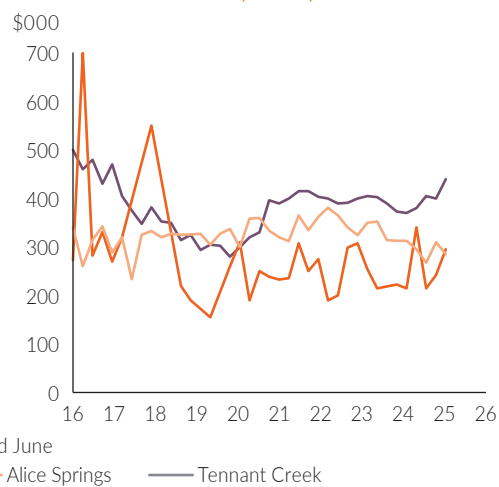


Chart 7.4b: Territory unit prices



Source: Real Estate Institute of Northern Territory

Rental prices

Rental prices increased across most regions in the Territory during 2025 for both houses and units, reflecting persistent tight supply.

In the year-ended December quarter 2025, Darwin house and unit rents increased by 13.8% and 11.8%, respectively (charts 7.5a and b). Over the same period, Alice Springs rental prices increased by 9.2% for houses and 6.9% for units. Katherine saw median rents for houses increase by 8.5%, while rents increased strongly by 13.9% for units.

Chart 7.5a: Territory 3-bedroom house rents

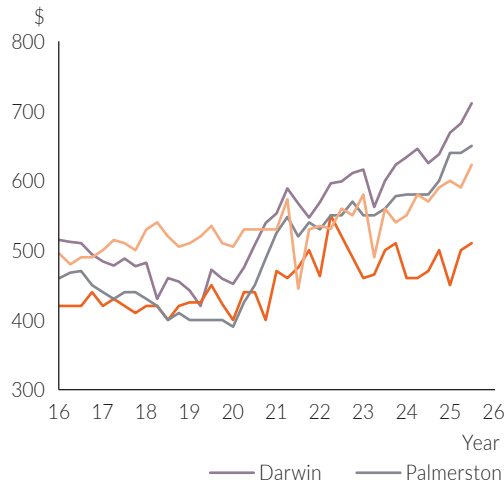
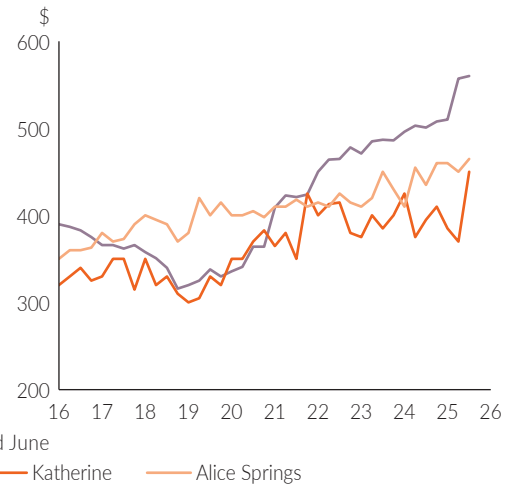


Chart 7.5b: Territory 2-bedroom unit rents



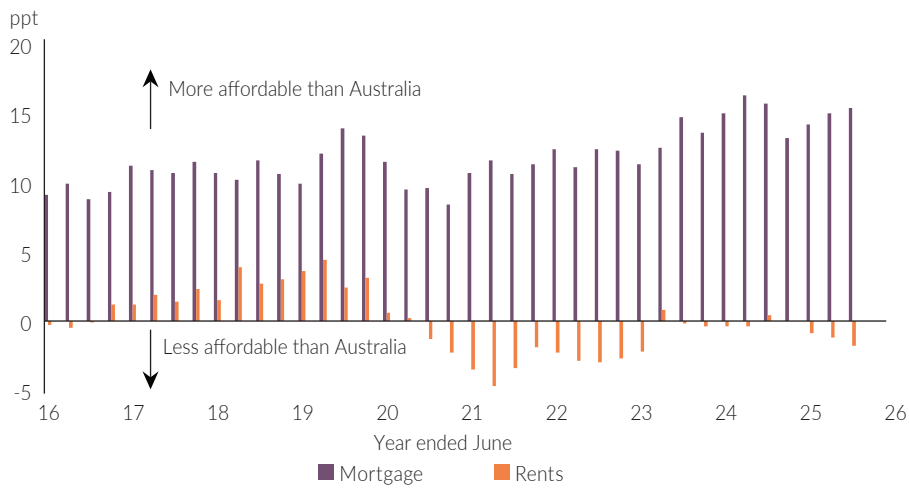
Source: Real Estate Institute of Northern Territory

Affordability

Housing affordability improved in the year-ended December 2025 in both the Territory and nationally, largely driven by higher weekly family incomes. Median weekly family income increased by 5.1% over the year to \$2,720 and was partly offset by a 4% increase in the average monthly loan repayment to \$3,984. The Territory remains the second most affordable jurisdiction for home loan repayments.

In contrast, Territory rental affordability declined over the same period as the proportion of median weekly family income required to rent a three-bedroom house increased by 1.9 percentage points to 26.1%. The Territory is the third least affordable jurisdiction for rent (Chart 7.6).

Chart 7.6: Housing and rental affordability¹



ppt: percentage points

¹ Difference between the national average and the Territory in the proportion of weekly median income to meet loan repayments and rent.

Source: Real Estate Institute of Australia

Abbreviations and acronyms

a	actual	IMF	International Monetary Fund
ABS	Australian Bureau of Statistics	LHS	left-hand side
CPI	consumer price index	LNG	liquefied natural gas
DAMA	Designated Area Migration Agreement	NTPS	Northern Territory Public Sector
e	estimate	OECD	Organisation for Economic Co-operation and Development
EBA	enterprise bargaining agreement	ppt	percentage points
f	forecast	RBA	Reserve Bank of Australia
GDP	gross domestic product	RHS	right-hand side
GEMCO	Groote Eylandt Mining Company	SFD	state final demand
GSP	gross state product	TFR	total fertility rate
GST	goods and services tax	US	United States (of America)
IEA	International Energy Agency	WPI	wage price index

Explanation of terms

Advanced economies and emerging market and developing economies

The International Monetary Fund's classifications of nations based on their economies. While there is no strict criteria, advanced economies typically have a high level of per capita income, a significant degree of industrialisation, varied exports, and a financial sector integrated into the global financial system. Emerging market and developing economies tend to have high expenditure on infrastructure and export goods to wealthier advanced economies, often registering faster gross domestic product growth.

Average weekly earnings

Average weekly earnings statistics represent average gross (before tax) earnings of employees and do not relate to average award rates nor to the earnings of the 'average person'. Estimates of average weekly earnings are derived by dividing estimates of weekly total earnings by estimates of number of employees.

Balance of trade (also known as net exports)

The difference between the value of a jurisdiction's exports and imports. When exports exceed imports, the jurisdiction has a trade surplus and, conversely, when imports exceed exports, the jurisdiction has a trade deficit.

Balancing item

The residual of gross state product less state final demand less net international trade in goods and services. It implicitly comprises the change in inventories at a jurisdictional level, plus net interstate trade.

Bond yield

A bond's yield is the return an investor expects to receive each year over its term to maturity. For the investor who has purchased the bond, the bond yield is a summary of the overall return that accounts for the remaining interest payments and principal they will receive, relative to the price of the bond.

Calendar adjusted

Adjustments made to data to allow for length of month and trading day effects present in the month-to-month movements in time series data.

Chain volume measure

A measure of growth that captures the change in quantity while removing the effects of price changes.

Consumer price index

A measure of prices of a representative basket of goods and services for each Australian capital city over time. The consumer price index's basket of goods has 11 categories of goods and services (food and non-alcoholic beverages; alcohol and tobacco; clothing and footwear; housing; furnishings, household equipment and services; health; transport; communication; recreation and culture; education; and insurance and financial services). These categories are weighted to reflect household consumption patterns in each city. Weights for each capital city are updated on an annual basis to reflect changing household consumption patterns over time.

Current prices

The value in nominal terms, not adjusted for inflation or changes in the purchasing power of money. It is the market value for the good or service at the time it was being sold.

Downside risk

The risk of weaker-than-expected economic performance, which may lead to slower growth, reduced incomes, or financial losses.

Employed

Persons 15 years and older who worked for one hour or more in the week as measured by the labour force survey. Persons are measured as being employed in the jurisdiction in which they reside, regardless of the location of their employment.

Forecast period (also known as forward estimates period)

Time in the future for which estimates have been prepared, comprising the four years succeeding the current financial year (2026-27, 2027-28, 2028-29 and 2029-30).

Government and community services

The government and community services sector consists of public administration and safety; education and training; and health care and social assistance. These services are mainly funded by the public sector, including the Commonwealth, Territory and local governments. However, non-government and private entities may also provide education, health, aged care and other community services, as well as defence.

Gross domestic product

The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. Gross domestic product can be calculated by summing total value added, total income or total expenditure.

Gross state product

Similar to gross domestic product, except it measures the total value of goods and services produced in a state or territory. It can be calculated by measuring expenditure, where it is the sum of state final demand, and international and interstate trade, changes in the level of stocks, and a balancing item.

Household consumption

Expenditure by resident households on goods and services that will not be resold or used in production. The purchase of dwellings is excluded from household consumption as dwellings are goods used by owners to produce housing services for those owners and is therefore captured in private investment.

Household savings ratio

The ratio of household net saving to household net disposable income. Household net saving is calculated as household net disposable income less household final consumption expenditure. Household net disposable income is calculated as household gross disposable income less household consumption of fixed capital.

Inflation

The year-ended change in the consumer price index.

Inflation adjusted (also known as chain volume)

Inflation adjusted measures provide estimates of real changes by factoring in general changes in prices from year to year.

Labour force

All persons 15 years and over who are available for work, that is, employed plus unemployed persons actively seeking work. Excludes Australian Defence Force personnel and non-residents.

The Territory labour force is characterised by a substantial public sector, and a relatively large defence and fly-in fly-out workforce that is not captured in Territory data reported by the Australian Bureau of Statistics. This results in a significant under reporting of on-the-ground employment in official statistics.

Labour force survey

A monthly survey conducted by the Australian Bureau of Statistics to collect information about the labour force status and other characteristics of the usually resident Australian civilian population aged 15 and over. This is the primary data source for official estimates of employment, unemployment, the unemployment rate and the participation rate.

Moving annual total

A method used to smooth data and remove the short-term fluctuations in data by averaging observations collected over a 12-month period.

Natural increase

The number of births minus the number of deaths.

Net interstate migration

The number of people arriving minus the number of people departing over a state or territory border that involves a change in place of usual residence.

Net overseas migration

The difference between the number of incoming travellers who stay in Australia for one year or more and are added to the population, and the number of outgoing travellers who leave Australia for one year or more and are subtracted from the population.

Participation rate

The proportion of the civilian population over 15 years of age who are working or looking for work, that is, are participating in the labour force.

Private investment

Expenditure by producers on fixed assets that are used in the process of production and used repeatedly or continuously for longer than one year. It comprises dwelling investment, ownership transfer costs (fees incurred by the buyer or seller of real estate), non-dwelling construction (industrial, commercial and non-dwelling buildings and other structures such as pipelines and bridges), machinery and equipment, cultivated biological resources (natural resources used repeatedly to produce products such as milk or orchards) and intellectual property products (products as a result of creative activity, research and development, and mineral exploration).

Public consumption

Includes government expenditure on goods and services (including wages and rents). National consumption is a combination of Commonwealth consumption, defence consumption and consumption by universities. State and local government consumption includes all other public consumption.

Public investment

Expenditure by all levels of government on the purchase of fixed assets that are used over a long time period. Most data for public investment is sourced from state and territory government finance reporting. Adjustments are made to deduct expenditure that is classified as consumption, rather than investment. The Australian Bureau of Statistics' statistical treatment of public investment does not always reconcile with the Territory Government's reporting of investment expenditure and as a result is not directly comparable.

Seasonally adjusted

Seasonal adjustment is a process for removing seasonal patterns that may be present in time series data to get a better understanding of the underlying activity in the data.

Service industries

The service industries sector covers a broad range of industries and makes up a significant proportion of gross state product and employment. The service industries are: professional, scientific and technical services; transport, postal and warehousing; accommodation and food services; financial and insurance services; administrative and support services; electricity, gas, water and waste services; rental, hiring and real estate services; arts and recreation services; information and media telecommunications; and other services.

State final demand

A major component of gross state product and is a measure of the demand for goods and services in an economy. While state final demand includes consumption and investment expenditure, it does not include the contribution of trade or changes in inventories to economic growth and therefore is not a comprehensive measure of economic growth.

Trend output (also known as potential output)

Trend output in the Territory is estimated as a measure of the economy's growth potential given the available production factors (labour, capital and technology), excluding any business cycle influences.

Tourism

Includes travel for business and other reasons, such as education, visiting family and recreation, provided the destination is outside the person's usual place of residence. Tourism activity is defined by the status of the consumer being a visitor rather than a resident and is captured indirectly through a range of industries, including accommodation and food services, retail trade, culture and recreation, and transport. The Australian Bureau of Statistics publishes an annual tourism satellite account to estimate the contribution of tourism to the economy.

Two-week range

The two-week range shows the difference between the highest and lowest market-implied cash rate expectation recorded over the past two weeks.

Unemployed

Persons 15 years and older who were not employed during the week of the labour force survey and were actively looking for work in the last four weeks.

Unemployment rate

The number of unemployed persons expressed as a percentage of the labour force.

Upside risk

The risk of stronger-than-expected economic performance, which may result in faster growth, higher incomes, or better financial outcomes.

Wage price index

Measures changes to hourly rates of pay over time for a fixed range of jobs. The Australian Bureau of Statistics measures the wage price index at the state and territory level (as well as nationally), and for both the public and private sectors. It excludes non-wage costs such as superannuation, payroll tax and workers compensation.

Year average

The average of all observations within the span of a year, whether it be 12 months or four quarters of data. It is usually used when reporting annual results that are not accrued, such as the number of employed persons.

Year-average change

Compares the 12 months up to and including the latest quarter or month with the previous 12-month period. It is used for the headline measures of growth in gross state product, state final demand, employment, the consumer price index and wage price index.

Year-ended change

Compares the latest quarter or month with the same quarter or month last year. It is the preferred and headline measure of population growth but can also be applied to various other datasets.



NORTHERN TERRITORY

2026-27 Budget



Budget
and
Regional Overview

Budget and Regional Overview

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Message from the Treasurer

The 2026 Budget is the Finocchiaro CLP Government's second budget and it is built on restoring stability today, driving growth tomorrow, and delivering opportunity for every Territorian long into the future.

The 2026 Budget was developed in challenging circumstances, with natural disasters, national economic headwinds, and international pressures combining to impact communities across the Territory.

Despite these events, this Budget includes an operating surplus in most years, lower fiscal balance deficits, and reduced debt growth. This is a remarkable turnaround from the deep deficits and runaway debt we inherited from Labor.

The improvements in the general government operating balance are particularly important, as the Territory moves away from the unsustainable position of having to borrow to pay for operating costs such as wages. This means that under the CLP, the Territory will have money and resources available when they're needed.

The 2026 Budget allocates over \$130 million on the capital works program for flood recovery and resilience initiatives, which includes a \$100 million Flood Recovery Fund following unprecedented flooding across the Territory and a \$30.5 million Roads Repair Package, along with other significant operational commitments for flood and disaster recovery in 2025-26 and 2026-27. The economic impact of these natural disasters is yet to be fully quantified but is expected to be substantial and cannot be measured in economic terms alone.

Community safety is, and will remain, the Finocchiaro CLP Government's number one priority. That is why the 2026 Budget delivers a record \$1.7 billion investment in law and order. This investment will ensure more frontline police, continued upgrades to the corrections system and greater support for the courts to tackle the root causes of crime. As part of this commitment, the 2026 Budget includes a further \$250 million for the Corrections Infrastructure Masterplan, including new prisoner work camps in Darwin and Katherine and utilities upgrades at Alice Springs Correctional Centre.

The Finocchiaro CLP Government is delivering on our Rebuilding the Economy Strategy and remains committed to driving growth, certainty and security for Territorians. We continue to prioritise population growth and will capitalise on the Territory's natural strengths in energy, defence, agriculture, mining and tourism, supported by competitive tax and regulatory settings and practical cost of living relief. We are unlocking residential land and development opportunities across the Territory and have extended the HomeGrown Territory and FreshStart new home grants to 30 September 2027 to support increased home ownership. We have also announced the first Territory Development Area under the *Territory Coordinator Act 2025* for the Northern Marine Complex, the Territory's most significant economic project.

The 2026 Budget provides a record \$2.62 billion to support our vital health services. The CLP were able to secure a landmark one-off \$1 billion funding boost from the Commonwealth Government for our hospitals and will continue to advocate strongly for the Commonwealth to appropriately fund aeromedical retrieval services in the Territory. The 2026 Budget is investing in the Territory's future through a record \$1.73 billion education budget, including \$110 million to construct a new secondary special education school in Palmerston.

After years of going backwards, the Territory is moving forward again...steadily, responsibly, and with purpose.

Bill Yan

The Hon. Bill Yan MLA

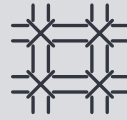
Treasurer

Budget highlights



Safer communities

More than \$1.7 billion in public order and safety, and \$832 million in social protection to reduce crime and deliver safer and more resilient communities. This includes \$654 million for police.



Corrections infrastructure

\$262 million for new and upgraded corrections infrastructure including new work camps in Darwin and Katherine.



Flood recovery

\$100 million for the new Flood Recovery Fund to rebuild critical infrastructure and support Territory communities. \$30.5 million for the Road Recovery Package.



Cost of living relief

Over \$290 million to deliver a range of concessions and subsidies to help Territorians with cost of living pressures.



Roads

Over \$2 billion on the capital works program for key road and transport infrastructure projects.



Economic affairs

\$1.8 billion to deliver a stronger economic future. Government debt forecast to reduce by \$757 million by 2028-29.



Education

\$1.7 billion for education including \$1 billion for government schools, \$352 million for non-government education and \$121 million for training and higher education.



Health

\$2.6 billion for health services across the Territory, including additional funding for increased hospital beds and improved ambulance and aeromedical retrieval services.



Housing

\$1.8 billion to support urban and remote housing and address barriers entering the housing market. HomeGrown Territory and FreshStart new home grants extended to 30 September 2027.



Infrastructure

\$4.3 billion for the 2026-27 capital works program for investment in infrastructure across the Territory.

Fiscal outlook

The 2026 Budget reflects an improving fiscal outlook, with more favourable debt trajectory and declining deficits driven by stronger GST, taxation and royalty revenue forecasts. These improvements support new policy commitments focused on reducing crime, rebuilding the economy and restoring the Territory lifestyle, while maintaining progress toward medium-term fiscal sustainability.

The improved fiscal position has been tempered by significant external shocks including severe weather events that caused extensive damage to remote housing and infrastructure, and necessitated the evacuation of several remote communities. This is combined with the Middle East conflict disrupting global fuel supply and resulting in sharp cost escalations across fuel-dependent sectors.

Restraining non-frontline staffing growth

Agencies have been directed to restrain growth in non-frontline staffing as part of government’s budget repair strategy.

From September 2024 to the March quarter 2026, total NTPS staffing increased by 884 full-time equivalent (FTE) or 3.9%. The increase was driven by growth in frontline streams, including:

- assistant teachers (+102 FTE)
- police (+101 FTE)
- classroom teachers (+97 FTE)
- medical officers (+86 FTE)
- correctional officers (+83 FTE)
- nursing (+83 FTE)
- police auxiliary (+15 FTE)
- senior teachers (+11 FTE).

The administrative stream increased by 165 FTE, mostly related to growth in school-based administrative staff in the Department of Education and Training (+204 FTE), partially offset by reductions in other agencies. Executive staffing remains below September 2024 levels.

Despite these external pressures and heightened fiscal uncertainty, the 2026 Budget projects an improvement in fiscal aggregates over the budget cycle. The non financial public sector fiscal balance is forecast to strengthen progressively, reducing to a small deficit by 2029-30.

The improved fiscal outcomes reduce the projected growth in debt and result in stronger net debt to revenue ratios across the forward estimates.

Key fiscal projections in the 2026 Budget include:

- general government net operating balance surplus of \$95 million in 2025-26, moderating to a temporary deficit of \$42 million in 2026-27, before returning to surplus from 2027-28 and across the forward estimates
- non financial public sector fiscal balance deficit of \$583 million in 2025-26, increasing to \$1.06 billion in 2026-27, before reducing to a small deficit of \$5 million by 2029-30
- net debt in the non financial public sector of \$12.56 billion in 2026-27, and a net debt to revenue ratio of 117%, with net debt and the net debt to revenue ratio stabilising in 2027-28 and 2028-29 before reducing from 2029-30
- total revenue for the non financial public sector of \$10.7 billion and total expenditure (including net capital investment) of \$12.78 billion in 2026-27.

Key fiscal indicators

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
General government sector					
Net operating balance	95	- 42	199	273	372
Non financial public sector					
Fiscal balance	- 583	- 1 058	- 407	- 239	- 5
Net debt	11 350	12 555	13 200	13 209	13 172
Net debt to revenue (%)	109	117	120	120	116

Revenue

Territory revenue is expected to be \$10.7 billion in 2026-27, increasing to \$11.3 billion by 2029-30, representing average annual growth of 2.1%.

Compared with the 2025 Budget, total revenue is higher by an average of \$567 million per annum, reflecting stronger taxation outcomes, higher GST revenue, increased Commonwealth grants, and improved mining and petroleum royalties.

GST remains the Territory's largest revenue source, accounting for about 48% of total revenue. GST revenue is forecast to grow from \$4.97 billion in 2025-26 to \$5.68 billion by 2029-30, averaging 3.7% growth per annum from 2026-27.

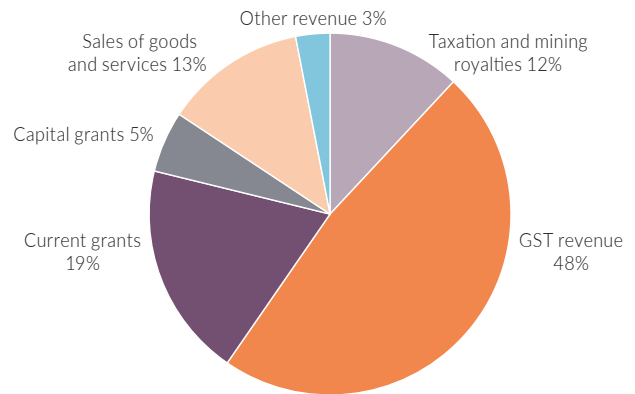
Since the 2025 Budget, GST revenue has increased by \$1.45 billion over the budget cycle, reflecting higher national GST pool growth, an increase in the Territory's population share and improvement in the Territory's GST relativity from 5.15112 in 2025-26 to 5.24149 in 2026-27.

Taxation and royalty revenue represents the Territory's primary sources of income that government can directly influence, constituting around 12% of total revenue in 2026-27 and over the budget cycle. Taxes comprise payroll tax, stamp duty on conveyances, taxes on gambling and insurance, and motor vehicle fees and taxes.

Compared with the 2025 Budget, taxation revenue has increased by \$155 million in 2025-26 and around \$90 million per annum thereafter, largely driven by improved stamp duty on conveyances and stronger payroll tax outcomes linked to private sector employment and wage growth. The significant stamp duty uplift in 2025-26 reflects a small number of large, one-off commercial transactions.

Mining and petroleum royalties have similarly been revised upward across all years, totalling \$643 million above the 2025 Budget. Royalties are forecast to increase from \$388 million in 2025-26 to \$445 million in 2026-27, averaging \$421 million per annum thereafter, reflecting sustained higher commodity prices and revised production outlooks.

Components of Territory revenue 2026-27



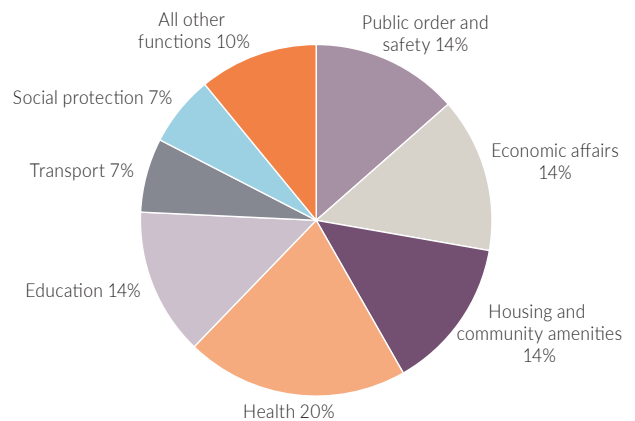
Expenditure

Territory expenditure is projected to peak at \$12.78 billion in 2026-27 and remain broadly stable thereafter, averaging \$12.31 billion per annum across the forward estimates.

Since the 2025 Budget, total non financial public sector expenditure has increased by an average of around \$452 million per annum over the budget cycle. The change is primarily driven by policy decisions focused on reducing crime, rebuilding the economy and restoring the Territory lifestyle, expenses linked with tied Commonwealth funding agreements, government owned corporations' cost assumptions, and new and revised timing of capital investment.

Frontline services for health, education, housing and community amenities, and public order and safety remain the largest functions of government expenditure, constituting 62% of total estimated expenditure in 2026-27.

Total expenditure by function 2026-27



Economic outlook

Economic growth

The Middle East conflict has disrupted global energy markets, including in Australia and the Territory. The supply shocks are adding to inflationary pressures, tightening financial conditions and weighing on global demand and sentiment. However, as the Territory is a significant energy exporter, higher energy prices, if sustained, will generate a positive terms of trade outcome, delivering additional income to exporters, and making the Territory a more attractive investment destination for energy development.

For industries heavily reliant on energy, the Middle East conflict has materially changed the outlook for growth, primarily through direct increases in fuel prices and the impact to operating costs especially for industries, such as tourism, transport and logistics, mining, agriculture and construction.

The Territory was also impacted by several cyclones and widespread flooding in 2025-26, with Katherine experiencing the worst floods since 1998. Losses to Katherine, Daly River, Palumpa, Beswick, Jilkminggan and Darwin River communities and businesses have been significant and the full impact is yet to be fully assessed. However, clean up and rebuilding costs will contribute to economic activity.

Gross state product (GSP) is forecast to increase by 2.7% in 2025-26, driven by an increase in exports as the Darwin liquefied natural gas (LNG) plant recommenced production in early 2026. However, state final demand (SFD) is expected to decline by 0.8% in 2025-26 as private investment weakens following completion of Barossa-related construction.

Household consumption is expected to contribute modestly to growth in 2025-26, as higher borrowing costs temper demand following the February and March 2026 cash rate increases.

In 2026-27, Territory GSP is forecast to grow by 5.8%, as the Ichthys and Darwin LNG plants operate at or near full capacity. As a result, exports will be the principal driver of growth, though services trade for both exports and imports is expected to weaken as higher fuel prices raise the cost of air travel and freight, and heightened geopolitical uncertainty dampens consumer and business confidence.

Prices

Disruptions to energy production and shipping through the Strait of Hormuz have driven sharp increases in fuel and fertiliser prices, heightened financial market volatility and increased geopolitical uncertainty.

If sustained, higher energy prices are expected to raise inflation, weaken real incomes and dampen global growth, potentially requiring tighter monetary policy to keep inflation expectations anchored.

In year-ended terms, Darwin's headline inflation is estimated to increase to 5.2% by the June quarter 2026 and remain elevated at 3.2% in the June quarter 2027. Across the forward estimates, year-ended consumer price index (CPI) growth is expected to ease sharply as fuel prices return to slightly above pre-conflict levels. Inflation is then assumed to return to 2.5% per annum, consistent with the mid-point of the RBA's target band.

Territory economic forecasts

	2024-25a	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Gross state product ¹	1.0	2.7	5.8	1.4	3.0	3.0
State final demand ¹	2.9	- 0.8	- 0.7	0.8	1.8	2.7
Employment ¹	1.5	1.1	0.6	0.9	1.6	1.6
Unemployment rate ²	4.1	4.6	5.2	4.7	4.6	4.6
Consumer price index ³	1.6	5.2	3.2	1.0	2.5	2.5
Wage price index ¹	3.3	2.6	3.7	3.3	3.4	3.3
Population ³	1.4	1.2	1.1	1.1	1.2	1.2

a: actual; e: estimate; f: forecast

¹ Year-average percentage change.

² Year average.

³ Year-ended percentage change.

Source: Department of Treasury and Finance; Australian Bureau of Statistics (ABS)

Population

The Territory's population is estimated to grow by 1.2% in 2025-26, driven by net overseas migration inflows and natural increase, partly offset by net interstate migration outflows.

Population growth is forecast to be 1.1% in 2026-27, as overseas migration arrivals ease. Population growth is forecast at 1.1% in 2027-28, as previous strong migration flows stabilise around recent long-run levels.

Labour market

Employment growth is forecast to be 1.1% in 2025-26 before easing to 0.6% in 2026-27 as labour market conditions soften as the Middle East conflict impacts confidence, investment and hiring. Recent Reserve Bank of Australia (RBA) rate increases will also weigh on hiring intentions and employment.

The unemployment rate is expected to be 4.6% in 2025-26, before increasing to 5.2% in 2026-27. The unemployment rate is then projected to return to a steady state of around 4.6% over the forward estimates as the economy operates at around its productive capacity in line with long-run trend growth.

International trade

Net exports are projected to increase by 19.8% in 2025-26. This robust outlook is driven by production recommencing from the Darwin LNG plant, with the first export cargo shipped in January 2026, along with GEMCO manganese exports resuming following reconstruction after Cyclone Megan in 2024.

In 2026-27, net exports are expected to strengthen further, increasing by 29.6%, underpinned by an 18.4% increase in aggregate exports, driven by both Ichthys and Darwin LNG plants operating at or near full capacity, and lithium exports from the Finnis mine resuming. As a result, goods exports are projected to reach historic highs and be the primary driver of GSP growth. By contrast, services trade is forecast to decline across both exports and imports, reflecting weaker international tourism expenditure amid global economic uncertainty.

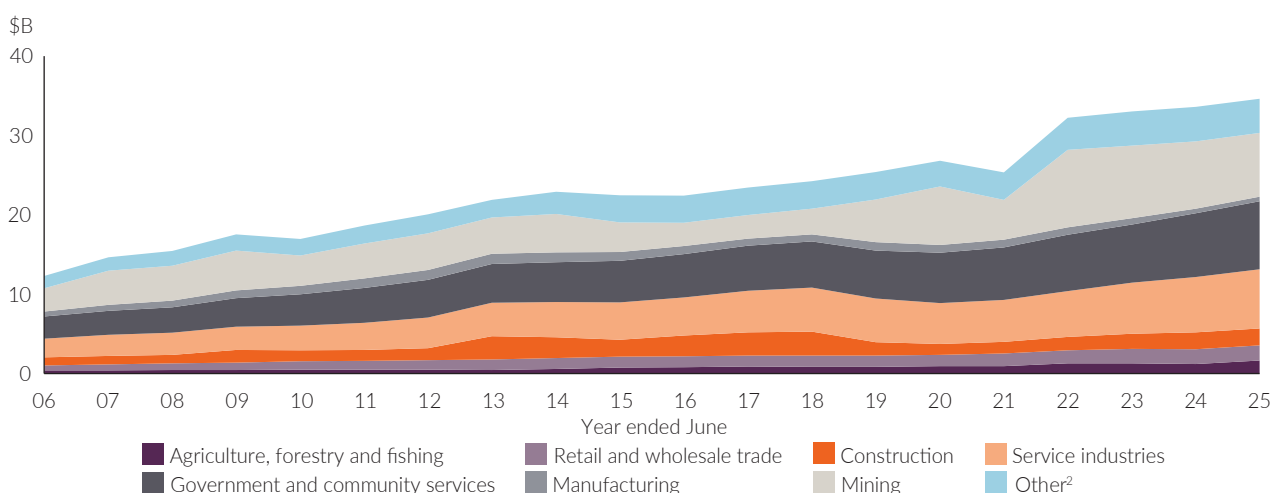
Structure of the economy

The Territory economy is shaped by its rich mineral and energy resources, unique natural and cultural attractions, and strategic role in national defence. Economic activity and jobs are often driven by mining, government and community services, and other service industries, which together account for more than two thirds of GSP.

In 2024-25, the Territory's GSP was \$34 billion, representing a 1% increase from 2023-24. In current price terms, Territory GSP increased by 3% to \$34.6 billion. The two largest sectors account for around half of GSP, with government and community services' comprising 24.7% and mining 23.2%.

Industry output can be volatile in the short term, particularly during periods of major investment activity. For example, the \$6 billion Barossa project, which began construction in 2020-21, supported economic activity during its construction phase.

Contributions to gross state product¹



¹ Current prices

² 'Other' includes ownership of dwellings, taxes less subsidies and statistical discrepancy.

Source: ABS, *Australian National Accounts: State Accounts*

Infrastructure investment

The 2026-27 infrastructure program totals \$4.25 billion and includes projects to increase public order and community safety, develop the economy, improve transport links, and support the delivery of housing, health, education and other frontline government services across the Territory.

The 2026 Budget provides an additional \$100 million on the infrastructure program for the new Flood Recovery Fund, and a further \$30.5 million has been allocated to the Roads Repair Package to rebuild key infrastructure damaged by flooding.

At more than \$2 billion, transport infrastructure projects comprise nearly half of the total infrastructure program. The housing and community amenities program is more than \$782 million and is the second largest allocation, comprising about 18% of the total program.

Of the total program, around 59% is allocated to new and upgraded infrastructure in remote and regional communities across the Territory.

Transport infrastructure

The 2026-27 infrastructure program continues to invest heavily in transport infrastructure, with around \$2 billion for roads, aerodromes and jetties.

Key road and transport projects include:

- \$278.4 million for upgrades to the Tanami Road corridor
- \$239.8 million for Northern Territory national network highway upgrades
- \$201 million for the Central Arnhem Road upgrade program
- \$166 million for the Northern Territory Strategic Roads Package – upgrade and sealing of remote and regional roads
- \$133.3 million for upgrades to the Outback Way corridor
- \$114 million for Buntine Highway upgrades, including rest areas
- \$107.9 million for Territory gas industry roads
- \$89.5 million for upgrades to Port Keats Road between Wadeye and Palumpa

- \$79.7 million for Arnhem Highway duplication between the Stuart Highway and Kostka Road
- \$62.5 million to upgrade roads within Kakadu National Park to support tourism growth
- \$60 million in Territory Government funding for upgrades under the Road Asset Modernisation Program, including \$30.5 million for the Roads Repair Package.

Housing and community amenities

The 2026-27 infrastructure program provides more than \$782 million for new and upgraded remote and urban housing, infrastructure to support land release and improved community amenity.

Commitments include \$608.3 million for remote housing across the Territory to build and upgrade homes and service land.

There is continued investment in residential headworks and land release across the Territory, including \$48.1 million for infrastructure to support the development of Holtze, \$11 million for land development and community facilities at Kilgariff and \$10.5 million for infrastructure to support the development of Farrar West.

A further \$137 million is committed for housing and community amenity-related capital grants, mostly for homelands and affordable housing projects, bringing the total value of housing and community amenity capital projects and grants to over \$919 million.

Capital works by COFOG-A¹ category 2026-27

	Capital works	
	\$M	%
Transport	2 041.1	48.0
Housing and community amenities	782.1	18.4
Economic affairs	496.3	11.7
Public order and safety	426.3	10.0
Education	158.0	3.7
Social protection	112.1	2.7
Health	102.5	2.4
Recreation, culture and religion	99.3	2.3
Environmental protection	26.3	0.6
General public services	9.6	0.2
Total general government	4 253.6	100.0

1 Classification of the Functions of Government – Australia

Economic affairs

The 2026-27 infrastructure program invests \$496.3 million for infrastructure to enable development of the Territory economy.

The most significant economic development project is the Northern Marine Complex, including the Darwin ship lift project.

The 2026-27 capital works program also includes \$76.5 million for the Middle Arm water supply stage 1 project, as well as other works including continuing headworks infrastructure to support mixed-use developments, and commercial and industrial land release across the Territory.

Public order and safety

The 2026-27 infrastructure program invests \$426.3 million in community safety infrastructure to construct, expand and upgrade police and correctional facilities.

Commitments include \$234 million to build new prisoner work camps in Darwin and Katherine. These facilities will provide targeted vocational training, education and supervised work programs that support rehabilitation and local workforce needs.

There is also \$131.9 million allocated for remote police infrastructure and housing upgrades, \$21.8 million for the construction of a new multipurpose police complex in Maningrida and \$12 million for critical infrastructure upgrades at the Alice Springs Correctional Centre.

Education

The 2026-27 infrastructure program invests \$158 million to upgrade schools and education facilities to support improved student outcomes.

\$112.6 million has been allocated for the design and construction of the new Palmerston Secondary Special Education School and \$9.5 million for Driver and Rosebery secondary school upgrades.

Other commitments include \$8.3 million to construct a student boarding facility in Tennant Creek as part of the Barkly Regional Deal, \$3.5 million for upgrades at Ali Curung School, including a new administration block and improvements to the early learning facility.

Infrastructure payments (cash)

The 2026 Budget includes \$2.74 billion in total infrastructure payments. This includes \$2.03 billion in general government expenditure and \$706 million for Power and Water Corporation, Territory Generation, Land Development Corporation and Indigenous Essential Services Pty Ltd.

In 2026-27, payments for major projects in the general government sector are projected to be a record \$1.45 billion, an increase of \$281 million from the revised 2025-26 budget.

Infrastructure payments in 2026-27 in the general government sector include significant allocations across new and upgraded correctional facilities, remote policing infrastructure, housing, road and transport projects, new and upgraded schools, and economic projects such as the Northern Marine Complex including the Darwin ship lift project.

Infrastructure payments for projects in the public non financial corporations sector are budgeted to increase to \$547 million in 2026-27 and include investment in water security and energy generation to deliver increased capacity, and improve security and reliability.

Total infrastructure payments

	2026-27 Budget	
	Program	Cash
	\$M	\$M
General government		
Capital works	4 254	1 454
Capital grants ¹		228
Repairs and maintenance ¹		331
Infrastructure-related expenses		18
Total general government		2 030
Government owned corporations		706
Total public non financial sector		2 736

¹ Excludes payments between Territory-controlled entities.

Cost of living support for Territorians



A family with a school-aged child and a child under 5 years

- Around \$2,178 in 2026-27 in electricity subsidies through community service obligation funding for electricity retailers to maintain prices below cost of supply.
- Up to \$1,560 under the early childhood subsidy scheme, paid directly to early childhood education and care providers to subsidise the cost of childcare.
- Two \$100 learn to swim vouchers for children under five years old, to enrol them in swimming lessons with a registered activity provider.
- \$200 back to school voucher to support children and their families with the costs of schooling.
- Two \$100 sport vouchers each year to be used for sport, recreation and cultural activities.

Total assistance: up to \$4,338

And they could benefit from:

- free meningococcal B vaccination program
- free swimming lessons for all primary school-aged children
- grants to daycare providers to assist in purchasing appropriate toys and play-based equipment
- abolition of annual roadworthy inspections for most light vehicles, saving drivers time and over \$68 per vehicle annually
- improved healthcare access by expanding community pharmacists' scope of practice, enabling treatment for 21 conditions, broader vaccinations for children aged 2 to 5 years, and up to \$1 million to train Territory pharmacists.



Businesses

- Up to \$68,750 through the increased payroll tax-free threshold, as well as a payroll tax exemption for wages paid or payable to apprentices and trainees.
- Around \$3,239 for small and \$33,415 for large businesses in 2026-27 in electricity subsidies through community service obligation funding for electricity retailers to maintain prices below cost of supply.

Total assistance: up to \$102,165

And they could benefit from:

- concessional loans and equity investments of up to \$10 million on a co-contribution basis for eligible high-growth potential businesses, to help establish or expand operations and projects that otherwise may not be able to readily access capital
- up to \$50,000 for businesses to access professional advice, services and systems
- up to \$10,000:
 - on a 50:50 co-contribution basis for security improvements under the revised Safer Business package
 - to uplift cybersecurity and resilience
 - for non-profit organisations to repair or replace an asset damaged by an eligible disaster
 - for clean-up and reinstatement of businesses impacted by an eligible disaster, jointly funded with the Commonwealth
- up to \$5,000 for freight subsidy disaster assistance for primary producers
- free registration for new and existing plug-in electric vehicles.



A senior Territorian (eligible for NTCS)

- Around \$1,535 in 2026-27 in electricity subsidies through community service obligation funding for electricity retailers to maintain prices below cost of supply.
- \$550 prepaid card for Territory residents aged over 65 under the Seniors Recognition Scheme.
- Concessions on a range of essential goods and services under the Northern Territory Concession Scheme to help with living expenses, including:
 - a further \$1,200 per annum for electricity
 - \$800 per annum for water
 - \$486 per annum for sewerage
 - \$251 for concessioners and their registered dependants for spectacles
 - \$200 per annum for council rates
 - \$154 per annum for vehicle registration
 - \$150 per annum for garbage.

Total assistance: **\$5,326**



A couple building their first home

- Around \$2,027 in 2026-27 in electricity subsidies through community service obligation funding for electricity retailers to maintain prices below cost of supply.
- Up to \$50,000 to put towards building or buying a new home under the HomeGrown Territory grant, extended to September 2027.
- Up to \$30,000 to put towards building or buying a new home under the FreshStart Territory grant, extended to September 2027.

Total assistance: **up to \$52,027**

And they could benefit from:

- stamp duty exemption for eligible individuals who acquire a house and land package from a registered building practitioner under the house and land package exemption
- HomeBuild access loans to support the supply of new and affordable homes through access to low deposit home loan options.



Apprentices and trainees

- Around \$1,535 in 2026-27 in electricity subsidies through community service obligation funding for electricity retailers to maintain prices below cost of supply.
- Up to \$1,000 for first-year apprentices and trainees to buy workwear and equipment as part of the workwear and gear bonus.

Total assistance: **up to \$2,535**

And they could benefit from:

- free TAFE and vocational education and training courses
- payroll tax exemption for trainee and apprentice wages, encouraging employers to invest in the Territory workforce.

Reducing crime

The 2026 Budget invests a record \$1.7 billion in public order and safety, and \$832 million in social protection to reduce crime and improve public safety through justice reform and addressing the root causes of crime.

Police resourcing and recruitment

The 2026 Budget provides \$654 million for policing services, including a further \$10 million in 2026-27 for the staged implementation of the Police Review response, to strengthen frontline policing capability.

In 2026-27, recruitment will deliver over 150 new constables across five squads, including two to three accelerated recruit programs. Separate intakes will also be held for up to five Police Public Safety Officer (PPSO) squads and an auxiliary intake, with training scheduled from January 2026 to February 2027. The squads are expected to deliver over 250 trained officers and staff, strengthening frontline capability and supporting service delivery across urban, regional and remote communities.

Corrections infrastructure

Under the Corrections Infrastructure Masterplan, a further \$250 million will be invested to construct new prisoner work camps in Darwin and Katherine, and deliver upgrades at the Alice Springs Correctional Centre, boosting capacity and reducing crime.

The investment will deliver a 198-bed Katherine work camp and a 192-bed Holtze work camp, providing low-risk offenders with structured employment and skills development to support rehabilitation outcomes while reducing pressure on correctional facilities. The investment also strengthens local infrastructure, jobs and industry, and provides rehabilitation pathways to reduce re-offending.

The Katherine work camp will be delivered in partnership with Charles Darwin University to deliver vocational training and rural industries programs, including supervised work activities.

The investment includes \$12 million for utilities upgrades at the Alice Springs Correctional Centre.

New prison business case

After a decade of underinvestment in correctional infrastructure, ageing facilities no longer have the capacity to meet the current or future needs of a growing prisoner population.

In response, the 2026 Budget commits \$15 million to progress the procurement process for a new contemporary correctional facility and prepare for the future closure of Berrimah Correctional Centre.

Existing infrastructure across the Darwin Correctional Precinct is constrained by age and significant operational challenges.

Legislative changes

The Territory Government has introduced new laws and trials to reduce crime and improve community safety. This includes:

- new sentencing laws and penalties for domestic violence perpetrators, extending the mandatory minimum non-parole period for domestic violence-related murders to 25 years
- new legislation aimed at modernising criminal procedures to progress cases faster through court proceedings, reducing court delays and protecting victims from being re-traumatised with repeat court appearances
- 12-month oleoresin capsicum (OC) spray trial to allow eligible Territorians to purchase OC spray from declared firearm retailers. The trial is monitored by the Northern Territory Police Force and a community reference group to assess community safety impacts and inform future decisions
- extending police-issued banned drinker orders from 7 to 28 days for alcohol-related antisocial behaviour, under the Banned Drinker Register review amendment. This change provides police with stronger enforcement tools to address alcohol-fuelled violence, protect community safety and support individuals to engage with assistance services.

The new facility will deliver modern and efficient operations while enabling improved rehabilitation services and program delivery, supporting safer communities and better long-term outcomes.

Alternatives to custody

The Territory Government continues to tackle the root causes of crime by implementing programs and facilities that build skills, fill jobs and make our community safer. The 2026 Budget includes \$4.9 million to continue operating alternative to custody facilities in Alice Springs and Groote Eylandt:

- the Life Skills Camp in Alice Springs provides accommodation for Aboriginal women and their children based on a residential therapeutic community model with educational programs delivered on campus
- the Anindilyakwa Healing Centre on Groote Eylandt provides a six-month program that incorporates the local community in rehabilitation efforts, ensuring connection to community is not lost.

Circuit Breaker investment

The Territory Government is continuing its investment in the Circuit Breaker program with \$8.3 million allocated in 2026-27.

The Circuit Breaker program provides intensive support to young people between the ages of 10 to 17 and their families. The program operates in Greater Darwin, Alice Springs, Katherine and Tennant Creek. The program offers:

- specialist youth worker and child protection staff to deliver one-on-one engagement and relationship development with young people and their families
- a safe place to sleep if no safe housing options are available under the care of a responsible parent or family member
- frontline patrol supervision in Alice Springs, Darwin and Katherine
- a family responsibility agreement to review and assist factors contributing to the young person's behaviour or inactions of parents.

In 2025-26, around 380 Circuit Breaker cases were commenced across the Territory, reflecting strong demand and program uptake.

Police Public Safety Officers

The 2026 Budget includes an additional \$48 million over four years, and \$15.8 million ongoing from 2029-30 to deliver a comprehensive, fully funded plan to establish a 212 FTE PPSO workforce.

The PPSO workforce will be a dedicated, modern capability designed to strengthen frontline policing, enhance community safety, and free-up police officers to focus on the most serious crime.

PPSO's will provide a highly visible, centralised response to antisocial behaviour across public spaces, transport networks and public housing in the Territory.

The PPSO model is a major structural reform that will reshape how policing is delivered across the Territory, improving frontline efficiency by streamlining operations, reducing reliance on general duties police, and strengthening community safety while supporting the government's priorities of reducing crime and restoring the Territory lifestyle.

PPSOs will undertake high-visibility patrols, liquor compliance and point-of-sale interventions, joint operations with safety partners, event policing functions and select auxiliary duties.

The first PPSO recruit squad is expected to complete an intensive 18-week training program in June 2026, with officers deployed across Darwin, Alice Springs and Katherine, bringing a diverse mix of experience from housing, transit and policing roles to support early operational capacity.

The first 22 PPSOs are expected to graduate in mid-2025, a further 96 in 2026 and a further 94 in 2027, bringing total PPSO numbers to 212 FTE within three years.

Rebuilding the economy

The Territory Government is taking immediate action to deliver a stronger economic future for all Territorians.

Unlocking the Beetaloo

The 2026 Budget continues to support fast-tracking development of the Beetaloo Sub-basin. As the Beetaloo Sub-basin moves towards commercial production, the Territory Government has unlocked a further 4,000 square kilometres (five times the size of Singapore) of highly prospective land surrounding premium shale gas holdings by INPEX and Tamboran Resources.

The release will further unlock a strategically important gas resource, supporting domestic energy security, creating local jobs and driving economic growth across the Barkly region.

Building a new home

The Territory Government has the most generous home builder program in the country with targeted initiatives to grow the population and attract the workforce the Territory needs to rebuild the economy.

Home buyer assistance includes:

- the HomeGrown Territory grant, which provides \$50,000 for first home buyers building or buying a new home
- FreshStart new home grant, which provides \$30,000 to buy or build a new home.

The Territory Government has further extended the HomeGrown and FreshStart grants to September 2027 to provide certainty for families, builders and investors.

Over 1,400 grants have been processed, resulting in payments of around \$30 million that will support over \$217 million in construction activity.

With Beetaloo Energy's final investment decision confirmed for the Carpentaria gas plant, first gas is on track for 2026, while Santos and INPEX are advancing major drilling, stimulation and gas supply projects, positioning the Beetaloo as a cornerstone of the Territory's energy future and economic prosperity.

Northern Marine Complex Territory Development Area

The Territory Coordinator has activated their statutory powers for the first time to designate the Northern Marine Complex development area in East Arm as a Territory Development Area. This will strengthen governance, coordination and cost control, ensuring public investment delivers maximum value.

The complex integrates the Darwin ship lift and Marine Industry Park across 246 hectares into a single, strategic maritime precinct. The precinct is anchored by a 5,500 tonne ship lift with multi-vessel dry-docking capability, supported by purpose-built industrial land, hardstand, barge access and marine services. The complex will support Defence capability in northern Australia, enabling sustainment of military vessels and landing craft. It will further position Darwin as a key maritime sustainment hub, supporting readiness and interoperability in the Indo-Pacific.

Defence

On 24 February 2026, the Territory Government established an eight-member Defence Industry Council to drive investment in defence, grow local industry and provide a strong, coordinated voice for increased defence activity across the Territory, while supporting the priorities of the new Northern Territory Defence Strategy 2026.

The strategy will focus on maritime sustainment, the Army's littoral pivot, northern theatre logistics, northern basing and ranges, and innovation, test and evaluation. With Australia and the United States continuing to invest in critical defence infrastructure, the Defence Industry Council will position the Territory as a national defence and maritime sustainment hub, driving local jobs, business opportunities, and long-term economic security for Territorians.

Land release

The 2026 Budget includes substantial investment to provide headworks and other infrastructure required to deliver residential and industrial land across the Territory, including:

- \$48.1 million for infrastructure to support the development of Holtze, including serviced land for a residential aged care facility adjacent to Palmerston Regional Hospital
- \$11 million for land development and community facilities in Kilgariff
- \$10.5 million to support the development of Farrar West
- \$3 million over two years to progress planning works for industrial land in Alice Springs and inform the requirements for the next stage of residential land release in Kilgariff
- \$1 million over two years to undertake land investigations and design to support timely residential and industrial subdivisions in Tennant Creek.

This investment will support population growth, improve housing affordability and position the Territory for long-term economic prosperity.

Safer business, stronger economy, better lifestyle grants

The 2026 Budget provides an additional \$4.4 million over three years for a revised suite of business security initiatives, including extending and expanding safer business grants, and establishing a new safer precincts grant, which will provide grants to combat crime and antisocial behaviour in common property spaces in significant business precincts.

Trade, investment and migration

The inaugural Northern Territory Investment Summit was delivered in July 2025 to accelerate private investment and international partnerships critical to rebuilding the Territory economy.

The 2026 Budget provides an additional \$4 million over two years to attract investment and migration, and includes continuing the successful Investment Summit initiative.

Led by the Chief Minister and the Minister for Trade, Business and Asian Relations, the 2025 Summit comprised over 160 business leaders, government decision makers, peak bodies, investors and stakeholders from 13 partner markets.

Building on the strengths of the 2025 Summit, the 2026 Summit program will increase emphasis on gaining national and international media coverage as well as creating stronger opportunities for existing Territory investors and businesses to participate in 'Transforming the Territory'.

The 2026 Budget also continues to promote the Territory as great place to work, study and live, with more than 5,500 international students from over 60 countries studying in the Territory in 2025 and hundreds more commencing in 2026.

Investing in biosecurity

The 2026 Budget provides \$6 million over two years and \$1 million ongoing from 2028-29 to protect and grow the Territory's \$1.4 billion agriculture and fisheries sector and safeguard our competitive agriculture and fisheries through improved biosecurity and supply chain integrity.

This investment will deliver modern biosecurity reform, stronger animal welfare and disease surveillance, expanded aquaculture and targeted crop recovery. The funding also supports additional frontline livestock compliance officers to enhance compliance, animal welfare and stock theft prevention, while enabling tropical horticulture expansion.



Restoring our lifestyle

The 2026 Budget includes a range of measures and funding to support the Territory lifestyle, including significant investments in parks and reserves, community facilities, major events and fishery conservation initiatives.

Major events

In 2025, the Finocchiaro CLP Government successfully delivered the first international standard Motocross Grand Prix (MXGP), attracting 36,000 local, interstate and international attendees and contributing an estimated \$20 million to the economy.

Following this success, the Territory Government has secured the return of the MXGP to Darwin in September 2026, which will see MXGP riders take over Hidden Valley for two days of racing in the final round of the 2026 FIM Motocross World Championship and Women's Motocross World Championship.

The 2026 Budget also provides \$103.3 million to support tourism, major events and screen productions in the Territory. This includes support for major and local events such as:

- Parrtjima – A Festival in Light
- Red CentreNATS
- BASSINTHEGRASS
- Triple Crown V8 Supercars
- Territory Day
- Darwin Festival
- Dolphins NRL home games in Darwin for three years
- AFL and AFLW matches in Darwin and Alice Springs
- International test match and T-20 cricket returning to Darwin.

Sport, recreation and cultural facilities

The 2026 Budget supports the sustainability of sport, recreation and cultural facilities across the Territory, with a funding boost of \$3 million per annum ongoing to support operation and maintenance of key facilities across the Territory such as the Marrara Sporting Complex, Richardson Park, Palmerston community sporting facilities, Araluen Cultural Centre and Anzac Oval. Other sport and recreation works planned, underway or recently completed include:

- \$14.5 million for the new Gillen Oval multi-sports precinct
- \$3 million to implement upgrades at the Tracy Village sports precinct under the recently completed masterplan
- lighting upgrades at Jim McConville Oval in Alice Springs.

The 2026 Budget also invests \$20 million in community infrastructure in Darwin and Palmerston so more Territorians can get out and enjoy our amazing Territory lifestyle.

The funding will see upgrades to parks, playgrounds and footpaths making them safer and more accessible, while improvements to sporting facilities will help boost youth engagement. The Territory Government will work closely with local councils on the developments where facilities are Council-owned.

Golden Snapper Recovery Plan and fisheries compliance unit

The 2026 Budget invests \$2.5 million over two years to develop and implement a comprehensive Golden Snapper Recovery Plan to protect this important species for future generations. The plan will be supported by initiatives such as fish stocking and artificial reefs, and improved compliance tools.

A further \$4 million over two years is allocated to fund the fisheries compliance unit to assist implementing the recovery plan and maintain the Territory's position as a premier fishing destination.

Park and reserves upgrades

The 2026 Budget includes a substantial investment to support and improve the Territory's parks and reserves, including \$10 million for infrastructure upgrades and a further \$5 million per year ongoing from 2026-27 in additional operational funding to ensure parks and reserves are sustainably maintained.

The funding includes an initial investment of \$1.2 million at the recently acquired 30,000 hectare Silkwood property, which represents a strategic investment in land of outstanding tourism and recreational value.

Located alongside Litchfield National Park, securing public ownership of Silkwood ensures Territorians can continue to enjoy the activities they love, from four-wheel driving, camping and hiking to future hunting opportunities.



The 2026 Budget continues to support crocodile management to maintain safety for locals and visitors at popular swimming attractions.

Crocodile management has been strengthened through four additional rangers in the crocodile management team, a new crocodile management headquarters, increased resources including five new traps deployed and an increased emphasis on crocodile and egg collection to meet annual quotas to help manage crocodile population.

Community grants

Sport, recreation and community activities are a huge part of the Territory lifestyle, underpinning social connection, wellbeing and liveability, and generating \$85 million to the local economy each year.

The Territory Government is delivering more support for sport, community and cultural facilities across the Territory through a new community grant program.

The 2026 Budget provides \$1 million in additional funding to establish the community grant program. The program will provide assistance to local councils, sporting organisations, community and cultural organisations to support essential upgrades including lighting, irrigation, change rooms, accessibility improvements, and safety or compliance works as well as other operational support.

Social and affordable housing

The 2026 Budget provides \$22.8 million to support community housing providers with applications to the Commonwealth's Housing Australia Future Fund round 3. This will enable delivery of more social and affordable housing, reduce overcrowding, improve affordability and support workforce needs. Territory Government support includes:

- \$12 million for the St Mary's redevelopment in Alice Springs
- \$5 million to support new dwellings at Peko Road in Tennant Creek
- \$5 million for redevelopment of Crerar Road in Berrimah
- \$0.8 million for the Musgrave Street redevelopment in Alice Springs.

Flood recovery

Since Cyclone Fina in November 2025, the Territory has experienced widespread flooding and Katherine experienced its worst floods in nearly 30 years. The floods, along with other severe weather events, resulted in significant losses to communities and businesses, which are still being assessed. The economic impact of these natural disasters is yet to be fully quantified but is expected to be substantial and cannot be measured in economic terms alone.

The 2026 Budget provides over \$130 million on the capital works program for flood recovery and resilience initiatives including a \$100 million Flood Recovery Fund, \$30.5 million Roads Repair Package, as well as significant operational commitments for flood and disaster recovery in 2025-26 and 2026-27.

Joint funding arrangements with the Commonwealth are also in place under the Disaster Recovery Funding Arrangement 2018.

The Flood Recovery Fund will prioritise rebuilding roads, bridges and flood mitigation works. It will be delivered through a staged approach, with an initial allocation to rebuild roads and other key infrastructure damaged during the flooding events, and a further allocation to focus on long-term resilience, including building better roads, bridges and flood mitigation infrastructure to reduce the future impacts of floods.

An immediate commitment of \$12.5 million has already been made as part of the first stage, including:

- \$4.9 million for flood mitigation work in Alice Springs
- \$4 million to support levee and drainage improvements in Katherine North
- \$2.5 million to develop Territory-wide early warning IT solutions
- \$600,000 to support the Jawoyn Association to undertake detailed design works to upgrade the Maud Creek bridge
- \$500,000 to develop a plan to relocate the town of Daly River/Nauiyu to higher ground.

The Flood Recovery Fund is in addition to other operational costs associated with the flooding. At late-April 2026, the Territory Government had committed over \$42 million in operational expenditure, including over:

- \$3.5 million for emergency food, clothing and temporary accommodation
- \$1.6 million for evacuation and transportation
- \$4 million for waste management
- \$7.7 million in personal hardship payments
- \$16.9 million for repairs and maintenance on housing and other public assets such as roads, bridges, schools and clinics.

Roads Repair Package

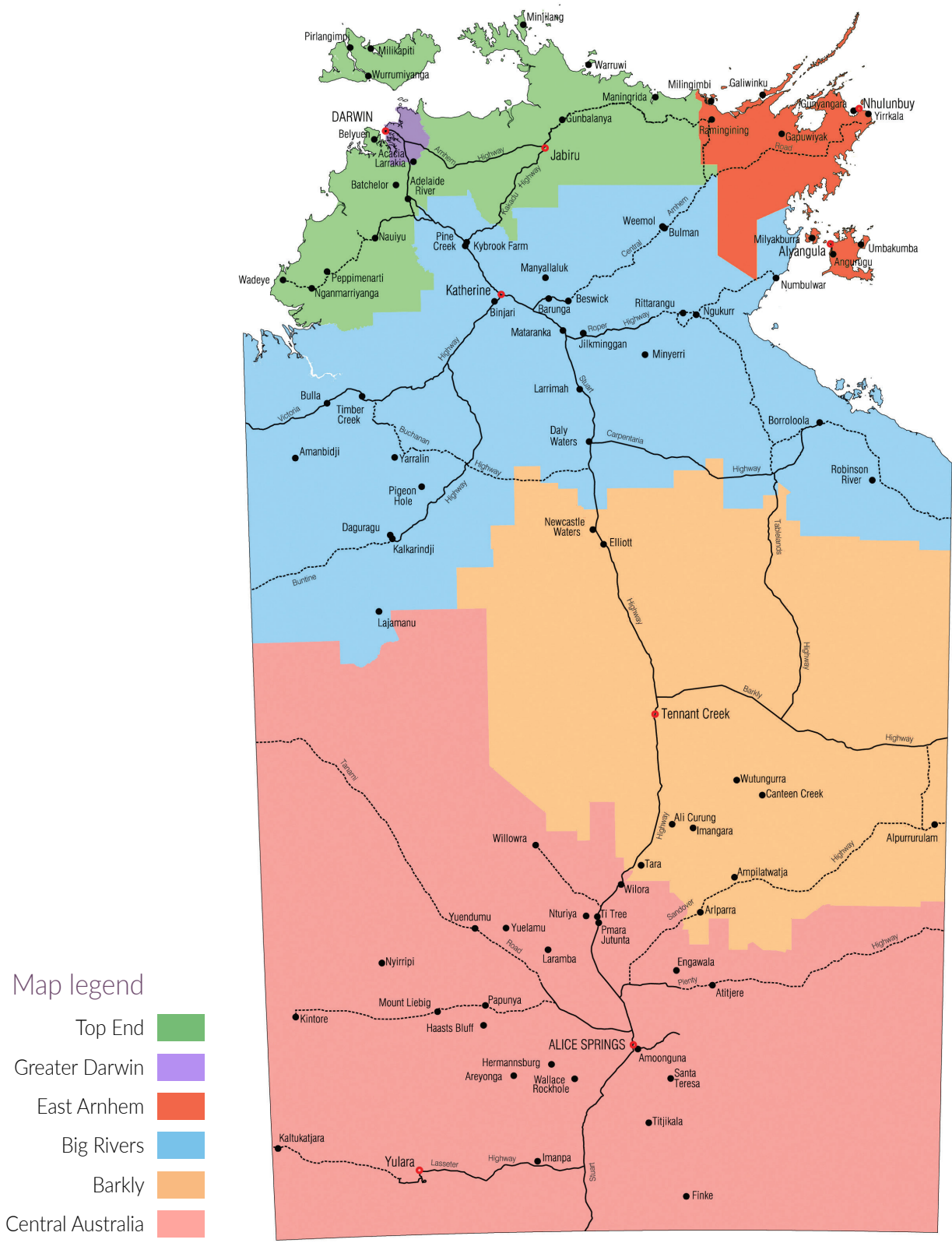
The \$30.5 million Roads Repair Package will rebuild key road infrastructure damaged by recent flooding. The package includes:

- \$8 million for Top End roads including Cox Peninsula Road, Daly River Road, Wooliana Road and Port Keats Road
- \$16 million for Big Rivers roads including the Roper Highway, Central Arnhem Highway, Carpentaria Highway and Bing Bong Road
- \$6.5 million for Barkly roads including the Murray Downs Road, Elkedra Propacc Road and Kurundi Road.



Regional overview

The following is an overview of key regional initiatives and programs in the 2026 Budget. It complements the information contained in the other budget papers by presenting budget details of particular relevance to the communities in each of the Territory's six regions.



- Map legend
- Top End
 - Greater Darwin
 - East Arnhem
 - Big Rivers
 - Barkly
 - Central Australia

Central Australia

Central Australia is the largest region in the Territory, covering 42% of the land mass. Alice Springs is the regional centre with about 30,900 residents, serving a total regional population of 43,400, around 16% of the Territory population.

Central Australia is a highly dispersed region comprising 27 remote communities, numerous outstations and pastoral stations, and governed by three local councils (Alice Springs Town Council, MacDonnell Regional Council and Central Desert Regional Council), with Alice Springs as the central service hub.

The region has a diverse economy driven by tourism, mining and energy, pastoralism and human services, underpinned by strong regional connectivity through the Stuart Highway, Adelaide to Darwin railway and gas pipeline, and high-quality digital networks.

Flood recovery

The Territory Government introduced the \$100 million Flood Recovery Fund to rebuild critical infrastructure and support Territory communities. An immediate \$12.5 million commitment to boost the first phase of the broader Flood Recovery Fund includes \$4.9 million for immediate flood mitigation works in Alice Springs.

Improving Alice Springs flood mitigation infrastructure will deliver long-term value by reducing damage to critical infrastructure lowering future repair and emergency response spending and protecting essential services during extreme weather events in Central Australia. In turn, this improves Territory-wide resilience and maintains year round access for communities and industry.

A \$2.5 million investment is allocated within the funding boost to strengthen Territory-wide early warning IT solutions.

Economic development

A key focus for 2026 will be on regional economic development to drive private sector investment and align government and stakeholder efforts to unlock the region's economic potential.

There is over \$300 million of new private and public sector projects in Alice Springs and over \$5 billion of regional resources, tourism and agricultural projects in various stages of development.

The \$22.8 million Uluru-Kata Tjuta Signature Walk launched in April 2026 was supported by a \$10 million concessional loan through the Territory Growth Initiative, providing a major boost to the Central Australia tourism sector and regional economy. Work is also progressing on the Territory Government funded \$5.5 million Watarrka National Park walking trail.

Correctional facilities

Capacity across the corrections and youth justice systems is being expanded, with 95 additional beds at the Alice Springs Women's Correctional Centre and 24 youth justice beds at the Paperbark facility scheduled for mid-2026. The scope of these projects was increased to meet rising demand, resulting in an expansion of 55 additional beds. In addition, a further \$12 million is provided for critical infrastructure upgrades at the Alice Springs Correctional Centre.

St Mary's development

The 2026 Budget continues to develop the St Mary's site with an additional \$12 million in 2026-27 to support an application to the Commonwealth's Housing Australia Future Fund (HAFF).

Initial works on enabling infrastructure such as power, water, sewerage and roads, site preparation and demolition are currently underway.

Remediation works are expected to commence in 2026, with completion of enabling infrastructure targeted for mid-2027.

A further \$0.8 million is provided to support a HAFF application for the Musgrave Street project.

Roads update

The 2026 Budget includes \$420.9 million for road upgrades in Central Australia, to improve connectivity, flood immunity, safety and access, as well as economic development for the region. Key upgrades include:

- \$278.4 million for upgrades to the Tanami Road corridor
- \$133.3 million to continue works on the Outback Way to upgrade various road sections of the Plenty Highway and Tjukururu Road
- \$8.2 million for upgrades to the Schwarz Crescent and Stuart Highway intersection.

Land release

The Territory Government continues to support the growth and economic development of the Alice Springs region through a program of land release including:

- \$11 million for headworks infrastructure and subdivision works to support 36 lots at Kilgariff Estate
- \$3 million over two years to progress planning works for industrial land and enabling infrastructure for the next release of residential land in Kilgariff.

The extension of the HomeGrown Territory grants will also continue to unlock new development opportunities to drive momentum in Alice Springs.

Alice Springs infrastructure priorities

The 2026 Budget continues to progress the Territory Government's \$100 million investment to deliver key Alice Springs infrastructure priorities.

The 2026 Budget includes \$66 million on the capital works program to deliver projects that prioritise community pride and social connection through improved sporting infrastructure and enhanced community liveability. Key projects include:

- development of the Gillen Oval multi-sports precinct as a youth sporting and recreation hub
- establishment of a new multicultural centre and related infrastructure to celebrate the diverse backgrounds in Alice Springs
- intersection upgrades at Schwarz Crescent.

This is in addition to grants and works that have already been progressed for the new Alice Springs Town Council library, skate park, Anzac Oval reinstatement and Teague Park upgrades.



Barkly

The Barkly is the Territory's third largest region and extends along the Stuart Highway from Tara to Elliott and east across the Barkly Tablelands to Queensland.

The Barkly region is made up of small communities separated by long distances and is home to around 6,200 people, of whom around 69% are Aboriginal.

Tennant Creek is the main centre with a population of around 3,600 people. A high proportion of people living in the region are young, with around 39% aged 24 years and under, and about 8% aged 65 or older.

Major industries in the region include government services, agriculture, construction and mining. The Barkly and Tennant Creek pastoral district accounts for a substantial proportion of the Territory's total cattle industry. The Territory Government is also investing to develop Tennant Creek as a mining and mineral services centre.

Housing Affordability Future Fund – Peko Road

The 2026 Budget includes \$5 million to provide a Territory Government contribution to fund applications under round 3 of the Commonwealth's Housing Australia Future Fund for the Peko Road project in Tennant Creek.

Ali Curung School upgrades

The 2026 Budget allocates \$3.5 million for works at Ali Curung School including a new administration block and upgrades to the existing early learning facility. The administration block will provide accommodation for five staff, office and meeting spaces, staff facilities, secure reception and supporting services areas.

Upgrades to the existing early learning facility will focus on improving safety, compliance and functionality through improving internal spaces, student amenities, outdoor learning areas and building services.

The works will improve student and staff wellbeing through modernising outdated administrative and learning facilities. This ensures a fit-for-purpose environment, encourage increased participation in early learning education and boost attendance at Ali Curung School.

Tennant Creek Hospital CT scanner and upgrades

The 2026 Budget invests \$5.3 million to purchase and install a Computed Tomography (CT) scanner at the Tennant Creek Hospital. A further \$1 million is provided to design a new theatre and emergency department.

Tennant Creek Hospital serves the most medically complex population in Australia, with a large proportion of patients requiring aeromedical transfer to other hospitals to receive treatment. A locally available CT service will significantly decrease transfers, along with the cultural, logistical and financial barriers of leaving country for medical care.



Land release update

The Territory Government is investing in Tennant Creek to realise the economic potential of the Barkly region, including supporting development of the Beetaloo Sub-basin.

To unlock new residential and industrial development opportunities in Tennant Creek, the 2026 Budget provides \$1 million over two years to undertake land investigations to support timely industrial and residential subdivisions in Tennant Creek.

Major projects in the Barkly are driving increased demand for development-ready land. This funding ensures the Territory can deliver the critical early-stage infrastructure needed to unlock land, support growth and attract private sector investment to the Barkly region.

New Tennant Creek boarding facility

The 2026 Budget includes \$8.3 million to construct a new boarding facility at Tennant Creek High School. The 40-bed facility will be split into two residential buildings, accommodating 20 student boarders each and includes an administration building for staff and support services, a community building with a fully equipped kitchen and dining space, and landscaping.

The facility will provide a pathway for students from remote areas in the Barkly to access high quality secondary education in a safe environment as well as encouraging them to remain in the region to improve access to family during their education.

Design has been finalised and the project is expected to be completed in 2027.

Tennant Creek streetscape

The revitalisation of Tennant Creek town centre has been completed, including upgrades to shading, cooling, lighting, signage and landscaping on Paterson Street and Memorial Drive.

The \$2.95 million project is a commitment to restoring the Territory lifestyle by making Tennant Creek a great place to live, work, visit and invest, as well as reducing crime through improved lighting to boost surveillance and sightlines.

Flood recovery

The Territory Government introduced the \$100 million Flood Recovery Fund resilience initiative and a further \$30.5 million on the Roads Repair Package to rebuild critical road infrastructure that is vital to connecting remote communities and regional economies that support industries to keep the Territory moving.

The Roads Repair Package encompasses \$6.5 million for Barkly roads, including:

- Murray Downs Road
- Elkedra Propacc Road
- Kurundi Road.

The Roads Repair Package and Flood Recovery Fund will deliver urgent restoration of flood damaged infrastructure across the Territory by reopening and repairing critical road links, restoring critical year-round access to communities and enabling evacuated residents to return home while reconnecting essential services and emergency access.

Remote housing

Under the 10-year remote housing program 31 new homes and 16 upgrades or refurbishments have been delivered in the Barkly, with a further six new homes and six upgrades planned for 2026–27 to continue addressing housing needs in remote communities.

Ali Curung back up generator

The Territory Government is investing to improve critical infrastructure and provide secure, reliable services in remote communities.

A new \$1.35 million 660 kilowatt standby generator will deliver power supply during outages to ensure the community has reliable power when required, supporting residents, businesses, the school and health centre.

Big Rivers

Big Rivers is the Territory's second largest region, covering almost 25% of the Territory's land mass from the Joseph Bonaparte Gulf and Lajamanu in the west to Numbulwar and Borroloola in the east.

The Big Rivers region is made up of small communities separated by long distances and is home to around 22,000 people, of whom around 57% are Aboriginal. The town of Katherine is the region's main centre with a population of around 11,300 people. About 37% of the region's population is aged 24 years and under, while around 8% is aged 65 years and over.

Major industries in the Big Rivers region include tourism, horticulture, pastoral, mining and defence. The region has a significant defence presence, including the Royal Australian Air Force (RAAF) Base Tindal, Bradshaw field training area and Delamere air weapons range. Key tourist attractions include Nitmiluk Gorge, Leliyn (Edith Falls), Mataranka and recreational fishing in the region's big rivers.

Beetaloo Sub-basin

As the Beetaloo Sub-basin moves toward commercial production, the Territory Government has unlocked a further 4,000 square kilometres (five times the size of Singapore) of highly prospective land surrounding premium shale gas holdings by INPEX and Tamboran Resources, paving the way for Beetaloo gas to supply the Territory from mid-2026.

The release will unlock a strategically important gas resource, supporting domestic energy security, creating local jobs and driving economic growth across the Big Rivers and Barkly regions.

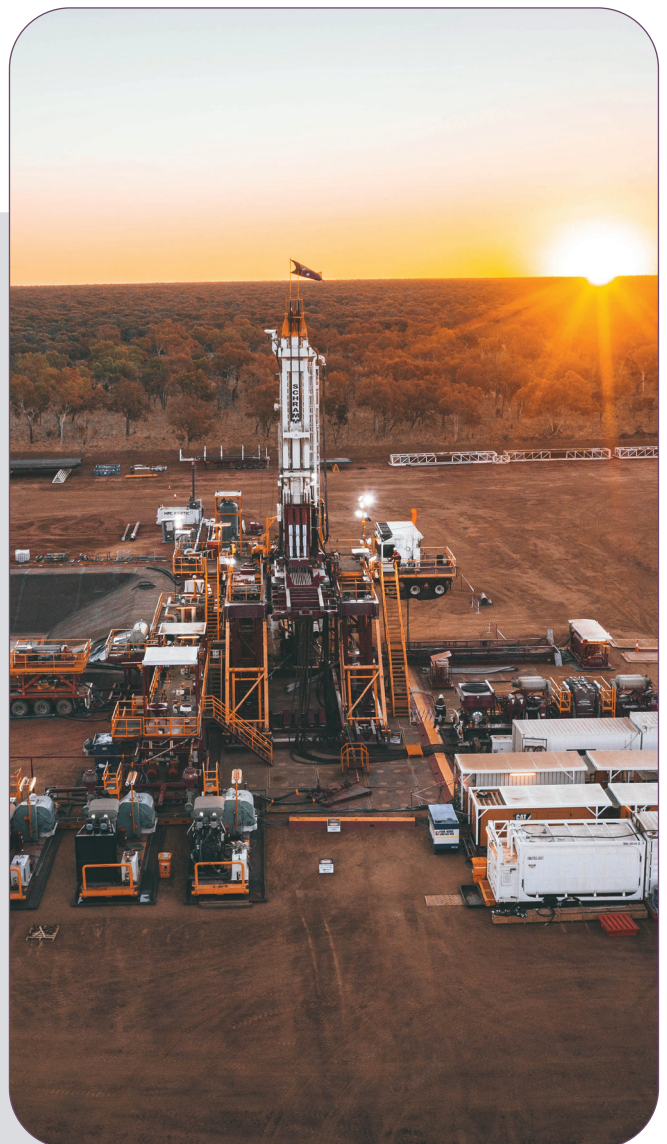
With Beetaloo Energy's final investment decision confirmed for the Carpentaria gas plant, first gas is on track for 2026. Santos and INPEX are also advancing major drilling, stimulation and gas supply projects, which will further position the Beetaloo as a cornerstone of the Territory's energy future and economic prosperity.

Katherine work camp

The Territory Government is progressing the Katherine work camp project, a new employment-focused, low-security rehabilitation facility with capacity for up to 198 prisoners, delivered in partnership with Charles Darwin University at the Katherine rural campus.

A total of \$42.8 million has been allocated for design and staged construction of the facility throughout 2026, allowing progressive transfer of prisoners.

Construction is scheduled to commence mid-2026, with full completion expected in 2027. The facility will support skills development, rehabilitation outcomes and reduced re-offending.



Lifestyle

Katherine will celebrate its centenary on 1 July 2026, with the Territory Government partnering with Katherine Town Council and other key stakeholders, including RAAF Base Tindal, to deliver an engaging calendar of events for the public to acknowledge and celebrate the town's gazettal in 1926.

Consultation was conducted on the proposed extension of Limmen Bight Marine Park. Members of the public had their say on extending the footprint of the park to include an additional 185 square kilometres, creating a continuous marine corridor to increase the park's capacity for conservation and recreational fishing.

Bookings to hike the Jatbula Trail in 2026 opened on 3 February 2026, with places selling out in less than 24 hours. The multi-day trail traverses Nitmiluk National Park from Nitmiluk Gorge to Leliyn (Edith Falls), offering travellers the opportunity to experience parts of Jawoyn country that are not generally accessible.

Land release

The Territory Government continues to monitor residential land supply to maintain development-ready land, and support land affordability and economic growth. This work is underpinned by investments in market analysis, land planning consultation and stakeholder engagement.

Works are progressing to facilitate future land release projects in Katherine East, with a focus on developing residential land outside flood zones to improve natural disaster resilience.

Remote housing

There has been significant work completed in the Big Rivers region under the 10-year remote housing program including:

- 81 new homes built
- 10 homes upgraded/refurbished
- six housing lots completed.

A further 34 new homes are planned for 2026-27 along with an expected 18 upgrades and refurbishments, and preparation of 21 new lots.

Buntine Highway upgrade

The 2026 Budget includes \$114 million for Buntine Highway upgrades and rest areas.

A contract to upgrade a 21 kilometre section of the Buntine Highway is expected to be advertised in the September quarter 2026. A further contract to upgrade a 16.5 kilometre section of the Buntine Highway is expected to be advertised in the December quarter 2027. It is anticipated 10 kilometres of road will be sealed in 2026-27.

Flood recovery

The Territory Government introduced the \$100 million Flood Recovery Fund resilience initiative and a further \$30.5 million on the Roads Repair Package to rebuild critical road infrastructure vital to connecting remote communities and regional economies that support industries to keep the Territory moving.

The Roads Repair Package encompasses \$16 million for Big Rivers roads, including:

- Roper Highway (including Donkey Flat floodway and Salt Creek)
- Central Arnhem Highway
- Carpentaria Highway and Bing Bong Road.

Additionally, an immediate \$12.5 million commitment to boost the first phase of the broader Flood Recovery Fund and flood mitigation works includes:

- \$4 million for Katherine North levee and drainage works
- \$0.6 million for the design of upgrades on the Maud Creek bridge.

The Territory Government is also committed to strengthening long-term resilience and early warning capabilities for future disasters, including allocating \$2.5 million to develop Territory-wide early warning IT solutions.

East Arnhem

The East Arnhem region is situated in the far northeastern corner of the Territory and covers East Arnhem Land, Groote Eylandt, Bickerton Island and Elcho Island.

The region is home to around 14,900 people, of whom around 70% are Aboriginal, with major population centres in Nhulunbuy and Alyangula, and several other large communities.

The population in East Arnhem is relatively young and dispersed, with around 40% aged 24 years and under and only around 5% aged 65 years and over.

Due to seasonal road accessibility constraints, transport for travellers and freight to East Arnhem is mainly by air or sea. Major industries in the region include mining, buffalo farming, tourism, aquaculture and fishing.

Mining is the main contributor to economic activity in the region. Traditional Aboriginal cultural experiences, Aboriginal art, and the remote and natural wilderness attract tourists to the region, providing further economic and employment opportunities.

Cyclone shelter

Together with the Commonwealth, the Territory Government is progressing the \$30 million Nhulunbuy cyclone shelter and multipurpose centre, a critical resilience and community infrastructure investment for East Arnhem.

In February 2026, a site infrastructure assessment and concept design was undertaken, with the facility set to provide emergency shelter for up to 1,800 people while also delivering long-term sport and recreation benefits for Nhulunbuy and surrounding communities.

A recoverable works agreement is being developed with Nhulunbuy Corporation Limited, which will assume ownership and operational responsibility upon project completion.

Roads

The 2026 Budget includes \$201 million for continuing works to deliver long-term upgrades along the 685 kilometre Central Arnhem Road corridor that connects Nhulunbuy to the Stuart Highway. The road services several communities and homelands, and through the dry season, is a key tourism drive and freight route.

Upgrades to the Central Arnhem Road are progressing across multiple packages. Road construction is currently underway at Mountain Valley and expected to be completed in 2026, while Eva Valley to Barunga is scheduled to commence construction in July 2026 following tender close.

Consultation with Traditional Owner groups has commenced for Birany Birany to Dhupuma Road, with progressive design and construction expected from 2026-27 through to 2028-29, subject to endorsement.

Other packages are progressing through detailed design and consultation, with additional works to be released to tender in coming years, ensuring the staged delivery of this important regional transport corridor.

Remote housing

The Territory Government is committed to improving living conditions in remote communities across East Arnhem. 122 new homes have been delivered and a further 43 homes have been upgraded or refurbished under the 10-year remote housing agreement co-funded by the Territory and Commonwealth. In 2026-27, a further 90 homes are expected to be constructed, six homes refurbished and 109 lots delivered.

Territory Communities free Wi-Fi

The Territory is investing \$12 million to deliver free community Wi-Fi in the Barkly, Big Rivers, Central Australia, Top End and East Arnhem regions.

Co-funded with the Commonwealth, the delivery of free community Wi-Fi will support better access to essential services such as healthcare and education, and strengthen community connections.



Alternative to custody – Groote Eylandt

The 2026 Budget continues to support alternatives to custody as an effective and sustainable response for managing lower risk offenders and re-offenders.

The Territory Government is investing \$3.1 million to support the community-led Anindilyakwa Healing Centre in Groote Eylandt, providing a six-month program that incorporates culturally safe rehabilitation efforts, ensuring connection to community is not lost.

First Circles program

The Territory Government continues to empower bush communities and grow strong Aboriginal leaders through the First Circles program. Members of the program have the opportunity to engage directly with government, providing advice, and solutions on policies and projects impacting Aboriginal Territorians.

Members attend face-to-face workshops and are mentored by the Aboriginal Partnerships and Reform team. Workshops are delivered in regions across Katherine and Alice Springs with presentations from several corporations including Aboriginal Investment Northern Territory, Larrakia Corporation and the Northern Territory Indigenous Business Network.

Gunyangara (Gove Port) Tourism Precinct

The transformation of the Gunyangara (Gove Port) Tourism Precinct has been officially unveiled, which is set to unlock a host of opportunities for the East Arnhem region, as the local mining industry winds down.

The facilities will enable larger commercial and recreational vessels, such as yachts, pleasure craft, cruise ship tenders and charter vessels to use the facilities to increase visitation and tourism activity in the area.

At the same time, Inverell Bay has been transformed with improved marine and landside facilities, including a 60 metre floating pontoon, a new carpark, and vital amenity and safety upgrades.

The \$9 million project was jointly funded by the Territory and Commonwealth governments, the Developing East Arnhem and Gumatj Corporation.

Top End

The Top End region encompasses the Tiwi Islands, Daly and West Arnhem, extending from Wadeye in the west to Maningrida in the east.

Around 18,700 people live in the Top End region with major population centres in Wadeye and Jabiru. The region's population is relatively young, with around 36% aged 24 years and under, and only about 9% aged 65 years or older.

Parks and reserves

The Territory Government has secured an additional 30,000 hectares through the purchase of the Silkwood Estate, expanding our iconic Litchfield National Park.

Bringing Silkwood into public ownership has protected this remarkable landscape for current and future generations, while further strengthening the Territory's reputation as one of Australia's premier outdoor destinations.

Longer-term planning for Silkwood, informed by stakeholder feedback, will also identify sustainable tourism and commercial opportunities that create regional jobs, support local businesses and grow the economy, while preserving the environmental and cultural values that make Silkwood so special.

The 2026 Budget continues to back our Parks and includes a \$10 million infrastructure investment for upgraded visitor access and safety works to ensure parks such as Silkwood are safe, welcoming and well managed.

In addition, an operational funding boost of \$5 million per year ongoing has been provided to the parks and wildlife division to safely and sustainably maintain parks and reserves within the Territory, including the new Silkwood estate.

Major industries in the region include tourism, horticulture and forestry. Tourism is a significant contributor to economic activity in the Top End, with world-renowned attractions, such as Litchfield and Kakadu national parks, as well as the Daly River for recreational fishing and camping.

Kakadu internet connection

Works have been completed at Kakadu National Park, equipping more locations with internet access, as part of a partnership with the Territory, Commonwealth and Telstra.

As part of the \$7.5 million deal, three major cell towers at Jim Jim ranger station, Cooida Lodge and Arnhem Highway have improved mobile coverage, supporting real-time connectivity. Smaller cell sites include Gungurul, Mary River ranger station, the northern information bay on the Arnhem Highway, Nourlangie rock art site, Yurmikmik, and Gunlom Falls, Karnamarr and Maguk campgrounds.

Remote housing

The Territory Government is continuing to reduce overcrowding and improve housing quality across communities in the Top End.

Co-funded by the Territory and Commonwealth, the investments are delivered under the 10-year remote housing agreement. To date, 91 new homes have been delivered and a further 37 dwellings have had comprehensive repairs and upgrades.

In 2026-27, it is expected that a further 66 new dwellings will be constructed, 12 homes will be refurbished, and 47 new lots made available across communities in the Top End.



Land release

The Territory Government maintains a pipeline of residential land release to ensure there is sufficient land supply for the future, as well as provide certainty to industry and community.

In 2026-27, stage 2A of the Humpty Doo industrial subdivision is anticipated to deliver nine titled lots, while stage 2 on College Road in Berrimah is scheduled to deliver 25 titled lots.

Roads

The Territory Government is continuing to boost accessibility across the Top End by improving connectivity between major parks, remote communities, enhancing flood immunity and economic productivity.

The \$204 million investment in road infrastructure includes:

- \$90 million to upgrade Port Keats Road connecting Wadeye and Palumpa
- \$63 million to upgrade Jabiru Road within Kakadu National Park
- \$41 million to upgrade roads on the Tiwi Islands.

The 2026 Budget includes an additional \$4 million on selected upgrades on the Cox Peninsula Road Pavement Rehabilitation under a \$60 million Road Asset Modernisation Program investment.

Mandorah marine facilities

Construction of the new \$85 million Mandorah marine facility is complete, delivering safer, more accessible marine infrastructure for residents and visitors of Mandorah, Wagit Beach and Belyuen.

St John Ambulance

The 2026 Budget provides \$68 million for St John Ambulance services in 2026-27, including an ongoing \$10 million per year funding boost in response to increasing demand for services.

The additional funding will improve response times, enabling faster clinical intervention and better patient outcomes, enhance community confidence and reduce pressure on existing crews.

Flood recovery

The Territory Government introduced the \$100 million Flood Recovery Fund resilience initiative and a further \$30.5 million on the Roads Repair Package to rebuild critical road infrastructure that is vital to connecting remote communities and regional economies to support industries that keep the Territory moving.

The Roads Repair Package encompasses \$8 million for Top End roads, including:

- Cox Peninsula Road repairs
- Daly River Road
- Wooliana Road
- Port Keats Road.

Additionally, an immediate \$12.5 million commitment to boost the first phase of the broader Flood Recovery Fund includes \$0.5 million for the development of a future plan to relocate the remote town of Daly River and Nauiyu to higher ground during extreme weather events. The plan will involve engagement with the community, with the ultimate goal of ensuring the remote town is better protected and prepared in the long term.

Aeromedical services

The Territory Government is committed to delivering safe and accessible healthcare across the Territory to those who are seriously ill and injured requiring urgent medical care.

The 2026 Budget provides an additional \$10 million per year ongoing funding boost from 2026-27 to continue the Top End Aeromedical Retrieval Service.

The Territory Government is also continuing to advocate strongly for the Commonwealth to appropriately fund aeromedical retrieval services in the Top End to ensure Territorians are not disadvantaged by their postcode.

Greater Darwin

The Greater Darwin region includes the cities of Darwin and Palmerston, the Litchfield Shire, East Arm and Robertson Barracks.

The region is home to around 159,300 people, representing about 60% of the Territory's population. Greater Darwin has the lowest proportion of young people among the regions, with around 32% aged 24 years and under, and the highest proportion of population aged 65 years and over, at around 11%.

Darwin is the Territory's capital city and main administrative centre. Major industries include construction, defence, retail, tourism, education and training, public administration, community safety and health care. Darwin is a key gateway to the Territory's regional centres and tourist attractions, and an important strategic hub for trade and defence.

Major industries in Palmerston and the Litchfield Shire include construction, aquaculture, horticulture, cattle and crocodile farming, defence and LNG production.

The Robertson Barracks army base, located near Palmerston, hosts ongoing rotations of the United States marines in the Territory.

Coolalinga road safety upgrades

The 2026 Budget includes \$26.5 million to deliver safety upgrades and improve flow of traffic through the roundabout on Girraween Road and connect Henning Road to Virginia Road. The upgrades will be delivered over two stages:

- stage 1: \$7 million in 2026-27 to upgrade the Pickering Road/Girraween Road intersection, including constructing a slip-lane diversion around the existing roundabout to provide an alternative exit from Coolalinga Central to the Stuart Highway and reduce pressure on the Girraween Road roundabout
- stage 2: \$19.5 million will extend Henning Road, upgrade a section of Virginia Road, and construct a new roundabout to improve connectivity and traffic movement.

The Commonwealth and Territory-funded project will deliver significant safety upgrades by improving connections between commercial hubs to support rural and residential growth, provide safer pedestrian access, increase reliability for defence, essential services and freight and reduce local traffic pressure on the Stuart Highway.

Schools and community infrastructure

The 2026 Budget includes \$119.5 million to construct the new Palmerston Secondary Special Education School and deliver upgrades to Driver Secondary School and Rosebery Secondary School.

The \$110 million purpose-built secondary special education school will improve access and choice for secondary students with disability by allowing them to attend a specialised school in their local area.

A further \$9.5 million will deliver upgrades to the existing science block at Driver Secondary School, redevelop the former middle-years science and home economics facilities at Rosebery Secondary School into fit-for-purpose secondary spaces, and allow for detailed design for future growth at Rosebery.

This investment will support both schools to build a strong performance culture, retain students through the senior years, attract new enrolments and contribute to Palmerston's long-term liveability.

The 2026 Budget also invests \$20 million in community infrastructure in Darwin and Palmerston so more Territorians can get out and enjoy our amazing Territory lifestyle.

The funding will see upgrades to parks, playgrounds and footpaths making them safer and more accessible, while improvements to sporting facilities will help boost youth engagement. The Territory Government will work closely with local councils on the developments where facilities are Council-owned.

Royal Darwin Hospital

The 2026 Budget continues to invest in upgrades to Royal Darwin Hospital, including additional funding of:

- \$18.3 million per annum from 2026-27 to open and operate the new 32-bed multi-purpose modular ward, which will increase the number of beds available, improve patient flow, and support our frontline workers. Construction of the new ward is completed and due to be opened in mid-2026
- \$3 million over two years for detailed planning of a new forensic morgue and bereavement centre, urgent works at Royal Darwin Hospital to expand capacity of the existing morgue, and refresh amenities including the viewing room and reception area.

The 2026 Budget also includes \$500,000 to upgrade air-conditioning for a number of areas in Royal Darwin Hospital, including the maternity ward.

Kirkland Road roundabout

The 2026 Budget invests \$7 million in 2026-27 to deliver safety upgrades at the Kirkland Road and Woodlake Boulevard intersection, including upgrading the existing T-junction to a roundabout to reduce congestion, particularly during peak periods, improve commuter reliability and lower transport costs for businesses.

As part of the over-size and over-mass freight route to Darwin Port, the project will enhance network resilience by reducing crashes and incident-related disruptions that impact freight, defence and essential services.

Youth Hub

The Territory Government has launched the Maloerroe-ma Pathway Program, a new youth homelessness hub backed by a \$7.5 million investment delivered in partnership with Larrakia Nation Aboriginal Corporation.

The hub is located at the Malak Shopping Centre and Community Services Complex, and will provide a safe, culturally grounded and locally led response for youth experiencing or at risk of homelessness, as well as emergency accommodation, meals, clothing, hygiene facilities, case management and pathways to health care, education and vocational opportunities.

Northern Marine Complex

The 2026 Budget includes activation of the Territory Coordinator's statutory powers for the first time, to support a coordinated, whole of government approach to deliver the Northern Marine Complex development area in East Arm, a precinct of major economic significance. This designation strengthens governance, coordination and cost control, ensuring public investment delivers maximum value while attracting private sector involvement and local jobs.

The Northern Marine Complex integrates the Darwin ship lift and Marine Industry Park across 246 hectares into a single, strategic maritime precinct. Anchored by a 5,500 tonne ship lift with multi-vessel dry-docking capability, and supported by purpose-built industrial land, hardstand, barge access and marine services, the precinct positions Darwin as a full-service maritime hub. As a Territory Development Area, the complex is set to drive defence capability, international trade and industrial growth, reinforcing Darwin's role as Australia's northern maritime gateway.

Darwin work camp

The 2026 Budget includes \$192.2 million to construct a new 192-bed work camp at Holtze, with the design and planning currently underway.

The centre will deliver accommodation and a skills training program for up to 192 low-security prisoners, offering an important opportunity for prisoners to leave custody with practical skills, work experience, and better likelihood of integrating successfully into the community. The site is expected to be commissioned and operational in late 2027.



Acknowledgements

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Industry outlook

The Northern Territory's gross state product (GSP) is concentrated in mining, and government and community services (Table 1). The largest employing industries are health care and social assistance, public administration and safety, and education and training, followed by construction, retail trade, and accommodation and food services. This publication provides an overview of the Territory's key industries and discusses opportunities and risks to growth in these industries.

Table 1: Gross state product and employment, Territory 2024-25 (chain volume measure)

	Gross state product					Employment ¹			
	Value \$M	Change %	Share ² %	10-year average	10-year CAGR %	Number	Change %	Share %	10-year average
Government and community services	8 122	1.1	24.7	7 359	2.2	66 271	7.6	46.1	55 610
Public administration and safety	3 494	1.2	10.5	3 357	0.8	22 085	0.3	15.4	21 233
Health care and social assistance	2 940	1.1	8.9	2 413	5.0	29 278	18.2	20.4	21 302
Education and training	1 688	1.0	5.3	1 589	1.4	14 908	0.8	10.4	13 075
Service industries	7 218	3.6	21.5	6 583	1.9	43 534	- 4.1	30.3	44 722
Accommodation and food services	810	- 2.5	2.4	861	- 0.7	8 783	- 4.9	6.1	9 509
Transport, postal and warehousing	1 467	9.7	4.4	1 286	1.7	6 326	- 1.3	4.4	6 300
Information and media telecommunications	143	2.9	0.4	113	5.3	1 254	- 2.8	0.9	1 286
Financial and insurance services	794	2.1	2.4	703	2.2	992	- 29.8	0.7	1 379
Rental, hiring and real estate services	449	0.9	1.3	435	0.7	1 922	- 2.7	1.3	2 056
Professional, scientific and technical services	1 234	5.6	3.7	1 108	4.4	7 159	- 12.1	5.0	7 232
Administrative and support services	616	- 0.6	1.8	558	0.8	4 121	9.0	2.9	4 317
Electricity, gas, water and waste services	625	3.6	1.8	575	1.9	2 945	41.7	2.0	2 395
Arts and recreational services	428	4.1	1.3	371	3.7	4 335	- 4.0	3.0	3 644
Other services ³	652	2.4	2.0	574	2.2	5 697	- 12.8	4.0	6 603
Mining and manufacturing	8 944	- 1.2	24.9	8 870	0.9	6 708	- 11.6	4.7	7 755
Mining	8 370	- 1.4	23.2	7 795	2.3	3 418	- 17.9	2.4	4 268
Manufacturing	574	2.3	1.7	1 075	- 9.2	3 290	- 4.0	2.3	3 487
Construction	2 062	- 2.4	6.2	2 477	- 2.9	11 803	5.9	8.2	11 817
Retail and wholesale trade	1 865	- 0.1	5.5	1 908	- 0.3	12 070	- 7.7	8.4	12 731
Retail	971	- 1.4	2.9	944	0.2	10 180	- 5.4	7.1	10 527
Wholesale trade	894	1.4	2.6	963	- 0.8	1 890	- 18.6	1.3	2 205
Agriculture, forestry and fishing	1 369	12.9	4.8	1 120	2.4	3 329	12.9	2.3	2 954
Total⁴	33 960	1.0	100.0	32 879	1.1	143 715	1.4	100.0	135 590
Tourism⁵	1 215	9.6	3.8	837	4.8	7 973	2.8	5.1	6 644

CAGR: compound annual growth rate

1 Total economy employment data is for May 2025.

2 The industry shares are calculated using GSP in current prices.

3 Other services component of GSP includes personal services, and general repair and maintenance activities, however excludes units engaged in providing buildings or dwelling repair and maintenance services.

4 Includes non-industry components of GSP (ownership of dwellings, taxes less subsidies and statistical discrepancy), and therefore the industry shares may not add up to 100%. In other instances, numbers may not add due to rounding. Defence and tourism sectors are not discrete industries in Australian Bureau of Statistics (ABS) reporting, and activities for these sectors are captured across multiple industries in ABS state accounts data. Therefore, figures in the table do not sum to ABS reported GSP and employment data due to double counting related to the separate reporting of the defence and tourism sectors in this table.

5 State Tourism Satellite Account numbers produced by Tourism Research Australia are in current prices only. CAGR has been calculated for a 5-year period. Share of total is calculated by Tourism Research Australia.

Source: ABS, *State Accounts*, *Labour Force*, unpublished defence data; Department of Defence Annual Reports; Tourism Research Australia State Tourism Satellite Accounts; Department of Treasury and Finance

The Middle East conflict is disrupting the Territory economy through higher global oil and energy prices. Brent crude oil peaked at US\$144 per barrel on 7 April 2026, around 109% higher than the average of US\$69 per barrel in 2025. Disruptions to shipping in the Strait of Hormuz, through which around 20% of global oil flows, has driven price increases. In addition, damage to energy production infrastructure is contributing to higher oil, gas, fertiliser and plastics prices. These developments have increased input and operating costs, particularly for energy-intensive industries.

The outlook has weakened most notably for tourism, transport and logistics, mining, agriculture and construction, reflecting higher fuel cost pressures. Risks to production and costs remain fluid and dependant on the evolving peace process.

In addition, flood-related road closures in early 2026 along major freight corridors and disruptions to communities including Katherine, Daly River, Palumpa, Beswick, Jilkminggan and Darwin River are expected to temporarily affect the movement of goods and increase transport costs for some industries during 2025-26. There will be clean up and rebuilding costs post-flood that will contribute to economic activity.

Territory economic activity increased by 1% to \$33.96 billion in 2024-25, supported by public and private sector investment, and the final stages of construction associated with the Barossa project.

GSP is expected to increase by 2.7% in 2025-26, driven by higher export volumes as the Barossa project transitions to the production phase, and as the Ichthys liquefied natural gas (LNG) plant returns to normal production levels following major scheduled maintenance which was completed in the first half of 2025-26. In 2026-27, the Territory's GSP is forecast to grow by 5.8%, underpinned by both the Ichthys and Darwin LNG plants operating near full capacity, with export volumes expected to remain the primary driver of growth. In 2027-28, export levels are projected to stabilise and public investment is anticipated to moderate from recent peaks, easing to more sustainable levels. From 2028-29, the Territory's GSP growth is expected to revert to trend growth of around 3%.

State final demand is forecast to decline by 0.8% in 2025-26, as the Barossa construction project drops out of the private investment expenditure base.

The government and community services sector contributed 24.7% to GSP in 2024-25 and accounting for 46.1% of total employment. The sector's large share reflects the complexity and cost of delivering services across a geographically dispersed population. Growth in the sector is expected to ease in the near term, as recent policy initiatives aimed at improving health outcomes, reducing crime and addressing sustained demand for essential government services are completed. Educational reforms and ongoing defence investment in the Territory are also expected to support growth in 2025-26.

The services sector (excluding government and community services) covers a range of discrete service delivery industries, and accounted for 21.5% of the Territory's GSP and 30.3% of employment in 2024-25. The services sector grew by 3.6% in 2024-25, driven by transport, postal and warehousing, and professional, scientific and technical services. The services sector will face negative headwinds due to the Middle East conflict and price impacts on supply chains, however, the medium-term outlook is positive, supported by demand from infrastructure, construction and defence projects.

The mining and manufacturing sector remains the largest component of the Territory economy, contributing around 25% to the Territory's GSP and employing about 6,700 people in 2024-25. The mining industry is the dominant subsector, with major commodities including LNG, manganese, gold and bauxite. Mining output is expected to increase over the outlook period. Production of manganese at Groote Eylandt mine has resumed following remediation work after Cyclone Megan. Production commenced from the Darwin LNG plant in 2025-26, while the Ichthys LNG plant will return to full capacity from 2026-27 following significant maintenance in 2025-26.

Mining is a fuel-intensive industry, and higher fuel prices may adversely affect the sector in the short term. Over the medium term, however, elevated energy prices are expected to support investment in the Beetaloo Sub-basin as a new source of domestic energy supply.

The manufacturing component of the sector has gradually diminished in recent years, largely due to helium production ceasing in Darwin. The Darwin LNG plant previously relied on a gas stream that contained recoverable helium, however the new Barossa gas field provides a different gas composition that does not contain commercially recoverable helium. This has removed a key manufacturing output and reduced the overall scale of the Territory's manufacturing industry relative to earlier periods.

The construction sector is the fourth largest industry in the Territory in 2024-25, accounting for 6.2% of GSP and 8.2% of employment. With the Barossa project complete, the sector will be supported by a range of smaller scale works and a steady pipeline of public projects, such as the Northern Marine Complex, including the Darwin ship lift project, road upgrades and ongoing investment in public housing. However, construction activity is expected to face near-term pressures from increased fuel and transport costs, placing upward pressure on construction input prices. In addition, recent increases in the cash rate by the Reserve Bank of Australia (RBA) have raised borrowing costs, which may constrain private investment and moderate construction activity in the short term.

The retail and wholesale trade sector contributed 5.5% of GSP 2024-25. Its size reflects the disproportionately large contribution of the mining, and government and community services sectors to the Territory economy. The sector plays a critical role in supplying goods to households and inputs to industry. Cost-of-living pressures are expected to soften retail activity in the near term, while wholesale trade is expected to grow more slowly in 2025-26 due to a decline in investment following the completion of the Barossa project.

The agriculture, forestry and fishing sector grew strongly by 12.9% to \$1.4 billion in 2024-25, driven by favourable seasonal conditions and robust live-export demand. Growth is expected to be weaker in 2025-26 due to seasonal impacts and global supply chain disruptions. Over the outlook period, the sector will be supported by the progress made over the past year toward the development and delivery of the Wildman, Larrimah and Sweetwater agricultural development projects as part of the Territory Government's land releases. There has also been significant private sector investment in property purchases from last year, driving investment and growth in exports.

Defence activity remains a significant contributor to the Territory economy, supporting local businesses and employment across construction, maritime, aviation and professional services. This includes expenditure on personnel, operational activity and capital investment. With heightened geopolitical tensions and the Commonwealth's strategic emphasis on the Indo-Pacific, defence investment in the Territory is expected to increase over the outlook period.

Tourism continues to be an important driver of the economy, contributing 3.8% of GSP and 5.1% of employment in 2023-24. Visitor numbers increased over the year largely driven by domestic visitors. The outlook for the sector is positive for the medium term but in the near-term growth will be impacted by the Middle East conflict. Early signs for the 2026 dry season indicate cancellations increased due to fuel-related and higher flight costs. The remainder of the year is likely to be impacted by consumer concerns over cost-of-living pressures and higher fuel prices. Flooding has also led to several core natural attractions being closed, which will impact the 2026 season.

Government and community services

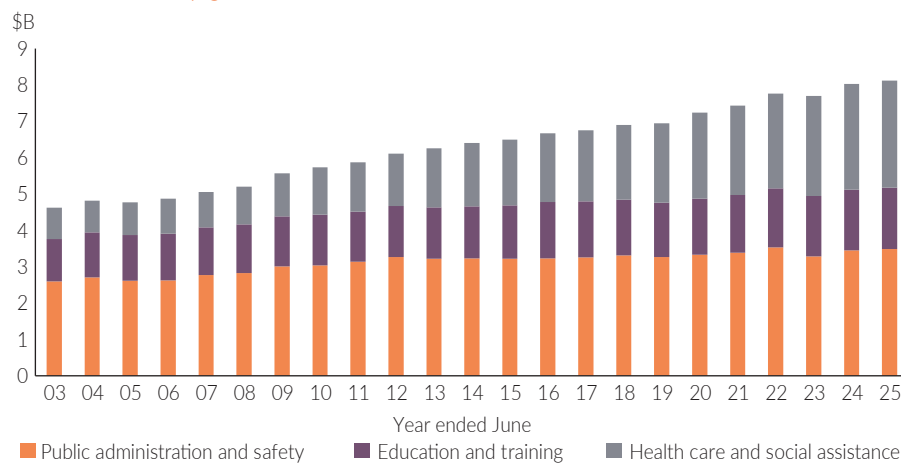
Outlook

The government and community services sector is expected to grow in the near term, supported by sustained demand for essential government services.

The government and community services sector grew by 1.1% to \$8.1 billion in 2024-25 and accounted for about 24.7% of the Territory's GSP (Chart 1). Its share of the economy has been stable over time and is consistently higher than the national share, reflecting the complexity and cost of delivering services in the Territory.

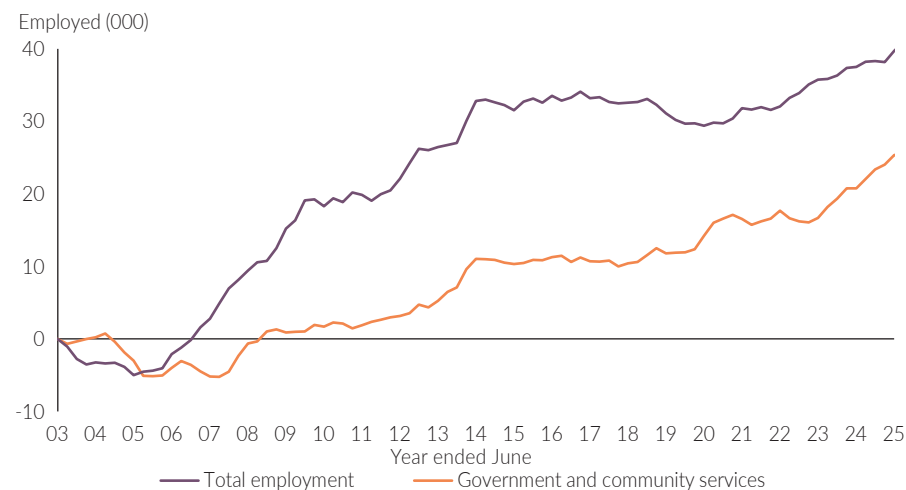
This sector is also the Territory's largest employer, representing 46.1% of employment in 2024-25, around 66,300 people. This includes 20.4% employed in health care and social assistance, 15.4% in public administration and safety, and 10.4% in education and training. The government and community services workforce has been a large driver of employment growth in the Territory in recent years (Chart 2). This has been supported by national and NT policy commitments to expand health and disability services, mental health and hospital services, reduce crime through early intervention programs and increase investment in police services. Additional funding has also been provided to address rising demand across the justice and corrections systems.

Chart 1: Territory gross value added



Source: ABS, Australian National Accounts: State Accounts; Department of Treasury and Finance

Chart 2: Territory change in year-average employment



Source: ABS, Labour Force, Australia, Detailed; Department of Treasury and Finance

Key program funding and investment includes:

- \$130 million in 2025-26 to address health system pressures
- \$48 million over four years from 2025-26 and \$15.8 million per annum ongoing to establish and support the new police public safety officer workforce
- \$18.3 million per annum ongoing from 2026-27 to open and operate the new 32-bed multi-purpose modular ward at Royal Darwin Hospital
- \$10 million per annum ongoing from 2026-27 to expand contracted road ambulance services
- \$10 million per annum ongoing from 2026-27 for the Top End aeromedical retrieval service
- \$3.8 million per annum ongoing to fund local court judges and the higher courts.

Flooding in early 2026 has placed additional pressure on government and community services. In response, the Territory Government announced a \$100 million Flood Recovery Fund to rebuild critical infrastructure, including roads, bridges and flood mitigation works.

Significant education reforms under the Better and Fairer Schools Agreement 2025–2034 will support additional activity in the government and community services sector with \$3.5 billion over the budget cycle to 2029-30. The agreement focuses on three national priorities: equity and excellence; wellbeing for learning and engagement; and a strong and sustainable workforce.

The government has announced an additional \$1 billion for Territory hospitals under the National Health Reform Agreement 2026–2030. This investment is expected to drive a significant shift in the delivery of health services, with a focus on alleviating pressure, strengthening the workforce and addressing high levels of demand.

Commonwealth-funded defence activity also contributes to the government and community services sector, with ongoing defence activity expected in the Territory as geopolitical positioning in the Indo-Pacific region intensifies. Continued investment in defence infrastructure, workforce, and support services will help sustain demand across the sector and provide a stable source of economic activity (refer to the Defence section for further information).

For the latest data on the Territory's government and community services sector, refer to the Northern Territory Economy website.

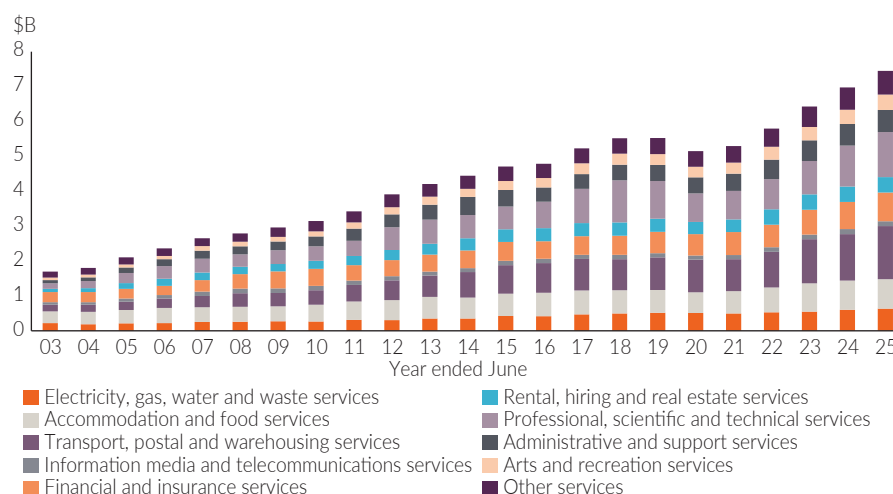
Service industries

Outlook

The near-term outlook for service industries is weakening as impacts of higher interest rates and the effects of the Middle East conflict impact discretionary spending, but will improve as the strong pipeline of construction projects supports employment, income growth and demand.

The service sector comprises a broad range of industries (Chart 3), which accounted for 21.5% of the Territory's GSP and 30.3% of the Territory's employment in 2024-25.

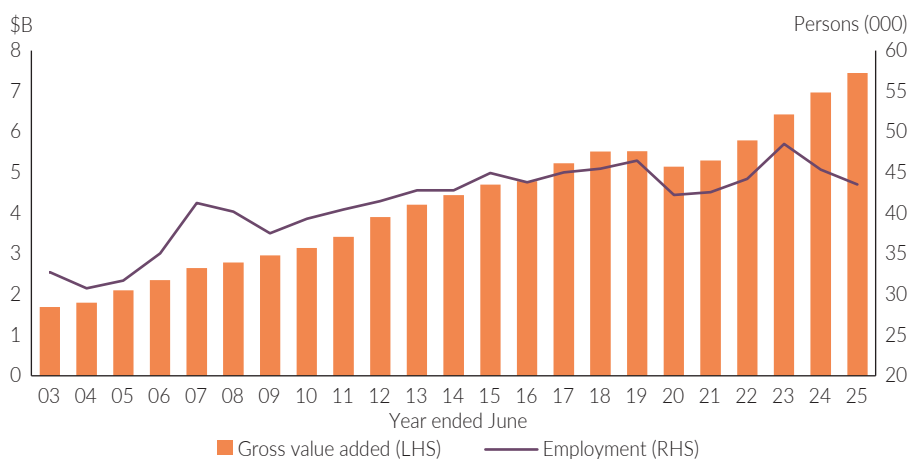
Chart 3: Territory gross value added by industry



Source: ABS, Australian National Accounts: State Accounts; Department of Treasury and Finance

The service sector grew by 3.6% to \$7.2 billion in 2024-25 (Chart 4), with transport, postal and warehousing services the major contributor to growth (0.4 percentage points). Information, media and telecommunications, and electricity, gas and water also reported solid growth, reflecting strong demand related to large projects in the Territory including the \$6 billion Barossa project. In contrast, administrative and support services and accommodation and food services, recorded declines.

Chart 4: Territory service sector gross value added and employment



LHS: left-hand side; RHS: right-hand side

Source: ABS, Australian National Accounts: State Accounts; Labour Force, Australia, Detailed

Rising oil prices are increasing costs across the services sector in the Territory, particularly in industries such as transport, where higher logistics expenses directly impact, as well as activity in the accommodation, retail and real estate industries. As costs rise, businesses may pass these increases on to consumers, contributing to reduced spending and weaker demand across hospitality and recreation, which are more sensitive to changes in discretionary spending.

Following the completion of the Barossa project, professional, scientific and technical services will be supported by other large-scale projects such as Territory and Commonwealth joint investment in remote housing, defence infrastructure upgrades and increased expenditure on electricity and water infrastructure.

Further growth in service industries is expected if several major proposed construction projects receive final approval. The establishment of the 246-hectare Northern Marine Complex on Darwin Harbour, recently declared as a Territory Development Area under newly exercised powers, will provide a coordinated maritime and industrial precinct incorporating the Darwin ship lift facility. This development will strengthen the Territory's defence, commercial and marine services capabilities. These developments will contribute to population growth through increased employment, flowing through to demand for services such as electricity, gas, water and waste management, and property-related services. For further information on projects see Northern Territory Economy Chapter 2 *Economic Growth*.

For the latest data on service industries, refer to the Territory Economy website.

Mining and manufacturing

Outlook

The mining industry's output is expected to rebound in 2025-26 after a weaker year in 2024-25 caused by disruptions at INPEX and Groote Eylandt Mining Company (GEMCO), and with the Barossa project supporting the recommencement of gas production at Darwin LNG plant.

The mining industry accounted for 23.2% of GSP and manufacturing accounted for 1.7% in 2024-25. In real terms, the gross value-added activity of the mining industry decreased by 1.4% in 2024-25 while manufacturing increased by 2.3%. Mining employed 3,400 persons in 2024-25, accounting for 2.4% of total Territory employment. The manufacturing industry employed 3,300 persons, accounting for 2.3% of employment.

Mining output is dominated by LNG and metallic minerals. The industry contributes to the Territory economy through international trade, private investment and employment. The first shipment of Barossa gas from the Darwin LNG plant was in early 2026, with a ramp up to full production capacity expected over the year. Onshore gas development in the Beetaloo Sub-basin is also progressing with Tamboran and Beetaloo Energy reaching final investment decisions for pilot projects in late 2025, with first gas expected in late 2026.

The Middle East conflict has resulted in significantly higher energy prices globally, which will increase operational costs across the mining and manufacturing industries. However, over the medium term this could see a renewed focus on energy security in Australia and accelerate investment in the Beetaloo Sub-basin.

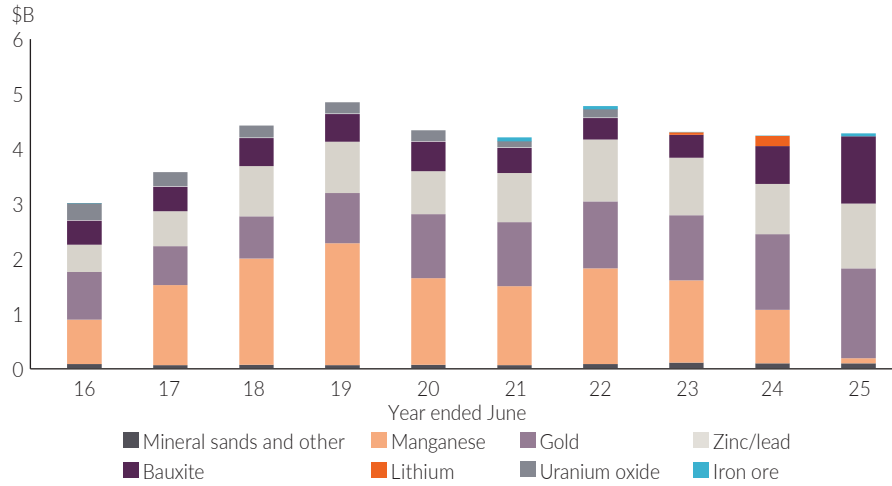
The Territory has critical mineral deposits, and produces manganese, aluminium (as bauxite), iron ore, zinc, lead, silver and titanium (as ilmenite). These resources are essential for new technologies, defence industries and the clean energy transition.

Minerals production

Most minerals produced in the Territory are metallic, including manganese, gold, zinc and lead, bauxite, ilmenite and iron (Map 1). The Territory also produces non-metallic minerals such as crushed rock, sand, quicklime and gravel.

The value of the Territory's mineral output increased by 0.9% to \$4.4 billion in 2024-25, driven by stronger bauxite, zinc and gold sales (Chart 5). This was partially offset by a significantly weaker manganese production as a result of disruptions to GEMCO mine following Cyclone Megan in March 2024. Mineral output is expected to rebound in 2025-26 driven by recovering manganese production at GEMCO and increased production of gold at Tennant Creek and Tanami combined with elevated gold prices.

Chart 5: Value of selected Territory minerals output sold



Source: Department of Mining and Energy

Manganese

Manganese is an input to steel manufacturing, with production largely driven by global steel demand. In the Territory, manganese is produced at the GEMCO mine, one of the largest manganese mines in the world.

Manganese accounted for only around 2% of the value of all mineral output sold by the Territory in 2024-25, largely due to disruptions caused by Cyclone Megan. In 2024-25, the value of manganese sold decreased to \$93.9 million, with manganese production declining by 52.4% and quantities sold decreasing by 90.2%. Export shipments resumed in May 2025 following completion of the wharf reconstruction. Production is continuing to recover in 2025-26, and is anticipated to return to pre-cyclone levels of 5 million tonnes (Mt) per annum by 2026-27.

Gold

The Territory's gold production is predominantly from the Granites mine in the Tanami region. The value of gold sold increased by 18.9% to \$1.67 billion in 2024-25 and accounted for 38.3% of the total value of all minerals sold. This was mainly due to an increase in the price of gold, partly offset by a 13.4% decline in production and a 12.9% decline in quantities sold.

In 2025-26, gold production is expected to increase as operations at Tennant Mines ramp up. The value of gold output is also expected to increase, reflecting ongoing global uncertainty influencing the gold price. The Tanami expansion 2 project is expected to begin commercial production in 2026-27, adding further to gold production in the Territory.

Zinc and lead

Zinc and lead are produced at McArthur River mine, located 65 kilometres southwest of Borroloola. The value of zinc and lead sold grew by around 28.1% to \$1.2 billion in 2024-25, with production growing 5.7% and quantity sold up by 13.1%. This reflects falls in zinc-only and lead-only concentrate production and sales, offset by increases in zinc-lead concentrate production and sales.

The overall value of output sold and volumes produced are anticipated to be steady over 2025-26 and 2026-27.

Bauxite

Two bauxite mines operate in the Territory on the Gove Peninsula. The value of bauxite sold in the Territory increased by 78.1% to \$1.25 billion in 2024-25, reflecting a continuation of price growth in 2024-25 and increased sales from stockpiles. Production increased through 2024-25 at Rio Tinto's Gove bauxite mine and Gulkula Mining Company's Dhupuma Plateau mine.

Production is expected to be stable at 12.5 Mt in 2025-26 while prices are expected to ease and reduce the overall value of bauxite sold. Production at the Rio Tinto Gove operation is expected to cease in 2030.

Iron ore

The value of iron ore sold in the Territory was \$57.6 million in 2024-25, a significant increase from \$5.6 million the previous year. Iron ore production was mainly from Nathan River Resources' Roper Bar mine and the Warrego tailings project in Tennant Creek. The Peko tailings project remained in care and maintenance.

Production of iron ore is expected to increase in 2025-26 with Peko tailings resuming production in January 2026.

Lithium

The Finniss mine opened in October 2022, operated by Core Lithium. Over 2023, the price of lithium fell steeply due to an oversupply in the market and weak growth in electric vehicle sales. As a result, operations at the Finniss mine were suspended in January 2024. There was no production in 2024-25 as Finniss mine remained in care and maintenance.

In March 2026, Core Lithium secured funding for the restart of the Finniss mine. Core Lithium is expected to commence mobilisation, early works and development activities to position Finniss mine to recommence first shipments in 2026-27.

Uranium

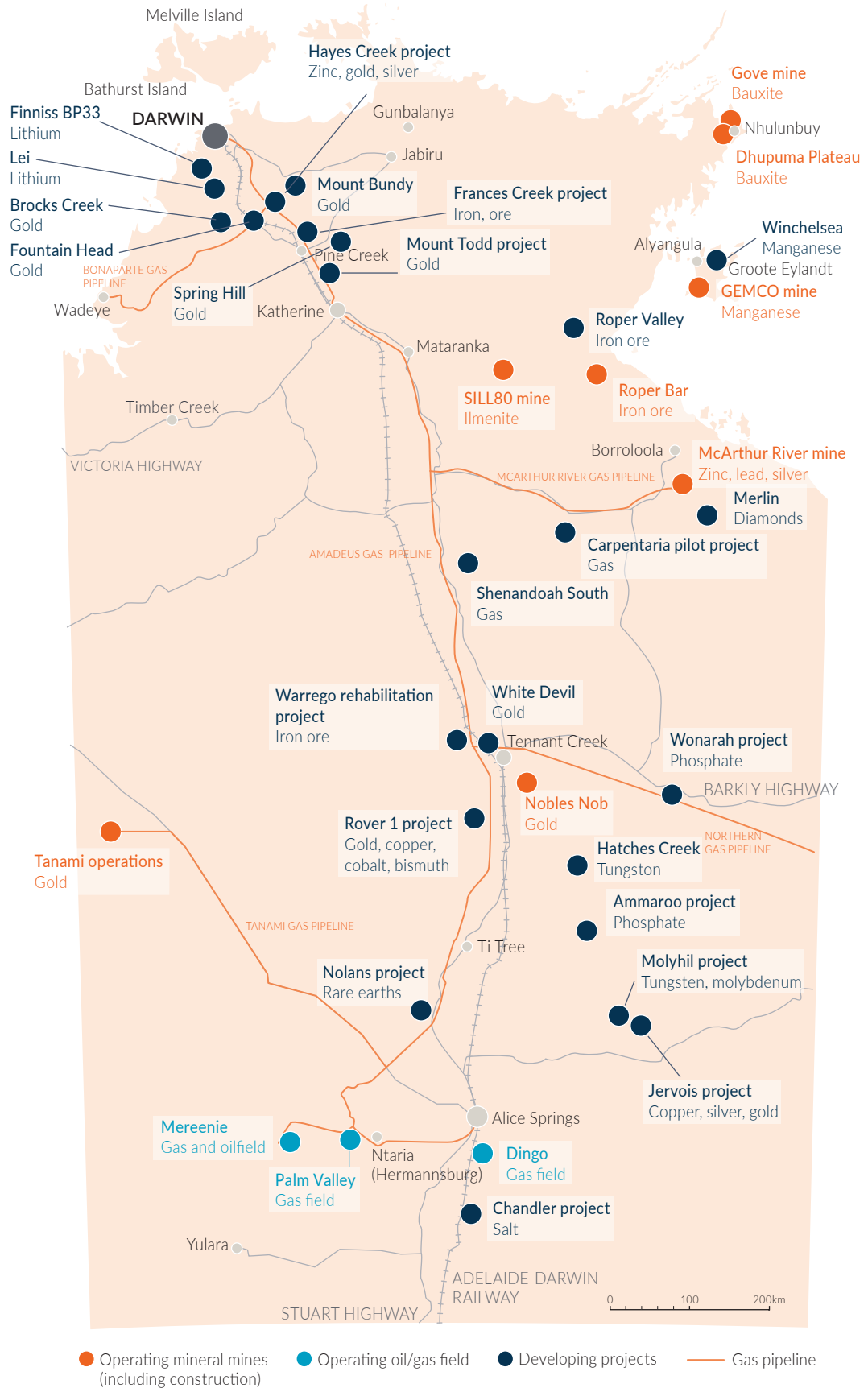
Uranium mining ceased in January 2021 when the Ranger mine closed, with all inventories sold by June 2022. Rehabilitation of the Ranger mine is currently underway with an estimated cost of \$2.4 billion. Significant rehabilitation works are also underway at Rum Jungle.

More broadly, mine rehabilitation will continue to be a source of activity in the Territory as several mines are nearing the end of operations around 2030.

Other minerals

The value of non-metallic minerals sold decreased by 7% to \$68 million in 2024-25. This was largely driven by falls in crushed rock and gravel, partly offset by increases in dimension stone and sand. Production levels and the value of sales of non-metallic mineral output is expected to be relatively stable in 2025-26 and 2026-27, with some upside in sand production as exploration activity increases in the Beetaloo Sub-basin.

Map 1: Current and pending mineral and onshore petroleum operations in the Territory¹



¹ This map is to be used as a guide only.
 Source: Department of Mining and Energy; Department of Treasury and Finance

Oil and gas production

The Territory's conventional onshore oil and gas is sourced from the Amadeus Sub-basin in Central Australia, with production from the Mereenie, Palm Valley and Dingo fields.

In 2024-25 onshore oil production increased by 19% to 125 thousand barrels of oil, and gas production increased by 3.6% to around 13.2 petajoules.

The Territory's offshore gas is sourced from the Ichthys and Barossa fields. Gas produced from Ichthys and Barossa are processed at onshore facilities and exported to global markets. Gas was first extracted from the Barossa field in September 2025, with its first LNG cargo exported in January 2026. Production from Darwin LNG plant is expected to reach full capacity in 2026. No significant maintenance activities are anticipated in 2026.

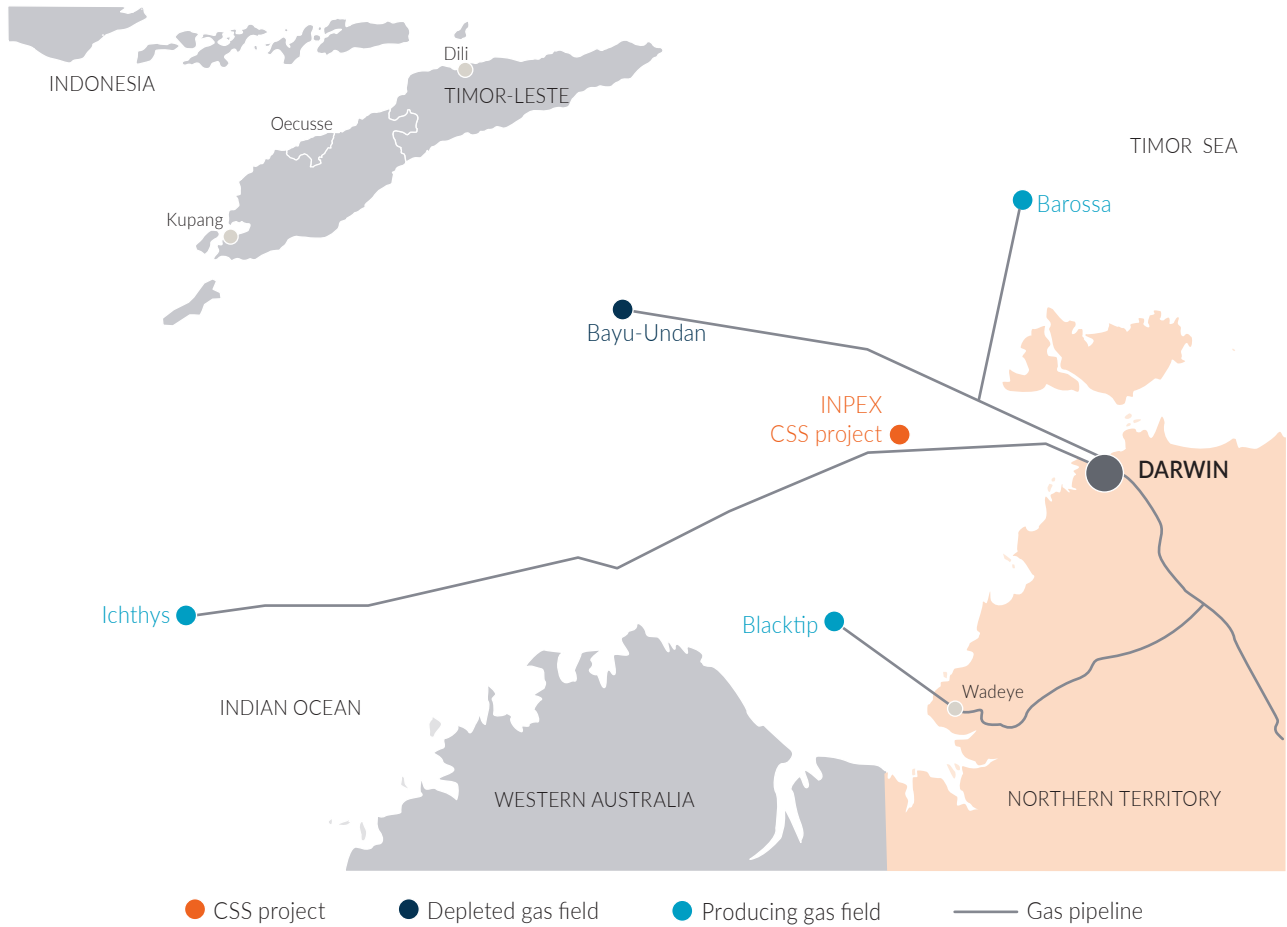
Offshore gas from Blacktip was developed with the Power and Water Corporation providing the foundational contract. Some gas was also transported to Queensland through the Northern Gas Pipeline, before being sold on the east coast gas market. The Blacktip field faced significant production difficulties from 2021.

Beetaloo Sub-basin gas development, the largest onshore energy resource in the Territory, is progressing rapidly, with proponents Tamboran and Beetaloo Energy (formerly Empire Energy) now contracted to sell pilot gas to the Territory government ensuring domestic gas supply for electricity production. Beetaloo Sub-basin gas is expected to progressively replace Blacktip gas. In late 2025, Tamboran and Beetaloo Energy announced final investment decision on pilot projects, with construction of Tamboran's Shenandoah South pilot project and Beetaloo Energy's Carpentaria pilot projects underway.

In April 2025, the APA Group applied for a licence to construct 37 kilometres of pipeline from the Tamboran Resources processing facility in the Beetaloo Sub-basin to the Amadeus pipeline. Construction of the pipeline, known as the Sturt Plateau pipeline, commenced in November 2025 and is an estimated capital expenditure of \$70 million.

Carbon capture and storage (CCS) is the process of capturing greenhouse gases and injecting it deep underground for storage. INPEX continues to progress CCS opportunities in the Bonaparte Sub-basin, with injection still targeted for commencement around 2030. INPEX has not yet made a final decision on the development of a third LNG train at Ichthys plant, which is also targeted around 2030. Santos is also working on front-end design to develop a CCS facility using the depleted Bayu-Undan field to store carbon dioxide, primarily from the Barossa gas development.

Map 2: Offshore petroleum activity near the Territory¹



¹ This map is to be used as a guide only.
Source: Department of Treasury and Finance

Exploration activity

Exploration activity is a precursor of future development. Total mineral exploration expenditure in the Territory declined by 35.4% to \$113.7 million in 2025, from \$176 million in 2024. This largely reflects decreased expenditure across ‘other’ minerals and gold (Chart 6).

Petroleum exploration in the Territory is focused on the Beetaloo Sub-basin and the Amadeus Sub-basin. Exploration activity was elevated in 2024 at \$365.4 million, driven by major onshore exploration activities by Tamboran and Beetaloo Energy. Data for 2025 has been confidentialised and the ABS does not provide a breakdown of onshore and offshore exploration expenditure, however onshore activity largely reflects ongoing exploration in the Beetaloo Sub-basin, while any offshore exploration expenditure likely reflects INPEX’s drilling activities related to carbon capture in the Bonaparte Sub-basin, and Santos with work related to its CCS project.

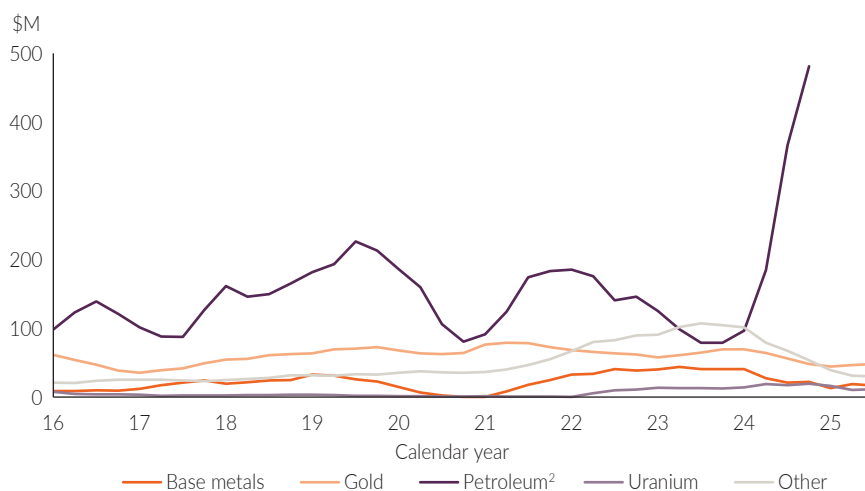
In September 2025, Tamboran announced final investment decision for the Shenandoah South pilot project, which includes construction of the \$140 million Sturt Plateau compression facility, which will be used to process gas for sale. Tamboran is targeting first commercial gas from the third quarter of 2026. Beetaloo Energy announced final investment decision on the Carpentaria pilot project in December 2025 with construction of processing facilities expected in the first half of 2026. Beetaloo Energy is expected to have first gas sales by the end of 2026.

Central Petroleum continues to produce gas for sale in the Territory gas market with wells in the Amadeus Sub-basin. Central Petroleum has intentions to drill a further two wells at Palm Valley field commencing mid-2026. As part of a \$200 million program, Santos is scheduled to drill and test two to three new wells in the Beetaloo Sub-basin commencing in the third quarter of 2026. In March 2026, Inpex also entered into a farm-in agreement with Daly Waters Energy in the Beetaloo Sub-basin.

The Middle East conflict has triggered a global energy shock that will see higher operational costs for the energy-intensive mining and manufacturing sector. This is also likely to see greater focus on reliable sources of energy, such as the Beetaloo Sub-basin, and may accelerate investment in the region.

In February 2026, the Territory Government announced the release of 4,000 square kilometres of new acreage in the Beetaloo Sub-basin to support future exploration and mining activities in the Territory.

Chart 6: Value of mineral and petroleum exploration expenditure in the Territory¹



1 Moving annual total.

2 Data has been confidentialised from June 2025 onwards.

Source: ABS, *Mineral and Petroleum Exploration, Australia*

Manufacturing

Significant manufacturing activities in the Northern Territory include food product manufacturing, fabricated metal and non-metallic mineral manufacturing, reflecting the Territory's strong links to its resources, construction, and primary industries base.

The designation in 2026 of the Northern Marine Complex at East Arm as a Territory Development Area is expected to strengthen the Territory's manufacturing sector by enabling co-location of fabrication, engineering, and logistics services alongside critical maritime infrastructure including the Darwin ship lift facility. This will support the growth of local supply chains and create new opportunities in advanced and specialised manufacturing linked to defence, offshore energy, and marine industries.

Prioritising investment in East Arm-based infrastructure will enhance industrial capability, attract private investment and position the Territory as a competitive hub for high-value manufacturing.

The Middle Arm Precinct is also a strategic industrial location capable of being developed over time as market conditions and private investment mature. Work is progressing on completing the Strategic Environmental Assessment for Middle Arm to provide future certainty and expedite approvals for private investors.

Construction

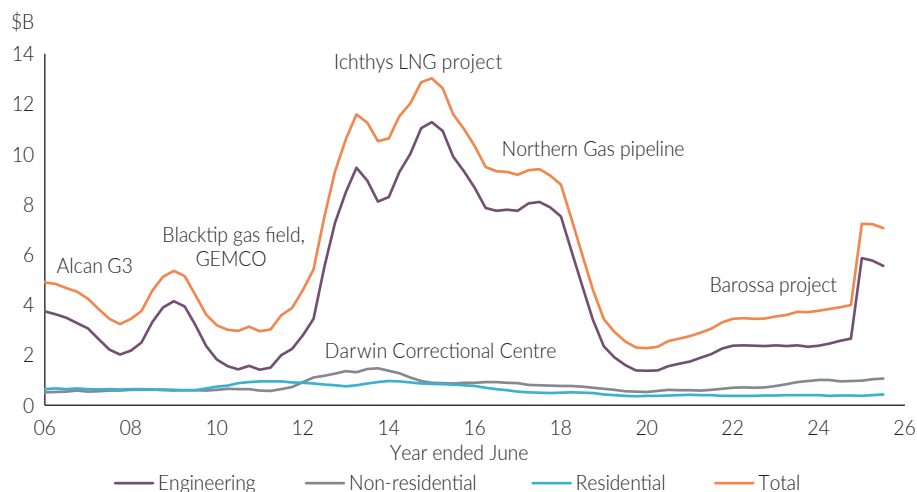
Outlook

Construction activity is projected to decline over 2025-26 following completion of works for the Barossa project. Growth in activity in 2026-27 is expected to be supported by increased investment in the Beetaloo Sub-basin.

In 2024-25, construction activity eased to around \$2 billion. The construction sector is the fifth largest industry in the Territory, accounting for 6.2% of GSP and employing about 11,800 people.

Construction activity in the Territory has historically been supported by significant projects (Chart 7). A steady pipeline of projects is expected to support growth in construction activity over the outlook period, including continued defence spending and ongoing works as part of the Territory’s infrastructure investment program. There are also several large private sector projects that may reach final investment decision, adding to construction activity over the outlook period relative to the baseline forecast, which only includes projects that have reached final investment decision.

Chart 7: Construction work done in the Territory¹



GEMCO: Groote Eylandt Mining Company; LNG: liquefied natural gas
¹ Moving annual total.
 Source: ABS, *Construction Work Done, Australia*; Department of Treasury and Finance

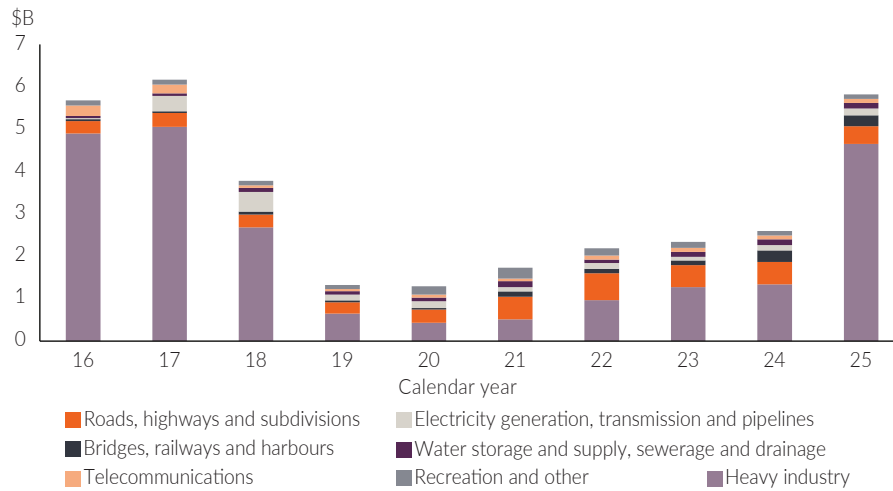
The Territory Government’s commitment to delivering affordable housing through the HomeGrown Territory and FreshStart grants is expected to support residential construction activity by stimulating new housing investment. Land releases across the Territory will also create opportunities for new residential developments.

Rising global oil prices related to the Middle East conflict are increasing operating costs of machinery, transporting materials and equipment. As fuel costs climb, the production and delivery of key materials such as concrete, steel and plastics also become more expensive. The impact is even more significant in remote regions of the Territory, where materials must be transported over long distances.

Engineering construction

In 2025, engineering construction work done increased to \$5.6 billion. The value of engineering work done is largely driven by heavy industry as the Barossa project continued towards completion (Chart 8). The engineering construction work done declined by 24.4% to \$526 million in the year-ended December quarter 2025. The value of private sector activity declined by 22.8% to \$437 million, driven by heavy industry and bridges, railways and harbours while public sector activity declined by 20.2% to \$181 million over the same period.

Chart 8: Value of Territory engineering construction work done by type¹



¹ Current prices.

Source: ABS, *Engineering Construction Activity, Australia*

Several significant infrastructure projects are supporting engineering and construction activity in the Territory. The construction of the Northern Marine Complex, including the Darwin ship lift project continues to progress supporting the growth of the Territory’s maritime industry. The Manton Dam return-to-service project is also well advanced, with construction nearly complete and commissioning on track for mid-2026. Together, these projects are supporting construction activity, strengthening regional economic growth, and enhancing water security and maritime engineering capability.

Construction activity continues to progress on major defence-related works, with several projects such as the Larrakeyah Defence Precinct Redevelopment and the Royal Australian Air Force (RAAF) Base Darwin mid-term refresh moving closer to completion. As more projects approach completion, defence works are expected to ease in the near term. However, a large pipeline of defence construction activity will remain ongoing in the Territory with a number of new projects close to final approval (refer to the *Defence* chapter for further information).

Environmental rehabilitation at Rum Jungle and the Ranger uranium mine sites, including an estimated \$2.4 billion in rehabilitation for Ranger, will continue to support activity.

Private sector mining and gas developments will continue to support the engineering construction pipeline. The Tanami expansion 2 project remains on track to be completed in 2027, extending the life of the mine beyond 2040.

Offshore gas investment expenditure related to the Barossa project will move into regular maintenance phase as construction is now complete and the plant is operating. While no new major offshore gas developments are currently anticipated, progress continues on CCS initiatives, particularly the Bonaparte CCS project led by INPEX, which aims to store carbon dioxide from the Ichthys LNG plant and other regional emitters. The project is presently undergoing environmental assessment. In parallel, INPEX has not yet made a final investment decision on a potential third LNG train, which could occur around 2030.

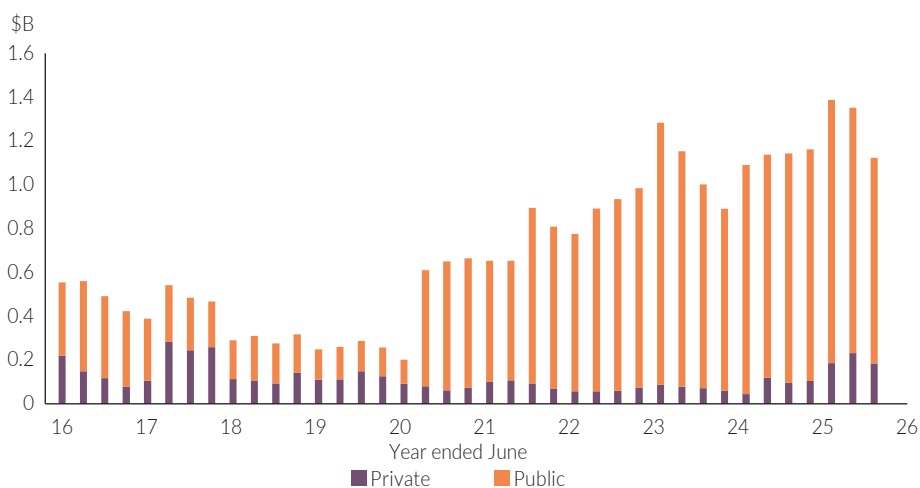
In the Beetaloo Sub-basin, Beetaloo Energy's final investment decision for the Carpentaria development in December 2025 enabled civil works, with initial gas sales expected in 2026. Santos has also announced a \$300 million pilot drilling and testing program over the coming years in the Beetaloo Sub-basin.

Further development of gas assets in the Beetaloo Sub-basin combined with the long-term ambitions for the Middle Arm Sustainable Development Precinct, as well as attracting low-emission industries, CCS, advanced manufacturing and minerals processing are all expected to underpin future construction demand.

Non-residential construction

In the year-ended December quarter 2025, non-residential building work done in the Territory increased by 15.5% to \$280 million, with private sector activity increasing by 17.6% to \$70 million and public sector activity increasing by 14.8% to \$209 million. Public sector work is expected to remain at high levels in the near term, with the value of non-residential work yet to be done at \$939.8 million in the December quarter 2025 (Chart 9).

Chart 9: Value of non-residential work yet to be done in the Territory, quarterly



Source: ABS, *Building Activity, Australia*

In the Territory, the Darwin Correctional Centre remains the primary custodial facility, with additional capacity being delivered through a \$192.2 million work camp in Darwin and a \$41.8 million work camp in Katherine. The Katherine work camp is being developed at Charles Darwin University's Katherine Rural Campus and will include a Corrections Skills and Training Facility incorporating vocational training, education and supervised work programs delivered using a combination of new and refurbished infrastructure.

In addition, \$110 million has been allocated for the construction of the Palmerston Secondary Special Education School, a purpose built facility designed to support students with disabilities through specialised and inclusive learning environments. These investments contribute to the ongoing delivery of correctional, education and community infrastructure across the Territory.

Residential construction

Residential building work done in the Territory increased by 11.1% to \$112 million in the year-ended December quarter 2025, with private sector activity increasing by 28.4% to \$83 million and public sector activity declining by 19.4% to \$29 million.

Territory Government homeownership initiatives, including the HomeGrown Territory grant (\$50,000 for first-home builds) and the FreshStart new home grant (\$30,000 for existing homeowners building or purchasing new homes), continue to stimulate demand. HomeGrown Territory grants are expected to contribute more than \$180 million to the Territory's economy and to support population and economic growth. The extension of the FreshStart New Home Grant and HomeGrown Territory Grant to 30 September 2027 provides increased policy certainty, supporting workforce stability and investment in the residential construction sector. Since introduction, these grants have boosted residential approvals and construction after a period of weakness following covid (Chart 10).

Land releases at Northcrest, Lee Point, Zuccoli, Asche, Holtze and the Heights, along with new developments, such as Farrar West (222 lots planned) and the Lloyd Creek Rural Village (4,200 lots), will continue to support future residential construction.

Chart 10: Territory building approvals by number of houses (moving annual total)



Source: ABS, Building Approvals, Australia; Department of Treasury and Finance

In March 2024, the Commonwealth and Territory governments announced a joint \$4 billion investment for remote housing over 10 years, aiming to halve overcrowding. Since the commencement of the program, a total of 316 new homes were completed in remote locations, at December 2025. Of these, 175 were delivered by Aboriginal business enterprises. Additional support includes the Help to Buy scheme, (requiring deposits as low as 2%) and the \$10 billion Housing Australia Future Fund targeting delivery of 40,000 social and affordable homes nationwide by 2029.

Further contributing to housing supply and CBD activation, land at 56 Woods Street has been allocated for a purpose-built Charles Darwin University student accommodation facility expected to accommodate about 350 students adjacent to the Darwin city campus.

Interest rate increases in early 2026 will flow through to borrowing costs for developers and homebuyers, and impact demand and make securing finance more difficult. This is likely to delay or limit new residential developments and slow new of housing supply.

For the latest data on the construction sector, refer to the [Territory Economy website](#).

Defence

Outlook

Defence investment continues to be an important contributor to economic activity in the Territory as Australia and its strategic defence partners remain committed to investment in the Indo-Pacific region.

The Territory serves as a strategic hub for national security, supporting Australian and allied defence personnel, assets and large-scale multinational exercises. This role is underpinned by ongoing Australian and United States (US) defence investment to support and strengthen regional operations and capability.

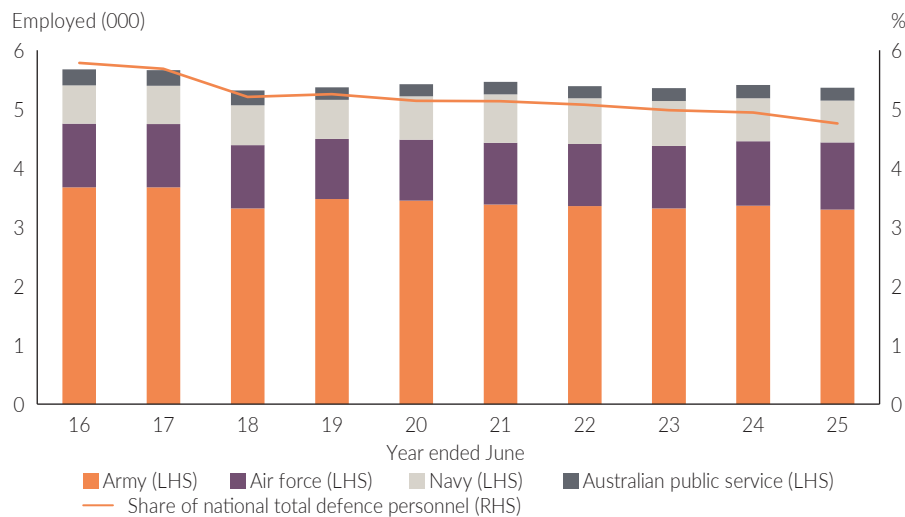
An estimated \$8.2 billion in defence infrastructure investment is planned for the Territory over the next decade. This comprises \$6.9 billion in approved planned investment underway and \$1.3 billion in planned investment yet to be approved.

Employment and personnel

The number of Australian defence personnel posted in the Territory was around 5,400 persons in 2024-25, a decrease of 0.8% compared to the prior year and relatively steady over the last five years. The army comprises the majority of defence personnel in the Territory at 61% followed by the air force at 21%, with the remaining being in the navy and Commonwealth public servants. This composition has been evolving, with fewer army and navy personnel in recent years being offset by more air force personnel.

As a share of Australia's defence personnel, the Territory trended lower to around 4.8% in 2024-25 (Chart 11).

Chart 11: Defence employment in the Territory



RHS: right-hand side; LHS: left-hand side

Source: Department of Defence Annual Report; Department of Treasury and Finance

International cooperation

The Territory has a vital role in strengthening Australia's international cooperation with its allied partners and supporting its defence strategy. The Territory's strategic location, landscape and diverse training areas allow for operating large-scale military training exercises, as well as hosting international forces.

Since 2012, the Territory has hosted the US Marine Rotational Forces-Darwin (MRF-D), a deployment of US marines that enhances Australian and US defence cooperation, interoperability and regional security. The MRF-D has grown in size, complexity and capability since its inception, with around 2,500 personnel in recent rotations.

Australia routinely participates in military exercises, to strengthen its defence alliances and enhance the skills of its military personnel. The Territory hosts annual and biannual international military exercises including:

- Exercise Talisman Sabre, led by Australian forces and US military, with an increasing contribution from partner nations
- Exercise Pitch Black, a large-scale air combat exercise
- Exercise Kakadu, an international maritime engagement exercise
- Exercise Predator's Run, a littoral-focused multilateral training exercise typically including Australian, US, UK and Philippine forces.

These exercises bring together numerous nations and strengthen international alliances, while establishing the Territory as an important location for defence training in the Indo-Pacific region.

Projects

Significant defence projects are being delivered in the Territory over the next decade with around \$6.9 billion of approved planned investment projects underway and \$1.3 billion planned investment awaiting approval (Table 2).

These projects strengthen the Territory's significance as a defence hub and provide local economic and employment opportunities across a range of sectors such as construction, maritime, aerospace, testing and evaluation, and maintenance and logistics. To support the link between this investment and local industry, the Territory Government established the Defence Industry Council in early 2026 to advance the Territory as a hub for maritime sustainment and maintenance, and grow defence jobs and local industry.

Defence projects extend across the air force, navy and army, and major defence sites in the Territory (Map 3).

Table 2: Defence approved and unapproved planned investment

Planned investment	\$M
RAAF Base Tindal redevelopment stage 6 and USFPI airfield and infrastructure works	1582
USFPI Northern Territory training areas and ranges upgrades	747
NAVFAC Darwin aircraft maintenance facilities program	700
Larrakeyah Defence Precinct redevelopment program	602
Facilities to support remotely piloted aircraft system	427
Robertson Barracks base improvements	389
RAAF Darwin and Mount Bunday airfield capital works	352
Navy capability infrastructure sub-program: offshore patrol vessel facilities	247
Facilities to support advanced growler	228
RAAF Base Tindal aircraft parking apron	205
RAAF Base Darwin mid-term refresh	160
Other ¹	1224
Total approved planned investment	6862
Guided weapons and explosive ordnance maintenance facility	200
Theatre logistics estate sub-program	185
Guided weapons and explosive ordnance storage and distribution	120
National Maritime Infrastructure maintenance program	90
Other	698
Total unapproved planned investment	1293
Total planned investment	8155

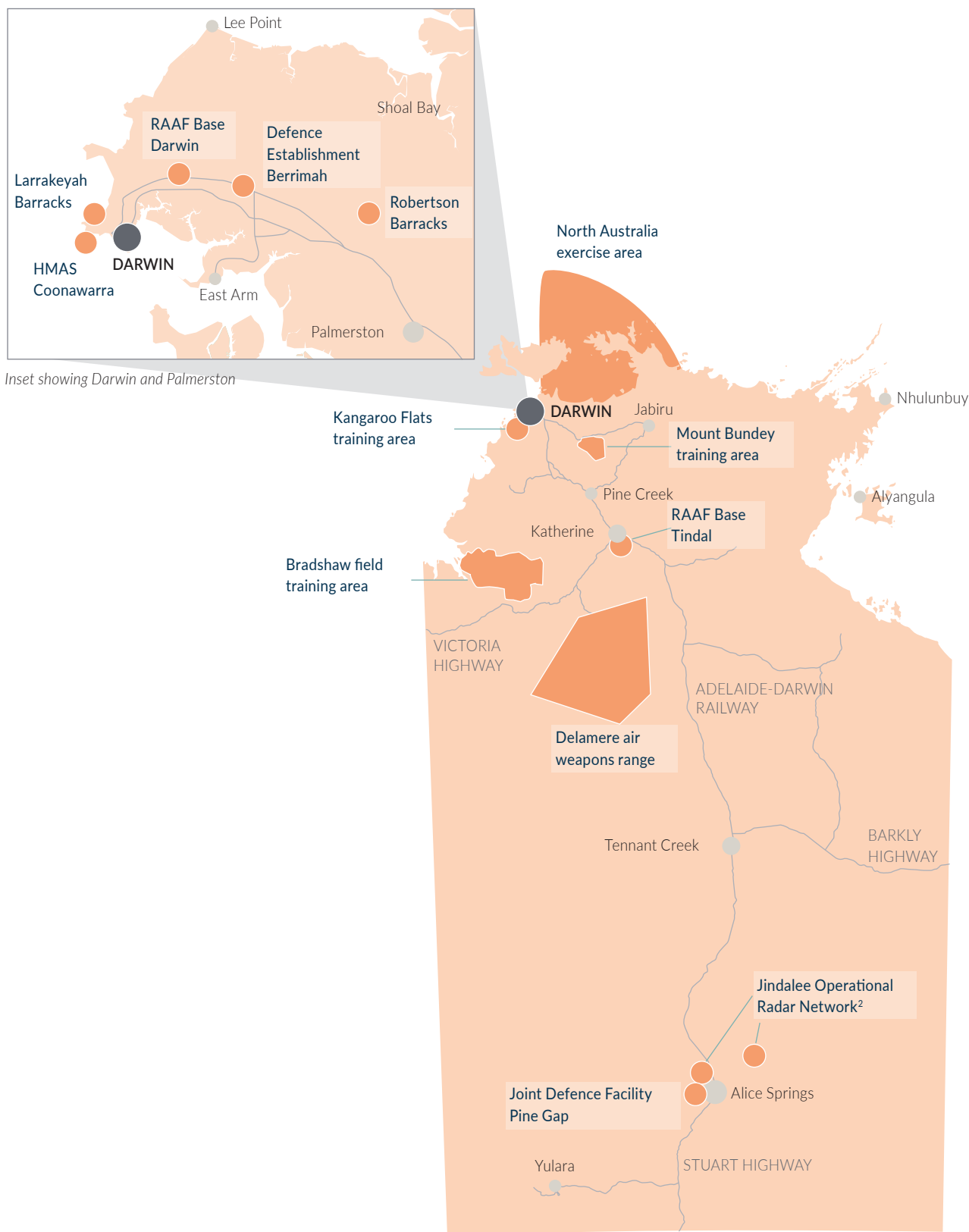
RAAF: Royal Australian Air Force; USFPI: United States Force Posture Initiatives

¹ Includes planned investment for Cocos Islands airfield upgrades.

Source: Department of Treasury and Finance; Department of Chief Minister and Cabinet; Department of Defence Annual Report

For the latest information on the Territory's defence sector, refer to the Territory Economy and DefenceNT websites.

Map 3: Major defence sites in the Territory¹



HMAS: His Majesty's Australian Ship; RAAF: Royal Australian Air Force

¹ This map is produced from various sources. Department of Treasury and Finance cannot guarantee the accuracy, currency, or completeness of the information. To be used as a guide only.

² The Jindalee Operational Radar Network has 2 operating facilities within the Alice Springs region, at Harts Range and Mount Everard.

Source: Department of Treasury and Finance; Department of Chief Minister and Cabinet; Department of Defence

Retail and wholesale trade

Outlook

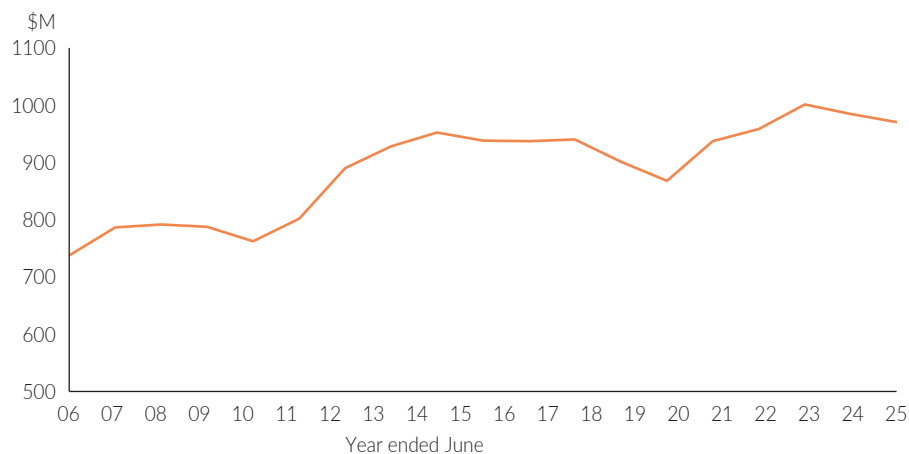
Growth in retail trade is expected to be modest in 2025-26. Activity will be supported by household spending and population growth. Retail trade is expected to decline in 2026-27 as increased interest rates and fuel costs, and uncertainty stemming from the Middle East conflict impact household sentiment and spending. Growth in wholesale trade is expected to be limited in 2025-26 due to lower investment activity but improve in 2026-27 as investment recovers.

In 2024-25, the Territory's retail and wholesale trade sector contributed \$1.9 billion to the economy, similar to 2023-24. However, its share of GSP fell slightly from 5.6% to 5.5%.

Retail trade

Retail trade contributed \$971 million to GSP, with its share unchanged at 2.9% in 2024-25. Despite the industry's 1.4% decline over the year, the stable share indicates overall resilience, supported by improved business conditions and increased tourism activity (Chart 12).

Chart 12: Retail trade in the Territory (annual, original, chain volume measure)



Source: ABS, *Australian National Accounts: State Accounts*

Retail trade growth is expected to be modest in 2025-26 as higher fuel prices and increases in interest rates weaken household spending and consumer confidence.

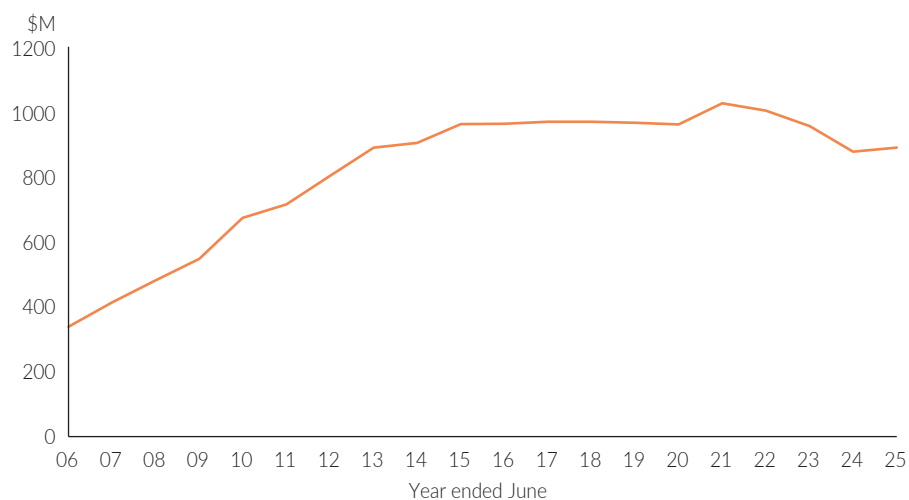
In late 2025, retail trade growth was supported by rising household consumption and easing cost-of-living pressures. Investment in retail infrastructure also contributed to growth, including security and layout upgrades at Casuarina Shopping Centre (featuring a new three storey carpark and ground level tenancies) and the Civic and State Square revitalisation.

Tourism NT's *Visitor Economy Strategy 2032* aims to unlock tourism growth, and could enhance retail trade growth and investment related to the visitor economy.

Wholesale trade

In 2024-25, wholesale trade contributed 2.6% to GSP, or \$894 million, in the Territory compared to 3.9% nationally (Chart 13).

Chart 13: Wholesale trade in the Territory (annual, original, chain volume measure)



Source: ABS, *Australian National Accounts: State Accounts*

Wholesale trade activity in 2024-25 was driven by investments in the mining and manufacturing sector, which rely on wholesalers for materials, machinery and equipment. Ongoing infrastructure investment, including road upgrades to support freight movement, as well as industrial land releases in Berrimah North and development of the Marine Industry Park, provide opportunities for future growth.

Tourism

Outlook

The tourism sector reported solid growth in visitation and visitor expenditure in 2025. The sector's medium-term outlook is positive, though activity in the near term faces several global and domestic risks. The major global risk factor is the Middle East conflict and its economic impact on source markets and security issues, as well as higher fuel prices increasing aviation costs.

Domestically, higher inflation and increasing interest rates that began in early 2026 will exacerbate household cost-of-living pressures and constrain discretionary spending. Higher fuel prices will also impact domestic tourism, including for the Territory's important drive market, and many tourism destinations will take time to recover from recent natural disasters.

Tourism activity in the Territory is expected to be weaker in the near term, while in the medium-term prospects for the industry remain solid, supported by the gradual recovery of international travel and continued domestic demand for nature-based and experiential tourism. Business travel is also increasing, underpinned by major mining, energy and defence-related projects.

Tourism is a significant contributor to the Territory economy, particularly in regional areas. In 2023-24, tourism accounted for 3.8% of GSP (\$1.2 billion) and 5.1% of employment (8,000 jobs). The Territory and Tasmania have the highest proportion of employing tourism businesses nationally (21%), above the Australian average of 18%. The number of employing tourism businesses in the Territory rose from 1,427 to 1,433 in 2024-25.

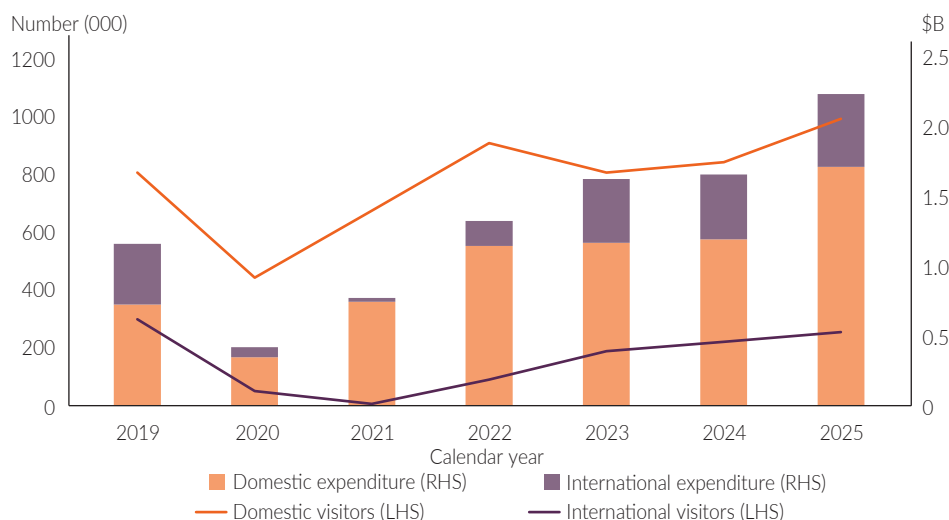
Visitation to the Territory increased by 17% to 1.2 million visitors in 2025. Domestic visitation increased by 18%, while international visitation increased by 15% and visitor expenditure increased by 35% to \$2.3 billion. Growth in international visitation was supported by targeted aviation initiatives.

The Territory *Visitor Economy Strategy 2032* provides a long-term framework for tourism development, targeting 1.7 million visitors and \$3 billion in visitor expenditure by 2032. Delivering the strategy's goals will be underpinned by ongoing development of aviation capacity and routes, investment in tourism-related infrastructure and facilities, and stable global and domestic travel conditions.

The near-term outlook for the sector is likely to be disrupted by the Middle East conflict and cost-of-living pressures in key domestic markets will weigh on discretionary demand. Higher global oil prices have increased airline operating costs and airfares, with implications for both aviation capacity and drive tourism in 2026.

Looking forward, the international tourism recovery is likely to be uneven across markets and geopolitical uncertainty will affect travel sentiment and aviation networks. However, recent solid growth in visitation and expenditure in the post-covid period suggests the Territory is an attractive destination, with opportunities to expand this demand.

Chart 14: International and domestic visitation and expenditure in the Territory¹



LHS: left-hand side; RHS: right-hand side

¹ Moving annual total.

Source: Tourism Research Australia, International Visitor Survey and Domestic Tourism Statistics, year-ended December 2025

International visitation

There were 255,000 international visitors to the Territory in 2025, an increase of 33,000 from the previous year. Although international visitation has continued to recover following covid, achieving pre-pandemic levels is challenging due to limited flight routes to Australia and the Territory, as well as increased competition from other global destinations.

In 2025, 190,000 international visitors travelled to the Territory for holiday purposes, 32,000 visited friends and relatives, 14,000 visited for business, and 27,000 visited for other reasons. Holiday travel accounted for about 74% of international visitors. It should be noted that the visitation survey allows respondents to report more than one purpose of travel, meaning purpose of visit figures will not sum to total visitor count.

Domestic visitation

In 2025, there were 995,000 domestic visitors to the Territory, up 18% from 2024 with the average domestic visitor spending around \$1,734 per trip, up 22% from 2024. Domestic visitor numbers continue to reflect shifts in consumer behaviour and the impact of higher airfares.

Nationally, domestic visitation returned to pre-covid levels in 2024, with the Territory following this trend in 2025. Business travel continues to recover more slowly at the national level, with a full recovery not expected before 2030 due to tighter corporate budgets, sustainability considerations, and efficiency gains from virtual meeting technologies.

By purpose of visit, around 430,000 holiday visitors travelled to the Territory, while there were approximately 297,000 business travellers. By domestic source market, interstate visitation increased by 26% to 617,000 visitors, while intra state visitation grew by 6.1% to 378,000 visitors.

Government initiatives

The Territory Government implemented reforms from 1 January 2026 to consolidate the former Tourism NT and Northern Territory Major Events Corporation into a single entity called Tourism and Events NT.

In 2026-27, the Territory Government is investing \$103.2 million in tourism, events and screen production, including the ongoing \$8 million increase to the tourism base budget.

The Territory Government is supporting the program of events to be delivered by the new Tourism and Events NT with an additional investment of \$2.8 million in 2026-27 and 2027-28, and \$3.8 million each year thereafter.

In 2026-27, the Territory Government is also investing in a number of sporting events to support the tourism sector across the Territory. These include:

- \$9 million for three years to secure four Australian Football League matches in Darwin and Alice Springs, including one Australian Football League women's match
- \$2 million for two years for international cricket matches in the Territory.
- continuing to deliver National Rugby League matches in Darwin.

Accommodation

In 2025, the average visitor spent 6.9 nights in the Territory, down 1 night from 2024. In 2025, hotels experienced a slight increase in bookings, with occupancy rates increasing by 2.3 percentage points to 59%. The hotel sector experienced a marginal decline in supply, down 0.1% to 3.4 million room nights, and an increase in demand by 3.9% to 2 million room nights.

In 2025, the short-term letting sector experienced an increase in bookings, with occupancy rates increasing by 2.1 percentage points to 64%. The short-term letting sector experienced a marginal increase in supply of 0.6%, to 254,000 room nights, and an increase in demand by 4.4% to 166,000 room nights.

Access

Aviation services remain essential to rebuilding the Territory's economy and restoring the Territory lifestyle. Connecting the Territory through improved interstate and international aviation services remains a priority under the Territory Government's *Rebuilding the Economy: Northern Territory Economic Strategy 2025*. Aviation attraction activities are coordinated by the Department of Trade, Business and Asian Relations through the Rebuilding Aviation Connectivity for the Economy program, in partnership with airlines, airports and the Department of Tourism and Hospitality.

Short-term conditions have weakened and access challenges have intensified. Ongoing global oil supply disruptions have increased jet fuel prices, placing upward pressure on airline operating costs. In response, airlines servicing the Territory have begun adjusting schedules, reducing frequencies and reallocating aircraft to higher-yield routes. These pressures are contributing to higher airfares and reduced travel demand, particularly among discretionary leisure travellers.

Reduced international travel may also have flow-on effects for domestic routes that rely on visitor dispersal. The combined impact is expected to suppress visitation over 2025-26 and delay the recovery of some routes.

In the Territory, cruise tourism generated \$205.6 million in activity and supported 581 jobs in 2024-25, with Darwin serving as the primary port. There were over 150 cruise visit days in the Territory, with a total passenger visit days of 87,000.

For the latest data on the tourism sector, refer to the Territory Economy website.

Agriculture, forestry and fishing

Outlook

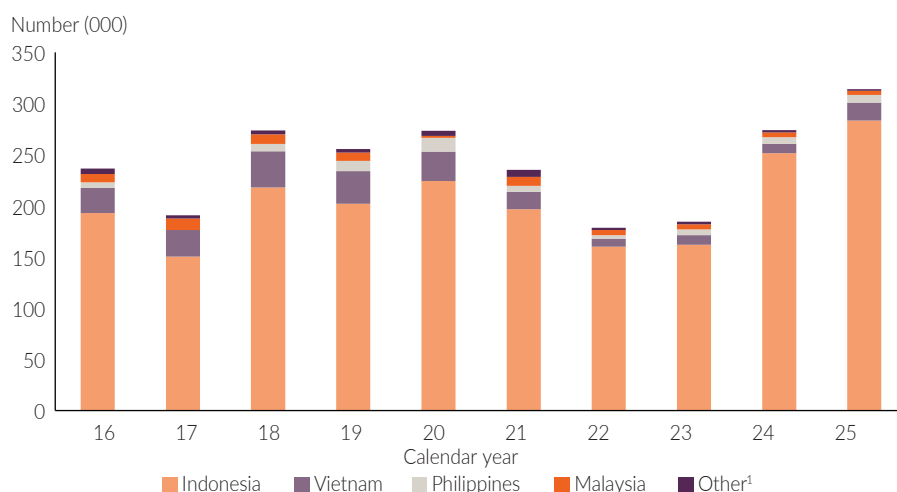
The Territory's agricultural sector performed strongly in the second half of 2025 but has since been impacted by flooding and fuel access and cost. New investment and growth opportunities in export markets are expected to support the sector from 2026-27.

In 2024-25, the agriculture, forestry and fishing sector accounted for 4.8% of GSP in the Territory, having increased by 12.9% to \$1.4 billion. The sector accounts for 2.3% of total employment, with around 3,300 workers employed on average, noting there are significant seasonal fluctuations. Growth in output is largely due to increased live cattle exports, diversification into cropping on pastoral leases, investment in new cropping and horticultural developments, and expansion of aquaculture and fisheries activities (Map 4). Higher energy prices will increase operational costs across the sector, particularly for remote businesses, and the Middle East conflict has affected the supply of fertiliser which will impact horticultural production. In the medium term, growth is expected to be supported by several large agricultural land developments, along with recent significant property sales and anticipated new investment and growth in export markets.

Live cattle

The Territory's live cattle exports increased by 15% in 2025, driven by increased demand from Indonesia and favourable weather conditions (Chart 15). Although there is strong demand for live cattle heading into 2026, above-average rainfall has disrupted supply lines and limited exports. The sale of several large pastoral stations in 2025 reflects investor confidence in the sector that should support future supply over the forward estimates.

Chart 15: Annual number of live Territory cattle exports, by destination



1 Other comprises Brunei, Cambodia, Egypt, Timor-Leste and Thailand.

Source: Department of Agriculture and Fisheries

Interstate movements of Territory cattle shifted over the past year, with the number of Territory cattle moved interstate declining by around 9%, while the number of interstate cattle moved into the Territory increased by around 32%.

Indonesia accounted for about 91% of the Territory's live cattle exports in 2025. With its geographical proximity, constraints around herd development, established diplomatic relations with Australia and strong demand, Indonesia is the largest and most consistent buyer of northern Australian live cattle.

Foot and mouth disease and lumpy skin disease continue to be significant biosecurity risks to northern Australia's cattle industry, with ongoing efforts focused on preventing entry into Australia.

The Territory's live buffalo exports increased in 2025, with the number of live buffalo exported up 57% compared to 2024. This market experiences fluctuations due to change in supply conditions across Asia. Around 77% of live buffalo are exported to Indonesia, with Brunei, Sarawak and Vietnam accounting for the balance. Live buffalo is typically a cheaper alternative to live cattle, although supply is largely constrained by wild harvest conditions.

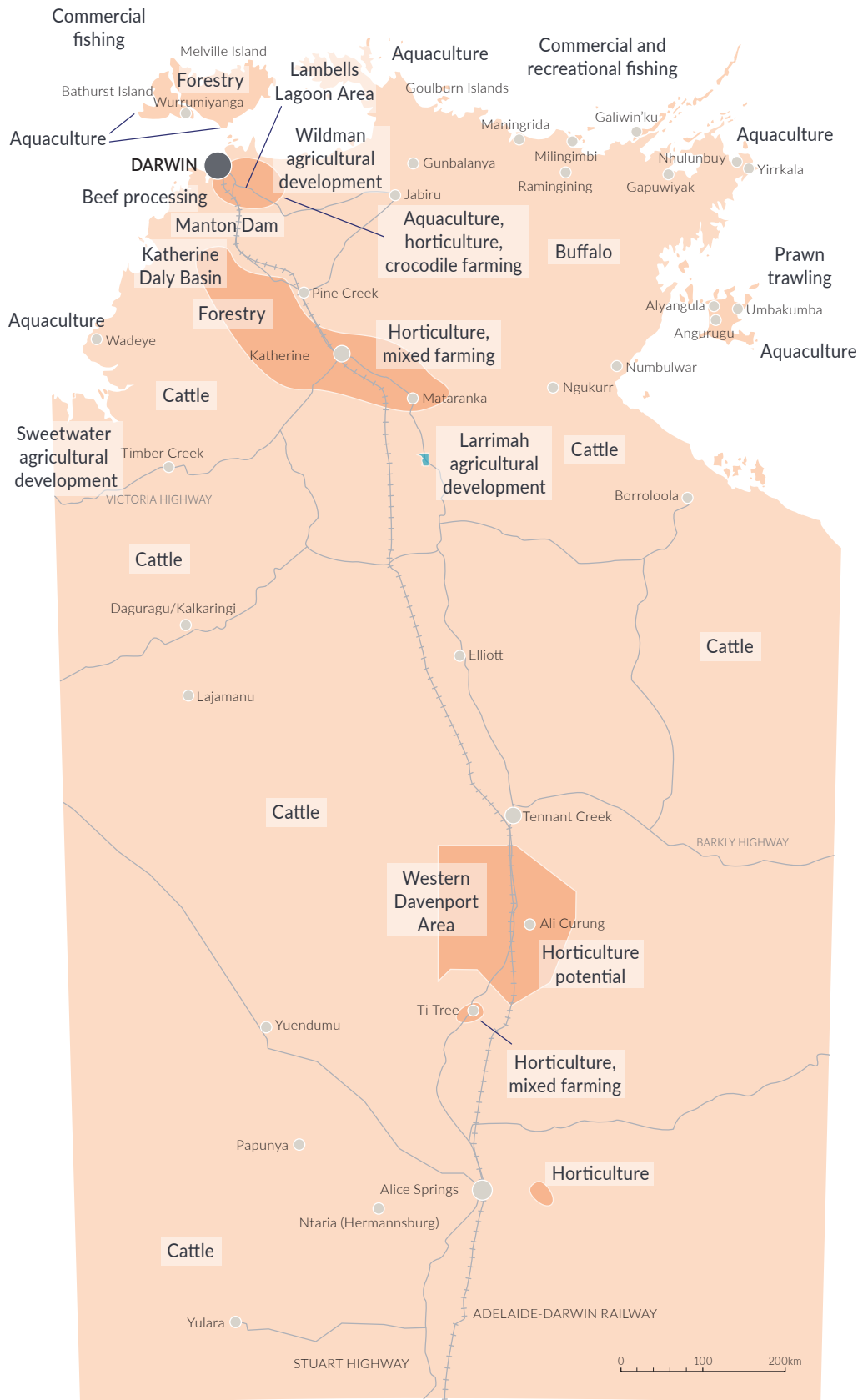
Other livestock products

The Commonwealth Department of Agriculture, Fisheries and Forestry reports that overseas boxed meat exports from the Territory increased to 1,930 tonnes in 2025, valued at \$17 million. This represents a significant uplift for the sector, largely driven by commercial access of boxed beef into Indonesia, opening a new and commercially important market for the Territory.

There are several micro-abattoirs in the Territory and a single large export-accredited facility at Batchelor, which produces frozen boxed beef, offal, buffalo and camel. In 2025, products were exported to seven markets, primarily Indonesia (58%), South Korea (15%) and the United States (14%). The outlook for Territory boxed beef exports is positive, supported by strong Indonesian purchasing trends and improved market access. Domestically, the number of Territory cattle and buffalo sent interstate for meat processing increased significantly, from 26,200 in 2024 to 53,000 in 2025.

Australia accounts for 67% of the global trade in saltwater crocodile skins, with most being farmed and exported by the Territory. Gross revenue from the Territory crocodile industry increased by around 3.1% to \$47.4 million in 2024-25, largely reflecting increased production.

Map 4: Territory agriculture, forestry and fishing¹



1 This map is produced from various sources. Department of Treasury and Finance cannot guarantee the accuracy, currency, or completeness of the information.
 Source: Department of Treasury and Finance; Department of Agriculture and Fisheries

Horticulture

The outlook for horticultural production is expected to be positive over the forecast period, with several potential developments in the outer years of the forward estimates. However, higher fuel prices will increase the cost of production and freight over 2026. The Strait of Hormuz is also part of the global supply chain for fertiliser, and disruptions are resulting in higher prices that may impact production. The extent and duration of the conflict remains uncertain, although prolonged disruption could have a significant impact on growers.

Mango production accounts for a large proportion of the Territory's horticulture sector and is strongly influenced by seasonal conditions and demand in southern Australian markets. In 2025-26, the Territory mango industry produced around 52% of the nation's supply. Around \$2.4 million worth of Territory mangoes were exported in the 2025 calendar year to countries including the United Arab Emirates (35%), New Zealand (17%), the United States, Hong Kong, Singapore and Canada (35% combined).

Melon farming is the second-largest horticultural activity after mangoes in the Territory. Around 25% of Australia's watermelons and 11% of Australia's musk melons are grown in the Territory, and accounting for 14% and 9% of Australian exports, respectively. Combined exports are up 41% from last year. Melon production is expected to increase over the medium term, supported by recent investment and expansion plans from major producers.

Commercial crops of jack fruit, dragon fruit and citrus are maturing, and businesses are developing production and supply chains to maximise the benefits from the Territory's seasonal advantage. Dragon fruit production in the Territory has been impacted by increased competition from Vietnamese imports over the past five years. This is pushing dragon fruit producers to seek export market opportunities. New plantings of citrus crops are expected to come into production over the outlook period after the Territory was declared citrus canker free in 2021.

Date palms have been established in Central Australia through the development of a germplasm resource sourced from successive international imports. While production is relatively small, the crop is growing, supported by ideal climatic conditions, research efforts and increasing industry interest.

Broadacre crops

In 2024-25, around 49,000 bales of cotton were produced, with an estimated value of \$29.5 million. Additionally, around \$8 million of raw cotton and \$3 million of cotton seed were exported from the Port of Darwin. A total of 6,000 hectares has been planted in preparation for the 2025-26 season.

Irrigated and rain-fed hay and fodder production remains a core diversification option for pastoralists with new cereal and grain production expected to emerge as producers seek rotation crops for cotton and hay.

Forestry

The outlook for the forestry industry is positive, supported by the recent \$81 million investment in the Tiwi Plantations Corporation for a second long-term plantation. The Territory has around 42,000 hectares of plantation forestry with an estimated value of \$1.45 billion at harvest age. African mahogany harvest rotations take around 25 to 30 years, with the plantations in the Douglas Daly region expected to reach maturity in 2030.

Fisheries

Wild harvest production in 2024-25 was around 4,800 tonnes, representing a decline of 160 tonnes compared with 2023-24. The gross value of production (GVP) from wild-caught fisheries also declined to \$44.9 million.

Overall, the value of inshore fisheries declined in 2024-25. For the Coastal Line Fishery, the decline was largely due to lower market prices for jewfish swim bladders, and a decreased mud crab catch due to the wet season affecting availability and fishing efforts. For the Aquarium Fishery, fishing efforts also declined, resulting in reduced catch and value. In contrast, the Trepang Fishery reported increased production in 2024-25.

Among offshore fisheries, the Timor Reef Fishery and Demersal Fishery recorded increases in both production and value. Increased fishing efforts and improved fishing efficiency, together with higher market prices, contributed to the increase in GVP. Conversely, the Offshore Net and Line Fishery and Spanish Mackerel Fishery reported significant declines in production in 2024-25.

The gross value of aquaculture production increased slightly to \$81 million in 2024-25, largely reflecting growth in barramundi production. The outlook for the Territory aquaculture industry is positive, with commercialisation of several new species being investigated.

Territory Government agribusiness development

There are several development opportunities and facilitated projects underway focusing on growing the agriculture, forestry and fishing sector in the Territory. Priority projects include several developments as part of the Territory Government's land releases, an improved regional road network and developing infrastructure to increase export opportunities.

Land developments

Several agricultural developments are expected to contribute to production over the outlook period. The Department of Agriculture and Fisheries continues to support these developments through land suitability assessments, advice on land tenure, regulatory approval processes and assisting with stakeholder engagement. These agricultural land developments are:

- Larrimah
- Wildman
- Sweetwater (Ord River irrigation scheme expansion into the Territory).

The Territory Government is working to identify additional regional areas that could be developed including in the Douglas-Daly region. The Singleton Farm project in the Western Davenport region aims to develop over 3,000 hectares into the largest horticulture farm in the Territory, with gross annual revenue of over \$200 million from production of citrus, grapes and other fruit crops.

Collectively, these developments provide an opportunity to significantly expand and diversify the Territory's agricultural production and offer opportunities for new investment in a wide range of high value crops, including mangoes, melons and forestry, as well as broadacre crops such as cotton and sorghum.

For the latest data on the agriculture, forestry and fishing sector, refer to the Territory Economy website.

Abbreviations and acronyms

ABS	Australian Bureau of Statistics
B	billion
CAGR	compound annual growth rate
CCS	carbon capture and storage
CBD	central business district
GEMCO	Groote Eylandt Mining Company Pty Ltd
GSP	gross state product
GVP	gross value of production
HMAS	His Majesty's Australian Ship
LHS	left-hand side
LNG	liquefied natural gas
M	million
MRF-D	Marine Rotational Forces-Darwin
Mt	million tonnes
RAAF	Royal Australian Air Force
RBA	Reserve Bank of Australia
RHS	right-hand side
US	United States (of America)
USFPI	United States Force Posture Initiatives

Explanation of terms

Agriculture, forestry and fishing

The agriculture, forestry and fishing sector is a significant employer and source of economic activity in regional and remote areas. It also has important linkages to other industries of the economy, including retail and wholesale trade, manufacturing and transport. The sector's output can vary significantly from year to year due to changes in demand (including trade restrictions), seasonal conditions affecting production, and impacts of pest and disease incursions.

Construction

Analysis of construction activity and work done is based on monthly and quarterly data reported by the Australian Bureau of Statistics through a number of data releases including engineering construction activity, building activity, building approvals and construction work done. The sector's gross value added is measured annually and reported in Australian Bureau of Statistics state accounts data. Sector contributions to employment are based on quarterly Australian Bureau of Statistics labour force statistics.

Conventional gas

Conventional gas is found in geological formations which permits the gas to freely migrate below the surface and move to the surface when intercepted by a well.

Defence

Defence is not reported as a separate industry in the national accounts, rather it is reported against several industries, predominantly public administration and safety. Australian Bureau of Statistics does not report defence employment numbers. References to defence refer to both the Department of Defence and the Australian Defence Force. The Department of Defence and Defence Housing Australia annual reports are the sources of data.

Employed

Persons 15 years and older who worked for one hour or more in the week as measured by the labour force survey. Persons are measured as being employed in the jurisdiction in which they reside, regardless of the location of their employment.

Engineering construction

Construction work that does not have a roof.

Government and community services

The government and community services sector consists of public administration and safety; education and training; and health care and social assistance.

These services are mainly funded by the public sector, including the Commonwealth, Territory and local governments. However, non-government and private entities may also provide education, health, aged care and other community services as well as defence.

Gross state product

Similar to gross domestic product, except it measures the total value of goods and services produced in a state or territory. It can be calculated by measuring expenditure, where it is the sum of state final demand and international and interstate trade, changes in the level of stocks, and a balancing item.

Gross value added

The value of output at basic prices minus the value of intermediate consumption at purchasers' prices. The term is used to describe gross product by industry and by sector. Basic prices valuation of output removes the distortion caused by variations in the incidence of commodity taxes and subsidies across the output of individual industries.

Mining and manufacturing

Mining and manufacturing activities in the Territory include mining of metal ores, oil and gas production, and quarrying, as well as the manufacture of fabricated metal, transport equipment and repair, and helium for domestic and overseas markets. The Territory's mining industry data also includes offshore oil and gas production in Territory waters.

Non-residential building

Buildings intended for purposes other than long-term residence.

Residential building

Buildings primarily used for the purpose of long-term residence.

Retail trade and wholesale trade

Retail trade captures the sale of goods in stores and online to predominantly households for personal consumption. Domestic online sales are attributed to the state in which the online retailer is based. This means, due to the relatively low number of Territory-based online retailers, published retail trade data does not provide a complete representation of the level of spending on retail goods by Territorians. Retail turnover data does not include purchases made directly from an overseas website.

Wholesale trade is the sale of new or used goods to businesses and institutional users. Wholesale trade is generally a smaller component of Territory gross state product than retail trade and a much smaller share of employment.

Service industries

The service industries sector covers a broad range of industries and makes up a significant proportion of gross state product and employment. The service industries are: professional, scientific and technical services; transport, postal and warehousing; accommodation and food services; financial and insurance services; administrative and support services; electricity, gas, water and waste services; rental, hiring and real estate services; arts and recreation services; information and media telecommunications; and other services.

Tourism

Tourism differs from other industries as it is defined by consumers' behaviour rather than the process of producing goods and services. Accordingly, standard Australian Bureau of Statistics measures of production in the national accounts are not available for tourism. Rather, tourism's contribution to the Territory economy is captured in a range of industries, including accommodation and food services, retail trade, culture and recreation, and transport. Tourism is sensitive to factors such as global and local economic conditions, exchange rates, tourism marketing activity, aviation access, changing consumer behaviour, visa regulations and competition amongst destinations.



NORTHERN TERRITORY

2026-27 Budget



Budget Paper No. 1

Speech and
Appropriation Bill

Part 1
Speech

Delivered on
5 May 2026
by
The Hon. Bill Yan MLA
Treasurer
of the
Northern Territory of Australia

Introduction

Madam Speaker, I move that the Bills now be read a second time. I table the 2026-27 Appropriation and Revenue Bill, and the accompanying budget papers and explanatory statements.

Madam Speaker, today the Finocchiaro Country Liberal Party (CLP) Government delivers its second budget, which delivers phase two of our plan to reduce crime, rebuild the economy and restore our unique Territory lifestyle, just as we promised Territorians.

This is a budget for everyday Territorians.

At a time when household budgets are under pressure, this is a budget that sensibly funds a range of important services Territorians rely on while living within our means and not adding to the inflation and cost of living pressures Territorians face.

Put simply Madam Speaker, it's a budget that makes your life better.

Through disciplined financial decision-making, this is a budget that delivers an operating surplus in our general government sector in 2025-26, which means for the first time since 2022-23, the Territory will not be borrowing money to pay wages.

Madam Speaker, for eight years Labor racked up deficits and debt to \$9.02 billion. That's a 22% increase in net debt, every single year. Everyday Territorians know you can't just keep maxing out the credit card, without a plan to pay it back but that's what Labor did Madam Speaker. It's a big part of why they failed Territorians.

Pointless debt does nothing but waste money that could be spent delivering the public services and infrastructure Territorians deserve. Even worse Madam Speaker, pointless debt adds to inflationary pressure, which in turn increases cost of living challenges on Territorians.

The Finocchiaro CLP Government has not and will not follow in the footsteps of the trainwreck that Labor was Madam Speaker. We will not make everyday Territorians foot the bill for Labor's failures.

In our first budget Madam Speaker, we dealt with Labor's time-limited programs and funding cliffs, their project cost blowouts, their broken promises and unsafe streets. In just 18 months Madam Speaker, we have turned the books, the economy and our collective futures around.

And for the first time in as long as anyone can remember, the government infrastructure program is properly funded. But we will not wallow. The Territory is too important and must get back on its feet. We acted.

We backed in our frontline staff, and under a the Finocchiaro CLP Government, there are 100 more police on our streets and more than 80 additional nurses in our hospitals, than under Labor, Madam Speaker. We have reduced the number of crime victims Territory-wide by 10.2%.

We put the effort in and made our capital works program worth the paper it was written on with phantom projects removed and the program refocused on giving Territorians a better future and growing our population with our Home Build Scheme, leading the nation off the back of what would have been the year of lowest home builds since records began.

And our hard work has paid off. For the first time in a decade Madam Speaker, we moved off the bottom of the CommSec State of the States ranking, rising from last place to fourth place. The last time the Territory ranked fourth was in 2016, the last time the CLP was in government.

Madam Speaker, this year's budget is sensible, focused on making the lives of everyday Territorians better and is fiscally responsible. It starts with yet another record law and order spend at \$1.73 billion, because community safety is Territorians number one priority.

It secures \$4.25 billion in capital works, including \$496 million in economic enabling infrastructure and \$2 billion for roads and transport. We've provided \$460 million in additional capital works cash in the 2026 Budget to deliver the capital works program, rather than making promises that remain undelivered and re-vote year after year like a broken record. That, Madam Speaker, is how you deliver growth, certainty and security.

Madam Speaker, I want to explain to everyday Territorians how this budget makes their lives better.

Territorians are about having a healthcare system that supports them from birth right throughout their life, which is why this record health budget of \$2.62 billion will deliver better healthcare. Our \$68 million funding for St John Ambulance will see more paramedics on the ground and deliver faster response times when people need it most.

This budget Madam Speaker delivers a record spend in education and it will deliver a brand new \$110 million high school in Palmerston for special needs students and their families because we are investing in our children's futures and making life easier for families.

Madam Speaker, \$15 million has been allocated to design brand-new men's and women's prisons here in Darwin so we can focus on tackling the root causes of crime and keep Territorians safe. Also, a \$15 million direct injection into our national parks means everyday Territorians and tourists can enjoy even more of our unique Territory lifestyle.

This budget prepares the Territory for the future, with more than \$130 million dedicated for flood recovery and resilience to build back better, Territory-wide, following five major weather events in five months.

Madam Speaker, today's budget is about putting money where it's needed most, making our communities safer, allowing Territorians who back themselves to grow their businesses and not increase the debt and cost-of-living burden on households.

It focuses on safer streets, better services, easing pressures on families and having a government where the grown-ups are in charge once more. It backs Territorians here and now while helping build a stronger future for our tomorrow.

Fiscal outlook

Madam Speaker, the 2026 Budget has been delivered in challenging circumstances. Natural disasters, national economic headwinds and international instability have placed pressure on Territory families, businesses and communities.

Conflict in the Middle East pushed up fuel prices and Territorians felt it. Madam Speaker, economic modelling in the 2026 Budget assumes the price of oil will average around US\$100 per barrel from April to September 2026, before trending down. The full economic impact will depend on the extent and duration of the conflict.

Price increases are stoking inflation and increasing the likelihood of the Reserve Bank of Australia (RBA) raising the cash rate at upcoming meetings, including the meeting today 5 May.

Territorians feel that pressure every time they fill the tank, freight goods, or pay rising household bills. That is why we backed fuel relief measures, contributed \$19.7 million to reduce fuel excise by 5.7 cents per litre, and acted to ensure Territory motorists were not being ripped off at the bowser.

We triggered the 77-year-old *Price Exploitation Prevention Act 1949* to compel fuel retailers to provide their full cost structure upon request and appointed a controller so motorists can feel confident that retailers aren't profiteering from price volatility.

Madam Speaker, despite these challenges, the Finocchiaro CLP Government has been sensible and strategic, which is why public debt growth is back on a sustainable trajectory.

The Finocchiaro CLP Government is proud to have reduced debt growth by 18% while delivering significant growth in frontline workers of more than 6%.

In 2025-26, the Territory's net debt will be \$11.35 billion. It is forecast to stabilise at around \$13.2 billion in 2027-28 and 2028-29, before reducing from 2029-30. This effort is reflected in the stable credit outlook issued for the Territory by the international ratings agency Moody's on 26 April 2026.

Madam Speaker, I am pleased to announce a general government net operating surplus of \$95 million in 2025-26, followed by a modest forecast deficit of \$42 million in 2026-27 and a return to surplus from 2027-28. Operating surpluses mean we are fully funding our public sector wage bill without borrowing money to pay the wages. Madam Speaker, Labor was paying public servants with a credit card.

And on public sector numbers Madam Speaker, since the September quarter 2024, we have seen total growth in the Northern Territory Public Sector (NTPS) of 884 full-time equivalent (FTE) staff, driven by increased frontline and school-based staff. That's more teachers, nurses, police, correctional officers – the people we rely on out there working for Territorians. Importantly, executive and other non-frontline staff remain largely unchanged from September 2024 levels.

What this means Madam Speaker, is that we are seeing growth in the frontline while back office staffing is restrained or modestly declining through natural attrition, holding agencies to account for their budgets and no longer allowing unfunded positions to be created in head office – something that ran rampant under Labor and their union mates for the best part of the last decade.

Our net debt to revenue ratio is expected to average 15 percentage points better when compared to Labor's forward projections. The 2025-26 fiscal balance deficit sits at \$583 million, increasing to \$1.06 billion in 2026-27. By 2029-30 this figure will have greatly improved, with a negligible overall deficit of \$5 million.

Commonwealth revenue is projected to be \$7.7 billion in 2026-27. Total revenue for the non-financial public sector is expected to increase to \$10.7 billion in 2026-27 and rise to \$11.31 billion by the end of the forward estimates. We continue to prioritise increasing the Territory's own-source revenue capacity by growing our economy, Madam Speaker.

Government departments are expected to be responsible with their budgets and so we have increased the efficiency dividend budget repair measure in 2026-27 to 1.5%.

The improvements in the Territory's fiscal outlook are a result of the work the Finocchiaro CLP Government has done to reduce crime, cut red tape, reform payroll tax, implement the Territory Coordinator and exercise responsible spending. Royalties and GST have also improved, Madam Speaker.

And there is more work to do as we make the Territory a more competitive place to live, work, visit and invest.

Flood recovery

Madam Speaker, earlier this year the Territory experienced widespread flooding, with Katherine suffering its worst floods in almost 30 years. Families, businesses and communities were impacted. The Finocchiaro CLP Government stepped up to help those flood-affected communities.

This budget responds with more than \$130 million for flood recovery and resilience initiatives, including a \$100 million Flood Recovery Fund and a \$30.5 million Roads Repair Package.

Madam Speaker, we have already committed immediate funding for flood mitigation in Alice Springs, levee upgrades in Katherine, support for Nauiyu, and are rebuilding critical road links across the Territory. Joint funding arrangements with the Commonwealth are also in place under the Disaster Recovery Funding Arrangement 2018.

There is still a long way to recovery Madam Speaker, but we're with the community every step of the way to ensure we build back better.

Cost of living

Madam Speaker, families are counting every dollar, and that's why this budget is about giving families confidence, giving business certainty, and giving communities security.

This year's budget delivers more than \$290 million in concessions, subsidies and targeted household support, including \$225 million in power and water concessions and subsidies.

Everyday Territorians deserve support and this year they will see the discount, delivered by the Finocchiaro CLP Government, on their power bills. Cost of living support in the 2026 Budget includes subsidised power and water, Back to School vouchers, sports vouchers, Learn to Swim vouchers, free swimming lessons for primary students, free meningococcal B vaccinations, early childhood subsidies, support for our seniors delivered by Minister for Youth, Seniors and Equality, Jinson Charls MLA, and free TAFE and vocational training for eligible Territorians.

This is practical help where it matters most, Madam Speaker.

Reducing crime

Madam Speaker, as the Chief Minister made clear at the start of this year, community safety remains our number one priority. It was our focus last year and while we have reduced the number of victims by 10.2%, we know there is much more to do, and we are getting on with the job.

Our core pillars are interlinked. Reducing crime helps lay the foundation to rebuild our economy and both of those help restore our lifestyle.

Madam Speaker this is a law-and-order budget. A record \$1.73 billion is budgeted for investment in police, courts and corrections. We will continue to put victims first and community safety ahead of offenders and redouble our efforts delivering our Reducing Crime Strategy.

Madam Speaker, crime statistics are just one measure of how people are feeling about safety and over the past 12 months we've seen encouraging results because of stronger legislation and backing our police with the tools they need. But another measure, is when Territorians feel safe taking their kids to the shops, catching up with friends and family in our parks, walking to their cars, or going for a run in their own neighbourhood.

This budget helps deliver that.

It invests in our police, supporting the rollout of a brand new 212-strong Police Public Safety Officer workforce, backed by an additional \$48 million over four years and \$15.8 million of ongoing funding, providing visible patrols in public places and freeing more experienced police to focus on serious crime.

Madam Speaker, this budget delivers record funding of \$654 million for police, with 150 recruits budgeted to go through the Police College in 2026-27, building on the more than 100 additional police already added to the force since September quarter 2024.

Madam Speaker, every one of our disciplined and diverse CLP team have heard from their communities and seen firsthand the role police are playing, day in day out – in our communities out there on the streets keeping us safe.

But reducing crime is not just about policing. We need the whole justice system to be working efficiently and focused on victims not offenders and apologists. Labor buried corrections and left them out of sight and out of mind. Wearing t-shirts with pro-offender slogans on them, they dropped the ball, failed in their primary role, which is to keep Territorians safe. By not investing in our corrections for ideological and political reasons, they left families and communities to pay a bitter price with tragic effect.

Madam Speaker, once again this budget puts an end to Labor's soft on crime offender-led justice system. This year's budget invests a further \$250 million under the Corrections Infrastructure Masterplan to construct new prisoner work camps in Darwin and Katherine, and deliver upgrades at the Alice Springs Correctional Centre, providing more correctional capacity while supporting rehabilitation to tackle the root causes of crime. The work camps will provide low-risk offenders with structured employment, training and education pathways that reduce reoffending and ease pressure on prisons.

Madam Speaker, this budget has allocated \$15 million to continue the work underway for new adult male and female correctional facilities in Darwin. This is something our Corrections Master Plan makes clear is sorely needed and was left undone by those opposite.

Unlike those opposite, we will invest in the required infrastructure to give effect to our commitment to Territorians to reduce crime. As the Deputy Chief Minister and Corrections Minister, Gerard Maley MLA has made very clear, if you break the law, we will find you a bed.

Madam Speaker, this budget also continues to strengthen our courts with ongoing funding for additional judges and electronic monitoring as we continue our reform to make courts more victim-centred and efficient. This investment secures a permanent full complement of 19 judges and is helping deliver faster justice for Territorians. Our courts are now processing cases at record rates, with nearly 25,000 matters resolved this financial year to date, and more than 70% finalised within six months...well above the national average.

Madam Speaker, for the first time in more than a decade, matters are being resolved faster than they are entering the system, clearing the backlog left behind by Labor. These results build on reforms such as the successful TIG-ER Taskforce, which has handled nearly 1,000 matters and resolved close to 800, many through early guilty pleas.

Madam Speaker, the Finocchiaro CLP Government will continue to strengthen laws, boost frontline services, and invest in programs that tackle the root cause of crime.

Rebuilding the economy

Madam Speaker, despite the mess the Finocchiaro CLP Government inherited, we continue to deliver on our Rebuilding the Economy Strategy, locking in growth, certainty and security for Territorians.

Our credit rating has been rated as stable by Moody's, and the steps we are taking to diversify our revenue and constrain debt are designed to improve our credit rating and lessen the interest bill that Territorians are paying. We show improved rankings in comparative analyses Madam Speaker, such as the Business Council's Regulation Rumble, and ANZ's Stateometer, and the final CommSec State of the States Report showing the Territory leading the nation in economic growth, dwelling starts, and relative population growth.

Real growth, Madam Speaker, comes from business and household confidence, private investment and jobs. That is why this Government is backing the industries that keep the Territory moving: defence, mining, energy, agriculture and tourism.

We are keeping payroll tax settings competitive, supporting apprentices and trainees, unlocking land, backing home ownership and attracting workers to the Territory. We raised the payroll-tax free threshold to \$2.5 million, the highest in the nation, and exempted apprentices and trainees. Madam Speaker, our payroll tax revenue since taking this decision has gone up. Territorians recognised that they wouldn't be penalised for investing in their workforce, for taking a punt on a new apprentice, or for starting and growing a new business.

We gave them certainty, Madam Speaker.

Not only do many small and medium businesses no longer pay payroll tax, but another 115 Territory employers have claimed more than \$27 million in exempt wages for apprentices and trainees, saving around \$1.5 million in payroll tax while helping train the next generation of Territorians.

Madam Speaker, as part of this budget, there will be a further change to our payroll tax arrangements, introducing a new payroll tax rate of 6.5% – a 1% increase for employers and payroll tax groups with annual Australia-wide wages of \$100 million or greater. We feel it is important to ensure local and growing Territory employers are not asked to carry the same relative tax burden as large national businesses.

The additional payroll tax revenue will help the Territory Government to fund essential services and infrastructure that support business activity, workforce attraction, and long-term economic stability in the Territory.

Madam Speaker, Territorians can be pleased to hear that the HomeGrown grants for new homes will be extended as part of this year's budget. Over 1,400 home owner grants have been processed, resulting in payments of around \$30 million that will support over \$217 million in construction activity. Territorians are choosing to build, buy, and put down roots in the Territory, and that is exactly the kind of confidence we want to see.

Madam Speaker, under Minister of Lands, Planning and Environment, Josh Burgoyne MLA's portfolios, we are unlocking land and development opportunities across the Territory. This budget provides an additional \$4 million for land release in Alice Springs and Tennant Creek.

We are also backing business growth as part of Minister for Trade, Business and Asian Relations, Robyn Cahill MLA's area with \$4.4 million for Safer Businesses, Stronger Economy and Better Lifestyle grants and \$4 million for migration, trade and investment attraction.

The Territory economy is showing encouraging signs, with growth in population, housing, and business activity. More than 5,500 international students from over 60 countries studied in the Territory last year, supporting our economy, workforce and future population growth.

The Territory is open for business again. Confidence is returning, investment is growing, and jobs are being created.

Madam Speaker, earlier this year Chief Minister Lia Finocchiaro MLA announced the first Territory Development Area under the *Territory Coordinator Act 2025* for the Northern Marine Complex. This will bring together the Darwin Ship Lift and Marine Industry Park into one coordinated maritime precinct, creating jobs, attracting investment, and strengthening the Territory's role in Australia's national security.

Madam Speaker, this is more than an infrastructure project. It is a strategic asset for the Territory and the nation. The Northern Marine Complex will support defence capability in northern Australia, enabling the sustainment of military vessels and landing craft. It will further position Darwin as a key maritime sustainment hub, supporting readiness and interoperability across the Indo-Pacific.

It will also help position Darwin as a world-class marine servicing hub for commercial vessels, offshore industry and defence fleets operating across our region. It will grow sovereign capability, reduce reliance on interstate and overseas maintenance facilities, and create high-skilled jobs for Territorians in engineering, fabrication, logistics and maritime services.

As defence investment in the north continues to grow, the Territory must be ready to capture the jobs, contracts and long-term opportunities that come with it. Madam Speaker only last week we saw the highly successful delivery of NT Defence Week where the talk of the generals, admirals and defence industry experts in their field was centred on exactly this.

Darwin stands at a strategic juncture both in time and location given the geopolitical headwinds at play. The Finocchiaro CLP Government will not rest on our laurels and are aggressively pursuing this opportunity for the betterment of the Territory's businesses, jobs and our overall economy.

To this end Madam Speaker, the ship lift is important infrastructure. But Territorians deserve the truth. What began as a \$100 million capped CLP commitment in 2015 blew out under Labor to \$820 million and rising. The Public Accounts Committee found that in 10 years, not once was a business case prepared.

Labor signed the contracts. Labor signed up to the blowouts. Labor pushed this project beyond the point of no return. That's what we inherited.

The Public Accounts Committee made clear that walking away would cost up to \$600 million in break fees for zero material gain, a gross misuse of public funds we simply could not countenance. Madam Speaker, the Finocchiaro CLP Government is backing in delivery of the ship lift. We will see the job done. Our laser focus will remain on maximising the benefit of this strategic asset for all Territorians.

Through the adjoining marine complex we will ensure as many businesses can grow and provide quality jobs to Territorians in this globally significant precinct. This Government is now delivering the project properly, with strict cost controls and Treasurer-level oversight.

Madam Speaker, we have also established a new Defence Industry Council to drive investment, create local jobs and position the Territory as Australia's northern defence gateway.

This budget delivers a \$4.25 billion infrastructure program to build roads, housing, schools, police facilities and economic opportunity right across the Territory. This includes:

- \$278 million for Tanami Road sealing and upgrades
- \$240 million for highway upgrades and flood resilience
- \$201 million for Central Arnhem Road
- \$133 million for the Outback Way
- \$608 million for remote housing, land servicing and essential services across the Territory.

Importantly Madam Speaker, 59% of this year's infrastructure program is allocated to remote and regional communities, proving this Government backs every part of the Territory.

Restoring our unique lifestyle

Madam Speaker, this budget provides record investment in health, housing and education.

As part of Minister for Health Steve Edgington MLA's budget, it delivers \$2.62 billion for health services, including more beds, upgraded equipment, stronger ambulance services and better regional care. This includes \$18.3 million per annum to open the new 32-bed ward at Royal Darwin Hospital, an additional \$10 million per annum for road ambulance expansion, and \$20.6 million to support a new aged care facility next to Palmerston Regional Hospital. I am proud to announce that as part of this budget, \$4 million will be allocated to the Tennant Creek Hospital to install a new CT scanner.

Madam Speaker, the Finocchiaro CLP Government has also secured a landmark \$1 billion funding deal from the Commonwealth for Territory hospitals, ensuring better care now and stronger health services into the future.

This budget also supports housing supply, social housing and vulnerable children, including \$22.8 million to support community housing providers with applications to the Commonwealth's Housing Australia Future Fund round 3, and \$20 million over two years to strengthen statutory out of home care.

It invests a record \$1.73 billion in education, including new and upgraded schools, free training pathways, and support for young Territorians to build their future here. This includes \$110 million to build a new Palmerston Secondary Special Education School, announced last week by Minister for Education, Jo Hersey MLA, giving Territory families access to modern specialist education closer to home.

Madam Speaker, Territorians work hard and deserve a quality of life that is second to none. Ours is a lifestyle built on freedom, the outdoors, strong communities and the natural beauty that makes our Territory unlike anywhere else in Australia, and it is something we are fiercely proud to protect. That is why last year the Finocchiaro CLP Government secured 30,000 hectares through the purchase of the Silkwood Estate, adjacent to our iconic Litchfield National Park. Bringing Silkwood into public ownership has protected this remarkable landscape for current and future generations, while further strengthening the Territory's reputation as one of Australia's premier outdoor destinations.

This year's budget continues to back our parks and includes a \$10 million boost for land management, visitor access, infrastructure improvements and safety works. This spending is necessitated by Labor's neglect of visitor park infrastructure such as parking, toilets, and signage. Longer-term planning for Silkwood, informed by stakeholder feedback, will also identify sustainable tourism and commercial opportunities that create regional jobs, support local businesses and grow the economy, while preserving the environmental and cultural values that make Silkwood so special.

Madam Speaker, this is about protecting the Territory lifestyle we love, while creating new opportunities for the future.

And Madam Speaker, what better way to showcase this than through our Minister for Major Events, Marie-Clare Boothby MLA. Major events, sport and community activities generate around \$85 million a year for the Territory economy while strengthening our lifestyle and liveability.

This budget invests in parks, roads, sport, fishing, community facilities and major events, including an additional \$5 million per annum for parks and reserves, \$9 million over three years for AFL matches, and \$2 million over two years for international cricket in the Territory.

It supports the Territory lifestyle that makes this place unique. From local sport to national events, from camping spots to our great parks, this Government is protecting what Territorians love most about living here.

We are backing the Territory lifestyle because it is worth protecting.

Conclusion

Madam Speaker, this is a budget for every Territorian. It's not just balancing the books...it is building the Territory. This budget backs Territorians now, while building a stronger future.

It makes communities safer.

It grows the economy.

It protects and enhances our lifestyle.

It provides certainty.

It is responsible. And it delivers on our commitments.

The Territory is moving forward again. Safer. Stronger. More confident.

She is a wonderful place worth backing in.

And Madam Speaker, the Finocchiaro CLP Government knows our best days are ahead of us and our disciplined and diverse team will keep working tirelessly to that end.

I commend the Bills to the House.

Part 2

Appropriation Bill

Appropriation (2026–2027) Bill 2026

Mr Yan

A BILL
FOR
AN ACT

to authorise an amount to be paid from the Central Holding Authority
for the financial year ending 30 June 2027

NORTHERN TERRITORY OF AUSTRALIA

APPROPRIATION (2026-2027) ACT 2026

Act No. [] of 2026

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NORTHERN TERRITORY OF AUSTRALIA

Act No. [] of 2026

An Act to authorise an amount to be paid from the Central Holding Authority
for the financial year ending 30 June 2027

[Assented to [] 2026]
[Introduced [] 2026]

The Legislative Assembly of the Northern Territory enacts as follows:

1 Short title

This Act may be cited as the *Appropriation (2026-2027) Act 2026*.

2 Commencement

This Act commences on the day on which the Administrator's assent to this Act is declared.

3 Appropriation

- (1) An amount in aggregate of \$9,818,047,000 is authorised to be paid from the Central Holding Authority for the financial year ending on 30 June 2027.
- (2) The amount is authorised to be paid to each Purpose of an Agency or other Purpose that is specified in column 1 of the Schedule, in the amount specified in the corresponding entry of column 2 of the Schedule.

4 Repeal of Act

This Act is repealed on 1 July 2027.

Schedule
section 3(2)

Purpose	Amount
	\$000
Department of the Chief Minister and Cabinet	
Output	72 798
Commonwealth	1 358
Department of the Legislative Assembly	
Output	32 204
Capital	41
Auditor-General's Office	
Output	3 281
Northern Territory Electoral Commission	
Output	1 809
Office of the Independent Commissioner Against Corruption	
Output	9 867
Northern Territory Police Force	
Output	542 853
Capital	8 274
Commonwealth	40 546
Northern Territory Fire and Emergency Service	
Output	69 500
Capital	4 162
Commonwealth	3 160
Department of Agriculture and Fisheries	
Output	49 877
Capital	401
Commonwealth	1 326
Department of Mining and Energy	
Output	38 738
Commonwealth	2 350
Department of Corrections	
Output	472 269
Capital	9 491
Department of Treasury and Finance	
Output	306 802
Department of Logistics and Infrastructure	
Output	407 341
Capital	1 002 494
Commonwealth	540 083

Schedule
section 3(2)

Purpose	Amount
	\$000
Attorney-General's Department	
Output	133 773
Capital	556
Commonwealth	67 212
Department of Tourism and Hospitality	
Output	180 415
Capital	260
Commonwealth	2 550
Department of Health	
Output	1 372 427
Capital	18 135
Commonwealth	172 041
Department of Housing, Local Government and Community Development	
Output	335 212
Capital	23 910
Commonwealth	259 139
Department of Lands, Planning and Environment	
Output	87 555
Capital	11 908
Commonwealth	3 687
Aboriginal Areas Protection Authority	
Output	3 445
Department of Corporate and Digital Development	
Output	360 589
Capital	20 197
Commonwealth	300
Department of Education and Training	
Output	766 546
Commonwealth	697 604
Department of Trade, Business and Asian Relations	
Output	59 716
Commonwealth	4 939
Department of Children and Families	
Output	295 081
Commonwealth	71 831

Schedule
section 3(2)

Purpose	Amount
	\$000
Department of People, Sport and Culture	
Output	211 759
Capital	45
Central Holding Authority	
Treasurer's Advance	110 000
Interest, Taxes and Administration	538 018
Employee Entitlements	388 172
TOTAL APPROPRIATIONS	9 818 047
Output	5 813 857
Capital	1 099 874
Commonwealth	1 868 126
Treasurer's Advance	110 000
Interest, Taxes and Administration	538 018
Employee Entitlements	388 172



NORTHERN TERRITORY

2026-27 Budget



Budget Paper No. 2

**Budget Strategy
and Outlook**

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Under Treasurer's Certification

In accordance with provisions of the *Fiscal Integrity and Transparency Act 2001*, I certify that the financial projections included in the May 2026 Budget documentation are based on Northern Territory Government decisions that I was aware of or that were made available to me by the Treasurer before 30 April 2026. The projections presented here are in accordance with the Uniform Presentation Framework.



Tim McManus
Under Treasurer

30 April 2026

Chapter 1

Executive summary

Budget Paper No. 2 *Budget and Strategy Outlook* presents whole of government financial information and consolidates information from other budget papers. It also meets the requirements of the *Fiscal Integrity and Transparency Act 2001* (FITA) and the Uniform Presentation Framework (UPF) as agreed by all Australian jurisdictions.

Fiscal outlook

The 2026-27 Budget presents an improved debt growth trajectory and declining fiscal balance deficits following higher GST, and taxation and royalty revenue forecasts, partly offset by new policy commitments aimed at reducing crime, rebuilding the economy and restoring the Territory lifestyle.

Improved fiscal aggregates have however, been tempered by both severe weather and geopolitical events. During 2025-26, the Territory experienced a number of severe weather events that caused extensive damage to remote housing and infrastructure, and required the evacuation and temporary relocation of several remote communities. In response, the Territory Government established the Territory Reconstruction Coordination Committee to lead immediate recovery efforts and coordinate reconstruction activities, with a focus on long-term resilience, supported by a \$100 million Flood Recovery Fund and a \$30.5 million Roads Repair Package.

Conflicts in the Middle East and resultant global oil supply disruptions have caused unprecedented cost escalations in fuel and fuel-reliant industries, reminiscent of those experienced during the 1970s oil shocks. To ease cost-of-living pressures, state governments have agreed to contribute up to \$400 million in GST revenue to further offset the fuel excise by 5.7 cents per litre. For the Territory, this equates to a contribution of \$19.7 million in 2026-27.

Both the severe weather events and Middle East conflict present distinct challenges for the Territory, introducing risk of heightened cost pressures and increasing uncertainty around the Territory's fiscal and economic outlook. Notwithstanding these challenges, the 2026-27 Budget projects the non financial public sector fiscal balance to improve over the budget cycle with a small deficit by 2029-30. The cumulative impact of improved deficits is a reduction in the forecast growth of debt leading to improved net debt to revenue ratios across the budget cycle.

Key fiscal projections in the 2026-27 Budget include:

- general government net operating balance deficit of \$42 million in 2026-27, returning to surplus from 2027-28 and across the forward estimates
- total revenue for the non financial public sector of \$10.7 billion and total expenditure (including net capital investment) of \$12.78 billion in 2026-27
- non financial public sector fiscal balance deficit of \$1.06 billion in 2026-27, improving to a modest deficit of \$5 million by 2029-30
- net debt for the non financial public sector of \$12.56 billion in 2026-27, with a net debt to revenue ratio of 117%.

In accordance with section 9(1)(c) of the FITA, government must specify the key fiscal indicators it considers important and against which fiscal policy will be assessed. The government's key fiscal indicators are the general government sector net operating balance, and the non financial public sector fiscal balance, net debt and net debt to revenue ratio.

Table 1.1 provides the projections for these indicators for the 2026-27 Budget.

Table 1.1: Key fiscal indicators

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
General government sector					
Net operating balance	95	- 42	199	273	372
Non financial public sector					
Fiscal balance	- 583	- 1 058	- 407	- 239	- 5
Net debt	11 350	12 555	13 200	13 209	13 172
Net debt to revenue (%)	109	117	120	120	116

Further discussion explaining material differences between the updated financial projections in the 2026-27 Budget and those projected at the time of the 2025-26 Budget is provided in Chapter 2 *Fiscal outlook*. Assessment of expected outcomes for fiscal strategy objectives and targets is provided in Chapter 4 *Fiscal strategy statement*.

Economic outlook

The Middle East conflict is impacting the Territory economy through higher oil and fuel prices, as well as heightened global uncertainty. Brent crude oil prices increased by around 109% from an average of US\$69 per barrel in 2025 to US\$144 per barrel in early April 2026. Disruptions to shipping through the Strait of Hormuz, which accounts for around 20% of global oil flows, have driven significant volatility in energy markets.

Domestically, higher global oil prices have translated rapidly into fuel price increases at the bowser, placing pressure on household budgets and business operating costs. The Commonwealth, states and territories have passed on excise and GST discounts equal to 32 cents per litre to ease inflationary pressure. However, the impact on inflation and cost pressures for businesses heavily reliant on fuel will be significant. Until the Strait of Hormuz is re opened, the disruption to supply and risks to growth and inflation will continue.

For the purpose of economic modelling, it is assumed that oil prices will average around US\$100 per barrel from April to September 2026, before easing to around US\$70 by the end of the forward estimates. This is expected to see inflation reach 5.2% in June 2026. Further increases in oil prices would be expected to have a proportionally larger impact on growth and inflation outcomes.

Territory flood-related road closures in early 2026 disrupted major freight corridors and affected communities including Katherine, Daly River, Palumpa, Beswick, Jilkminggan and Darwin River. These disruptions are expected to temporarily constrain the movement of goods and increase transport costs for some industries. Recovery and reconstruction activities are expected to contribute to economic activity in 2025-26 and 2026-27.

Despite the fuel price shocks and impact of severe weather events, gross state product (GSP) is forecast to increase by 2.7% in 2025-26, driven by gas exports as the Barossa project transitions into production.

State final demand (SFD) is forecast to decline modestly, by around 0.8% in 2025-26, reflecting lower private investment following the completion of the Barossa project and forgone consumption and investment activity due to flooding. Household consumption is expected to slow over coming months, with discretionary spending expected to decline sharply, contributing less growth than anticipated in the 2025-26 Mid-Year Report. This is driven by higher household borrowing costs following the February and March 2026 cash rate increases, higher fuel prices, elevated inflation and weaker household confidence. Ongoing uncertainty related to the Middle East conflict may also result in households increasing precautionary savings, further weighing on consumption. Markets anticipate the possibility of additional rate increases in 2026, depending on fuel price developments and second-round inflation effects.

Territory GSP is forecast to accelerate by 5.8% in 2026-27, driven by increased output from the Ichthys and Darwin liquefied natural gas (LNG) plants operating at or near full capacity, making net exports the main driver of growth. However, services trade for both exports and imports is expected to be subdued as elevated global oil prices discourage overseas travel. Household consumption is forecast to decline as households continue to experience the effects of higher interest rates and fuel prices.

In 2027-28, GSP is forecast to grow by 1.4%. Household consumption is expected to recover as cost-of-living pressures ease, while continued investment in the Beetaloo Sub-basin supports the investment outlook. Public investment is forecast to decline from earlier elevated levels associated with major defence and infrastructure projects. Goods exports are not expected to contribute materially to growth, with LNG exports plateauing at peak levels.

Employment growth is expected to slow to 1.1% in 2025-26 and 0.6% in 2026-27 reflecting the completion of the Barossa project, and weaker consumption and domestic demand largely associated with the recent fuel prices shock. Growth in employment is anticipated to strengthen over the forward estimates, in line with domestic economic activity and population growth.

Consumer price index (CPI) growth is expected to be 5.2% in 2025-26 and 3.2% in 2026-27, reflecting higher fuel costs flowing through a broad range of goods and services. As oil prices moderate, CPI growth is forecast to ease to 1% in 2027-28, before stabilising at 2.5% in the outer years.

Wage growth is expected to moderate to 2.6% in 2025-26 before increasing to 3.7% in 2026-27, reflecting upward pressure on wages due to high inflation. Over the forward estimates, wage growth averages 3.3% per annum, which is in line with trend estimates.

The Territory's population is estimated to grow by 1.2% in 2025-26, mainly driven by continued strength in net overseas migration. Growth is expected to be slightly weaker at 1.1% in 2026-27 and 2027-28 as net overseas migration inflows ease and natural increase remains weak due to ongoing cost-of-living pressures. Growth is expected to pick up to 1.2% from 2028-29 as natural increase recovers, consistent with improved real wage outcomes.

Table 1.2 details the outlook for the Territory's key economic indicators for the 2026-27 Budget.

Table 1.2: Territory key economic indicators (%)

	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Gross state product ¹	2.7	5.8	1.4	3.0	3.0
State final demand ¹	- 0.8	- 0.7	0.8	1.8	2.7
Employment ¹	1.1	0.6	0.9	1.6	1.6
Unemployment rate ²	4.6	5.2	4.7	4.6	4.6
Consumer price index ³	5.2	3.2	1.0	2.5	2.5
Wage price index ¹	2.6	3.7	3.3	3.4	3.3
Population ³	1.2	1.1	1.1	1.2	1.2

e: estimate; f: forecast

1 Year-average percentage change.

2 Year average.

3 Year-ended percentage change.

Source: Department of Treasury and Finance, Australian Bureau of Statistics (ABS)

There is potential upside to the economic outlook, with a number of major projects on the horizon yet to reach final investment decision. The economic contributions arising from these projects are not included in the economic forecasts. Any projects that do reach final investment decision and commence during the forward estimates will have a positive impact on the Territory's macroeconomic forecasts.

The forecast profile for economic growth is reviewed and updated each year to reflect contemporary economic and fiscal outcomes, and developments. Discussion explaining material differences between the updated key economic indicators in the 2026-27 Budget is provided in Chapter 3 *Economic outlook*.

Commonwealth revenue outlook

Commonwealth revenue, at around 72% of total Territory revenue in the non financial public sector in 2026-27, is a significant component of the Territory budget. Table 1.3 sets out expected Commonwealth revenue to the Territory over the budget cycle to 2029-30.

Table 1.3: Commonwealth revenue

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Untied Commonwealth revenue	4 967	5 102	5 198	5 409	5 683
Tied Commonwealth revenue	2 493	2 607	2 528	2 477	2 436
Total Commonwealth revenue	7 460	7 709	7 726	7 886	8 119

Total Commonwealth revenue is expected to be \$7.71 billion in 2026-27, comprising \$5.1 billion in untied revenue from GST receipts and \$2.61 billion in tied revenue from agreements with the Commonwealth to deliver specific programs. Total Commonwealth revenue is expected to grow by 5.3% to \$8.12 billion by 2029-30.

GST revenue is estimated to be \$5.1 billion in 2026-27, growing by around 3.7% per annum to \$5.68 billion by 2029-30. Compared with the 2025-26 Budget, GST revenue is expected to be \$1.45 billion higher over the budget cycle to 2029-30. This is mainly due to revised ABS population data for the Territory, higher GST relativity and growth in the national GST collections pool.

Tied payments are estimated to be \$2.61 billion in 2026-27, declining to \$2.44 billion in 2029-30 in line with program completion, agreement expiry, expected delivery timeframes and payment schedules. Compared with the 2025-26 Budget, tied revenue is forecast to be \$593 million higher over the budget cycle to 2029-30, reflecting a range of new, extended and varied agreements including for hospitals and health services, schools, mine remediation, water infrastructure, housing and homelands.

Further detail on the Territory's GST estimates, tied payments and material variations since the 2025-26 Budget are discussed in Chapter 5 *Commonwealth revenue*.

Territory taxes and royalties outlook

Taxation and royalty revenue is one of the Territory's major own-source income streams, accounting for 43% of own-source revenue or 12% of total revenue in the non financial public sector. This revenue provides the Territory with important fiscal autonomy to support delivery of infrastructure and services. Table 1.4 outlines the projections for taxes and royalties included in the 2026-27 Budget. Revenue from these sources is expected to be \$1.29 billion in 2025-26, decline slightly to \$1.28 billion in 2026-27, before increasing slightly and averaging \$1.32 billion per year over the forward estimates.

Taxation revenue in 2025-26 is forecast to reach \$903 million before decreasing to \$833 million in 2026-27, primarily due to expectations of lower stamp duty collections. Receipts are expected to steadily increase across the forward estimates in line with broader economic growth in the Territory.

Compared with the 2025-26 Budget, taxation revenue for 2025-26 is now projected to be about \$155 million higher, driven by stronger-than-anticipated stamp duty on property transactions and payroll tax receipts. This improvement is partially offset by reduced forecasts for insurance taxes. Across the budget and forward estimates, taxation revenue is on average \$90 million per year higher than previously expected, mainly reflecting upward revisions to payroll tax and property-related stamp duty, partially offset by lower-than-forecast insurance tax receipts.

Mining and petroleum royalties are forecast to total \$388 million in 2025-26, rising to \$445 million in 2026-27, and averaging around \$421 million per year across the forward estimates.

Royalty revenue forecasts have been significantly revised upward since the 2025-26 Budget, primarily due to a sustained period of high commodity prices. These conditions have increased projected royalties by \$42 million in 2025-26 and \$185 million in 2026-27. The surge in commodity prices reflects ongoing geopolitical tensions, the easing of the United States (US) monetary policy settings and heightened global demand for safe haven assets. Higher-than-expected royalty revenues are projected across the forward estimates as these market dynamics are expected to persist, continuing to place upward pressure on commodity prices.

Upward revisions have been partly offset by increasing cost pressures facing Territory miners with persistent domestic inflation across labour, energy and services continuing to drive operating expenses higher.

Revenue estimates from new onshore gas developments that have reached final investment decision are included in the petroleum royalty outlook. Any mine commencing under the ad valorem mineral royalty scheme which commenced 1 July 2024 will be factored into estimates once final investment decisions are announced. Mines in operation prior to 1 July 2024 are grandfathered under the profit-based royalty scheme.

Table 1.4: Territory taxes and royalty components

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Taxation revenue	903	833	863	896	930
Taxes on employers	323	342	351	369	388
Taxes on property	245	144	147	149	151
Taxes on gambling	149	153	161	165	169
Motor vehicle taxes	108	112	116	119	122
Taxes on insurance	78	83	88	94	101
Mining and petroleum royalties	388	445	403	424	437
Total taxes and royalties revenue	1 291	1 278	1 266	1 320	1 367

Further discussion on material differences between updated revenue projections contained in the 2026-27 Budget and those projected in the 2025-26 Budget is provided in Chapter 6 *Territory taxes and royalties*.

Chapter 2

Fiscal outlook

Overview

The information provided in this chapter meets the requirements of section 10(1)(a) of the FITA for each fiscal outlook report to contain updated financial projections for the budget year and following three financial years, along with the revised budget estimate for the preceding budget year for the general government and non financial public sectors.

The full set of financial statements is presented in Chapter 8 *Consolidated financial statements*, with this chapter providing a comparison of projections in the 2026-27 Budget with those provided in the 2025-26 Budget and the 2025-26 Mid-Year Report.

For 2026-27, the general government net operating balance is expected to be a deficit of \$42 million, and the non financial public sector fiscal balance a deficit of \$1.06 billion. Net debt for the non financial public sector is estimated at \$12.56 billion in 2026-27, with the net debt to revenue ratio forecast at 117%.

Total revenue in the non financial public sector is estimated to be \$10.7 billion in 2026-27, increasing to \$11.31 billion in 2029-30, with a total expenditure (including net capital investment) estimate of \$12.78 billion in 2026-27, moderating to \$12.31 billion by 2029-30.

General government sector net operating balance

The net operating balance represents total revenue less total operating expenses, with capital spending only recognised in the fiscal balance. The 2026-27 Budget projects a general government sector net operating balance deficit of \$42 million in 2026-27, and increasing surpluses projected over the forward estimate period.

Table 2.1 highlights the movements in the general government sector net operating balance and compares updated projections with those published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Table 2.1: General government sector – net operating balance

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	- 265	- 101	17	52	111
2025-26 Mid-Year Report	- 68	- 210	- 76	- 57	- 1
2026-27 Budget	95	- 42	199	273	372
Variation from 2025-26 Budget	360	59	182	221	261

¹ Amounts not published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Since the 2025-26 Budget, net operating balance outcomes over the budget cycle are projected to improve in aggregate by \$1.08 billion. This improvement mainly reflects:

- improvements in the Territory's GST revenue estimates as a result of an increase in the Territory's GST relativity, combined with upward revisions to forecast growth in the national GST collections pool and the Territory's share of national population
- additional taxation and royalty revenue

- a reduction in estimated interest expenses consistent with lower borrowing requirements facilitated by improved revenues, partially offset by
- government operating commitments detailed later in this chapter
- increased depreciation and amortisation expense largely associated with revised cost assumptions combined with new completed works
- lower Commonwealth revenue for capital purposes where expenditure is recognised in the fiscal balance only, largely relating to road projects now expected to be delivered beyond the forward estimates period.

Non financial public sector fiscal balance

The fiscal balance is influenced by the same factors affecting the general government sector net operating balance, however the fiscal balance also includes net capital investment and excludes depreciation. The fiscal balance is assessed at the non financial public sector to ensure the financial performance of government trading entities is incorporated in the fiscal aggregates.

As shown in Table 2.2, the fiscal balance is expected to remain in deficit over the budget cycle, peaking at \$1.06 billion in 2026-27, and is forecast to improve over the budget and forward estimates to a modest deficit of \$5 million in 2029-30. Table 2.2 highlights the movements in the non financial public sector fiscal balance and compares the updated projections with those published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Table 2.2: Non financial public sector – fiscal balance

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	- 1 308	- 897	- 529	- 531	- 454
2025-26 Mid-Year Report	- 961	- 915	- 510	- 510	- 432
2026-27 Budget	- 583	- 1 058	- 407	- 239	- 5
Variation from 2025-26 Budget	725	- 161	122	292	449

¹ Amounts not published in the 2025-26 Budget and 2025-26 Mid-Year Report.

When compared with the 2025-26 Budget, fiscal balance projections are expected to improve in aggregate by \$1.43 billion over the budget cycle. This improvement largely reflects the same variations affecting the net operating balance, as detailed earlier, excluding depreciation expense offset by the revised operating and capital requirements of government owned corporations and increased Territory capital investment.

Reconciliation with previous fiscal projections

Section 10(1)(f) of the FITA requires the Territory Government to explain factors and considerations that contributed to any material differences between the updated financial projections and equivalent projections published in the last fiscal outlook report.

The most recent budget fiscal outlook report published under the FITA is the 2025-26 Budget, although updated information was published in the 2025-26 Mid-Year Report. Accordingly, the analysis in the remainder of this chapter reflects policy and non-policy changes since the 2025-26 Budget. Policy variations are the result of government decisions to implement new or expand existing programs, and revenue measures. Non-policy variations are the result of influences outside government's control, such as the timing of payments or changes in external economic conditions.

Policy and non-policy changes since 2025-26 Budget

Table 2.3 summarises the effect of policy and non-policy changes on the non financial public sector's fiscal balance since the 2025-26 Budget and 2025-26 Mid-Year Report.

Table 2.3: Non financial public sector fiscal balance – policy and non-policy changes since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	- 1 308	- 897	- 529	- 531	- 454
Policy changes	- 72	nil	nil	nil	nil
Non-policy changes	419	- 18	19	21	22
2025-26 Mid-Year Report	- 961	- 915	- 510	- 510	- 432
Policy changes	- 89	- 410	- 273	- 133	- 124
Non-policy changes	466	266	375	404	551
2026-27 Budget	- 583	- 1 058	- 407	- 239	- 5

¹ Amounts not published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Details of policy and non-policy changes are discussed in further detail below.

Policy changes since 2025-26 Budget

Table 2.4 outlines the effect of policy changes on the non financial public sector's fiscal balance since the 2025-26 Budget, incorporating changes published in the 2025-26 Mid-Year Report. It shows that a total of \$1.1 billion was approved in new policy commitments over the budget cycle to 2029-30.

Table 2.4: Non financial public sector fiscal balance – policy changes since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Revenue measures	nil	25	25	25	25
Expenditure commitments	- 148	- 179	- 141	- 138	- 135
Savings measures	nil	12	13	12	13
Total operating commitments	- 148	- 142	- 104	- 100	- 97
Capital commitments	- 13	- 268	- 169	- 33	- 27
Total policy changes	- 161	- 410	- 273	- 133	- 124

(+) reflects an improvement; (-) reflects a worsening

Revenue measures

New revenue measures since the 2025-26 Budget have resulted in additional revenue totalling \$100 million over the budget cycle to 2029-30 and reflect an increase to the payroll tax rate from 5.5% to 6.5%, from 1 July 2026, for employers and members of payroll tax groups whose Australia-wide wages are \$100 million or more in a financial year. Further detail on revenue measures is provided in Chapter 6 *Territory taxes and royalties*.

Expenditure commitments

Since the 2025-26 Budget, a total of \$741 million in new expenditure commitments over the budget cycle to 2029-30 have been approved. These are summarised below.

Expenditure commitments reflected in the 2025-26 Mid-Year Report:

- \$40 million for local government, housing and community development priorities
- \$11 million to fund the extension of the HomeGrown and FreshStart home grants
- \$4 million to fund operating costs associated with developing new government ICT systems
- \$4 million for community infrastructure priorities.

Key expenditure commitments approved in the 2026-27 Budget include:

- reducing crime:
 - \$48 million over 2025-26 to 2028-29 and \$15.8 million per annum ongoing from 2029-30 to establish a 212 full-time police public safety officer workforce
 - \$22.3 million over 2025-26 to 2027-28 and \$8.8 million per annum ongoing from 2028-29 to meet costs associated with the new Northern Territory Police Force Consent Agreement 2025
 - \$15 million over 2025-26 and 2026-27 to support the procurement process of a new Darwin correctional facility
 - \$6.3 million over 2026-27 and 2027-28, and \$1.5 million per annum ongoing from 2028-29 to implement electronic rostering for youth justice and community corrections workforce
 - \$4 million per annum ongoing from 2026-27 to support the appointment of two local court judges and to fund demand pressures of higher courts
 - \$2.5 million per annum ongoing from 2026-27 to support increased use of electronic monitoring devices
 - \$1 million per annum ongoing from 2026-27 to support well-being initiatives in the Northern Territory Police Force and Northern Territory Fire and Emergency Service workforce
- rebuilding the economy:
 - \$19.7 million in 2026-27 to ease cost-of-living pressures through the Territory Governments' contribution towards reducing the fuel excise
 - \$4.4 million over 2026-27 to 2028-29 to provide grants to Territory businesses under the Safer Businesses, Stronger Economy and Better Lifestyle package
 - \$2 million per annum in 2026-27 and 2027-28 for programs to unlock capital and accelerate growth through trade and investment attraction
 - \$2 million per annum in 2026-27 and 2027-28 to support land release in Alice Springs, Katherine and Tennant Creek
 - \$1.5 million in 2026-27 to continue centre-run air services
 - \$1.4 million per annum in 2026-27 and 2027-28 to support development of the Beetaloo Sub-Basin
 - \$1 million per annum ongoing from 2026-27 to support competitive agriculture and fisheries through bio security and supply chain integrity

- restoring our lifestyle:
 - \$130 million in 2025-26 to address health and hospital demand pressures, partially offset by draw down of \$100 million Treasurer’s Advance capacity set aside in the 2025-26 Budget
 - \$60 million in 2025-26 for McArthur River Mine settlement provision
 - \$25.8 million over 2025-26 to 2030-31 towards the regulated utility tariff subsidy to support cost-of-living pressures by constraining growth in regulated utility price increases
 - \$22.8 million to support applications to provide new social and affordable housing under Round 3 of the Housing Australia Future Fund
 - \$18.3 million per annum ongoing from 2026-27 to open and operate a new 32-bed multipurpose modular ward at the Royal Darwin Hospital
 - \$10 million per annum ongoing from 2026-27 to support expansion of contracted road ambulance services
 - \$10 million per annum ongoing from 2026-27 for the continued operation of the Top End Aeromedical Retrieval Service
 - \$10 million per annum in 2025-26 and 2026-27 to deliver statutory out of home care for children and young people
 - \$10 million per annum ongoing from 2026-27 set aside in Treasurer’s Advance for costs associated with Foundational Supports co-contributions for non-NDIS community services for people with disabilities and their families
 - \$5 million per annum ongoing from 2026-27 to maintain parks and reserves within the Territory
 - \$3.3 million per annum in 2026-27 and 2027-28 to support safeguarding our fisheries
 - \$3 million per annum for three years from 2026-27 to secure Australian Football League matches across the Territory
 - \$3 million per annum ongoing from 2026-27 to support essential operations of Territory Government-owned sport, recreation, community and cultural assets
 - \$2.8 million per annum in 2026-27 and 2027-28, and \$3.8 million per annum ongoing from 2028-29 to support continuation of major events
 - \$1 million per annum in 2026-27 and 2027-28 for international cricket matches to be held in the Territory
 - \$1 million per annum ongoing from 2026-27 for a community infrastructure grant program to support capital upgrades to non-Territory Government-owned sport, recreation, community and cultural facilities.

Savings measures

The 2026-27 Budget incorporates savings measures totalling \$50 million over the budget cycle to 2029-30 and relates to an increase in the budget repair measure applied to agency budgets from 1% to 1.5% in 2026-27.

Capital commitments

The following outlines total additional capital commitments of \$510 million over the budget cycle to 2029-30 since the 2025-26 Budget.

Capital commitments reflected in the 2025-26 Mid-Year Report:

- \$7 million to support expansion of parks
- \$2 million for design works for a Palmerston secondary special education school
- \$1 million for capital costs associated with developing new government ICT systems.

Key capital commitments approved in the 2026-27 Budget include:

- \$430 million over the budget cycle to 2029-30 to progress works on the infrastructure program including delivery of new Katherine and Darwin work camps, a Palmerston secondary special education school and to fund road repairs and replacement
- \$30 million in 2026-27 to progress works on the Northern Marine Complex, including the Darwin ship lift project
- \$10 million per annum ongoing from 2026-27 to increase the capital equipment program to replace medical equipment across Territory hospitals and health facilities.

Non-policy changes since 2025-26 Budget

Table 2.5 highlights the effect of non-policy changes on the non financial public sector's fiscal balance since the 2025-26 Budget and incorporates changes published in the 2025-26 Mid-Year Report.

Table 2.5: Non financial public sector fiscal balance – non-policy changes since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
GST revenue	396	377	238	209	228
Taxation and royalties	197	248	144	229	241
Interest variations ¹	15	33	37	48	63
Government owned corporations	- 198	- 146	- 25	- 61	13
Leases	- 15	15	8	- 6	6
Revised timing of Darwin ship lift project	257	- 124	nil	nil	nil
Timing and agency-related adjustments	234	- 155	- 8	6	22
Total non-policy changes	885	249	394	425	573

(+) reflects an improvement; (-) reflects a worsening

¹ Excludes interest variations affecting government owned corporations as these are included with all other variations affecting government owned corporations.

Non-policy changes since the 2025-26 Budget have resulted in a \$2.53 billion net improvement to the non financial public sector fiscal balance across the budget cycle to 2029-30. Key variations include:

- increased GST revenue forecasts totalling \$1.45 billion, largely a result of an increase in the Territory's GST relativity, combined with upwards revisions to forecast growth in the national GST collections pool and the Territory's share of national population
- additional taxation and royalty revenue totalling \$1.06 billion, predominantly due to higher anticipated royalty revenue following revised estimations from miners and higher than expected growth in commodity prices; additional stamp duty on conveyances due to higher residential sale volumes and prices combined with a small number of large one-off commercial transactions; and additional payroll tax due to strength in private sector wages and employment
- improved net interest variations totalling \$196 million across the budget cycle, reflecting a reduction in estimated interest expenses consistent with lower borrowing requirements facilitated by improved revenues combined with higher than expected return on investments
- revised revenue, operating costs and capital investment assumptions for government owned corporations in their updated statements of corporate intent (SCIs), resulting in a net \$417 million reduction over the budget cycle. This reduction is primarily due to lower than expected gas sales due to shortfalls in supply
- revised timing of leases relating to office accommodation across the budget cycle
- variations to the Northern Marine Complex, including the Darwin ship lift project, resulting in a net improvement of \$133 million across the budget cycle due to the acceleration of \$133 million of expenditure recognised in 2024-25 (as reported in the 2024-25 Treasurer's Annual Financial Report), combined with revised timing of payments from 2025-26 to 2026-27 in line with estimated construction milestones
- timing and agency-related adjustments, resulting in a projected net improvement of \$99 million across the budget cycle to 2029-30. Key variations include:
 - lower expected claims expense within the Motor Accidents (Compensation) (MAC) Commission
 - higher dividend and income tax equivalent income expected to be received from the Northern Territory Treasury Corporation (NTTC)
 - revised timing of expenditure commitments to reflect funding delivery schedules and contractual payments to suppliers. These timing variations have no net effect on the projected fiscal balance over the budget cycle, partially offset by
 - unspent Commonwealth funds in 2024-25 carried over into 2025-26 and forward years
 - higher fleet maintenance costs and capital acquisitions.

2026-27 Budget and forward estimates

The analysis in this section addresses the requirements of section 10(1)(b) of the FITA that each fiscal outlook report is to provide an account of the fiscal and economic assumptions on which the updated financial projections are based. Accordingly, this section provides a summary of the assumptions used and material variations by revenue and expenditure categories.

Revenue changes since 2025-26 Budget

Table 2.6 shows the composition of Territory revenue in the non financial public sector for the 2025-26 revised estimate, 2026-27 budget and forward estimates. Total revenue is expected to be \$10.7 billion in 2026-27, increasing to \$11.31 billion by 2029-30, with annual growth across the forward estimates averaging 2.1%.

Table 2.6: Non financial public sector – revenue components

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Taxation revenue	903	833	863	896	930
GST revenue	4 967	5 102	5 198	5 409	5 683
Current grants	1 972	2 055	1 878	1 910	1 883
Capital grants	575	585	674	586	571
Sales of goods and services	1 256	1 353	1 631	1 471	1 458
Interest income	156	151	155	160	163
Dividend and income tax equivalent income	48	76	84	80	79
Mining and petroleum royalties	388	445	403	424	437
Other revenue	138	100	98	102	102
Total revenue	10 403	10 702	10 983	11 037	11 308

Table 2.7 compares the revised revenue projections for the 2026-27 Budget with those published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Table 2.7: Non financial public sector – variation in revenue since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	10 042	10 051	10 297	10 550	10 656
2025-26 Mid-Year Report	10 659	10 089	10 334	10 564	10 659
2026-27 Budget	10 403	10 702	10 983	11 037	11 308
Variation from 2025-26 Budget	361	651	686	487	652

¹ Amounts not published in the 2025-26 Budget and 2025-26 Mid-Year Report.

As shown in Table 2.7, when compared with the 2025-26 Budget, total revenue in the 2026-27 Budget is expected to be higher across all years by an average \$567 million per annum. Table 2.8 identifies the variations in revenue components since the 2025-26 Budget.

Table 2.8: Non financial public sector – variations in revenue components since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Taxation revenue	155	88	90	91	92
GST revenue	396	377	238	209	228
Current grants	49	303	166	185	268
Capital grants	- 104	- 180	12	- 71	27
Sales of goods and services	- 230	- 149	74	- 116	- 166
Interest income	14	5	5	6	6
Dividend and income tax equivalent income	3	16	24	21	24
Mining and petroleum royalties	42	185	79	163	174
Other revenue	38	4	- 1	- 1	- 1
Total variation	361	651	686	487	652

(+) reflects an improvement; (-) reflects a worsening

Taxation revenue

Taxation revenue represents the Territory's primary source of income that government can directly influence. It comprises payroll tax, stamp duty on conveyances, taxes on gambling, taxes on insurance, and motor vehicle fees and taxes. It represents about 8.1% of total revenue over the budget cycle.

Table 2.6 shows taxation revenue is expected to be \$903 million in 2025-26, moderate to \$833 million in 2026-27 and then grow to \$930 million by 2029-30. Growth from 2026-27 represents average growth of 3.7% per annum in line with expected economic activity.

As shown in Table 2.8, taxation revenue is projected to increase by \$155 million in 2025-26, and an average \$90 million per annum from 2026-27 when compared to the 2025-26 Budget. The higher increase in 2025-26 largely reflects a small number of large one-off commercial transactions, with ongoing increases largely attributable to improved stamp duty on conveyances due to higher residential sales volumes and prices; and improved taxes on employers (payroll tax) due to strength in private sector wages and employment.

Refer to Chapter 6 *Territory taxes and royalties* for detailed information on the economic and other assumptions used to forecast taxation revenue.

GST revenue

GST revenue is the Territory's largest revenue transfer from the Commonwealth and represents about 48% of total revenue across the budget cycle. The primary factors that influence the amount of GST revenue the Territory receives are: growth in national GST collections pool; GST relativities as assessed by the Commonwealth Grants Commission (CGC); and the Territory's share of the national population.

As shown in Table 2.6, GST revenue is projected to increase from \$4.97 billion in 2025-26 to \$5.68 billion in 2029-30. From 2026-27, GST revenue is expected to grow by around 3.7% per annum.

When compared with the 2025-26 Budget, Table 2.8 shows the Territory's GST revenue is expected to increase by a total of \$1.45 billion over the budget cycle to 2029-30, averaging \$290 million per annum, mainly reflecting an increase to the Territory's share of the national population, higher forecast growth in the GST collections pool combined with an increase in the Territory's GST relativity from 5.15112 in 2025-26 to 5.24149 in 2026-27.

Refer to Chapter 5 *Commonwealth revenue* for detailed information on the economic and other assumptions used to forecast GST revenue.

Current and capital grants

Each year there are significant changes in tied Commonwealth funding estimates as funding agreements commence, are renewed or cease, or the timing of delivery is revised. Similar to the approach with major projects, tied funding is generally not included in the estimates unless a funding agreement has been signed with the Commonwealth. Tied funding agreements generally do not affect the Territory's fiscal balance as revenues are matched with corresponding expenditure.

As shown in Table 2.6, current grant revenue is expected to fluctuate moderately over the budget cycle, but remains broadly stable at an average \$1.94 billion per annum. When compared with the 2025-26 Budget, Table 2.8 shows current grants revenue is forecast to increase over the budget cycle by a total of \$971 million, largely due to additional Commonwealth funding of \$628 million under the National Health Reform agreement; \$66 million for one-off hospital and health-related services in 2026-27; \$41 million for operating expenditure relating to mine remediation; \$31 million for Restoring Funding for Northern Territory Homelands; \$11 million for operating expenditure relating the National Water Grid Fund; and \$11 million for Central Australia Plan: A Better, Safer Future for Central Australia.

Table 2.6 shows capital grants revenue is expected to be \$575 million in 2025-26, peaking at \$674 million in 2027-28, before moderating to an average of \$578 million per annum over the remainder of the forward estimates. Revenue for capital projects is recognised when spent and not when the cash is received in accordance with accounting standards, therefore annual fluctuations largely reflect the timing of delivery of capital projects and includes national roads, National Water Grid Fund: Manton Dam return to service and remote housing.

As presented in Table 2.8, capital grants revenue is expected to be \$316 million lower across the budget cycle to 2029-30 when compared to the 2025-26 Budget. This net reduction mainly reflects revised timing of Commonwealth-funded road projects into future years beyond the forward estimates as a result of land tenure delays, partially offset by increased funding of \$34 million for mine remediation and \$31 million for National Water Grid Fund.

Sales of goods and services

Sales of goods and services includes fees and charges, rent and tenancy income collected by various government agencies, and represents around 13% of total revenue over the budget cycle. The most significant component relates to gas sales, and electricity, water and sewerage charges collected by government owned corporations.

As shown in Table 2.6, sales of goods and services revenue is expected to increase from \$1.26 billion in 2025-26 to \$1.46 billion by 2029-30, with an average annual growth of 3.3% from 2026-27 largely in line with CPI forecasts.

When compared with the 2025-26 Budget, Table 2.8 shows a net reduction in sales of goods and services revenue across the budget cycle, mainly due to lower than expected gas sales due to shortfalls in supply to Power and Water Corporation.

Interest income

Interest income includes returns on short-term and fixed-interest investments combined with realised gains on Conditions of Service Reserve investments, and represents around 1.4% of total estimated revenue over the budget cycle. Table 2.6 shows interest income is expected to be \$156 million in 2025-26, moderate slightly to \$151 million in 2026-27 before increasing each year over the forward estimates by an average of 2.7% per annum. As shown in Table 2.8, interest income is projected to increase by \$14 million in 2025-26 and then by an average of \$6 million per annum from 2026-27 when compared with the 2025-26 Budget mainly due to higher than expected returns on investments.

Dividend and income tax equivalent income

Dividend and income tax equivalent income recognised in the non financial public sector comprises estimated payments by NTTC, and is expected to increase from \$48 million in 2025-26 and remain broadly stable from 2026-27 averaging \$80 million per annum. The variations outlined in Table 2.8 mainly reflect anticipated NTTC profitability in line with the revised timing and value of government borrowing requirements.

Mining and petroleum royalties

Mining and petroleum royalty forecasts are largely based on advice from mining companies and petroleum producers and related company estimates of commodity price movements, production levels and the value of the Australian dollar. This is combined with the Department of Treasury and Finance's internal commodity price and market outlook. Mining and petroleum royalties represent around 3.9% of total estimated revenue over the budget cycle.

As presented in Table 2.6, royalties are expected to be \$388 million in 2025-26, increasing to \$445 million in 2026-27, and average \$421 million per annum for the remainder of the forward estimates. When compared with the 2025-26 Budget, Table 2.8 shows royalties have been revised upwards in all years across the budget cycle, totalling \$643 million. Higher royalty forecasts reflect sustained higher commodity prices, with year-to-year fluctuations driven by production estimates.

Other revenue

Other revenue includes miscellaneous revenue, such as reimbursements and research funding from non-government organisations. In 2025-26, other revenue is projected to be \$138 million, \$38 million higher when compared with the 2025-26 Budget, predominantly due to one-off insurance reimbursements relating to damage to the Darwin ship lift facility as a result of Cyclone Fina, a GST refund from the Australian Taxation Office relating to the provision of disability housing, combined with the transfer of 44 homelands housing dwellings to the Territory. From 2026-27, other revenue is expected to remain relatively stable around \$101 million per annum over the budget cycle.

Expenditure changes since 2025-26 Budget

Table 2.9 sets out the Territory's expenditure projections in the non financial public sector for the 2025-26 revised estimate, 2026-27 Budget and forward estimates.

Table 2.9: Non financial public sector – expenditure components

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Employee and related expenses	4 163	4 236	4 288	4 397	4 534
Depreciation and amortisation	1 059	1 055	1 038	1 027	1 024
Other operating expenses	2 805	3 006	2 986	2 976	2 970
Interest expenses	679	773	862	914	959
Current grants	1 259	1 333	1 311	1 347	1 302
Capital grants	254	228	56	32	32
Subsidies and personal benefit payments	71	83	83	85	86
Total expenses	10 288	10 714	10 624	10 778	10 908
Net capital investment	1 743	2 068	1 744	1 460	1 402
Total expenditure	12 031	12 782	12 368	12 238	12 310

As shown in Table 2.9, total expenditure is projected to peak in 2026-27 at \$12.78 billion and remain largely stable over the forward estimates averaging \$12.31 billion per annum.

Table 2.10 compares revised expenditure projections for the 2026-27 Budget with those published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Table 2.10: Non financial public sector – variation in expenditure since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Total expenses					
2025-26 Budget	10 069	10 049	10 222	10 385	10 503
2025-26 Mid-Year Report	10 464	10 197	10 352	10 507	10 620
2026-27 Budget	10 288	10 714	10 624	10 778	10 908
Variation from 2025-26 Budget	219	665	402	393	405
Net capital investment					
2025-26 Budget	2 119	1 743	1 422	1 513	1 445
2025-26 Mid-Year Report	2 122	1 784	1 443	1 512	1 440
2026-27 Budget	1 743	2 068	1 744	1 460	1 402
Variation from 2025-26 Budget	- 376	325	322	- 53	- 43

¹ Amounts not published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Total expenses are expected to be \$10.71 billion in 2026-27, increasing on average by 0.6% per annum over the forward estimates. When compared with the 2025-26 Budget, total operating expenses are on average \$417 million per annum higher, reflecting new government policy decisions as detailed earlier in this chapter, increased depreciation and amortisation expenses, government owned corporation's expense assumptions and expenditure associated with delivering new tied Commonwealth funding agreements. Table 2.11 identifies the variations in expense components since the 2025-26 Budget.

Table 2.11: Non financial public sector – variations in expense components since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Employee and related expenses	122	166	106	142	207
Depreciation and amortisation	162	161	159	156	164
Other operating expenses	- 77	225	144	129	78
Interest expenses	nil	- 11	5	3	- 15
Current grants	- 43	21	- 25	- 40	- 32
Capital grants	58	98	8	- 2	- 2
Subsidies and personal benefit payments	- 3	5	5	6	6
Total expenses	219	665	402	393	405

Parameters

Included in the total expense variations are adjustments to agency budgets as a result of parameters applied to Territory-funded expenses. Parameter factors are reviewed each budget, taking into consideration the latest policy and economic developments, for the purpose of providing agencies with additional financial capacity to deliver services at current pricing levels, offset by measures to repair the budget. The main parameters used to adjust forward estimates are:

- wages – inflator
- CPI – inflator
- budget repair measure (formerly known as efficiency dividend) – deflator.

The wages indexation factor of 3% is applied from 2026-27 and across the forward estimates, consistent with government's announced Public Sector Wages Policy 2025–2028 and is unchanged from the 2025-26 Budget.

The CPI parameter for the budget year is generally adjusted to match the year-on-year change in the Darwin CPI for the latest December quarter to better reflect actual price trends. The CPI factor for 2026-27 was increased from 2.4% to 3.3% to align with the December 2025 quarter annual Darwin CPI growth. Given the volatility and uncertainty of CPI forecasts following global oil supply disruptions, CPI parameters for the forward estimates remain unchanged at 2.5% per annum thereafter.

An additional growth parameter of 1.4% is applied to all hospital-related expenditure in recognition of growth in demand for health services, remaining unchanged from the 2025-26 Budget.

A budget repair measure is applied to agency budgets for operational costs, employee costs, and grants and subsidies premised on improving the budget position. The budget repair measure for 2026-27 was increased from 1% to 1.5%, remaining unchanged at 1% per annum thereafter.

For the following agencies and functions, a two-thirds discount is applied to the budget repair measure to recognise that a majority of their costs relate to frontline services, which are substantially fixed in nature:

- Department of Children and Families
- Department of Corrections
- Department of Education and Training
- hospital services function of the Department of Health
- Northern Territory Fire and Emergency Service
- Northern Territory Police Force.

For grants and subsidies budgets, a composite indexation factor is applied based on 75% of the wages factor and 25% of the CPI factor, less the applicable budget repair measure for that year.

Repairs and maintenance expenditure is indexed consistent with the factor applied to grants and subsidies, to keep pace with the increasing cost of service delivery.

Government owned corporation forward estimates are based on forecasts provided by the corporations during development of their SCIs. The forecasts reflect future expectations in revenue, contracted and regulated costs, capital investments, operational efficiencies and other factors agreed by the shareholding minister and each respective board.

Due to the concurrent development of the Territory budget and SCIs, the final approved SCIs for 2026-27 may differ from the estimates contained in the 2026-27 Budget.

Employee and related expenses

Table 2.9 shows estimated employee and related expenses, which includes superannuation expenses, continues to account for about 41% of total expenses and represent the Territory's largest expenditure category. Employee and related expenses are expected to increase from \$4.16 billion in 2025-26 to \$4.53 billion by 2029-30. Growth in employee and related expenses to 2027-28 is expected to remain subdued at 1.5% per annum before resuming average growth of around 2.8% per annum from 2028-29. The restrained growth to 2027-28 largely reflects the cessation of time-limited Commonwealth funding for Comprehensive Primary Health Care Delivery, hospital and related health services and the National Critical Care and Trauma Response Centre, with growth from 2027-28 largely reflecting year-on-year parameter indexation.

When compared to the 2025-26 Budget, Table 2.11 shows employee and related expenses have increased across all years by an average \$149 million per annum due to new policy commitments largely relating to health and hospital demand pressures; operation of the new 32-bed modular ward at the Royal Darwin Hospital; establishment of a police public safety officer workforce; and costs associated with the Northern Territory Police Force Consent Agreement 2025, combined with ongoing expenditure associated with additional Commonwealth funding under the National Health Reform agreement.

Depreciation and amortisation

Depreciation and amortisation expenses represent the consumption of physical and intangible asset values over their expected useful life constituting around 10% of total expenses. These expenses will vary over the budget cycle as new assets are purchased or constructed, and assets reach the end of their useful life, or are revalued in line with accounting standards. Table 2.9 shows depreciation and amortisation expenses are expected to average around \$1.04 billion per annum across the budget cycle.

As highlighted in Table 2.11, when compared to the 2025-26 Budget depreciation and amortisation expenses have increased by around \$160 million per annum, largely associated with revised cost assumptions relating to public housing and roads, combined with new completed works.

Other operating expenses

Other operating expenses largely comprise government's repairs and maintenance program, energy costs, property-related costs, medical supplies, ICT and communication charges, and motor accident compensation and related payments, and represent around 28% of total expenses. As shown in Table 2.9, other operating expenses are expected to be \$2.81 billion in 2025-26, peak at \$3.01 billion in 2026-27 and remain largely constant over the forward estimates, averaging \$2.98 billion per annum. The peak in 2026-27 largely reflects the delivery of one-off and time-limited programs. The stability of other operating expenses over the forward estimates is largely driven by ceasing Commonwealth funding agreements over the forward estimates period, offset by annual parameter indexation.

Compared to the 2025-26 Budget, Table 2.11 shows that while other operating expenses are lower in 2025-26, they are on average \$100 million per annum higher across the budget cycle. The variations reflect the revised timing of expenditure commitments from 2025-26 into 2026-27, new policy commitments largely relating to increased funding for contracted road ambulance services; aeromedical retrieval services; delivery of statutory out of home care for children and young people; Foundational Supports co-contributions combined with ongoing expenditure associated with new Commonwealth funding and reclassification of contract road ambulance services from current grants to other operating expenses.

Interest expenses

Interest expenses include interest on loans, bonds and advances and interest components on lease and service concession liabilities, and comprise around 8% of total expenses. Table 2.9 shows interest expenses for the 2026-27 Budget are projected to increase from \$679 million in 2025-26 to \$959 million in 2029-30. As shown in Table 2.11, when compared to the 2025-26 Budget, interest expenses have reduced by a net amount of \$18 million across the budget cycle. The modest change reflects a \$161 million net reduction over the budget cycle from lower general government sector borrowing requirements driven by improved revenues, largely offset by a \$143 million increase in government owned corporation interest expenses due to higher borrowings and interest rates.

Current grants

Current grants represent around 12% of total expenses and primarily comprise Territory and Commonwealth-funded grants to schools, non-government health service providers, cultural and sporting organisations, local government councils, and delivery of children and family programs by non-government organisations. Table 2.9 shows current grant expenses are expected to be largely stable at around \$1.3 billion per annum across the budget cycle. When compared to the 2025-26 Budget, Table 2.11 shows that except for 2026-27, current grants are lower in all years, largely due to reclassification of contracted road ambulance services from current grants to other operating expenses. Increased current grants in 2026-27 largely reflects the Territory Government's contribution of \$19.7 million for fuel excise relief, combined with the revised timing of programs from 2025-26.

Capital grants

Capital grants comprise payments to local government councils and non-government organisations for the purpose of acquiring or constructing new physical assets or upgrading existing physical assets. Capital grants tend to be ad hoc in nature and range between 1% to 2% of total expenses over the budget cycle.

As highlighted in Table 2.9, capital grant expenses are projected to be elevated in 2025-26 and 2026-27 at an average of \$241 million per annum, before declining to an average of \$32 million per annum from 2028-29. Elevated expenditure over 2025-26 and 2026-27 reflects the payment profile of Commonwealth-funded programs including Restoring Funding for Northern Territory Homelands; Housing Australia Future Fund and Social Housing Accelerator grant programs. This is combined with new time-limited policy commitments since the 2025-26 Budget including the extension of HomeGrown and FreshStart home grants; local government, housing and community development priority grants; and grants to fund new social and affordable housing.

Subsidies and personal benefit payments

Subsidies and personal benefits are payments aimed at reducing all or part of the costs of an activity and include debts owing to the Territory that are waived or extinguished, and constitute around 1% of total expenses. From 2026-27, subsidies and personal benefit payments are estimated to remain largely constant, averaging \$84 million per annum and comprise payments for early childhood and out of home care services, back-to-school payments, payments under the Territory senior's recognition and carer's concession schemes, and regulated utility tariff subsidies paid to private sector retailers. Table 2.11 shows, when compared to the 2025-26 Budget, subsidies and personal benefits have increased by an average of \$4 million per annum largely due to subsidies paid to external electricity retailers to support cost-of-living pressures to constrain growth in regulated utility price increases.

Net capital investment

Net capital investment comprises purchases and sales of non financial assets, such as vehicles, ICT and equipment, and includes the construction of assets under the Territory's capital works program. As shown in Table 2.9, net capital investment is expected to peak in 2026-27 at \$2.07 billion, before declining to \$1.4 billion by 2029-30.

As shown in Table 2.10, estimated net capital investment in 2025-26 is \$376 million lower when compared with the 2025-26 Budget, before increasing in both 2026-27 and 2027-28 by an average of \$324 million per annum, and annual reductions of around \$48 million in 2028-29 and 2029-30. The variations largely reflect additional Territory-funded capital initiatives including the delivery of new Katherine and Darwin work camps and a Palmerston secondary special education school, offset by the revised timing of payments for the Northern Marine Complex, including the Darwin ship lift project, from 2025-26 into 2026-27. This is combined with the revised timing of Commonwealth-funded road projects into future years beyond the forward estimates.

Key fiscal indicators – balance sheet

The key measures for the balance sheet are net debt and the resulting net debt to revenue ratio. Table 2.12 shows net debt is projected to be \$12.56 billion in 2026-27, increasing to \$13.17 billion by 2029-30. The net debt to revenue ratio is projected to be 117% in 2026-27, improving to 116% in 2029-30.

When compared with the 2025-26 Budget, net debt is projected to be lower in each year across the budget cycle and be \$1.17 billion lower by 2029-30. This reduction is in line with the cumulative effect of improvements to projected fiscal balance deficits. Net debt to revenue ratios are similarly lower in all years by around 13 percentage points per annum when compared to the 2025-26 Budget due to the same factors affecting the reduction in net debt.

Table 2.12: Non financial public sector – variation in net debt and net debt to revenue ratio since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Net debt					
2025-26 Budget	12 191	13 107	13 506	13 966	14 342
2025-26 Mid-Year Report	11 712	12 738	13 137	13 579	13 933
2026-27 Budget	11 350	12 555	13 200	13 209	13 172
Variation from 2025-26 Budget	- 841	- 552	- 306	- 757	- 1 170
Net debt to revenue (%)					
2025-26 Budget	121	130	131	132	135
2025-26 Mid-Year Report	110	126	127	129	131
2026-27 Budget	109	117	120	120	116
Variation from 2025-26 Budget	- 12	- 13	- 11	- 12	- 19

¹ Amounts not published in the 2025-26 Budget and 2025-26 Mid-Year Report.

Factors affecting net debt are the net result of policy and non-policy changes. Policy changes outlined earlier in this chapter include government's operational and capital commitments, partially offset by savings and revenue measures. Non-policy changes include GST, taxation and royalty revenue, the effect of renewed and extended leases of office accommodation, and timing of Commonwealth and agency payments, partially offset by operating and capital results of government owned corporations. Table 2.13 summarises the effect of policy and non-policy changes on net debt since the 2025-26 Budget.

Table 2.13: Non financial public sector – cumulative changes to net debt since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Policy changes	161	571	844	977	1 101
Non-policy changes	- 1 002	- 1 123	- 1 150	- 1 734	- 2 271
Net cumulative change	- 841	- 552	- 306	- 757	- 1 170

(+) reflects a worsening; (-) reflects an improvement

Table 2.14 provides details on the cumulative factors contributing to the projected variation in net debt over the forward estimates since the 2025-26 Budget.

Table 2.14: Non financial public sector – detailed cumulative changes to net debt since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Revenue measures	nil	- 25	- 50	- 75	- 100
Expenditure commitments	148	327	468	606	741
Savings measures	nil	- 12	- 25	- 37	- 50
Capital commitments	13	281	450	483	510
GST revenue	- 396	- 773	- 1 012	- 1 220	- 1 449
Taxation and royalties	- 197	- 445	- 589	- 818	- 1 059
Interest variations ¹	- 15	- 48	- 85	- 132	- 196
Government owned corporations	198	344	370	431	417
Leases	15	nil	- 8	- 2	- 8
Revised timing of Darwin ship lift project	- 257	- 133	- 133	- 133	- 133
Timing and agency-related adjustments ²	- 351	- 68	308	142	155
Net cumulative changes	- 841	- 552	- 306	- 757	- 1 170

(+) reflects a worsening; (-) reflects an improvement

1 Excludes interest variations affecting government owned corporations as these are included with all other variations affecting government owned corporations.

2 Includes items discussed in Table 2.5 combined with the use of Commonwealth capital funding received in 2024-25, now spent over the budget cycle.

Chapter 3

Economic outlook

Overview

The information provided in this chapter meets the requirements of sections 10(1)(b) and 10(1)(c) of the FITA that each fiscal outlook report contains an account of the economic assumptions and analysis of the effects of their changes on the updated financial projections. This chapter also addresses the requirements under section 10(1)(f) of the FITA and provides explanations of material differences between the updated economic projections and those published in the 2025-26 Budget.

This chapter provides a summarised assessment of the Territory's economic outlook. More detailed commentary is in the Northern Territory Economy book, the online Industry Outlook publication and on the website at nteconomy.nt.gov.au.

Table 3.1: Territory key economic indicators (%)

	2025-26e	2026-27f	2027-28f	2028-29f	2029-30f
Gross state product ¹	2.7	5.8	1.4	3.0	3.0
State final demand ¹	- 0.8	- 0.7	0.8	1.8	2.7
Employment ¹	1.1	0.6	0.9	1.6	1.6
Unemployment rate ²	4.6	5.2	4.7	4.6	4.6
Consumer price index ³	5.2	3.2	1.0	2.5	2.5
Wage price index ¹	2.6	3.7	3.3	3.4	3.3
Population ³	1.2	1.1	1.1	1.2	1.2

e: estimate; f: forecast

¹ Year-average percentage change.

² Year average.

³ Year-ended percentage change.

Source: Department of Treasury and Finance, ABS

Economic growth

Gross state product and state final demand

In early 2026, the Territory was affected by widespread flooding, with Katherine experiencing the worst floods since 1998. Other affected regions include the Top End, Big Rivers, East Arnhem, Barkly and Central Australia. The impact on communities and businesses has been significant and is still in the process of being assessed. The Territory Government has committed \$100 million of the capital works program for the Flood Recovery Fund.

Territory GSP in 2025-26 is forecast to grow by 2.7%. This is driven by growth in exports with the Barossa project moving into the production phase, partially offset by a 0.8% decline in SFD as private investment moderates, following the completion of upgrades at the Darwin LNG plant and recommencement of production.

The Middle East conflict is driving up oil and energy prices globally, with Brent crude oil prices increasing by around 109% from an average of US\$69 per barrel in 2025 to peak at US\$144 per barrel on 7 April 2026. The price of unleaded 91 petrol in Darwin peaked at 264.2 cents per litre on 31 March 2026 (prior to the fuel excise cut), an increase of 84.9 cents per litre from the pre-conflict price of 179.3 cents per litre on 27 February. Diesel prices in Darwin peaked at 328.4 cents per litre on 9 April, up 144.5 cents per litre from the pre-conflict price of 183.9 cents per litre. Price increases reflect disruptions to shipping in the Strait of Hormuz, through which around 20% of global oil flows, and due to production shutdowns and refinery closures.

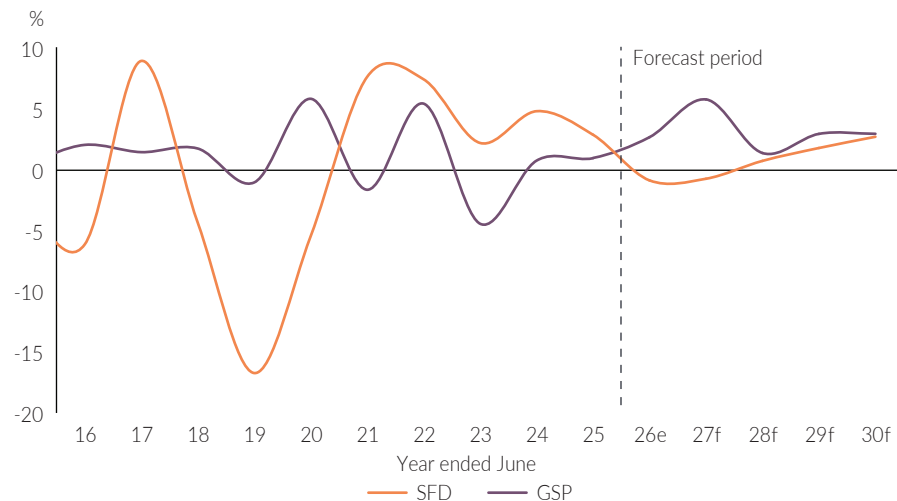
Oil and fuel price volatility is affecting supply chains, bringing inflationary risks that, if sustained is expected to result in the Reserve Bank of Australia (RBA) increasing interest rates to slow growth. The situation remains highly fluid and the full economic impact will depend on the extent and duration of the conflict. Economic modelling in these forecasts assume the price of oil will average US\$100 per barrel from April to September 2026 before easing to around US\$70 per barrel by the end of the forward estimates. In line with this scenario, higher oil prices are expected to have an immediate impact on inflation, increasing Darwin's CPI by 5.2% in 2025-26.

Higher fuel and fertiliser prices will also weigh on demand. Importantly, the impact from higher fuel prices will be felt differently across sectors depending on whether they are net energy importers or exporters. For industries, impacts will depend on the overall energy intensity of production. The most directly exposed sectors are transport and logistics, and tourism, and to a lesser extent mining, agriculture and construction. Over the medium term, a renewed global focus on energy security could accelerate investment in energy production in Australia, including in the Beetaloo Sub-basin, which would have a positive and offsetting impact on Territory GSP. In early 2026, Santos and INPEX separately announced plans to explore options in the Beetaloo Sub-basin. This is expected to help shield the Territory economy from some of the impacts of the Middle East conflict.

Higher fuel prices will strengthen trade and income growth in net energy exporting economies like the Territory, while the opposite is true for net energy importers.

Household consumption growth is expected to contribute only modestly to growth in 2025-26 as higher interest rates temper discretionary demand following the February and March 2026 cash rate increases. Markets anticipate further interest rate increases in 2026, which would further weigh on growth. Petrol and diesel prices will also impact discretionary spending (Chart 3.1).

A severe downside risk will arise if the Middle East conflict leads to permanent damage to oil infrastructure, resulting in a sustained reduction in global supply. Persistently higher fuel prices will significantly increase costs for energy-intensive industries, disrupt supply chains, and weaken output and investment, materially worsening economic outcomes relative to the forecast.

Chart 3.1: Territory gross state product and state final demand¹

e: estimate; f: forecast; GSP: gross state product; SFD: state final demand

¹ Year-average percentage change.

Source: ABS, *Australian National Accounts: State Accounts, National Income, Expenditure and Product, Balance of Payments and International Investment Position, Australia*; Department of Treasury and Finance

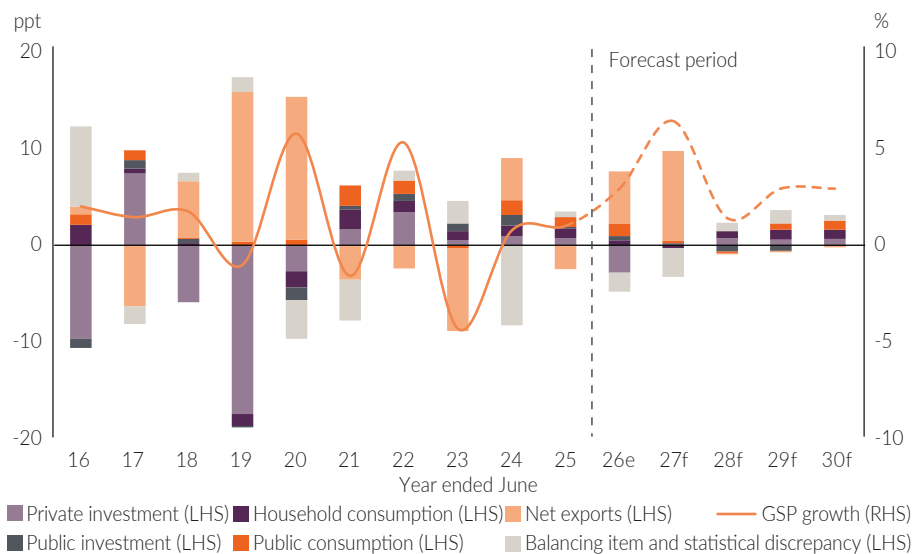
In 2026-27, Territory GSP is forecast to grow by 5.8%, as the Ichthys and Darwin LNG plants operate at or near full capacity, making net exports the principal driver of growth. However, services trade for both exports and imports, is expected to be heavily impacted as higher fuel prices discourage overseas travel. Household consumption is forecast to decline and detract 0.9 percentage points from growth, as households feel the effects of higher interest rates and fuel prices (Table 3.1 and Chart 3.2).

In 2027-28, GSP is forecast to grow by 1.4%, driven by a recovery in household consumption as cost-of-living pressures are assumed to ease, alongside continued investment in the Beetaloo Sub-basin. Gas production from the Beetaloo Sub-basin is anticipated to ramp up and could contribute to exports and east coast supply depending on the path of investment.

Over the forward estimates, the economy is assumed to return to trend growth of around 3%, supported by a 4.3% expansion in private investment and 2.6% growth in household consumption. Public investment is expected to ease from recent elevated levels towards long-term average levels of activity. The medium-term outlook reflects population growth stabilising at around 1.2%. There may be an upside to growth if the Territory is able to increase population through overseas skilled migration to ease general skill shortages.

The Territory economic growth projections do not factor in potential projects yet to reach final investment decision. Some of these projects may reach final investment decision during the forecast period, which would result in increased economic activity and growth.

Chart 3.2: Contributions to Territory gross state product growth



e: estimate; f: forecast; GSP: gross state product; LHS: left-hand side; ppt: percentage points; RHS: right-hand side
 Source: Department of Treasury and Finance; ABS, Australian National Accounts: State Accounts, National Income, Expenditure and Product, Balance of Payments and International Investment Position, Australia

Household consumption

Household consumption is estimated to increase by 0.8% in 2025-26 before contracting by 2.1% in 2026-27. The Middle East conflict is resulting in fuel and freight cost increases that quickly feed into domestic supply chains. Households will feel the impact of higher interest rates and fuel prices, and likely decrease discretionary spending.

Nevertheless, over the forward estimates, growth is expected to trend upwards, consistent with the forecast of solid employment and real wages growth and easing cost-of-living pressures.

Private investment

Private investment is estimated to contract by 15.8% in 2025-26, as construction of the Barossa project drops out of the private investment expenditure base. However, new activity, such as the Beetaloo Sub-basin pilot gas drilling and testing, and the Sturt Plateau pipeline and compression plant, are expected to offset some of the decline. In the near term, repairing infrastructure in flood-affected areas and replacing damaged plant and equipment, particularly in the agricultural and pastoral sectors, will add to private investment.

Private sector dwelling investment is forecast to increase by 20.3% in 2025-26, building on momentum from late 2025. However, the February and March 2026 increases in the cash rate to 4.1% are expected to moderate new housing commitments in 2026-27 and 2027-28. Higher fuel prices will also increase construction costs.

Private investment is expected to contribute positively to GSP growth from 2027-28. This is consistent with moderate growth in the capital stock related to new projects, expanding existing capacity and spending to offset asset depreciation to maintain productive capacity of existing capital (equipment, buildings and structures). In the forward estimates, investment is assumed to return to long-run trend estimates with a possible increase associated with gas production in the Beetaloo Sub-basin.

Recent fuel price shocks are expected to increase the attractiveness of investing in Australia and Territory energy projects. Sustained higher energy prices and the sovereign stability of Australia will support increased investment in the Beetaloo Sub-basin.

Public consumption

Public consumption is forecast to grow by 3.8% in 2025-26, reflecting ongoing growth in demand for health and community-related services, as well as unexpected expenditure for the emergency flood response in early 2026.

Public consumption growth is expected to be 0.5% in 2026-27, with increases to frontline service delivery and the revised timing of various programs from 2025-26 to 2026-27. Commonwealth spending is expected to be constrained by fiscal pressures. Public consumption is expected to decline by 0.3% in 2027-28 before expenditure returns to around trend growth in the final year of the forward estimates.

Public investment

Public investment activity is estimated to remain strong over the near term, growing by 5.6% in 2025-26 and 1.2% in 2026-27. This reflects ongoing activity on large infrastructure projects such as the Northern Marine Complex, including the Darwin ship lift project, and new infrastructure works in education and corrections from 2026-27. Infrastructure reconstruction and repairs related to flooding will require public investment, although the full extent of the damage is still being assessed.

Public investment growth is expected to ease over the forward estimates, declining by 8.7% in 2027-28 and 8.8% in 2028-29 as large projects, including several defence projects, are completed. Despite the decline in public investment, there is a large pipeline of work to support activity in the outer years.

International trade

The Territory's trade surplus is forecast to increase in 2025-26 and 2026-27 before stabilising over the forward estimates (Chart 3.3). The increase in exports in 2025-26 is driven by exports from Darwin LNG and manganese exports resuming from Groote Eylandt Mining Company. The growth in exports in 2026-27 reflects both the Ichthys and Darwin LNG plants operating at or near full capacity and lithium exports resuming from the Finniss mine. Export growth is expected to stabilise from 2027-28 as these facilities reach full production.

Imports are estimated to decline by 12.6% in 2025-26, as work associated with the Barossa project is completed. In 2026-27, imports are expected to continue to decline, driven by weaker household consumption and less inbound overseas travel due to higher fuel prices. Thereafter, the Territory's imports are forecast to grow in line with investment activity and economic growth.

Chart 3.3: Territory net exports



e: estimate; f: forecast

Source: ABS, Australian National Accounts: State Accounts; Department of Treasury and Finance

External economic environment

National and international factors influence the Territory economy through financial markets, exchange rates, commodity prices, population and trade flows, tourist visitation and availability of workers to meet the Territory's labour requirements. Monetary policy set by the RBA influences household consumption, business confidence and investment decisions in the Territory. The international economic backdrop is highly uncertain and likely to have direct and indirect impacts on the national and Territory economies.

Disruptions to energy production and shipping through the Strait of Hormuz have driven sharp increases in oil, gas, fertiliser and plastics prices, heightened financial market volatility and increased geopolitical uncertainty. If sustained, higher energy prices are expected to raise inflation, weaken real incomes and dampen global growth, potentially requiring tighter monetary policy to keep inflation expectations anchored. The International Monetary Fund's *World Economic Outlook*, released in April 2026, assumes in its reference forecast, that the Middle East conflict remains contained, with disruptions easing, and regional production and trade flows normalising by mid-2026. Under this assumption, global economic growth is forecast to be 3.1% in 2026 and 3.2% in 2027. This represents a downward revision of 0.2 percentage points for 2026, relative to the January 2026 outlook.

The Organisation for Economic Co-operation and Development (OECD) estimates the conflict will reduce global economic growth by 0.25 percentage points by the September quarter 2026, compared to the December 2025 outlook, with G20 headline inflation estimated to be 1 percentage point higher by the September quarter 2026, before easing back to the baseline forecast by the June quarter 2027.

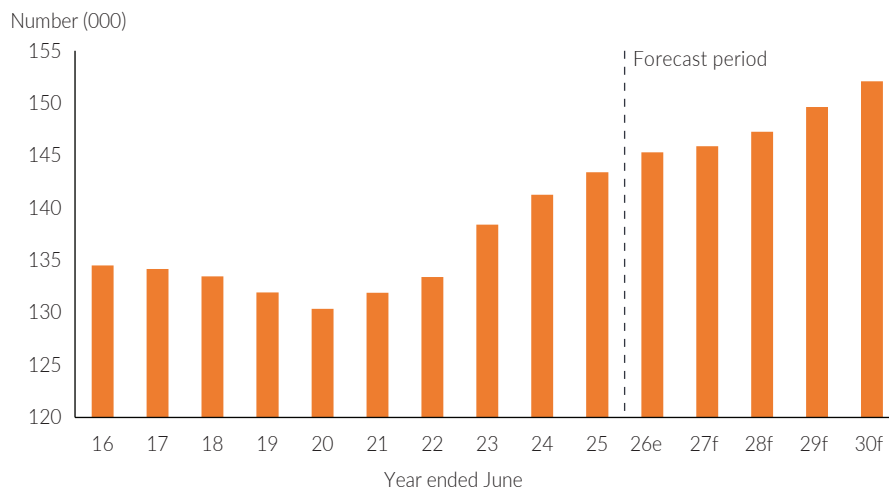
The risk to growth depends on the extent that increased fuel prices affect consumer prices and the response of central banks to contain inflationary expectations. The RBA will meet on 5 May 2026 and markets are expecting a 25-basis point increase in the cash rate. The longer the Middle East conflict continues, the greater the risk that inflation exceeds expectations and central banks respond by increasing interest rates.

Labour market

Employment growth is forecast to moderate in the near term, slowing to 1.1% to 145,000 employed in 2025-26 (Chart 3.4). This largely reflects the completion of construction on the Barossa project, partly offset by maintenance works at the Ichthys LNG plant in mid-August to November 2025 and ongoing elevated public investment activity. Employment growth is forecast to ease to 0.6% in 2026-27 and 0.9% in 2027-28, as the recent oil price shock reduces discretionary spending and tourism, and as recent interest rate increases continue to affect demand. There are risks to employment in the agricultural sector as recent floods and higher fuel and fertiliser costs impact production and investment. Overall, a period of weaker domestic demand will proportionately reduce labour demand and put upward pressure on unemployment.

The unemployment rate is expected to ease to 4.6% in 2025-26 before rising to 5.2% in 2026-27, reflecting weaker tourism activity, a decline in household consumption and weaker private investment. The uncertainty surrounding the duration of the Middle East conflict and its impacts have contributed to a decline in consumer and business confidence, and is a key risk to the labour market and unemployment outlook. The unemployment rate is expected to moderate over the forward estimates as conditions stabilise.

Chart 3.4: Territory employment



e: estimate; f: forecast

Source: ABS, *Labour Force, Australia*; Department of Treasury and Finance

Prices and wages

CPI growth is expected to be 5.2% in 2025-26, impacted by higher energy prices. The significant increase also reflects an upward trend in underlying inflation over 2025-26 and the end of rebates from the Commonwealth energy bill relief fund. Oil prices are expected to remain elevated in the short term and elevate production costs for a broad range of goods and services. CPI growth is forecast to be 3.2% in 2026-27. As oil prices moderate, forecast CPI growth eases to 1% in 2027-28 before stabilising at 2.5% over the outer years.

The surge in oil prices had an immediate impact on goods prices and will contribute to higher prices over the year. Services inflation could also increase as higher cost of living puts upward pressure on wages, although the current cycle of tighter monetary policy will also reduce domestic demand and temper inflation expectations.

The situation in the Middle East remains highly volatile and underpins key risks to inflation projections. The conflict could easily drive significant risk to prices and inflation expectations, which could lead to further interest rate increases.

Wage growth is expected to moderate to 2.6% in 2025-26 before strengthening by 3.7% in 2026-27. Over the forward estimates, wage growth is in line with trend estimates, averaging 3.3% per annum.

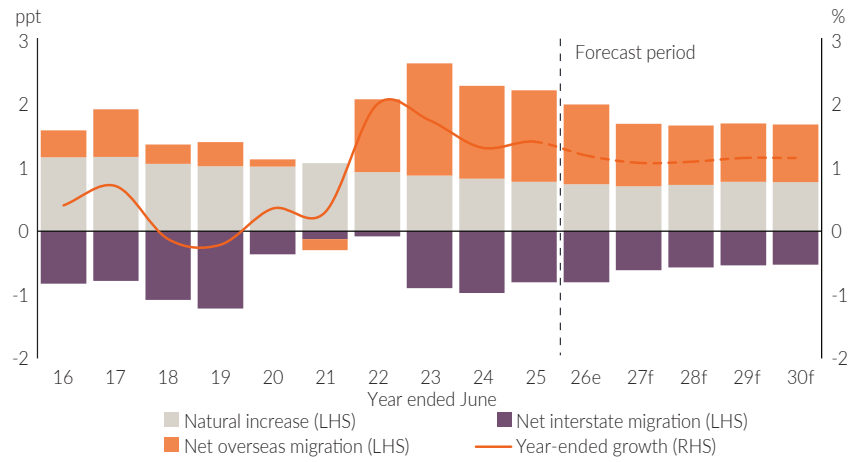
Population

The Territory's population is estimated to grow by 1.2% in 2025-26 (Table 3.1), driven by net overseas migration inflows and natural increase, partly offset by net interstate migration outflows. This is a slight upgrade from the 1% forecast in the 2025-26 Budget, mainly due to the ongoing strength of overseas migration inflows of skilled and temporary student visa holders, partly offset by weaker than expected natural increase and net interstate migration outcomes.

Population growth is forecast to be 1.1% in 2026-27 as overseas migration arrivals ease and natural increase remains weak among ongoing cost of living pressures and broader social norms that are weighing on family formation decisions. Population growth is forecast to remain at 1.1% in 2027-28 as migration flows continue towards long-term levels. Population growth in 2027-28 is down slightly from the 1.2% growth forecast in the 2025-26 Budget, mainly due to revised assumptions on the timing and strength of recovery in natural increase.

Population growth is expected to increase to 1.2% in 2028-29 and 2029-30 as natural increase recovers and migration holds steady (Chart 3.5).

Chart 3.5: Territory population growth and percentage point contribution by component



e: estimate; f: forecast; LHS: left-hand side; ppt: percentage point; RHS: right-hand side
 Source: ABS, National, state and territory population; Department of Treasury and Finance

The ABS has updated the methodology for estimating interstate migration for national, state and territory population estimates. The updated methodology was backcast to apply to population statistics from September quarter 2021 and resulted in large changes in interstate outcomes in the Territory and upward revisions to the Territory's population since the 2025-26 Budget.

Chapter 4

Fiscal strategy statement

Overview

Information provided in this chapter meets requirements under sections 9(1)(d) and 9(1)(e) of the FITA to provide an assessment of expected outcomes for key fiscal indicators and explain how government's fiscal objectives and strategic priorities relate to principles of sound fiscal management. This section also complies with section 10(1)(g) of the FITA that states each fiscal outlook report is to contain an explanation of the factors and considerations contributing to any material differences between updated financial projections and government's fiscal objectives and targets.

Government's fiscal strategy

A fiscal strategy is an essential element of budget planning and accountability, and provides the basis against which policy decisions can be assessed at a whole of government level. The strategy articulates government's fiscal objectives and targets.

Section 5(1) of the FITA requires the Territory Government to publish a fiscal strategy based on principles of sound fiscal management, where government must:

- formulate and apply spending and taxing policies, having regard to the effect of these policies on employment, economic development and growth of the Territory economy
- formulate and apply spending and taxing policies to give rise to a reasonable degree of stability and predictability
- ensure funding for services is provided by the current generation
- prudently manage financial risks faced by the Territory (having regard to economic circumstances), including the maintenance of Territory debt at prudent levels.

Section 9(1)(c) of the FITA requires government to specify the key fiscal indicators it considers important and against which fiscal policy will be set and assessed. The key fiscal indicators on which the fiscal strategy is premised include the general government sector's net operating balance and the non financial public sector's fiscal balance, net debt and net debt to revenue ratio. The fiscal strategy also comprises other fiscal measures that support the key fiscal indicators.

2026-27 Budget fiscal strategy

The fiscal strategy objectives and targets in the 2026-27 Budget remain unchanged from those established in the 2025-26 Budget. The government's fiscal strategy is focused on debt management and reduction. The targets represent the outcomes required to restore the Territory to a financially sustainable position, taking into account current fiscal and economic conditions and performance relative to comparable jurisdictions. Jurisdictional comparisons provide a benchmark for assessing the economic and fiscal conditions, and pressures faced by each state government.

As the Territory releases its budget ahead of all the states, the state average is premised on lagging budget data for each state. Accordingly, the Territory may present higher projected outcomes until state budgets are released. State averages updated for 2026-27 Budget projections will be published in the 2025-26 Treasurer's Annual Financial Report where actual performance against targets are assessed.

Detailed assessment of expected outcomes for fiscal strategy objectives and key fiscal targets follows.

Assessment of the fiscal strategy

Principle 1: Spending and taxing policies for employment, economic prosperity and development of the Territory

Ongoing objective: Maintain a competitive tax environment that encourages investment, creates jobs and attracts business to the Territory

Target: Territory taxation effort for the last assessed year by the Commonwealth Grants Commission to be equal or lower than the state average of 100%

Taxing policies can significantly influence private business investment and employment decisions. Consequently, competitive taxing policies play a critical role in pursuing the FITA principle of maintaining employment, economic development and growing the Territory economy.

Relative tax competitiveness is complex to assess due to inherent differences in respective economies and taxation regimes across jurisdictions. A nationally recognised measure of the competitiveness of each jurisdiction's tax system is taxation effort, as assessed by the CGC. This measure is a lagging indicator as the CGC updates information annually based on the actual outcome of the previous year.

Taxation effort assesses the extent to which a jurisdiction's actual revenue collections are above or below its assessed capacity to raise revenue if it imposed national average tax settings. A ratio above 100 indicates a state is collecting more revenue than it would if it applied state average policy settings, whereas a ratio below 100 indicates it collects less revenue than it would if it applied state average policies. This fiscal strategy objective and target aims to maintain taxation at levels competitive with other jurisdictions to encourage increased levels of business activity in the Territory.

Table 4.1 shows the Territory is the lowest taxing jurisdiction with an assessed taxation effort of 82.5% for 2024-25, the latest year assessed by the CGC. Accordingly, this fiscal strategy target has been achieved as the Territory's taxation effort is below the state average of 100%.

Table 4.1: Taxation effort by jurisdiction, 2024-25

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Average	Target met
	%	%	%	%	%	%	%	%	%	
Total taxation effort	99.4	112.4	90.8	91.5	94.3	85.1	137.5	82.5	100	yes

Source: CGC 2026 Update

The Territory generally demonstrates below-average taxation effort as it does not impose land tax and levies lower than average motor vehicle taxes. The Territory's taxation effort in 2024-25 marginally increased from the updated assessment for 2023-24 of 81.3%, largely due to higher stamp duty collections between years. It is anticipated the Territory's taxation effort for 2025-26 will increase following sustained improvement in stamp duty collections in 2025-26.

Principle 2: Spending and taxing policies for stability and predictability of service provision

Objective and target: Maintain a general government sector net operating balance surplus (excluding capital revenue) in every year over the budget cycle to provide stability and predictability of government service provision and lower reliance on debt for service provision

The stability and predictability of a government's revenue-raising effort and expenditure base are assessed by credit rating agencies to determine the fiscal flexibility of a government to deliver on its future objectives, respond to changing needs and support long-term financial strength.

The general government sector net operating balance reflects total government revenue less total operating expenses and is reported by all jurisdictions as a measure of sustainable service provision. While capital revenue is recognised in the net operating balance, capital spending is not. Unlike most states, a higher proportion of the Territory's tied funding received from the Commonwealth is for capital purposes due to the Territory's high infrastructure requirements to support its geographically dispersed population. This fiscal strategy measure adjusts the net operating balance to exclude capital revenue to more appropriately reflect the net cost of delivering core public services. It aims to fund government services from operating revenues, reducing reliance on debt to fund service provision, and surpluses giving rise to stability and predictability of current and future government service provision, a key principle of the FITA.

A positive balance reflects that government is generating sufficient revenue to fund its operating activities, with surpluses providing capacity to fund capital investment. Negative balances provide no capacity to fund capital investment beyond depreciation levels without further borrowings. While short-term deficits may be appropriate during periods of economic downturn, persistent negative balances indicate structural deficit.

Table 4.2 shows that while the general government sector net operating balance is projected to be a surplus from 2027-28, after excluding capital revenue, the adjusted net operating balance is estimated to be a deficit in each year across the budget cycle, therefore not meeting this fiscal strategy objective and target. Although this measure has not been met, the adjusted net operating balance deficit is estimated to improve each year across the budget cycle, indicating this measure will likely be met over the medium to long term.

Furthermore, excluding annual depreciation expense, a non-cash item averaging \$770 million per annum would result in an adjusted net operating balance surplus in all years. This indicates the Territory can fully fund its operating expenses and can contribute to capital investment from revenues, reducing reliance on borrowings.

Table 4.2: General government sector – net operating balance (excluding capital revenue)

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	\$M	\$M	\$M	\$M
Net operating balance	- 42	199	273	372
Less: capital revenue	520	600	523	517
Adjusted net operating balance	- 562	- 401	- 250	- 145
Target on track	no	no	no	no

Principle 3: Funding for current services is to be provided by the current generation

Objective and target: Interest expense as a percentage of revenue at the non financial public sector to be equal or lower than the average of the states in each year over the budget cycle to lower the Territory's reliance on debt to fund service provision

Interest burden is a measure used by credit rating agencies to assess a jurisdiction's ability to service its debt. The relative share of revenue consumed by interest payments is important in determining whether a jurisdiction can continue to fund its service provision at current levels.

High interest expense relative to revenue indicates an over reliance on borrowed funds and provides less capacity to fund service provision as funds are redirected to interest payments. A low interest expense to revenue ratio indicates the Territory can effectively finance its debt and has greater capacity to fund or increase service provision, as less funds are set aside for interest payments.

This fiscal strategy objective and target compares the Territory's reliance on borrowed funds with the average of the states to take into consideration financial market conditions affecting all states. It aims to lower the Territory's reliance on debt to fund service provision, supporting the FITA principle of not passing debt onto future generations, in addition to facilitating stability and predictability of government service provision.

As shown in Table 4.3, the Territory's interest expense to revenue ratio is expected to be on average 0.8 percentage points above the state average in each year over the budget cycle, therefore not meeting this fiscal strategy target.

Table 4.3: Non financial public sector – interest expense to revenue ratio

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	%	%	%	%
2026-27 Budget	7.2	7.8	8.3	8.5
State average	6.4	7.1	7.5	n/a
Variation	0.8	0.7	0.8	n/a
Target on track	no	no	no	n/a

n/a: not available at the time of publishing the 2026-27 Budget

The higher ratio relative to state peers is largely influenced by:

- the Territory's credit rating, at Aa3 (stable), being equal lowest with Tasmania of all semi-government entities, combined with issuing longer dated bonds, resulting in higher returns paid to investors to compensate for higher perceived risk
- Territory bonds are not as liquid as state counterparts as they cannot be easily sold in secondary markets, with investors expecting higher returns
- the Territory's small population base and high reliance on Commonwealth funding constraining revenue growth.

Furthermore, as the Territory releases its budget ahead of all the states, the state average is premised on lagging budget data for each state and therefore does not reflect any new borrowings or recent financial market impacts.

Principle 4: Financial risks and Territory debt managed at prudent levels

Objective: To ensure the Territory's debt levels remain serviceable when compared to revenue and at prudent levels

Target: The Territory's net debt to revenue ratio at the non financial public sector be equal or lower than the average of the states in any year over the budget cycle

This fiscal strategy objective and target aims at maintaining the Territory's debt at prudent levels. During periods of low economic growth and constrained revenues, it may be prudent to raise higher levels of debt to maintain government expenditure and support the economy. When there is strong revenue growth and private sector investment, lower borrowings are justified as they present an opportunity to reduce debt. Consequently, prudent debt management is difficult to explicitly define and requires borrowings to be assessed in the context of prevailing economic and fiscal conditions.

The net debt to revenue ratio is a recognised measure of a jurisdiction's ability to repay borrowings, with a higher ratio indicating a lower ability to repay debt and a lower ratio indicating a stronger ability to repay debt. The net debt to revenue ratio is calculated as gross debt liabilities less select liquid financial assets as a proportion of total revenue for the non financial public sector.

This fiscal strategy objective and target compares the Territory's debt servicing capacity relative to the average of the states, representing the benchmark of the economic and fiscal conditions affecting all states, to assess whether debt is being managed prudently.

As shown in Table 4.4, the non financial public sector's net debt to revenue ratio is projected to be 117% in 2026-27, reducing to 116% by 2029-30, and above the state average in all years. Therefore, this fiscal strategy objective and target is not met. When compared to the state average, the variation declines indicating the Territory's ratio is likely to converge with the state average over the medium term. The Territory's higher net debt to revenue ratio is influenced by the same factors affecting the interest expense to revenue ratio as detailed earlier.

While this fiscal strategy measure was not met, when compared on an individual state basis against lagging state budget projections, the Territory is expected to have the third highest net debt to revenue ratio for 2026-27, with Victoria being the highest at 176% followed by New South Wales at 121%. By 2028-29, the Territory is expected to have the third lowest net debt to revenue ratio, with five states reporting ratios in excess of the Territory's projected ratio of 120%.

Table 4.4: Non financial public sector – net debt to revenue ratios

	2026-27	2027-28	2028-29	2029-30
	Budget	Forward estimate		
	%	%	%	%
2026-27 Budget	117	120	120	116
State average	107	113	117	n/a
Variation	10	7	3	n/a
Target on track	no	no	no	n/a

n/a: not available at the time of publishing the 2026-27 Budget

Ongoing objective: Maintain or improve the Territory's credit rating to lower risks of higher borrowing costs and improve the Territory's credit strength

Target: Territory's credit rating of Aa3 (stable) or better

Excessive debt can restrict government's capacity to maintain appropriate service levels through increased borrowing costs and impact investor confidence, resulting in negative effects on the Territory economy.

Moody's Investors Service (Moody's) assigns long-term issuer and debt ratings to the NTTC, the entity that issues debt on behalf of the Territory and its government owned corporations. NTTC's debt is guaranteed by the Territory and the rating reflects the Territory's credit quality.

Credit ratings provide an independent assessment of a government's fiscal strength and ability to fulfil its financial commitments and repay debt. Higher ratings indicate a strong fiscal and economic position, and result in the ability to borrow at lower interest rates. Lower ratings indicate credit challenges, such as revenue or policy weaknesses and increasing debt levels, and result in higher interest rates on borrowings to compensate investors for elevated credit risk. Negative outlooks reflect a potential downgrade within the next six months to two years.

This fiscal strategy objective and target aims at maintaining or improving the Territory's credit strength and attractiveness to potential investors, lowering the risk of higher borrowing costs and improving overall debt composition. The Territory's credit rating was last reviewed in April 2026 by Moody's on the 2025-26 Mid-Year Report, resulting in an unchanged credit rating for the Territory at Aa3 with a stable outlook. Accordingly, this fiscal strategy target has been met. Moody's is expected to reassess the Territory's credit rating, based on the 2026-27 Budget projections, in the last quarter of 2026.

Objective: Ensure government owned corporations are commercially sustainable

Target: Power and Water Corporation and Territory Generation to maintain an average return on assets equal to or greater than 6% over the budget cycle, Jacana Energy to maintain an average operating margin equal to or greater than 2.5% over the budget cycle

Government owned corporations operate on a commercial basis with the ability to recover most of their costs through charging consumers for the use of services. The Territory's government owned corporations are Power and Water Corporation, Territory Generation and Jacana Energy. Government owned corporations are governed under the *Government Owned Corporations Act 2001* and make up most of the public non financial corporation sector.

The Territory's debt levels and fiscal targets are materially impacted by the financial performance of government owned corporations. Maintaining commercially sustainable government owned corporations reduces reliance on government support, increases returns to government that can be used to fund service delivery or retire debt, reducing the impact on the Territory's debt levels.

Return on assets is a financial ratio that indicates how profitable an entity is relative to its assets and is a widely used commercial measure to assess how efficiently an entity uses its assets to generate returns. Return on assets is calculated as earnings before interest and tax, excluding impairment losses, profit or losses from the sale of fixed assets, capital contributions and grants, gifted assets and interest income, as a proportion of its average opening and closing asset base. A high ratio indicates greater efficiency, with an entity generating greater returns with a smaller capital investment. A low ratio indicates an entity is generating less returns relative to its assets.

Operating margin is a financial ratio that indicates the returns an entity generates relative to its costs. Given Jacana Energy does not utilise or hold assets to generate revenue, this measure is more appropriate in assessing its commercial sustainability.

Consequently, this fiscal strategy objective and target aims to strengthen government owned corporation commercial sustainability, increase accountability for financial performance and reduce their reliance on government support. It satisfies the FITA principles of ensuring funding for services is provided by the current generation and prudent debt management.

As detailed earlier in Chapter 2 *Fiscal outlook*, given the concurrent development of the Territory budget and the SCIs, the fiscal strategy targets reported in final SCIs may differ from those reported in this chapter. At the time of drafting, SCIs were not finalised.

Table 4.5 shows all three government owned corporations are expected to meet this fiscal strategy objective and target.

Table 4.5: Government owned corporations – return on assets/operating margin

	2026-27	2027-28	2028-29	2029-30	Average	Target on track
	Budget	Forward estimate				
	%	%	%	%	%	
Power and Water Corporation – return on assets \geq 6%	4.1	9.3	5.5	6.5	6.3	yes
Territory Generation – return on assets \geq 6%	5.5	6.8	7.8	6.5	6.7	yes
Jacana Energy – operating margin \geq 2.5%	2.6	3.1	3.0	3.2	3.0	yes

Chapter 5

Commonwealth revenue

Overview

The information provided in this chapter meets the requirements of sections 10(1)(b), 10(1)(c) and 10(1)(f) of the FITA in respect of Commonwealth revenues. It includes the Territory's current forecasts of Commonwealth revenues and assumptions on which they are based, and explanations of material differences from those published in the 2025-26 Budget.

Table 5.1 sets out the components of total Territory revenue for the non financial public sector for the 2025-26 revised budget, 2026-27 budget and forward estimates. It shows the Territory expects to receive \$7.71 billion in Commonwealth revenue in 2026-27, comprising untied revenue of \$5.1 billion and tied revenue of \$2.61 billion. In 2026-27, Commonwealth revenue is estimated to represent about 72% of total Territory revenue.

Table 5.1: Non financial public sector – components of total revenue

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Untied Commonwealth revenue	4 967	5 102	5 198	5 409	5 683
Tied Commonwealth revenue	2 493	2 607	2 528	2 477	2 436
Total Commonwealth revenue	7 460	7 709	7 726	7 886	8 119
Other non-Commonwealth grants ¹	53	34	23	19	18
Territory own-source revenue	2 889	2 958	3 233	3 132	3 171
Total revenue	10 403	10 702	10 983	11 037	11 308

¹ Includes grants from the private sector, non-government entities and other states, territories and local governments.

Analysis of variations in Commonwealth revenue over the budget and forward estimates is provided later in this chapter.

Table 5.2 compares the revised projections for total Commonwealth revenue from those published in the 2025-26 Budget and shows total Commonwealth revenue has been revised upwards in all years.

Table 5.2: Non financial public sector – variation in total Commonwealth revenue since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	7 139	7 224	7 322	7 569	7 605
2026-27 Budget	7 460	7 709	7 726	7 886	8 119
Variation from 2025-26 Budget	321	485	404	317	514

¹ Amounts not published in the 2025-26 Budget.

Table 5.3 presents variations in untied and tied Commonwealth revenue forecasts compared with the 2025-26 Budget.

Untied funding comprises GST revenue and is forecast to be higher in all years compared to the 2025-26 Budget due to a larger Territory population following data revisions, an increased Territory relativity outcome in 2026-27 and growth in the national GST collections pool.

Tied Commonwealth revenue is expected to increase from 2026-27 compared to the 2025-26 Budget, largely reflecting additional funding for the following agreements: National Health Reform, National Water Grid Fund, Remote Housing Northern Territory and Restoring Funding for Northern Territory Homelands. The 2025-26 revised estimate is \$76 million lower than the 2025-26 Budget largely due to hospital pricing and activity funding outcomes, and revised project delivery timing.

Table 5.3: Non financial public sector – variations in Commonwealth revenue components since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Untied Commonwealth revenue – GST revenue	396	377	238	209	228
Tied Commonwealth revenue	- 76	108	166	109	286
National federation funding agreements	- 23	83	129	182	260
Federation funding agreement schedules	- 33	55	13	- 38	4
National specific purpose payments ¹	- 7	7	3	3	nil
Other tied Commonwealth revenue ²	- 12	- 37	21	- 38	21
Total variation	321	485	404	317	514

1 The National Skills Agreement, which commenced on 1 January 2024 and replaced the National Agreement for Skills and Workforce Development specific purpose payment (SPP), is continuing to be paid as an SPP.

2 Includes Disaster Recovery Funding Arrangements and Commonwealth own-purpose expenses.

Fuel excise relief 2026

In April 2026, states and territories agreed to a \$400 million cost of living relief measure by not benefiting from additional GST from higher fuel prices. This funds an additional 5.7 cents per litre reduction in fuel excise from 1 April to 30 June 2026 on top of the Commonwealth's 26.3 cents per litre reduction in the same period. Each state and territory's contribution to the fuel excise relief program is based on its GST share. For the Territory, the contribution is \$19.7 million.

The relief is to be effected by a payment from states and territories to the Commonwealth in 2026-27 to fund a reduction in the fuel excise in 2025-26, rather than a direct reduction in GST as the fuel excise is the fastest and most direct way to lower prices. This results in an intergovernmental payment to the Commonwealth and corresponding GST revenue payment of \$19.7 million in 2026-27, with no expected net impact on the Territory's fiscal position.

GST revenue

Overview

GST revenue is the largest revenue transfer from the Commonwealth to the Territory, accounting for around 66% of Commonwealth payments and about 48% of total Territory revenue in 2026-27.

GST revenue is dependent on four parameters:

- national GST collections pool
- Territory's share of the national population
- Territory's GST relativity
- impact of GST distribution changes that commenced in 2021-22.

The Territory's GST revenue forecasts are detailed in Table 5.4, which shows GST revenue is expected to be higher in all years compared with the 2025-26 Budget.

Table 5.4: Territory GST revenue

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	4 571	4 725	4 960	5 200	5 455
2026-27 Budget	4 967	5 102	5 198	5 409	5 683
Variation from 2025-26 Budget	396	377	238	209	228
Annual change in 2026-27 Budget forecast (%)		2.7	1.9	4.1	5.1

1 Amounts not published in the 2025-26 Budget.

Table 5.5 details the contribution of each GST parameter to the revised Territory GST revenue forecast since the 2025-26 Budget. It shows the largest increase is due to population revisions, which impact GST revenue in all years. A higher relativity outcome contributes additional GST from 2026-27 and GST pool forecasts are slightly larger across all years.

Table 5.5: GST revenue variations by parameter since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Change caused by:					
GST collections pool	82	57	43	44	46
GST relativity ¹	- 5	138	52	11	15
Population share	133	139	146	157	170
Payment timing ²	180	7	nil	nil	nil
No-worse-off guarantee	4	29	- 8	- 8	- 9
Interactions ³	2	7	5	5	6
Total variation	396	377	238	209	228

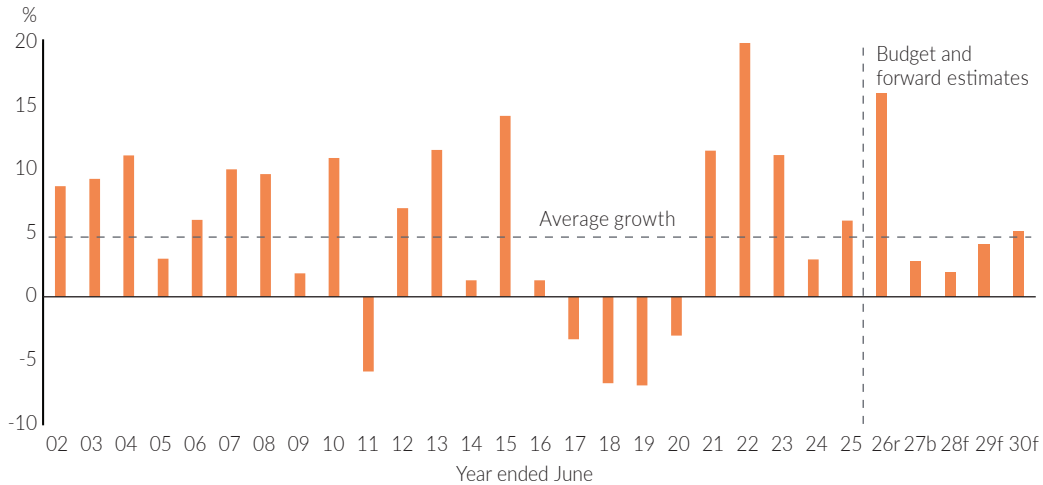
1 Relativity differences in 2025-26 are due to updated population data impacting final relativity calculations.

2 Payment timing reflects differences between Territory forecasts, Commonwealth budget GST advances and final entitlements, which are reconciled through balancing adjustments.

3 Interactions are the combined impacts of GST collections pool, population and relativity, which are different to these changes in isolation.

Chart 5.1 shows actual annual GST revenue growth for the Territory from 2001-02 to 2024-25 and estimates across the budget cycle to 2029-30. It highlights the volatility of Territory GST revenue, mainly due to fluctuations in the Territory's relativity and national GST collections pool, with actual annual growth rates ranging from -6.9% to 19.7%. Since the introduction of GST, the Territory's GST revenue has averaged annual growth of about 5%.

Chart 5.1: Territory GST revenue annual growth¹



b: budget; f: forecast; r: revised

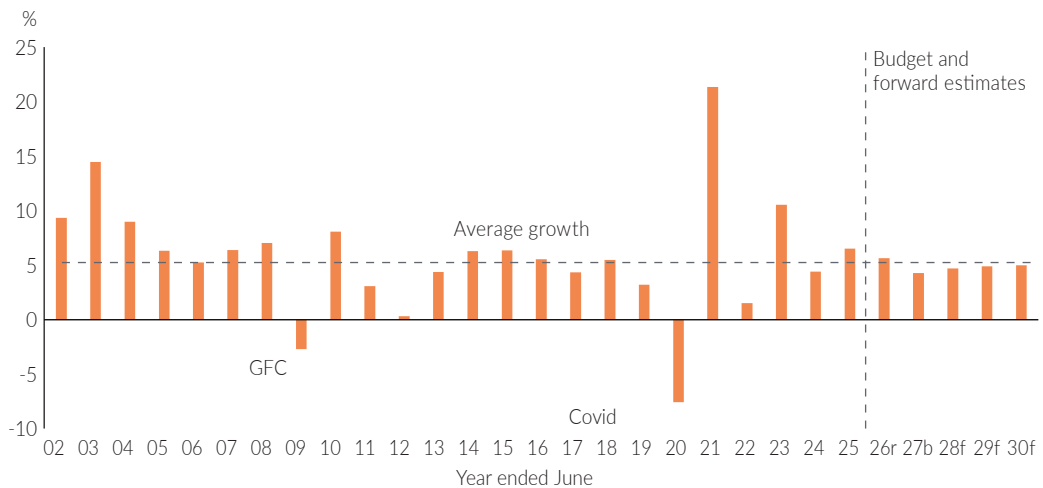
¹ GST revenue amounts include balancing adjustments for the over or under payment of GST revenue to the Territory from preceding financial years. Includes no-worse-off guarantee payments from 2022-23. Excludes GST top-up payment in 2017-18 and 2019-20.

Source: Commonwealth *Final Budget Outcome* 2001-02 to 2024-25, Department of Treasury and Finance estimates for 2025-26 to 2029-30

GST collections pool

The national GST collections pool determines the total amount of GST revenue available to be distributed to states and territories. It is heavily influenced by the broader performance of the national economy. Chart 5.2 shows the actual growth in the GST collections pool since 2001-02 to 2024-25, and estimates across the budget cycle to 2029-30.

Chart 5.2: Growth in the GST collections pool



b: budget; f: forecast; GFC: global financial crisis; r: revised

Source: Commonwealth *Final Budget Outcome*, 2001-02 to 2024-25, Department of Treasury and Finance estimates for 2025-26 to 2029-30

In 2025-26, the Territory expects the GST collections pool to increase by 5.6% from 2024-25. This is 0.3 percentage points higher than the 2025-26 Budget forecast. The GST collections pool is expected to grow by 4.3% in 2026-27.

The GST collections pool is mostly driven by national consumption and private dwelling investment. As GST is imposed on the nominal price of goods and services, collections are dependent on both the volume of consumption and investment, as well as the price of goods and services. GST is also impacted by the proportion of consumption related to non-taxable goods and services, such as fresh food, rent, and health and education services.

Compared to the 2025-26 Budget, the 2025-26 revised budget for GST pool growth reflects stronger than expected actual GST collections outcomes in 2024-25 and 2025-26 year to date, supported by strength in national consumption in line with employment and wages outcomes, and elevated inflation contributing to higher prices and nominal tax collections. While interest rates increased in February and March 2026, this, along with household debt levels, restrain the national consumption growth outlook.

Accordingly, compared to historical averages, the 2026-27 Budget forecasts slightly lower GST pool growth rates from 2026-27, though overall pool outcomes are expected to be higher compared to the 2025-26 Budget due to a higher base. The impact of the Middle East conflict on Australian consumption and the GST pool remain uncertain. Further discussion on risks affecting GST revenue is provided in Chapter 7 *Risks and contingent liabilities* and *Northern Territory Economy* book.

GST relativity

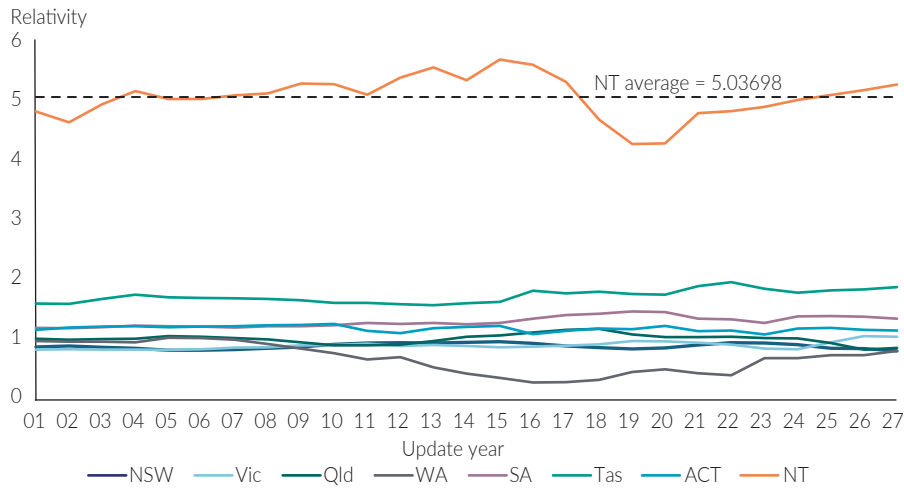
The GST relativity is a key parameter used to determine a state's GST revenue. The relativity determines whether a state will receive more or less than its population share of the GST collections pool.

GST relativities are determined annually by the Commonwealth Treasurer based on CGC recommendations. The CGC calculates relativities based on data over a three-year rolling period to derive a distribution of GST revenue that allows all states to provide services and infrastructure to a similar standard across the nation, having regard to differences in each jurisdiction's revenue-raising capacities, cost of service delivery and underlying service delivery needs, and subject to GST distribution reforms that commenced from 2021-22.

The CGC's assessed revenue-raising capacity and expenditure needs for the Territory differ from actual revenue or expenditure incurred by the Territory. The CGC does not make recommendations on how states should allocate budgets, nor does it consider all factors affecting the cost of delivering services in each state or territory. The Territory has consistently been assessed as requiring significantly more than its population share in GST funding to provide a national average level of government services due to high demand and service costs in the Territory.

Every five years, the CGC reviews the methods used to determine state and territory relativities, which are otherwise updated annually. The CGC 2026 Update recommended increasing the Territory's GST relativity to 5.24149 in 2026-27, from 5.15112 in 2025-26. Chart 5.3 illustrates the Territory's relativity over time and its greater volatility compared to other states.

Chart 5.3: Territory GST relativity, 2000-01 to 2026-27



Source: Commonwealth Grants Commission

There are many reasons for the increase in the Territory's relativity in the 2026 Update. The main positive influences are the increased Territory capital investment needs following population revisions and cessation of covid-related business support payment programs, which temporarily increased relativities in New South Wales and Victoria, and decreased those in other jurisdictions. The positive influences were partly offset by data revisions for remote health and the Territory receiving a higher share of Commonwealth payments, particularly for National Water Grid Fund projects, which are assessed as reducing the Territory's overall fiscal need.

The 2026-27 Budget GST forecasts adopt the 2026 Update's actual relativities for 2026-27. The Territory's GST relativity forecasts for the forward estimates are generally based on a three-year average relativity held constant over the forecast period. However, from 2027-28, an adjustment has been included to account for historically atypical mining data rolling out of the three-year GST assessment period. This reflects an expectation that unusually high mineral prices and volumes in 2022-23, particularly for coal, are unlikely to persist, impacting relativity calculations from the 2027 Update. All other things being equal, this is expected to increase GST relativities in New South Wales and Queensland, and reduce GST in other states except Western Australia.

Population share

A jurisdiction's national population share affects its GST revenue. Shares are influenced by the level of population growth in each state and territory relative to national population growth.

The Territory uses its own estimates of Territory population growth, given its local knowledge regarding major projects and other events that may affect migration levels. Estimates of other states' populations are based on projections prepared by the ABS. Chapter 4 of the *Northern Territory Economy* book provides more detail on the Territory's population characteristics and forecast growth patterns.

In its June 2025 release of December quarter 2024 population data, the ABS amended population estimation methodologies and revised all states' population data, retrospectively applied from the 2021 Census. The Territory's revisions were proportionately the largest of any jurisdiction, adding around 6,600 persons between the ABS September and December 2024 releases, compared to an increase of around 90,000 persons nationally. The Territory's national population share increased from an expected 0.93% in the 2025-26 Budget to 0.95% in the 2026-27 Budget.

As set out at Table 5.5, this is expected to significantly increase the Territory's GST in all years from 2025-26. Population data revisions also contributed to the higher Territory relativity in 2026-27 as population is used to determine service costs and needs.

The Territory's forecast share of the national population for GST purposes is otherwise largely stable at around 0.95% across the forward estimates.

Payment timing

Annual GST payments to the states are made in line with Commonwealth budget forecasts. As the Commonwealth budget is prepared prior to final GST entitlements being determined, the amount paid by the Commonwealth as a GST advance may be more or less than a state's actual entitlement, which is determined in the Commonwealth's *Final Budget Outcome*. Any differences between the Commonwealth's GST advances and the *Final Budget Outcome* entitlements are reconciled through balancing adjustments in the subsequent year's GST payments to the states and territories.

The Territory adopts the most recent Commonwealth forecast of GST advances plus the *Final Budget Outcome* balancing adjustment when forecasting current year GST revenue as this reflects the most likely payment outcome. Balancing adjustments change the financial year in which the revenue is received but do not impact overall GST revenue entitlements.

The Territory's *Final Budget Outcome* 2024-25 balancing adjustment, paid in 2025-26, was an additional \$147.9 million, compared to a forecast decrease of \$19 million in the Territory 2025-26 Budget. The increase was primarily due to Territory population data revisions, as well as higher end-of-year GST national collections pool outcomes. In the 2026-27 Budget, the Territory's 2025-26 GST revenue is aligned to the Commonwealth 2025-26 *Mid-Year Economic and Fiscal Outlook* and *Final Budget Outcome*. As the Commonwealth forecast is slightly lower than the Territory 2026-27 Budget, further payment timing adjustments are made to reflect the difference.

In 2026-27, GST forecasts also include a payment timing adjustment of \$19.7 million to reflect expected additional GST from higher fuel prices from April to June 2026. An amount equivalent to this revenue will be paid to the Commonwealth in exchange for lower 2025-26 fuel excise, effectively returning this revenue to households through lower fuel prices.

In total, the Territory expects a modest increase of \$6.6 million from payment timing adjustments in 2026-27.

GST distribution changes

GST relativities are calculated by the CGC in accordance with horizontal fiscal equalisation (HFE). The principle of HFE is to provide each state with the fiscal capacity to deliver the same or similar standard of services and associated infrastructure if each made the same effort to raise revenue from own sources and operated at the same level of efficiency.

Changes to the way GST revenue is distributed came into effect in 2021-22 under the Commonwealth's *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*. The changes fundamentally alter HFE principles with the effect that most states, excluding Western Australia, would be funded to a lower standard of services and infrastructure without the Commonwealth's no-worse-off guarantee payments.

From 2026-27, the GST distribution reforms include:

- a minimum relativity of the lower of New South Wales or Victoria
- a further relativity floor of 0.75
- Commonwealth-funded top-ups to the GST pool of \$981 million in 2024-25, ongoing annually and indexed in line with GST pool growth
- a temporary no-worse-off guarantee to the end of 2029-30.

To date, the reforms have exclusively benefitted Western Australia, which would otherwise have had a relativity well below the minimum floor due to exceptionally high own-source revenue capacity associated with mining royalties.

The Territory and other states are currently protected from the negative impacts of the reforms due to the Commonwealth's temporary no-worse-off guarantee payments. The Territory forecasts \$212 million in no-worse-off guarantee payments from 2025-26 to 2029-30, compared to \$205 million over this period in the 2025-26 Budget. The changes reflect updated relativity, pool and population forecasts set out in this chapter.

The GST distribution changes are currently under review by the Productivity Commission, with a final report due by the end of 2026.

Tied Commonwealth revenue

The majority of tied Commonwealth funding to the Territory is provided under the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) through national federation funding agreements and Federation Funding Agreement (FFA) schedules. Tied funding is also provided outside the IGA FFR through Commonwealth own-purpose expense (COPE) funding arrangements.

National federation funding agreements are bespoke, complex arrangements that contain significant policy intent and act as sources of longer-term funding.

FFAs cover five sectors, including:

- health
- education and skills
- infrastructure
- environment
- affordable housing, community services and other agreements.

Funding arrangements are detailed in FFA schedules.

In 2025-26 and 2026-27, the Territory expects to receive \$2.49 billion and \$2.61 billion, respectively, in tied Commonwealth funding payments. A further \$7.44 billion is expected to be received over the forward estimates. Table 5.6 sets out tied Commonwealth revenue components for the Territory.

Table 5.6: Tied Commonwealth revenue components

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
National federation funding agreements	1 128	1 295	1 409	1 536	1 554
Better and Fairer Schools Agreement	583	644	711	785	809
National Health Reform Agreement	486	592	639	690	746
National Agreement on Social Housing and Homelessness	57	58	59	60	
National Mental Health and Suicide Prevention Agreement	2				
Federation funding agreement schedules	1 167	1 126	946	817	780
Land Transport Infrastructure Projects	200	316	388	353	375
Remote Housing Northern Territory	199	192	201	193	199
Northern Territory Remote Aboriginal Investment	114	125	123	116	127
National Legal Assistance Partnership/National Access to Justice Partnership	62	63	65	66	67
National Water Grid Fund	78	60	74	58	9
Comprehensive Primary Health Care Delivery	48	49	51		
Restoring Funding for Northern Territory Homelands	82	55			
Hospital and related health services	51	66			
Mine remediation	76	1			
National Critical Care and Trauma Response Centre	22	19			
Central Australia Plan: A Better, Safer Future for Central Australia	3	38			
Social Housing Accelerator	28	9			
Other federation funding agreement schedules	204	133	44	31	3
National specific purpose payments/National Skills Agreement¹	31	39	34	29	
Other tied Commonwealth revenue²	168	147	139	95	101
Total tied Commonwealth revenue	2 493	2 607	2 528	2 477	2 436

¹ The National Skills Agreement, which commenced on 1 January 2024 and replaced the National Agreement for Skills and Workforce Development specific purpose payment (SPP), is continuing to be paid as an SPP.

² Includes Disaster Recovery Funding Arrangements and COPEs.

Year-on-year variances in tied funding payments mostly reflect program completions, agreement expiry, expected delivery timeframes and payment schedules. Unlike national federation funding agreements, FFA schedules and other tied Commonwealth revenue arrangements can include shorter term, program-specific funding commitments with less ongoing funding certainty.

Table 5.7 shows the variance in tied funding payments forecasts compared to the 2025-26 Budget.

Table 5.7: Tied Commonwealth revenue – variations since 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
National Health Reform Agreement	- 19	87	134	185	241
Mine remediation	74	1			
Hospital and related health services		66			
Remote Housing Northern Territory	26	14	16		- 3
National Water Grid Fund	- 62	3	34	58	9
Restoring Funding for Northern Territory Homelands	16	15			
Barkly Regional Deal	6	8			
Medicare urgent care clinics	8	3	3		
Central Australia Plan: A Better, Safer Future for Central Australia	- 12	23			
Preschool Reform Agreement		5	4		
Land Transport Infrastructure Projects	- 74	- 117	- 65	- 97	
Other agreements ¹	- 39		40	- 37	39
Total variation	- 76	108	166	109	286

¹ Includes all other minor variations across tied funding agreements, including national agreements, FFAs, SPPs and COPEs.

Variances in 2025-26 and 2026-27 are mainly due to revisions to project timing, release of funding in line with milestone completion or other revisions to individual projects. Changes over the forward estimates are generally driven by new or extended agreements being entered into since the last publication. Significant changes from 2025-26 to 2029-30 since the 2025-26 Budget include:

- \$628 million in additional funding for the National Health Reform Agreement, reflecting the outcome of national health and disability funding negotiations in early 2026, which included a new five-year addendum to hospital funding from 1 July 2026 to 30 June 2031
- \$75 million for mine remediation. Variances are reported annually for this agreement as current-year funding is published while future payments are generally not for publication to encourage competitive tender processes
- \$66 million in 2026-27 for hospital and related health services as part of the National Health Reform Agreement negotiation outcomes. This provides funding to reflect the additional hospital costs faced by small states until costs can be reviewed by the Independent Health and Aged Care Pricing Authority (IHACPA). This funding will be extended if IHACPA's advice on a small jurisdiction weighting is not delivered before the end of 2026-27
- \$53 million variation to the Remote Housing Northern Territory agreement due to revised timing of Commonwealth funding and construction milestones
- \$42 million under the National Water Grid Fund including for Galiwin'ku network upgrade and water quality planning strategy, Gove peninsula water supply upgrade – Gunyangara (phase 2), Upper King managed aquifer recharge stage 2B – recharge trial, and Alice Spring aquifer protection study. The variance also reflects revised timing of construction milestones and funding for some existing projects

- \$31 million variation to the Restoring Funding for Northern Territory Homelands agreement due to revised timing of Commonwealth funding and construction milestones
- \$14 million variation for the Barkly Regional Deal reflecting revised timing of Commonwealth funding and construction milestones
- \$14 million in new funding for the updated Medicare urgent care clinic agreement that was signed in October 2025
- \$11 million variation for the Central Australia Plan: A Better, Safer Future for Central Australia agreement reflecting revised timing of Commonwealth funding and construction milestones
- \$9 million variation for the two-year Preschool Reform Agreement extension agreed in November 2025
- the increases are partly offset by a \$353 million decrease in Land Transport Infrastructure Projects funding relating to revised timing of investment road projects into future years beyond the forward estimates.

The Territory budget typically incorporates Commonwealth funding when agreements are signed, with agreements under development or negotiation generally excluded. Where agreements contain sufficiently specific performance obligations, revenue is recognised by the Territory as services are delivered. Where agreements do not contain sufficiently specific performance obligations, the Territory recognises revenue upon receipt of funds. Accordingly, timing variations will occur between revenue recognised by the Territory and payments specified in individual funding agreements.

The following provides more information on the key agreements in Table 5.6.

National federation funding agreements

Better and Fairer Schools Agreement

The Territory expects to receive \$3.5 billion over the budget cycle to 2029-30 for government and non-government schools.

The Better and Fairer Schools Agreement (BFSA) commenced in January 2025, replacing the National School Reform Agreement. The agreement is the Commonwealth's main schooling funding arrangement for states and territories and contains a range of national priorities and reform directions, which aim to improve education outcomes. Funding is largely calculated based on student enrolments and agreed contributions to the national Schooling Resource Standard.

The Territory and Commonwealth governments have bilaterally agreed to achieving a Schooling Resource Standard of 100% for Territory government schools over the life of the BFSA. The BFSA contains a funding schedule to achieve a Territory contribution of 60% and a Commonwealth contribution of 40% by 2029. BFSA funding projections generally reflect the bilateral BFSA schedule, as well as projected changes in the Schooling Resource Standard and student enrolments.

National Health Reform Agreement

The Territory expects to receive \$3.2 billion over the budget cycle to 2029-30 for public hospitals.

The National Health Reform Agreement (NHRA) is the Commonwealth's primary funding mechanism for public hospitals and is determined based on hospital activity and price outcomes. NHRA funding is subject to five-yearly addenda, which are periodically renegotiated.

In January 2026, the Commonwealth and all states and territories concluded negotiations on a suite of health and disability reforms that included a new five-year addendum for hospital funding from 1 July 2026 to 30 June 2031. The new addendum increased state and territory hospital funding growth from up to 6.5% annually to 10.25% in 2026-27 and 8% in the remaining years to 2030-31.

The health funding package also provides \$66 million to the Territory in 2026-27 through a separate FFA schedule to reflect the additional hospital costs faced by small states, until costs can be reviewed by IHACPA. This funding will be extended if IHACPA's advice on a small jurisdiction weighting is not delivered before the end of 2026-27.

The increased hospital funding outcome is part of a broader suite of health and disability reforms, which includes new disability support services known as Foundational Supports to commence from October 2026. The first phase of Foundational Supports is the Thriving Kids program, which aims to support children aged 8 years and under with autism and or developmental delay and low to moderate support needs, jointly funded by the Commonwealth, states and territories.

The commencement of Foundational Supports corresponds with National Disability Insurance Scheme (NDIS) sustainability reforms, which aim to reduce annual NDIS expenditure growth to 6% or lower, and revised maximum annual state and territory NDIS funding contribution indexation from 1 July 2028, from 4% to the lesser of 8% or actual NDIS scheme cost growth.

National Agreement on Social Housing and Homelessness

The Territory expects to receive \$234 million to 2028-29 to help people who are experiencing or at risk of homelessness, and support effective operation of the Territory's social housing and homelessness service sectors.

Federation funding agreement schedules

National Partnership Agreement on Land Transport Infrastructure Projects

Across the budget cycle to 2029-30, the Territory expects to receive \$1.6 billion for land transport infrastructure projects.

The agreement contributes to a national transport system that is safe, sustainable, drives economic growth and supports a competitive infrastructure market. The agreement has several components, including roads of strategic importance, black spot projects, heavy vehicle safety, bridges renewal, and the developing Northern Australia roads program. The agreement is routinely revised in line with project delivery outcomes.

Remote Housing Northern Territory

The Territory expects to receive \$984 million over the budget cycle to 2029-30 to deliver and manage remote housing to reduce overcrowding.

The Remote Housing Northern Territory agreement commenced in 2024 and is a \$4 billion jointly funded Commonwealth and Territory 10-year commitment to deliver up to 270 homes each year in remote communities across the Territory, or 2,700 homes over the life of the arrangement. The agreement operates under a formal partnership with the Aboriginal community sector.

Northern Territory Remote Aboriginal Investment

The Territory expects to receive \$605 million across the budget cycle to 2029-30 to invest in Aboriginal self-determination to close the gap.

In February 2025, the Territory and Commonwealth governments signed a new six-year partnership agreement with Aboriginal Peak Organisations Northern Territory to strengthen remote services from 2025-26, supported by FFA schedules from December 2025 for remote policing, alcohol harm reduction, early learning and access to education, aboriginal interpreter services, child and family, and oral and hearing health services. In addition to funding to the Territory, some funding is provided directly by the Commonwealth to support the Aboriginal community sector.

National Access to Justice Partnership

The Territory expects to receive \$323 million across the budget cycle to 2029-30 under the National Access to Justice Partnership Agreement (NAJP) to provide a range of community legal services.

The NAJP commenced on 1 July 2025 and provides funding for essential legal services to people unable to afford private legal services, services for women and children experiencing family and domestic violence, and culturally appropriate legal services to Aboriginal and Torres Strait Islander people.

National Water Grid Fund

The Territory expects to receive \$279 million across the budget cycle to 2029-30. The fund aims to develop nationally important water infrastructure projects that support primary industries and unlock potential, promote growth and sustainability of regional economies, build resilience, and improve water reliability and security.

The fund includes support for community bores, the Manton Dam return to service project and project development for the Adelaide River off-stream water storage, as well as water-related studies, strategies and plans.

Comprehensive Primary Health Care Delivery

The Territory expects to receive \$148 million across 2025-26 to 2027-28. The agreement was signed in October 2024 and provides funding for the delivery of culturally appropriate primary health care services to Aboriginal and Torres Strait Islander people in the Territory.

Restoring funding for Northern Territory Homelands

The Territory expects to receive \$82 million in 2025-26 and \$55 million in 2026-27 to deliver housing and essential infrastructure on Territory homelands.

Mine remediation

The Territory has budgeted to receive \$76 million in 2025-26 and \$1 million in 2026-27 to deliver mine remediation projects. Future funding for mine remediation is generally not for publication to allow competitive tender processes.

National Critical Care and Trauma Response Centre

The Territory expects to receive \$22 million in 2025-26 and \$19 million in 2026-27 to support the continued operation and development of the national critical care and response centre as Australia's centre of excellence for health disaster response.

Central Australia Plan: A Better, Safer Future for Central Australia

The Territory expects to receive \$3 million in 2025-26, and \$38 million in 2026-27 under A Better, Safer Future for Central Australia investment package.

The Central Australia Plan is focused on improving community safety and cohesion, job creation and better health services. It includes funding for on-country learning to support improved student enrolment, engagement, wellbeing and learning outcomes, and a community infrastructure package to support projects that improve regional development, economic, social and cultural outcomes.

Social Housing Accelerator

The Territory has budgeted \$28 million in 2025-26 and \$9 million in 2026-27 to deliver additional social housing in the Territory. This reflects the recognition of revenues in line with project delivery timeframes following an upfront payment in 2022-23.

Other federation funding agreement schedules

The Territory expects to receive \$415 million across the budget cycle to 2029-30 under a number of other FFA schedules including funding for health, education, housing, and environmental services and programs.

The decline in other FFA funding over the budget and forward estimates is mostly due to the expiry of agreements, some of which are expected to be renegotiated.

National Skills Agreement (specific purpose payments)

The Territory expects to receive \$133 million from 2025-26 to 2028-29 to support vocational education and training.

The National Skills Agreement includes payment streams for baseline vocational education and training sector services, as well as TAFE centres of excellence, vocational education and training workforce, national TAFE networks, closing the gap, improved completions, foundational skills, and data and evidence reporting.

Other tied Commonwealth revenue

The Territory receives other tied revenue from the Commonwealth, including COPE and contingent payments. COPEs are primarily payments made by the Commonwealth directly to a Territory agency to provide specific services or for on-passing to non-government or local government organisations. Contingent payments include funding under Disaster Recovery Funding Arrangements.

The Territory expects to receive \$650 million across the budget cycle to 2029-30 for other tied Commonwealth agreements. The forecast decline over the forward estimates is largely attributable to the expiry of health-related COPE agreements, some of which are currently under negotiation and expected to be renewed.

Disaster Recovery Funding Arrangements payments are likely to vary following major Territory flooding events in early 2026 as the size of in-scope claims becomes quantified. This includes immediate support to impacted households and businesses, and longer-term reconstruction projects.

Other Commonwealth commitments for the Territory

The Commonwealth has announced a number of funding arrangements for the Territory that are still under negotiation and have not yet been incorporated in the Territory's budget as business cases and agreements are still to be finalised. These agreements include:

- \$1.5 billion to support the construction of common-user marine infrastructure within the Middle Arm Sustainable Development Precinct
- \$440 million to support the development of regional logistic hubs.

Chapter 6

Territory taxes and royalties

Overview

In accordance with sections 10(1)(c) and 10(1)(f) of the FITA, this chapter includes forecasts of the Territory's tax and royalty revenues, and explanations for material variations between the current forecasts and those published in the 2025-26 Budget. It also compares Territory taxes and royalties with those in other jurisdictions to demonstrate that Territory tax policies are consistent with the FITA principles of sound fiscal management. In accordance with section 10(1)(d), this chapter also contains an overview of the Territory's forecast tax expenditure as a result of concessions and exemptions for 2026-27 to 2029-30.

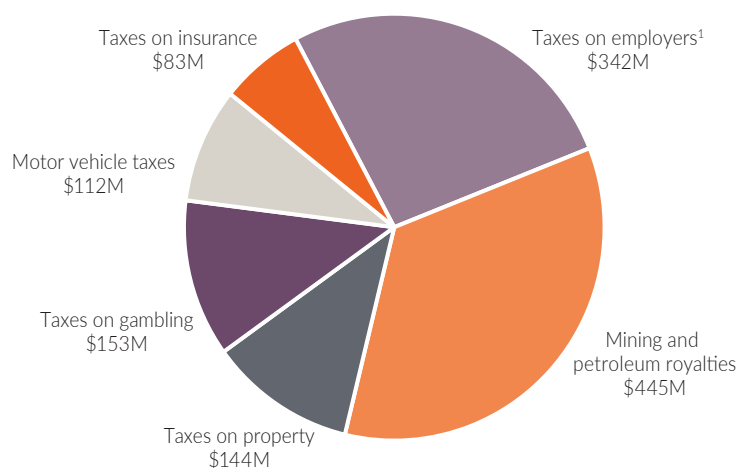
The Territory raises own-source revenue from a range of sources including taxes, mining and petroleum royalties, fees and charges, rent and tenancy income, interest and dividend revenue, and profit and loss on the disposal of assets. Taxation and royalty revenue represents the largest source of own-source revenue, expected to account for 43% of total own-source revenue, or 12% of total non financial public sector revenue in 2026-27.

The Territory's revenue sources are generally similar to those of other states, except for land tax, which the Territory does not impose. However, unlike most jurisdictions, the Territory relies heavily on Commonwealth funding. In 2026-27, its own-source revenue is projected to be only 28% of non financial public sector revenue, compared with an average of around 60% in other states. This higher reliance on Commonwealth payments reflects the Territory's limited capacity to raise revenue, driven by its small population of just over 264,000 people and relatively narrower industry base and private sector.

Analysis of Territory taxes and royalties

In 2026-27, revenue from taxes and royalties is estimated to total \$1.28 billion. The main contributors are mining and petroleum royalties at \$445 million (35%), taxes on employers (payroll tax) at \$342 million (27%), taxes on gambling at \$153 million (12%) and taxes on property (stamp duty) at \$144 million (11%). Chart 6.1 illustrates the components of tax and royalty estimates for 2026-27.

Chart 6.1: Territory taxes and royalties, 2026-27



¹ Excludes internal payroll tax payments within the non financial public sector.

Table 6.1 provides forecasts for Territory taxes and royalties by category for current and future financial years. Revenue from taxes and royalties is expected to decrease slightly from \$1.29 billion in 2025-26 to \$1.28 billion in 2026-27, then average \$1.32 billion per annum over the forward estimates.

Table 6.1: Territory taxes and royalties components

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Taxation revenue	903	833	863	896	930
Taxes on employers	323	342	351	369	388
Taxes on property	245	144	147	149	151
Taxes on gambling	149	153	161	165	169
Motor vehicle taxes	108	112	116	119	122
Taxes on insurance	78	83	88	94	101
Mining and petroleum royalties	388	445	403	424	437
Total taxes and royalties revenue	1 291	1 278	1 266	1 320	1 367

Table 6.2 compares the updated forecasts for total tax and royalty revenue with the forecasts included in the 2025-26 Budget. The variations are largely due to stronger than expected growth in mining and petroleum royalties, and receipts from stamp duty and payroll taxes.

Table 6.2: Territory taxes and royalties – variation from 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
2025-26 Budget	1 094	1 005	1 097	1 065	1 102
2026-27 Budget	1 291	1 278	1 266	1 320	1 367
Variation from 2025-26 Budget	197	273	169	255	265

¹ Amounts not published in the 2025-26 Budget.

Table 6.3 highlights the variation in tax and royalty forecasts from the 2025-26 Budget by category. Analysis of significant variations is provided later in this chapter.

Table 6.3: Territory taxes and royalties – variations in revenue components from 2025-26 Budget

	2025-26	2026-27	2027-28	2028-29	2029-30 ¹
	Revised	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
Taxation revenue	155	88	90	91	92
Taxes on employers	46	65	59	60	61
Taxes on property	105	19	19	18	19
Taxes on gambling	4	7	14	15	15
Motor vehicle taxes	5	5	6	6	7
Taxes on insurance	- 6	- 7	- 8	- 8	- 9
Mining and petroleum royalties	42	185	79	163	174
Variation from 2025-26 Budget	197	273	169	255	265

¹ Amounts not published in the 2025-26 Budget.

Revenue initiatives in 2026-27

Payroll tax rate increase for entities paying wages of \$100 million or greater

From 1 July 2026, a higher payroll tax rate of 6.5% will apply to employers with Australia-wide wages of \$100 million or greater per annum. This includes both employers who are at or exceed the \$100 million threshold in their own right, and employers who, while individually below the threshold, are members of a payroll tax group whose aggregated Australia-wide wages are \$100 million or greater in a financial year. Employers and groups below the \$100 million threshold will continue to pay payroll tax at 5.5%.

The introduction of the higher rate ensures the largest employers contribute a greater share of payroll tax revenue, while maintaining existing tax-free threshold and deduction arrangements for all employers and groups with Australia-wide wages below \$100 million. Based on the composition of the current payroll tax base, this change is estimated to raise about \$25 million in additional revenue per annum from 2026-27.

Taxation revenue

The Territory's taxation revenue is derived from taxes on employers (payroll tax), property (stamp duty), gambling activity, insurance and motor vehicles. Taxation revenue for 2025-26 is expected to total \$903 million, before easing to \$833 million in 2026-27, largely reflecting anticipated rebalancing of stamp duty collections. Over the forward estimates, taxation revenue is projected to strengthen steadily, supported by stable growth across all tax categories in line with the broader economic conditions in the Territory.

As shown in Table 6.3, total taxation revenue is expected to be \$155 million higher in 2025-26 and \$88 million higher in 2026-27 than forecast in the 2025-26 Budget, primarily due to stronger than anticipated payroll tax and stamp duty receipts.

Taxes on employers

Payroll tax

Payroll tax is payable in the Territory when the total annual Australian wages of an employer (or group of employers) exceed \$2.5 million. Payroll tax is currently imposed at a rate of 5.5% on taxable Territory wages, after an allowable annual deduction of up to \$2.5 million. From 1 July 2026, if an employer's (or payroll tax group's) total Australia-wide wages are \$100 million or greater, a higher rate of 6.5% will apply.

The amount of the allowable deduction is based on a sliding scale starting at \$2.5 million and reducing by \$1 for every \$2 in wages paid by an employer over \$2.5 million. This means an employer paying wages of \$4.5 million receives a deduction of \$1.5 million, whereas an employer paying wages of \$7.5 million or more receives no deduction and payroll tax is calculated on the total taxable Territory wages paid by that employer.

As shown in Table 6.1, payroll tax revenue is expected to total \$323 million in 2025-26, \$46 million higher than forecast in the 2025-26 Budget, reflecting stronger than expected domestic activity and employment outcomes. Payroll tax is expected to increase to \$342 million in 2026-27, reflecting the impact of the increased payroll tax rate for employers who have Australia-wide wages of \$100 million or more per annum. Steady growth is expected from 2027-28 in line with broader economic activity.

Taxes on property

Conveyance and related duty (stamp duty)

Tax on property in the Territory consists of conveyance and related duty, more commonly known as stamp duty. Stamp duty is imposed on direct and indirect conveyances of dutiable property in the Territory. Dutiable property includes land and chattels acquired with land.

The rate of stamp duty in the Territory depends on the dutiable value of the property. For property with a dutiable value not exceeding \$525,000, duty is calculated using a formula. For property with a dutiable value greater than \$525,000, duty is imposed at fixed rates based on the value of the property being conveyed, as outlined in Table 6.4.

Table 6.4: Stamp duty rates on property valued greater than \$525,000

	Stamp duty rate
Value range of property being conveyed:	%
Exceeds \$525,000 but less than \$3,000,000	4.95
\$3,000,000 to less than \$5,000,000	5.75
\$5,000,000 or greater	5.95

The Territory's stamp duty regime is different to other states, which levy stamp duty based on marginal rates. A comparison of the Territory's stamp duty regime with other states is provided later in this chapter.

As reported in Table 6.1, stamp duty revenue is estimated at \$245 million in 2025-26, before reducing to \$144 million in 2026-27 and averaging around \$149 million per annum over the forward estimates. The elevated outcome in 2025-26 reflects very significant investor activity and the extended homeowner grants program, partially offset by the effect of a higher cash rate. Stamp duty revenue also remains sensitive to the timing and scale of large commercial transactions.

Table 6.3 shows stamp duty revenue in 2025-26 is estimated to be \$105 million higher than forecast in the 2025-26 Budget. This upward revision reflects increased duty receipts from several large commercial transactions in the year, as well as stronger than expected price growth in the residential property market. From 2026-27 through the forward estimates, stamp duty revenue is estimated to be \$19 million higher on average than forecast in the 2025-26 Budget.

Taxes on the provision of goods and services

Taxes on gambling

Gambling taxes in the Territory consist of community gaming machine tax, bookmaker tax, lotteries tax, community benefit levy, casino/internet tax, betting exchange tax and wagering tax. Gambling tax revenue is a consistent and relatively stable contributor to Territory own-source revenue.

As shown in Table 6.1, gambling taxes are forecast to total \$149 million in 2025-26, increasing to \$153 million in 2026-27, before rising steadily over the forward estimates. This reflects the progressive implementation of a uniform 50% tax rate for internet gaming licensees, with transitional arrangements ending on 30 June 2027. Table 6.5 provides the revenue forecast for gambling taxes by category.

Table 6.5: Gambling tax components

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
Community gaming machine tax	55 824	57 613	59 459	61 365	63 331
Bookmaker tax	32 748	33 236	33 745	34 274	34 826
Lotteries tax	17 896	17 896	17 896	17 896	17 896
Community benefit levy	17 797	18 397	19 020	19 668	20 341
Casino/internet tax	22 171	22 497	28 218	28 544	28 871
Betting exchange tax	2 900	2 980	3 060	3 140	3 220
Wagering tax	25	25	25	25	25
Total	149 361	152 644	161 423	164 912	168 510

Community gaming machine tax is levied on gross profits (that is, net player losses) from electronic gaming machines in Territory clubs and pubs. In 2025-26, revenue is estimated to total \$55.8 million, exceeding the 2025-26 Budget forecast by \$7 million. In 2026-27, revenue is expected to increase to \$57.6 million and steadily increase by \$1.9 million per annum over the forward estimates in line with overall population growth and economic activity.

Bookmaker tax is expected to total \$32.8 million in 2025-26, which is \$0.2 million higher than forecast in the 2025-26 Budget. Revenue is expected to increase by \$0.5 million per annum ongoing from 2026-27.

Lotteries tax revenue is expected to total \$17.9 million in 2025-26, around \$1.99 million lower than forecast in the 2025-26 Budget. From 2026-27, revenue is expected to total \$17.9 million and remain steady across the forward estimates.

Revenue from the community benefit levy largely correlates with community gaming machine tax receipts. The community benefit levy is expected to yield revenue of around \$17.8 million in 2025-26, which is \$2 million higher than in the 2025-26 Budget. Receipts of \$18.4 million are expected in 2026-27, with steady growth over the forward estimates.

Casino/internet tax revenue is expected to total \$22.2 million in 2025-26, around \$2.8 million lower than the 2025-26 Budget. In 2026-27, revenue is expected to increase to \$22.5 million with receipts forecast to average \$28.5 million over the forward estimates due to policy changes to internet gaming tax settings being fully implemented.

Betting exchange tax revenue is expected to total \$2.9 million in 2025-26, in line with the 2025-26 Budget forecast. Revenue is expected to grow steadily with average receipts of \$3.1 million from 2026-27 over the forward estimates.

Wagering tax revenue is expected to total \$25,000 in 2025-26 and remain steady across the forward estimates. This is \$4,000 lower than forecast in the 2025-26 Budget, reflecting an ongoing shift in gambling practices and behaviours as wagering activity increasingly takes place online and physical betting venues close.

Taxes on insurance

Territory insurance tax presently consists of stamp duty on general insurance policies. Stamp duty on general insurance is calculated at a rate of 10% of the premium paid on all general insurance products relating to property or risk in the Territory. Where the policy also relates to a risk or property outside the Territory, the premium is apportioned.

Table 6.1 shows that insurance duty is estimated to total \$78 million in 2025-26, around \$6 million lower than forecast in the 2025-26 Budget. Receipts are expected to total \$83 million in 2026-27 and grow by around 7% per annum over the forward estimates. When compared to the 2025-26 Budget, insurance duty is expected to be lower in all years. While this outcome is lower than expected, growth in recent years has been strong and is expected to remain above historical trends due to premium growth and the effects of inflation.

Taxes on use of goods and performance of activities

Motor vehicle taxes

Motor vehicle taxes comprise stamp duty on initial registration and transfer of motor vehicles, motor vehicle registration fees and the passenger service levy.

As reported in Table 6.1, motor vehicle taxes are expected to total \$108 million in 2025-26 and grow to \$112 million in 2026-27. Revenue is expected to increase moderately across the forward estimates, reaching \$122 million by 2029-30, largely reflecting continued growth in motor vehicle registration fee revenue and passenger service levy collections.

Stamp duty, which forms part of the total collections from motor vehicle taxes, is levied on the purchase price of a vehicle at a rate of \$3 per \$100 or part thereof. In 2025-26, motor vehicle stamp duty revenue is estimated to total \$35.1 million. Revenue is expected to increase to \$35.3 million in 2026-27 and continue to grow moderately over the forward estimates, reaching \$37.2 million by 2029-30.

Motor vehicle registrations comprise heavy and light vehicle registrations. Fees for registering motor vehicles are set out in *Motor Vehicles (Fees and Charges) Regulations 2008*. Light vehicle registration fees are calculated by reference to a differential rate scale based on the engine capacity of the vehicle. Fees are defined in revenue units, with the monetary value of a revenue unit indexed on 1 July each year in accordance with the *Revenue Units Act 2009*. Heavy vehicle registration fees are set based on vehicle type, tonnage and axles.

In 2025-26, revenue from motor vehicle registration fees is estimated at \$69.6 million. Revenue is expected to increase to \$73.4 million in 2026-27 and continue to grow over the forward estimates, reaching \$81.7 million by 2029-30. The higher estimates for 2025-26 and 2026-27 primarily reflect a stronger revenue base than previously forecast.

From its inception in July 2022 to February 2026, government has exempted \$2.2 million in stamp duty for certificates of registration for electric vehicles. This initiative ceases on 30 June 2027.

A passenger services levy of \$1 is imposed on every trip taken in a taxi, minibus, private hire car or rideshare vehicle. In 2025-26, revenue from the passenger services levy is estimated to total \$3 million. Revenue is expected to increase to \$3.1 million in 2026-27 and continue to grow over the forward estimates, reaching \$3.4 million by 2029-30.

Mining and petroleum royalties revenue

The Territory levies royalties on the extraction of mineral commodities from mining activities and onshore petroleum production. Mining and petroleum royalties are a charge for resource extraction, payable to the Territory as the owner of the resources.

Royalties are currently levied in the Territory on gold, silver, bauxite, iron ore, manganese, lead, zinc, ilmenite, magnetite, oil and gas. Royalties have also been imposed in the past on commodities such as copper, lithium, limestone, vermiculite and mineral sands, and the Territory is highly prospective for several other minerals, including phosphate and rare earths.

Mineral royalties are payable in accordance with the *Mineral Royalty Act 1982* and *Mineral Royalties Act 2024*. New mines now pay royalties under the 2024 Act, however mines producing during the 2023 calendar year are grandfathered under the 1982 Act.

The 2024 Act imposes an ad valorem royalty featuring four categories of rates, 7.5%, 5%, 3.5% and 2.5%, assigned to minerals depending on cost intensity/complexity/value-add through processing in the Territory.

The 1982 Act imposes a royalty based on 20% of the net value or profit from mining activities after deductions for allowable costs. A minimum royalty rate of 1% to 2.5% applies to the gross production value of commodities extracted where the operator would otherwise pay less than that amount under the net value calculation.

For petroleum royalties, the Territory imposes an ad valorem royalty of 10% on the value of production at the wellhead, which is generally consistent with other Australian jurisdictions. The wellhead value is important for royalty purposes as it is the point at which ownership of the resource transfers from the Territory to the producer. As most petroleum is not sold at the wellhead, the value is calculated by recognising certain post wellhead costs incurred in transforming the raw product to its first saleable point.

Mining and petroleum royalty projections use a range of information from mining companies and petroleum producers, including estimates of commodity price movements, production levels and the value of the Australian dollar, as well as the Department of Treasury and Finance's internal commodity price and market outlook.

As shown in Table 6.1, mining and petroleum royalties are expected to total \$388 million in 2025-26, increasing to \$445 million in 2026-27 and average \$421 million over the forward estimates.

As shown in Table 6.3, royalty revenue has been revised upwards by \$42 million in 2025-26 and by \$185 million in 2026-27. Sustained high commodity prices are expected to support royalty revenue in 2026-27, with global forecasts indicating prices will remain at or near historic highs into the year due to significant geopolitical tensions, strong safe-haven demand, central bank purchases and expectations of further US Federal Reserve rate cuts. Persistent domestic cost inflation, particularly in labour, energy and services, has kept Territory mine operating costs elevated. At the same time, the sustained rise in gold prices have supported increased profitability and the Territory's expected royalty revenue.

Interstate tax comparison

The composition of the Territory's taxes is broadly similar to other jurisdictions, with the main difference being the rates, exemptions and thresholds set by each state. The Territory is also the only jurisdiction that does not impose a land tax. The ability of states to determine their own tax policy promotes competition between jurisdictions and provides autonomy in calibrating tax systems to achieve a jurisdiction's specific fiscal, economic and social aims.

There are various approaches to measuring tax competitiveness. Two common approaches are CGC measures of taxation effort and capacity, and the representative taxpayer model.

Commonwealth Grants Commission

Revenue effort

The Commonwealth Grants Commission (CGC) assesses each jurisdiction's revenue-raising effort annually. Revenue effort is the ratio of the revenue a jurisdiction actually raises to the amount of tax revenue the Commission assesses it could raise if national average tax rates were applied to that jurisdiction's tax base.

An average revenue effort is assessed at 100%. A jurisdiction with an above-average revenue effort will score more than 100%, while a below-average effort scores less than 100%.

Table 6.6 provides a comparison of the CGC's assessment of taxation and own-source revenue-raising effort in 2024-25, being the most recent year for which an assessment is available. Total own-source revenue effort includes taxation and mining revenue, contributions by trading enterprises (government owned corporations) and user charges for selected government services, including waste management levies, road charges and registry services.

Table 6.6: Revenue effort by jurisdiction, 2024-25

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
	%	%	%	%	%	%	%	%
Total taxation effort	99.4	112.4	90.8	91.5	94.3	85.1	137.5	82.5
Total own-source revenue effort	96.2	108.6	98.7	93.9	99.6	90.4	145.6	110.5

Source: CGC 2026 Update

The Territory continues to record the lowest taxation effort. This largely reflects the absence of land tax and lower than average motor vehicle taxes. However, the Territory's total own-source revenue effort remains above the national average, largely reflecting the Territory's mineral royalty arrangements.

The Territory's total taxation and total own-source revenue efforts in 2024-25 were 82.5% and 110.5%, compared with the updated assessment for 2023-24 of 81.3% and 109.4% respectively. The increase in taxation effort coincided with higher stamp duty effort, which rose from 121.3% in 2023-24 to 132.0% in 2024-25. The Territory's stamp duty effort remained well above the benchmark average. Total own-source revenue effort also increased over the period, alongside stronger mining revenue effort, which rose from 128.1% to 134.5%.

Revenue capacity

The states and territories have limited capacity to expand own-source revenue. Under the Australian Constitution, they are unable to impose excise or customs duties, while the Commonwealth has long assumed responsibility for income tax.

Over the budget cycle, the Territory's taxation and royalty own-source revenue averages 12% of total revenue for the non financial public sector.

State and territory taxation policy must balance a number of competing objectives, including raising sufficient revenue to fund government services, minimising the tax burden and imposition of red tape for taxpayers, cultivating conditions for business growth, and creating a tax environment that is competitive with other jurisdictions and attracts private investment.

Although all jurisdictions face similar constraints in raising own-source revenue, the Territory's capacity to raise revenue is further limited by its relatively small resident and business tax base. This is illustrated in Table 6.7, which reports the CGC's assessments of revenue-raising capacity for major state and territory taxes and royalty revenue. Revenue-raising capacity measures the per capita amount a jurisdiction could raise if national average policy settings were applied to its tax base, relative to the national average per capita revenue raised. This measure removes the effects of jurisdictional policy choices, such as the Territory's decision not to impose land tax. A ratio close to 100 indicates the Territory's actual revenue-raising capacity for that tax category matches the state average (for example, payroll tax).

Table 6.7: Assessed revenue-raising capacity, 2024-25

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
	%	%	%	%	%	%	%	%
Total taxation revenue	112.5	97.4	93.7	104.3	82.2	71.7	79.4	77.2
Land tax	155.7	104.4	59.1	56.4	62.4	44.8	39.9	47.5
Payroll tax	101.3	95.8	96.2	134.3	76.7	71.5	90.5	103.0
Stamp duty	119.2	92.7	100.5	95.3	71.0	56.5	84.3	45.4
Insurance tax	103.5	95.1	101.0	92.2	127.5	78.8	74.7	79.2
Motor vehicle tax	90.6	100.7	106.4	116.1	102.1	106.1	71.0	89.4
Mining and petroleum revenue	46.4	3.2	163.5	431.5	30.4	25.6	0.0	113.9

Source: CGC 2026 Update

The Territory is assessed as having a relatively low capacity to raise taxation revenue, particularly from land tax and stamp duty, where the Territory's capacity is significantly below the national average of 100%. This reflects the Territory's geographical composition, a relatively small number of very high value commercial and residential properties, a resident population of just over 264,000 and the large proportion of the Territory's land that is not held in private ownership.

Representative taxpayer model

The representative taxpayer model compares the amount of tax payable in each jurisdiction by a representative household or firm. This approach takes into account differences in the circumstances of each state by applying each state's tax rate to a representative or average base.

Land tax

This category comprises taxes on land ownership, including any metropolitan land planning, development, and fire and emergency service levies. Land taxes are generally based on the assessed unimproved value of the land.

Land tax is an important source of revenue for other states, generating more than \$20 billion in 2024-25. It is levied on the landowner's total holdings of commercial land and residential investment property, although land used for primary production is generally exempt. Land tax rates are usually progressive, and most jurisdictions apply tax-free thresholds.

The Territory does not impose a land tax. However, in its 2026 Update, the CGC assessed the Territory's potential land tax revenue at about \$91 million per annum if average state policy was applied.

Payroll tax

Table 6.8 compares payroll tax rates and thresholds for each jurisdiction. The Territory's annual payroll tax threshold is the highest in Australia, which means most small local businesses are excluded from the tax base. The Territory's payroll tax rate is slightly above the national average.

Table 6.8: State and territory payroll tax rates and annual thresholds for 2025-26

	NSW	Vic ¹	Qld ²	WA ³	SA ⁴	Tas ⁵	ACT ⁶	NT ⁷	Average
Threshold (\$M)	1.20	1.00	1.30	1.00	1.50	1.25	2.00	2.50	1.47
Rate (%)	5.45	4.85	4.75	5.50	4.95	4.00	6.85	5.50	5.23

1 Rate is 1.2125% for regional employers. Mental health and wellbeing surcharge and covid debt temporary surcharge of 0.5% each apply where an employer's Australian wages exceed \$10 million, with an additional 0.5% each where Australian wages exceed \$100 million. The surcharges, totalling 1% and 2% respectively, only apply to wages in excess of those thresholds.

2 Rate discount of 1% applies to regional employers. Rate is 4.75% for wages between \$1.3 million and \$6.5 million, and 4.95% for wages over \$6.5 million. The tax-free threshold reduces as an employer's wages increase, with no deduction provided for employers with wages over \$6.5 million. Mental health levy surcharge of 0.25% applies where an employer's Australian wages exceed \$10 million, with an additional 0.5% surcharge where an employer's Australian wages exceed \$100 million. The surcharges, totalling 0.25% and 0.75%, respectively, only apply to wages in excess of those thresholds.

3 Threshold reduces as an employer's wages increase, with no deduction for employers with wages over \$7.5 million.

4 Rate increases from 0% to 4.95% for employers with wages between \$1.5 million and \$1.7 million. A maximum deduction of \$600,000 is available to employers.

5 Rate is 4% for wages between \$1.25 million and \$2 million, and 6.1% for wages over \$2 million.

6 From 1 July to 31 December 2025, employers with wages above \$50 million and \$100 million have a surcharge rate of 0.5% and 1%, respectively, apply to all Australian Capital Territory wages. From 1 January 2026, the same surcharge rates apply but are capped at \$150 million, the rate for employers with more than \$150 million in wages is 8.75%. Surcharges apply to all Australian Capital Territory taxable wages. The government has announced further changes to payroll tax rates applying from 1 July 2026.

7 Threshold reduces as an employer's wages increase, with no deduction for employers with payrolls over \$7.5 million.

Source: State legislation and information available at 4 March 2026

Table 6.9 provides the effective payroll tax rate at various wage levels in each jurisdiction after taking account of tax-free thresholds and headline tax rates. For businesses with wages of \$5 million and below, the Territory has a competitive payroll tax regime with effective tax rates below the national average, and no tax payable where taxable wages are \$2.5 million or less. For large businesses with annual wage costs greater than \$50 million, the Territory's effective payroll tax rate is lower than those in the Australian Capital Territory, Tasmania and Victoria, and is broadly comparable to Western Australia. A new tax rate of 6.5% will apply from 1 July 2026 for employers and payroll tax groups with Australia-wide wages of \$100 million or greater.

Table 6.9: Effective state and territory payroll tax rates at various annual payroll levels for 2025-26

Annual payroll	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Average
\$M	%	%	%	%	%	%	%	%	%
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	2.2	2.4	1.9	3.2	3.5	1.5	0.0	0.0	1.8
3	3.3	3.2	3.1	4.2	4.0	3.0	2.3	1.4	3.1
4	3.8	4.2	3.7	4.8	4.2	3.8	3.4	3.1	3.9
5	4.1	4.9	4.0	5.1	4.4	4.3	4.1	4.1	4.4
10	4.8	4.9	4.9	5.5	4.7	5.2	5.5	5.5	5.1
20	5.1	5.4	5.1	5.5	4.8	5.6	6.2	5.5	5.4
50	5.3	5.7	5.2	5.5	4.9	5.9	6.6	5.5	5.6
100	5.4	5.8	5.2	5.5	4.9	6.0	7.2	5.5	5.7
150	5.4	6.1	5.4	5.5	4.9	6.0	7.7	5.5	5.8

Note: This table presents payroll tax settings at 1 July 2025. Australian Capital Territory's payroll tax settings changed from 1 January 2026 and is expected to change again from 1 July 2026. In the Territory, a payroll tax rate of 6.5% will apply from 1 July 2026 for employers, and payroll tax groups, with Australia-wide wages of \$100 million or greater.

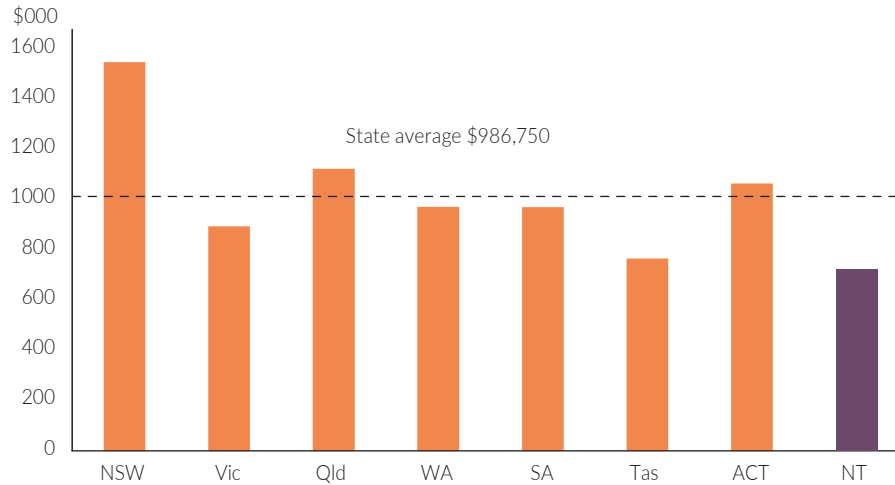
Source: State legislation and information available at 4 March 2026

Stamp duty on residential conveyances

Stamp duty receipts on residential properties are affected by house prices, transaction volumes, stamp duty rates and availability of stamp duty concessions.

The Territory's below-average capacity to raise stamp duty revenue as shown in Table 6.7 is mainly due to having the lowest median house and unit prices, being well below the state average. Chart 6.2 compares the median house price of each capital city.

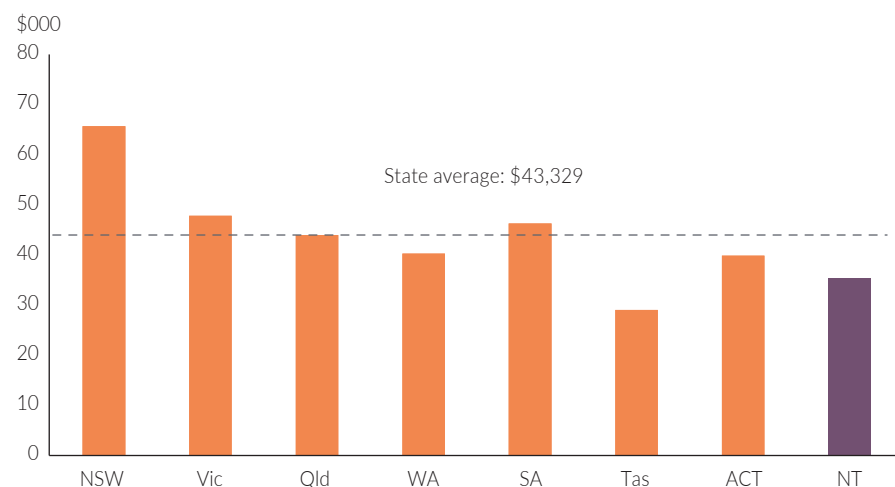
Chart 6.2: Median capital city house prices, December quarter 2025



- 1 The state average is 39% higher than the Darwin median house price.
 - 2 Comparisons with previous years may not be reliable due to changes in the data source.
- Source: ABS for December quarter 2025

Chart 6.3 compares the amount of stamp duty payable on the purchase of a residential property in each jurisdiction based on the median house price in that jurisdiction's capital city, excluding stamp duty concessions. The comparison shows the amount payable in the Territory is generally comparable to jurisdictions such as Tasmania, Western Australia and the Australian Capital Territory. However, the Territory's overall property tax impost is lower than other jurisdictions as the Territory does not impose a land tax.

Chart 6.3: Stamp duty payable on purchase of a median-priced house in each capital city, exclusive of any concessions



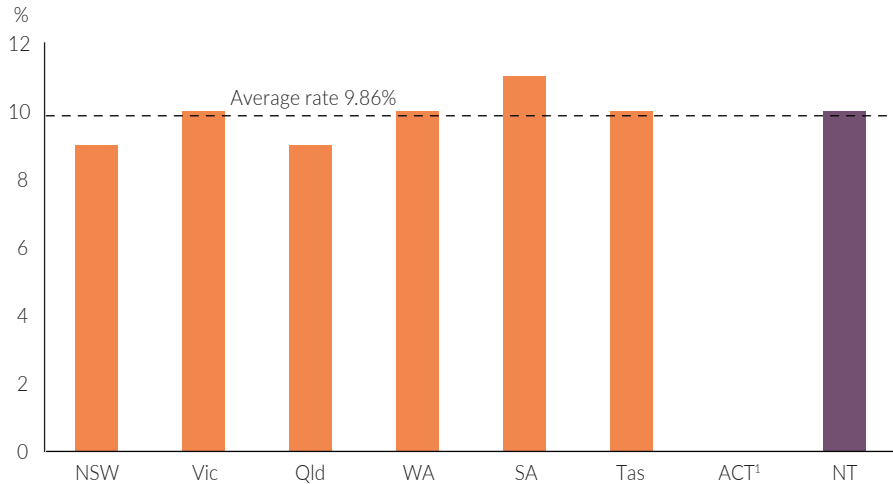
- 1 Comparisons with previous years may not be reliable due to changes in the data source.
- Source: ABS for December quarter 2025; state legislation and information available at 10 March 2026

Insurance duty

All states impose taxes on general insurance premiums at rates between 9% and 11%, with New South Wales, Queensland and Tasmania imposing special rates on particular classes of general insurance. The only exception is the Australian Capital Territory where insurance duty was abolished on 1 July 2016. The Australian Capital Territory, Victoria, Western Australia and the Northern Territory do not collect taxes on life insurance policies.

As shown in Chart 6.4, compared with the other states (excluding the Australian Capital Territory), the Territory is an average-taxing jurisdiction.

Chart 6.4: Average state tax rate on general insurance premiums

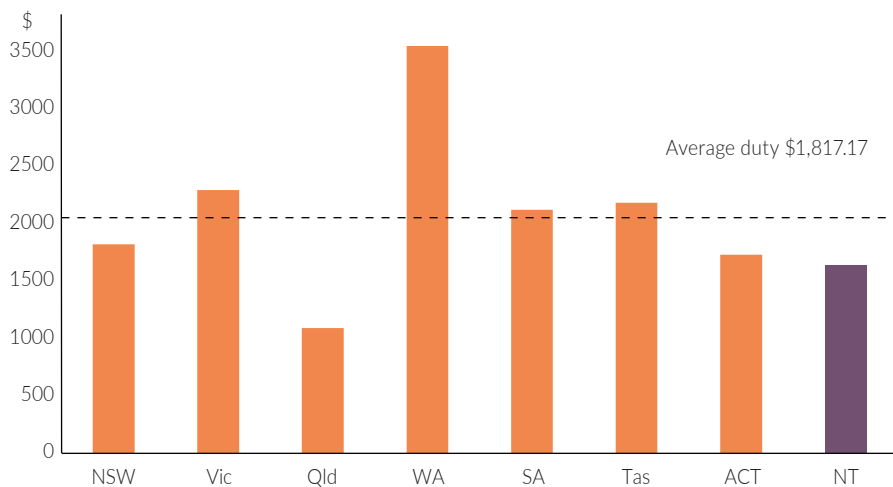


¹ The Australian Capital Territory does not impose insurance duty.
Source: State legislation and information available at 2 March 2026

Stamp duty on motor vehicles

Chart 6.5 compares stamp duty payable for a new motor vehicle, represented by a 4-cylinder 2026 Toyota Camry SL sedan 2.5L automatic valued at \$53,990 (excluding government and dealer delivery costs). The chart shows stamp duty payable in the Territory is below the national average and second-lowest in Australia. Queensland applies a comparable rate of motor vehicle stamp duty to the Territory but offers a concessional rate for hybrid vehicles (such as the comparison car).

Chart 6.5: Stamp duty on purchase of a medium-sized passenger vehicle¹

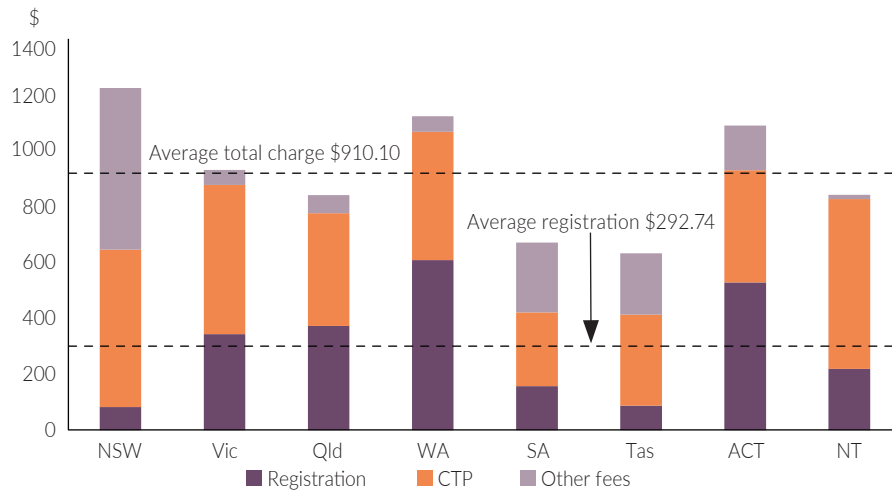


¹ Based on a 4-cylinder 2026 Toyota Camry SL sedan 2.5L automatic with carbon dioxide emissions of 91g/km.
Source: State legislation and information available at 2 March 2026

Motor vehicle registration

Motor vehicle registration fees comprise registration, compulsory third-party or similar insurance and other fees, and vary significantly between jurisdictions. Chart 6.6 compares the costs of registering a 4-cylinder 2026 Toyota Camry SL sedan 2.5L automatic. A registration fee of \$219 and a total registration cost of \$841.25 indicate that the Territory's registration fee and total registration cost are below the national average.

Chart 6.6: Annual registration fees and charges for a medium-sized passenger vehicle¹



CTP: compulsory third-party insurance or equivalent

¹ Based on a 4-cylinder 2026 Toyota Camry SL sedan 2.5L automatic with carbon dioxide emissions of 91g/km.

Source: State legislation and information available at 3 March 2026

Higher than average MAC scheme insurance premiums in the Territory reflect higher costs associated with the Territory's small population and relatively high incidence of road accident casualties, and the no-fault nature of the Territory's compensation scheme. MAC scheme premiums aim to ensure likely compensation claims for the upcoming year can be met and the scheme maintains a prudent solvency margin.

Despite MAC premiums being higher than average compulsory third-party insurance premiums, total registration and administrative costs in the Territory remain below the national average due to relatively low registration fees, and because the Territory does not include ancillary taxes and levies in the cost of registration. Additional levies imposed in other jurisdictions include fire and emergency service levies, motor taxes, traffic improvement levies and road safety contributions.

Tax expenditure statement

The tax expenditure statement details revenue estimated to be forgone by the government or financial benefits obtained by taxpayers as a result of tax exemptions or concessions. Identifying this expenditure (or forgone revenue) assists in providing a more accurate picture of the government's contribution by way of taxation concessions to assist various groups or industries.

Tax concessions are often provided to benefit a specified activity or class of taxpayer. They are expenditures in the sense the impact on budget outcomes is similar to direct expenditure outlays and could be used to achieve similar goals to grant programs.

Tax expenditure can be provided in a variety of ways, including by way of tax exemption, waiver, deduction, rebate or a concessionary tax rate.

The tax expenditure identified in this statement relates to the major concessions available in the Territory. In accordance with section 10(1)(d) of the FITA, the tax expenditure statement provides an estimate of expenditure (or forgone revenue) in 2025-26, and estimates for 2026-27 and the following three financial years.

Table 6.10 details the total estimated tax expenditure across payroll tax, stamp duty and motor vehicle fees.

Table 6.10: Total tax expenditure¹

	2025-26	2026-27	2027-28	2028-29	2029-30
Tax expenditure (\$M)	235.2	245.7	257.8	271.6	286.3

¹ Does not include forgone land tax.

Methodology

Tax expenditure has been estimated by applying a benchmark rate of taxation to forecast volume of activities or assets exempted by a particular concession. Only future events certain or highly likely to affect assumed tax bases or tax rates have been included when estimating future tax expenditure. Otherwise, existing taxation arrangements are assumed to apply for future years.

Measuring tax expenditure requires the identification of:

- a benchmark tax base
- concessionary taxed components of the benchmark tax base, such as specific activity or class of taxpayer
- a benchmark tax rate to apply to concessionary taxed components.

The establishment of a benchmark tax base provides a basis against which each tax concession can be evaluated. The aim of the benchmark is to determine which concessions are tax expenditures rather than structural elements of the tax.

By definition, tax expenditure comprises those tax concessions not included as part of the benchmark tax base.

Payroll tax

The benchmark tax base for payroll tax is assumed to be all wages (as defined under payroll tax legislation) paid in the Territory. The benchmark tax rate is 5.5%. From 2026-27 onwards, large employers with Australia-wide wages of \$100 million or more will be subject to a tax rate of 6.5%. The higher tax rate for large employers is expected to have little impact on payroll tax expenditure as they are unable to receive a payroll tax deduction, and most of them are unlikely to be exempt from payroll tax.

Table 6.11: Payroll tax expenditure

	2025-26	2026-27	2027-28	2028-29	2029-30
Tax expenditure (\$M)	186.9	194.9	204.3	214.3	224.8

As data is not generally collected by the Territory Revenue Office from employers with no payroll tax liability, tax expenditure in relation to payroll tax concessions must be estimated. The tax expenditure in Table 6.11 has been calculated by adding actual tax concessions to an estimate of concessions. The estimate is derived by comparing the average of Australian Taxation Office data reporting wages paid by employers in the Territory and ABS data on employment and wages in the Territory to data reported by employers registered for payroll tax in the Territory. The difference provides a reasonable estimate of wages paid by employers that are not subject to Territory payroll tax because of the small business exclusion (detailed below) or for being an exempt body.

Payroll tax expenditure estimates over the budget cycle have been revised upwards compared with the forecasts in the 2025-26 Budget. While growth in employment and average weekly earnings has increased the benchmark wage base, this has been partially offset by more businesses moving above the tax-free threshold. The reported estimated tax expenditure in relation to payroll tax mainly comprises the following exemptions.

Small business exclusion

Employers with total Australian wages below \$2.5 million are not required to pay payroll tax, saving them up to \$137,500 per annum. The payroll tax liability for employers with payrolls above \$2.5 million a year is calculated on taxable wages less a deduction based on a sliding scale of up to \$2.5 million. This exclusion covers the majority of estimated payroll tax revenue forgone.

Charities and other exempt bodies

Certain charitable and not-for-profit organisations receive payroll tax exemptions for wages paid to employees who engage in non-commercial activities that support the organisation's charitable purpose. In addition, employment agencies providing temporary staff to exempt organisations are able to claim payroll tax exemptions for these wages.

Stamp duty on conveyances

Tax expenditure estimates in Table 6.12 are based on notional stamp duty amounts.

Table 6.12: Stamp duty on conveyances expenditure

	2025-26	2026-27	2027-28	2028-29	2029-30
Tax expenditure (\$M)	3.0	2.4	2.4	2.5	2.6

Forecast expenditure (forgone revenue) in 2026-27 is anticipated to decline from 2025-26 and return to steady growth over the forward estimates. This accords with the variation in stamp duty on conveyance revenue in 2026-27 and over the forward estimates.

The relative stability in total tax expenditure in this category over the forward estimates period partly reflects the absence of a broad-based homeowner stamp duty concession in the Territory, although targeted temporary concessions remain in place, including the house and land package exemption.

The tax expenditure estimates mainly comprise the following exemptions.

Corporate reconstructions exemption

Corporate groups formed by commonly owned corporations are able to reorganise ownership of assets without incurring a stamp duty liability. The estimated tax expenditure is a notional amount of stamp duty forgone for approved reconstruction exemptions.

Other conveyance duty exemptions

Several other conveyance stamp duty exemptions are provided that together result in significant revenue forgone by the Territory, the largest of these being exemptions for:

- property transferred to charitable organisations having a sole or dominant purpose that is charitable, benevolent, philanthropic or patriotic
- an exemption under the *Commonwealth Family Law Act 1975* for instruments made pursuant to a court order that alter the interests of the parties to a marriage or de facto partnership
- the conveyance of property between partners of a de facto relationship on the breakdown of the relationship
- certain conveyances involving the administration of deceased estates

- conveyances from trustees to beneficiaries and to give effect to a change in trustees
- certain conveyances that are exempt under other Commonwealth legislation, such as the *Aboriginal and Torres Strait Islander Act 2005*.

The estimated tax expenditure for these concessions is a notional amount attributed to the various exemptions granted.

Stamp duty on motor vehicles

From 1 July 2022 until 30 June 2027, the Territory is providing stamp duty concessions of up to \$1,500 for eligible plug-in electric vehicles. Tax expenditure in Table 6.13 is based on actual stamp duty data with the scheme forecast to cost \$3.2 million over its life.

Table 6.13: Stamp duty on motor vehicles

	2025-26	2026-27	2027-28	2028-29	2029-30
Tax expenditure (\$M)	0.8	0.8	0.0	0.0	0.0

Stamp duty on general insurance policies

The benchmark tax base is all classes of general insurance policies, excluding life insurance policies, which are treated differently for stamp duty purposes. The benchmark tax rate is 10% of the premium.

Table 6.14: Stamp duty on general insurance

	2025-26	2026-27	2027-28	2028-29	2029-30
Tax expenditure (\$M)	42.4	45.5	49.0	52.7	56.8

The Territory provides stamp duty concessions on certain insurance products to reduce the costs of such insurance, namely workers compensation insurance and private health insurance. Tax expenditure reported in Table 6.14 has been estimated using total workers compensation insurance policy premiums paid during past years compared to total payroll data of employers in the Territory and data on private health insurance premiums obtained from the Australian Prudential Regulatory Authority.

Forecast tax expenditure over the budget cycle has increased compared with the forecasts in the 2025-26 Budget. This is due to an upward revision in expected workers compensation insurance and private health insurance premiums over the forward estimates, which corresponds with overall higher than expected revenue from taxes on insurance over that period.

Motor vehicle registration fees

Motor vehicle registration concessions are available under the Northern Territory Concession Scheme and Northern Territory Seniors Recognition Scheme. Table 6.15 shows motor vehicle registration fees expenditure is expected to remain stable at \$2.1 million per annum over the budget cycle. Actual registration fee data has been used to estimate this item of tax expenditure.

Table 6.15: Motor vehicle registration fees expenditure

	2025-26	2026-27	2027-28	2028-29	2029-30
Tax expenditure (\$M)	2.1	2.1	2.1	2.1	2.1

Chapter 7

Risks and contingent liabilities

Section 10(1)(e) of the FITA requires each fiscal outlook report to contain a statement of risks, quantified as far as practicable, that could materially affect updated financial projections, including any contingent liabilities and related agreements yet to be finalised.

This section meets the FITA requirements by outlining potential risks to the 2026-27 Budget due to changes in factors underpinning revenue and expenditure estimates, and the likelihood of contingent liabilities becoming actual liabilities.

Risks to the Territory are assessed and categorised in accordance with those identified in section 5(2) of the FITA, which requires government to prudently manage financial risks faced by the Territory (having regard to economic circumstances). The categories comprise risks from excessive debt, ownership of trading entities, erosion of the Territory's revenue base, managing assets and liabilities, and other risks.

More information on the Territory's risks and contingent liabilities can be found in the 2024-25 Treasurer's Annual Financial Report, Note 40 *Contingent assets and liabilities*.

Sound fiscal management of risks

Risks from excessive debt

Excessive debt levels could affect the Territory's ability to raise funds when required, or at a cost substantially higher than could be achieved under more sustainable debt levels, limiting government's capacity to maintain appropriate levels of service. Excessive debt could also impact investor and consumer confidence, resulting in negative effects on the broader Territory economy.

Risks associated with excessive debt are mitigated through government's fiscal strategy, which has been formulated with an emphasis on debt management and reduction. The objectives and targets represent what would need to be achieved to return the Territory to a financially sustainable position, with regard to the current fiscal and economic conditions and comparable jurisdictional performance.

One of government's fiscal strategy objectives is to maintain or improve the Territory's credit rating. Credit ratings reflect an independent assessment of a government's credit worthiness and ability to fulfil its financial commitments and repay debt. A higher rating indicates a strong fiscal and economic position, and results in the ability to borrow at lower interest rates, while a lower rating indicates credit challenges and results in higher interest rates on borrowings.

The Territory's credit rating was last reviewed in April 2026 by Moody's on the 2025-26 Mid-Year Report, resulting in an unchanged credit rating for the Territory at Aa3 with a stable outlook. Since this assessment, all budgeted fiscal aggregates have improved in the 2026-27 Budget.

Risks from ownership of trading entities

Poor financial performance of commercial entities can pose risks to government in the form of lower returns and dividend payments to government, or increased requirements for financial support, with the potential to materially affect the Territory's debt levels and fiscal targets.

The Territory's fiscal strategy includes an objective and target specifically aimed at strengthening government owned corporations' commercial sustainability, increasing accountability for financial performance and reducing reliance on government support.

Risks are also mitigated through the government owned corporations operating and accountability framework, comprising the Corporate Governance and Reporting Framework, *Government Owned Corporations Act 2001*, enabling legislation for each government owned corporation and the Territory's Policy Statement on Competitive Neutrality. The Corporate Governance and Reporting Framework sets out processes in line with best practice for strategic planning, monitoring and reporting performance targets, and accountability for performance set in the SCI.

The Territory's government owned corporations are the Power and Water Corporation, Territory Generation and Jacana Energy. Each corporation has an SCI, which is an annual performance agreement between the board and shareholding minister, tabled in parliament and examined by the Estimates Committee. Each SCI details key financial and non-financial targets for the corporation, and provides updated financial projections for the budget year and forward estimates period.

Each corporation is expected to include future efficiencies through operational and business improvements as part of their respective SCIs, and ensure proposed major capital investments are supported by a detailed business case and deliver an appropriate rate of return. Failure to achieve SCI targets presents a risk to the budget and forward estimates through reduced dividends and tax equivalent payments, and worsening of the Territory's fiscal outcomes.

Power and Water Corporation's gas business has significant market-related risks arising from long-term gas purchase, sales and transportation agreements. The corporation's board oversees a gas sales strategy to address future market opportunities and position the corporation to ensure costs are covered by revenue, and any risks are appropriately mitigated.

Further, strengthened oversight of the Territory's strategic energy security is provided through government's Energy Sub-Committee of Cabinet, Standing Committee on Rebuilding the Economy and related time-limited taskforces, including overseeing measures to mitigate immediate to long-term risks around gas supply.

Risks from erosion of the Territory's revenue base

Erosion of revenue refers to an ongoing decline in or inability to generate sufficient revenue to fund expenditure, and can occur as a result of policy and non-policy changes to Territory revenue streams.

Policy changes are the result of government decisions to implement new or revised Territory taxes and own-source revenues that can result in either increases or decreases in revenue, depending on whether government is increasing taxes or providing tax cuts or concessions.

Non-policy changes to revenue streams are those outside of government's control and include changes to Commonwealth funding, external economic and market conditions or weather events that may affect the operations of taxpayers.

Reliance on Commonwealth funding

Australia's federal system is characterised by a high degree of vertical fiscal imbalance, where the expenditure requirements of states under the Australian Constitution far outweigh their capacity to raise revenue. This imbalance is addressed through intergovernmental payments from the Commonwealth to the states to facilitate delivery of essential services.

In comparison to all other states, the Territory is more reliant on Commonwealth payments due to greater expenditure needs and a lower ability to fund expenditure through own-source revenue. In 2026-27, Commonwealth funding to the Territory is expected to account for 72% of the Territory's total revenue, with GST revenue and tied funding payments accounting for 48% and 24% of total revenue in the non financial public sector, respectively.

Due to the Territory's reliance on GST revenue and tied funding payments, any changes will have a significant effect on Territory revenue. Risks include variations in national GST collections and changes to tied Commonwealth funding agreements, such as their amount, timing, deliverables and duration.

GST revenue volatility

Volatility in GST revenue represents the largest revenue risk for the Territory and is dependent on four parameters:

- national GST collections pool
- Territory's share of the national population
- Territory's GST relativity
- impact of GST distribution reforms that commenced in 2021-22.

There are variables that influence each of these parameters, adding to the complexity of forecasting GST revenue over the budget and forward estimates, as discussed in Chapter 5 *Commonwealth revenue*. The following analysis examines the isolated effect of variations in each parameter. However, as parameters interact, variations can have a compounding or offsetting effect on GST revenue estimates.

GST collections pool

The Territory's GST revenue is directly affected by variations in the national GST collections pool, with growth in the pool representing the second largest driver of change to the Territory's GST revenue forecasts over the budget and forward estimates after population, since the 2025-26 Budget.

Risks to the national GST collections pool forecasts relate to the outlook for national nominal consumption of goods and services subject to GST and private dwelling investment. Results may vary from forecasts if nominal prices or real economic activity materially differs from expectations.

There are growing risks to the GST collections pool. On the upside, national economic activity has been stronger than expected, with stronger than expected demand pressures driving inflation, which contributes to nominal pool growth. Recent geopolitical developments in the Middle East are further adding to inflation as disruptions to the oil supply push up fuel prices and in turn, increase the cost of producing goods and services in the economy. These price rises flow into higher nominal values for GST-taxable consumption, supporting a higher GST pool. On the downside, the RBA has adopted a more restrictive monetary policy stance, increasing interest rates in February and March 2026. Market expectations incorporate further interest rate increases in 2026.

Overall risks to the GST pool are weighted to the downside, as consumer and business confidence declines in response to higher inflation and higher interest rates. There remains significant uncertainty around the impact of the conflict in the Middle East and the risks of prolonged disruptions to global oil supply. In addition, if the size or timing of monetary policy decisions differ from expectations, changes to the GST pool outcome may occur.

A ± 1 percentage point change in national GST collections growth is estimated to have a $\pm \$49$ million impact on the Territory's GST revenue in 2026-27, all else being equal. If a variation of ± 1 percentage point was applied to national GST collections growth in each of the budget and forward estimate years, the cumulative impact on Territory GST revenue would be around $\pm \$527$ million.

Territory's share of the national population

Estimates of each state and territory's population growth relative to the national rate influence the Territory's share of the national population, affecting forecasts of the Territory's GST revenue.

The Territory uses its own estimates of Territory population growth, given its knowledge of local factors. Estimates of other states' populations are based on Commonwealth population projections. Accordingly, the Territory's GST revenue projections are sensitive to the Territory's forecasts of Territory population growth, as well as Commonwealth forecasts of interstate population growth. The Territory's population is expected to grow at a slightly slower rate than the national population over 2026-27 and forward estimates. A discussion on Territory population forecasts is provided at Chapter 3 *Economic outlook*.

In June 2025, the ABS changed its method for estimating state and territory populations, with the largest proportionate revisions being to the Territory's population. This was the largest driver of change in GST revenue since the 2025-26 Budget. Broadly, this represents a one-off revision to population data rather than an ongoing risk. However, the new methodology may increase Territory population volatility due to greater reliance on and less smoothing of administrative data, which could amplify the effect of future interstate migration flows.

The effect of a $\pm 1,000$ person variation in the Territory's population forecast is expected to have a $\pm \$18$ million impact in 2026-27, all else being equal. If a variation of $\pm 1,000$ persons is applied to population growth in each of the budget and forward estimate years, the cumulative impact on Territory GST would be around $\pm \$190$ million.

The effect of a ± 0.01 percentage point movement in the Territory's share of the national population is expected to have a $\pm \$50$ million impact in 2026-27, all else being equal. If a variation of ± 0.01 percentage points were applied to the Territory's forecast share of the national population in each of the budget and forward estimate years, the cumulative impact on Territory GST would be around $\pm \$213$ million.

GST relativity

The distribution of GST revenue is based on the principles of horizontal fiscal equalisation that aim to equip all states and territories with the capacity to provide similar levels of services and infrastructure.

The CGC recommends GST relativities annually, reflecting new data and changes in state fiscal capacities. In the 2026 Update, the CGC recommended an increase in the Territory's GST relativity to 5.24149 for 2026-27, from 5.15112 in 2025-26.

Relativities are subject to calculations based on the financial and demographic circumstances of all states and territories over a rolling three-year assessment period. The Territory generally forecasts relativities on a three-year average basis, held constant over the forward estimates period, adjusted for GST distribution reforms. In any relativity update, the Territory's GST relativity will be sensitive to changes in all jurisdictions' relativities, reflecting the fixed sum nature of the GST distribution process.

Risks to the Territory forecasts arise if any state's relativity circumstances vary significantly from its three-year average over the forecast period. Recent relativities have varied substantially due to changes in interstate circumstances, particularly coal prices impacting mining revenues and relativities in Queensland and New South Wales. Accordingly, the Territory's forecasts include an adjustment from 2027-28 to reflect historically high coal mining outcomes unwinding from GST assessments from the 2027 Update, based on known differences between 2022-23 and 2024-25 data used in the 2026 Update. Should future mining outcomes differ significantly from historical trends, the actual relativity impact may differ.

The impact of a ± 0.1 variation in the Territory's GST relativity is about $\pm \$90$ million in 2026-27, all else being equal. A ± 0.1 variation in the Territory's GST relativity in each of the budget and forward estimate years would have a cumulative effect of about $\pm \$388$ million.

GST distribution changes

The Commonwealth legislated changes to the GST distribution system through the *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*.

The changes include a Commonwealth temporary no-worse-off guarantee that operates as a time-limited safety net for jurisdictions. This ensures jurisdictions receive, at a minimum, the cumulative amount of GST they would have received under the previous methodology. This guarantee temporarily mitigates the risks of GST distribution reforms to the Territory's GST.

The Territory expects to receive no-worse-off guarantee payments totalling \$212 million over 2025-26 to 2029-30. Any change to relativities or GST collections pool growth may affect no-worse-off guarantee payments. The guarantee has been extended to the end of 2029-30, with any further policy changes posing a risk to forecasts.

The Commonwealth has committed to a Productivity Commission review of the GST distribution reforms by the end of 2026.

Tied Commonwealth funding

Tied Commonwealth funding is provided under the IGA FFR through national federation funding agreements and schedules. Tied funding can also be provided outside IGA FFR payment arrangements through COPE arrangements.

Key risks to the Territory budget associated with tied Commonwealth funding include uncertainty as to the amount, timing, deliverables and duration of new and renegotiated funding agreements, expiry of agreements and increasing inclusion of financial input controls.

Agreements that are short term in nature and subject to repeated short-term extensions upon expiry inhibit the ability of governments and other providers to plan for ongoing, reliable service delivery in key areas. Short-term funding arrangements can lead to heightened community expectations without providing associated Commonwealth funding certainty in the long run.

The Commonwealth is also increasingly including financial input controls in funding arrangements such as matched funding and maintenance of effort provisions. Input controls pose a significant risk to the Territory budget by reducing the Territory's autonomy and ability to efficiently allocate resources in a manner that best suits community needs.

Further risks may arise from the expiry of tied Commonwealth funding agreements including ceasing public services or assuming financial responsibility to continue the services previously funded by the Commonwealth.

Territory taxes and royalties

Territory taxes and royalty revenues mainly comprise revenue from mining and petroleum royalties, as well as payroll tax, and conveyance and related duties. For 2026-27, Territory taxes and royalties are expected to account for about 12% of total non financial public sector revenue and 43% of total own-source revenue.

Forecasting tax and royalty revenue involves judgements and assumptions about the performance of various economic factors and indicators, such as growth in wages, employment, business investment, commodity prices, market conditions and activity, and exchange rates.

Mining royalty revenue has historically been the largest single contributor to Territory taxes and royalties, and forecasts are sensitive to mineral price outlooks, production levels, mine expansions or disruptions, as well as exchange rates and global trade conditions. Mining revenue forecasts are informed by independent assessments of commodity prices and market conditions, and advice from mining companies about their expectations of production, prices, and royalty obligations over the budget and forward estimates period. Changes in commodity prices, mine end of life estimates, and production or exchange rates can materially impact these forecasts.

The Middle East conflict has resulted in sharp increases in some commodity prices such as oil and petroleum products including LNG due to shipping disruptions in the Strait of Hormuz, damage to infrastructure and halted production in several Persian Gulf countries. The ongoing conflict is also expected to contribute to significant upward pressure on other key commodity prices such as gold, silver and aluminium. The conflict is unfolding simultaneously with the increasing use of tariffs in global trade policy by key market actors, which constitutes an emerging risk to mineral and petroleum production. The imposition of tariffs in key markets can compound inflationary pressures on operating costs for mines, affecting profitability, which will flow through to mineral and petroleum royalty forecasts over the forward estimates.

There is however, potential upside over the forward estimates with petroleum being sold under an exploration permit (appraisal gas) in the Beetaloo Sub-basin. Final investment decision was reached for two major proponents in the basin, Beetaloo Energy Australia (formerly Empire Energy Group Limited) and Tamboran Resources Corporation. Both are expected to commence selling appraisal gas over the forward estimates period.

Payroll tax is the Territory's largest source of tax revenue in 2026-27. It is imposed at a rate of 5.5% on businesses with total payroll above the tax-free threshold of \$2.5 million per annum. From 1 July 2026, the payroll tax rate will be increased to 6.5% for employers and payroll tax groups paying Australia-wide wages of \$100 million or greater. Payroll tax forecasts are influenced by employment, wages and business investment projections.

The Territory's conveyance and related duties arise from both direct and indirect conveyances of property in the Territory. Forecasts for conveyance duty are closely tied to the conditions in the property market, with commercial transactions particularly sensitive to broader economic factors and market sentiment. Because property prices and transaction volumes can shift rapidly, often without clear warning, conveyance duty collections can be highly volatile.

The size and composition of the Territory's conveyance duty base also plays a central role in shaping forecast outcomes. High-value commercial assets, including pastoral holdings, mining projects and major commercial precincts influence duty conveyance forecasts. The duty collected from large commercial transactions can create significant fluctuations in overall conveyance duty collections.

Unlike tax revenue from property transactions or employment, gambling tax revenue is not as closely correlated with the economic or business cycle. On this basis, gaming activity in community venues and casinos is expected to remain steady over the forward estimates.

In total, a variation of $\pm 1\%$ to the forecast of Territory taxes and royalties would affect revenue by about $\pm \$12.9$ million in 2026-27.

An emerging risk to state and territory taxes has arisen following the case of *Vanderstock & Anor versus the state of Victoria*. The High Court of Australia found a road-user charge imposed by the state of Victoria, on registered owners of particular vehicles, was unconstitutional. The basis for the High Court decision has cast doubt on the validity of some other state and territory taxes, with at least two states currently facing legal challenges. In the event similar legal challenges are upheld in relation to other state and territory taxes, levies or duties, Australian states and territories are at risk of further erosion of own-source revenue, with potential increased reliance on Commonwealth funding.

Risks arising from managing assets and liabilities

Assets and liabilities of the Territory are each subject to inherent risks. The most significant risks to assets and liabilities include:

Financial assets

- Interest rate and price risks – the Territory’s financial investments are exposed to fluctuations due to changes in equity and bond markets and investor sentiment. Volatility is driven by economic cycles, geopolitical events or financial shocks, and pose a risk to the valuation of investments.
- Equity investments – the Territory has entered into several arrangements that represent ownership in private sector projects, entities and enterprises. To date, these equity investments are in the form of shares and result in no significant influence or control over the entity or project. Accordingly, the Territory is not exposed to financial loss beyond the amount invested.
- Loans and concessional loans – the Territory has issued loans and concessional loans with the aim of funding particular enterprises or householders. These include amounts paid for assistance to farmers, businesses under the Territory Growth Initiative and home ownership products. A number of these loans are on concessional terms, including low interest or interest-free terms. Default risks are considered small, and periodic reviews of issued loans have not resulted in a shift in levels of assessed risk.

Non financial (physical) assets

- Environmental and climate-related risks – severe weather including floods, cyclones, fires and extreme heat could result in damage or accelerate deterioration to public infrastructure, buildings and housing. These risks may result in disruption to government service delivery and or increased costs associated with unplanned repairs or replacement.
- Valuation accuracy – the valuation of non financial assets rely on significant judgement-based assumptions used to determine replacement costs, including assumptions on construction costs and material prices, market values and remaining useful life. Volatility in construction markets and supply chains, such as the current oil supply shocks, and interest rate changes that influence housing prices increase estimation uncertainty.

Liabilities

- Employee-related liabilities – the Territory’s most significant employee-related liabilities relate to long service leave, workers compensation and superannuation. The valuation of these liabilities relies on significant assumptions regarding wage growth, discount rates, inflation and utilisation patterns. Volatility in financial markets and economic environments may also increase estimation uncertainty.
- Debt liabilities – the funds raised through domestic and international borrowings including fixed interest securities and bonds by NTTC to fund the operations of government. The primary risks affecting debt liabilities include interest rate, liquidity and concentration risks, in addition to risks associated with excessive debt as detailed earlier in this chapter.

Risks to assets and liabilities are mitigated through the Territory’s Financial Management and Accountability Framework that governs the financial management of government resources (assets and liabilities) and comprises legislation, supplementary legislation (including Treasurer’s Directions and Treasury Circulars), Australian accounting standards, whole of government and agency-specific policies and procedures, and resource materials. This framework specifies the practices, including risk assessment, conditions, limitations and thresholds to be observed by agencies in the fiscal management of their resources.

Risks associated with investments and loans issued through the Territory Growth Initiative are further mitigated through a range of specific policies and governance statements, along with an expert investment committee to provide independent assessment and advice on investment proposals.

In addition to the framework, the Territory’s financial investment assets and debt liabilities are administered by the NTTC, the central financing authority for the Territory Government. NTTC borrows, invests and lends on behalf of the Territory Government, and is governed by an extensive risk management framework.

Risks to expenses and payments

Estimates for expenses are based on known policy decisions, with adjustments for non-policy changes. The most significant risks to expense estimates in the 2026-27 Budget include:

- Adverse weather events and natural disasters – In 2025-26, the Territory experienced five severe weather events, including the effects of tropical cyclones Fina and Narelle and floods in Central Australia and Big Rivers regions. These events caused extensive damage to remote housing and infrastructure, and required the evacuation and temporary relocation of several remote communities. The Territory is assessing the damage and implementing a plan for recovery including restoration works to properties, critical infrastructure and essential services. These events pose a risk to the Territory’s expense projections due to the uncertainty of costs and timing of restoration works, evacuation costs, and the costs associated with emergency and temporary accommodation for evacuees. Although the Territory may be eligible for partial reimbursement from the Commonwealth under Disaster Recovery Funding Arrangements, the extent and timing of such reimbursements are also uncertain.
- Inflationary pressures – recent disruptions to global oil supply and the resultant sharp increase in oil prices will likely impact governments capital works program and delivery of services. The increased price of diesel used for heavy machinery and freight of materials are likely to be passed on by contractors and increase the cost of remote power generation from diesel-powered stations. These risks have been heightened following the recent Fair Work Commission order requiring mandatory fuel cost recovery in road transport contracts commencing from 21 April 2026. This order ensures that increased diesel costs are passed down the supply chain, protecting drivers and operators from surging fuel prices. The quantum and timing of costs are not yet known.

- Northern Marine Complex, including the Darwin ship lift project – market and supply cost pressures are expected to further increase construction costs for the Darwin ship lift facility. The magnitude and timing of these impacts remain uncertain.
- New correctional infrastructure – the Territory Government is currently developing and reviewing business cases for new correctional infrastructure that will likely impact budget forecasts. The quantum and timing of costs are not yet known.
- Wages growth, number of employees and composition of the labour force – the Territory's public service employee expense accounts for about 41% of the general government sector's total expenses and represents the Territory's largest expense. Accordingly, risks affecting employee expenses can materially affect budget forecasts. Enterprise agreements contain terms and conditions of employment that are negotiated through an enterprise bargaining process and apply to groups of public sector employees. Enterprise agreements pose a risk to the Territory's expenses to the extent the outcome exceeds indexation factored into the budget and forward estimates.
- Increased demand for government services – higher than expected demand may lead to increased expenditure related to overtime or external service providers and may affect the ability to meet savings and efficiency measures factored into agency budgets. Persistent demand pressures may also require the expansion or construction of new public facilities.
- Skilled labour shortages – national shortages in skilled labour poses a risk to the delivery of government services, as labour shortages may require the use of higher cost external providers to ensure service delivery is not compromised. Furthermore, skill shortages may drive-up wage growth in high-demand occupations.

Emerging risks to expenses and payments are mitigated through the Territory's fiscal strategy objectives, and supported by budget accountability measures, agency performance monitoring and reporting obligations within the Territory's Financial Management and Accountability Framework, enabling early identification and remediation of budget pressures where necessary.

Risks to economic forecasts

The fiscal estimates are influenced by economic conditions in the Territory as well as the national and global economies. Changes in economic conditions and assumptions to those presented in Chapter 3 *Economic outlook* can have wide-ranging impacts on the Territory's fiscal outlook, from its revenue-raising capacity, expenditure requirements and debt servicing costs.

The major risk to the economic forecast relates to the course of the Middle East conflict and the impact on oil and fuel prices. The budget's economic forecast assumes the price of oil will average US\$100 per barrel from April to September 2026, before trending down over a two-year period. The forecasts will be negatively impacted if oil prices are materially higher than assumed or stay high for longer. Brent crude oil increased by around 109% from an average of US\$69 per barrel in 2025 to US\$144 per barrel in early April 2026. The International Energy Agency estimates the conflict has led to around a 10% reduction in global daily oil supply. Energy markets are likely to continue to be volatile as production resumes and ramps up, and tanker security and logistics stabilise. The current Brent price is close to the budget assumption, but responses to political, military and logistic developments are highly uncertain. Overall, it is considered there is downside risk to the budget's economic forecasts from global factors over the next two years, with the potential for increased investor interest in progressing domestic energy projects presenting some upside investment opportunities beyond that.

Related to the global factors is domestic interest rate risk. The RBA is already in a tightening cycle and higher fuel prices will be factored into near-term cash rate decision-making. For the forecast period, additional cash rate increases to address fuel price inflation could have broader impacts on consumption and investment across the national and Territory economies, household and business confidence, and expenditure. On balance, national factors represent downside risk to the forecast.

Locally, the Territory was affected by cyclones and widespread flooding in 2025-26. These events are factored into the forecast based on available information regarding the extent of damage, and estimates of the cost and time to recover and rebuild communities and infrastructure. There is short-term risk to the forecast if local economies take longer than expected to recover, and potential improvement if public investment increases.

Uncertainty in economic forecasts is also driven by the reliance on data that is subject to reporting limitations, error and revisions, and methodological changes. The impact of this uncertainty is generally more pronounced in smaller jurisdictions, such as the Territory.

Contingent liabilities

Contingent liabilities are potential future costs to government that may arise from guarantees, indemnities, and legal and contractual claims. Contingent liabilities pose a risk to the Territory's financial position and have the potential to materially affect the budget due to the likelihood of an actual liability arising, however most are considered low risk. The Territory continues to assess risks under these arrangements to determine if future disclosure is required and if there are any impacts on the Territory's financial position.

Details of significant contingent liabilities for the Territory are summarised below and have been classified as quantifiable (where the financial effect is estimated in excess of \$5 million) or unquantifiable (where the financial effect cannot be reliably estimated, either due to the nature of the contingent liability or number of variables that could affect the financial estimates).

Where a transaction or event of a material nature has occurred and has crystallised a contingent liability reported in this section, additional commentary has been included in the respective section.

Quantifiable contingent liabilities

Public Trustee Common Fund 1

Under section 97 of the *Public Trustee Act 1979*, the Treasurer indemnifies the Public Trustee Common Fund 1 against any deficiencies in money available to meet claims. At 30 June 2025 (the latest information available) the Common Fund 1 had a reported total of \$45.5 million (30 June 2024: \$39.3 million), which is government guaranteed.

The Common Fund is a repository for all monies received by the Public Trustee on behalf of estates, trusts or persons, and earns interest. Money to the credit of the Common Fund is invested according to the directions issued by an investment board. Common Fund 1 is a single asset managed fund that invests only in cash, such as short-term money market deposits and short-dated debt securities. The board is responsible for acting prudently to obtain return on the investments of Common Fund monies commensurate with sound investment practices and to ensure estates and trusts receive commercial rates of return on their funds. Although a material contingent liability exists, the prospect of this contingent liability being called upon is low.

Darwin ship lift project

The Territory has entered into a loan facility agreement with the Northern Australia Infrastructure Facility (NAIF) to borrow \$300 million for the Darwin ship lift project. The project will enable maintenance and servicing of defence and Australian Border Force vessels, along with commercial and private vessels, including from the oil, gas and marine industries.

The Territory indemnifies NAIF and the Commonwealth against any loss related to the Territory's fulfilment of any condition precedent to the loan facility agreement. The conditions and obligations contained in the facility agreement are being monitored during development of the project to ensure the conditions are satisfied.

Unquantifiable contingent liabilities

Banking

The Territory's financial management framework is underpinned by centralised banking arrangements. The sole provider of banking-related services has been granted indemnities under the whole of government banking contract.

Correctional facilities

The Territory has contingent liabilities related to indemnities and guarantees provided in support of the construction and ongoing property management of the Darwin Correctional Precinct under a public private partnership agreement and has indemnified the project company for losses arising from any uninsurable risks.

East Point effluent rising main – environment protection and biodiversity conservation approval

The Territory has contingent liabilities relating to a potential breach of conditions associated with the East Point effluent rising main – *Environment Protection and Biodiversity Conservation Act 1999* approval. A formal determination in relation to the potential breach has not yet been received by the Environmental Regulator.

Economic-enabling projects

Adelaide to Darwin railway project

The Territory has contingent liabilities that relate to indemnities and guarantees provided in support of the Adelaide to Darwin railway. The AustralAsia Railway Corporation (AARC), and the Territory and South Australian governments entered into a concession arrangement for the Adelaide to Darwin railway on a build, own, operate and transfer-back basis.

Unquantifiable contingent liabilities of the Territory in relation to the Adelaide to Darwin railway comprise:

- joint guarantee of the obligations of AARC
- indemnities granted in relation to title over the railway corridor (title is secure but the indemnity continues).

AARC and the governments have comprehensive risk management procedures in place for all events that would give rise to liabilities.

As part of the long-term lease of the Darwin port, the railway corridor was transferred to the Territory and leased to the concession holder. There are contingent liabilities that arise out of any loss or claim incurred or suffered as a result of the Territory's failure to comply with its environmental obligations contained in the lease. The lease contains similar indemnities given by the lessee with respect to contamination caused by the lessee and a failure to comply with its environmental obligations.

East Arm Port

The Territory has assumed the former Darwin Port Corporation's indemnity in relation to certain works at East Arm Port. The indemnity covers third-party claims, loss, damage, cost and expenses that may be incurred or sustained by parties arising out of any breach of the Territory's obligations under relevant agreements and licences. Comprehensive risk management procedures are in place to minimise risk exposure to the Territory.

Jabiru electricity supply project

The Territory has entered into an agreement for the development and ongoing operation of the power station for the supply of electricity to Jabiru. The Territory has contingent liabilities that may arise if the agreement is terminated under specific circumstances.

Northern gas pipeline project

The Territory has contingent liabilities in relation to gas transport for indemnities contained in the Northern Gas Pipeline Project Development Agreement.

Strategic gas agreements

The Territory has entered into agreements to facilitate gas supply for the Territory. The agreements commit the Territory to pricing, volumes and timing of gas supply to meet forecast future requirements. The risks to the Territory are outweighed by the broader benefits of gas security and ability to mitigate risk by selling excess gas to the east coast gas market.

On 29 September 2025, the Territory entered into several agreements to facilitate new gas supply for the Territory from the Shenandoah South pilot project in the Beetaloo. The agreements include a guarantee from the Territory Government for up to \$75 million of Tamboran's \$90 million (50%) share of the \$180 million debt financing for the Sturt Plateau compression facility. The Territory guarantees repayment of the loan to lenders if the project experiences default and the project and other guarantors are unable to repay.

Darwin convention centre hotel

The indemnity only applies to the loss or damage arising out of the development works (whether by the Territory or the external party) that is not caused or contributed by Darwin Cove Convention Centre Pty Limited. The Territory has corresponding indemnity from the external party under the project development agreement.

Government administration

Legal proceedings

Where the Territory is engaged in legal proceedings and disputes, due to the wide variety and nature of cases, and uncertainty of any potential liability, no value can be attributed to these cases. In addition, the attribution of a value to these cases has the potential to prejudice the outcome of the proceedings and disputes.

Sponsorship

Indemnities are granted to the Commonwealth and other entities involved in funding or sponsoring activities and programs initiated or undertaken by the Territory. Under these indemnities, the Territory generally accepts liability for damage or losses occurring as a result of the activities or programs, and acknowledges, while the Commonwealth or another party has contributed financially or provided in-kind support, the Territory is ultimately liable for the consequences of the activity or program.

Although the resulting contingent liability, depending on the activity undertaken, may not always be low risk, the Territory's financial exposure is no greater than would have been the case without funding or sponsorship assistance.

Territory appointed members of councils, boards and committees

Where the Territory has invited the participation of private sector persons and government officers on boards of government-owned or funded companies, the Territory may grant indemnities to the board members to cover them for any losses that may result from good faith actions.

These indemnities are generally consistent with cover available through directors' and officers' insurance and issuing an indemnity rather than purchasing commercial insurance is in line with government's self-insurance arrangements.

In relation to corporations established in accordance with the *Government Owned Corporations Act 2001*, an indemnity given by the Territory to board members is limited to actions arising from compliance with a direction issued by the shareholding minister or portfolio minister.

The resulting contingent liabilities are considered low risk as board members are professionals, selected based on their expertise and knowledge. Further, the indemnities are restricted to good faith actions only.

Workers compensation

Government has indemnified private sector insurers that provide workers compensation insurance in the Territory for losses arising as a result of acts of terrorism.

Health and community services

The Territory has granted a series of health-related indemnities for various purposes including indemnities to specialist medical practitioners employed or undertaking work in public hospitals, indemnities provided to medical professionals requested to give expert advice on inquiries before the Medical Board and indemnities to midwives.

Although risks associated with health indemnities are potentially high, the beneficiaries of the indemnities are highly trained and qualified professionals. The indemnities generally cannot be called upon where there is wilful or gross misconduct on the part of the beneficiary.

Land development

The Territory has contingent liabilities that relate to guarantees provided by the Land Development Corporation in order to facilitate specific land release projects.

National Disability Insurance Scheme Review

In October 2023, the final report of the Independent Review of the NDIS was released and provided 26 recommendations and 139 key actions to change the system that supports people with disability. A key recommendation was to include 'foundational supports' for people aged under 65 with a disability to reduce inequity between people who are in the NDIS and those who are not.

In January 2026, the Commonwealth and all states and territories concluded negotiations on a suite of health and disability reforms that included NDIS sustainability reforms and the staged commencement of foundational supports from October 2026. The 2026-27 Budget incorporates budget capacity to meet costs associated with increased indexation of payments and Foundational Supports co-contributions, subject to developing of implementation plans from 2026. Accordingly, this no longer represents a contingent liability for the Territory.

Native title

The Territory has a contingent liability under the *Native Title Act 1993* relating to an obligation to pay compensation to native title holders where the Territory commits an action that extinguishes or impairs a native title holder's rights. There have been a number of claims filed with the Federal Court under the *Native Title Act 1993*, however, it is not possible to reliably estimate the Territory's liability in respect of these and any future claims.

In February 2026, the Federal Court of Australia found the Northern Territory Government liable to pay native title holders compensation of approximately \$55 million in relation to the McArthur River compensation claim. This liability has been recognised within the 2026-27 Budget and no longer represents a contingent liability for the Territory.

Property and business services

Agreements for leases or licences of property, plant or equipment generally contain standard indemnity provisions, similar to those commonly found in commercial leases, covering the lessor or licensor for any losses suffered as a result of the lease or licence arrangement.

The granting of a concession to Darwin Cove Convention Centre Pty Ltd gives rise to contingent liabilities associated with:

- discriminatory changes in law
- environmental clean-up costs
- incentive payments to the operator if performance targets established for the centre are exceeded
- negotiated payments to the operator during the centre's operation
- works being undertaken to facilitate a hotel and integration with the Darwin Convention Centre.

For the categories listed above, neither the probability nor the amount the Territory might be called upon to pay at some future date can be determined reliably. As a result, these items are regarded as contingent liabilities.

A contingent asset also arises as a consequence of the concession arrangement. The Territory Availability Payment is recognised as a liability on the general government sector and whole of government balance sheets. However, the Territory has the right to recover up to 75% of that liability should the operator not achieve certain performance criteria. Because neither the probability of such a recovery nor the amount that might be recovered can be determined reliably, the part of the Territory Availability Payment that may be subject to abatement is classified as a contingent asset.

Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability
In November 2023, the Disability Royal Commission released an updated final report of the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability*. The report includes 222 recommendations to improve laws, policies, structures and practices to enhance the support, care and independence of people living with a disability. In August 2024, the Commonwealth accepted or accepted in principle 130 of the recommendations in its initial response to the Final Report and work is being undertaken to determine the additional funding implications to the Territory, which are not yet quantifiable.

Chapter 8

Consolidated financial statements

The financial statements in this chapter meet the requirements of the FITA, and have been prepared in accordance with relevant Australian accounting standards, including AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, and the UPF.

The UPF mandates that all Commonwealth, state and territory governments must comply with AASB 1049, and publish financial information in budget papers and fiscal outcome reports in a standard format, allowing for greater transparency and comparison of fiscal data between jurisdictions.

Each set of financial statements includes a comprehensive operating statement, balance sheet and cash flow statement for the following government sectors:

- general government sector
- public non financial corporation sector
- non financial public sector
- public financial corporation sector
- total public sector.

The financial statements for the general government, public non financial corporation and non financial public sectors include the 2025-26 revised budget, 2026-27 budget and 2027-28 to 2029-30 forward estimates. The statements for the public financial corporation and total public sectors present the 2025-26 revised budget only.

Also included in this chapter are supplementary tables, which present the 2025-26 revised budget and 2026-27 budget for the following items:

- taxes
- grant revenue and expenses
- dividend and income tax equivalent income
- operating expenses by function
- purchases of non financial assets by function
- total expenditure by function.

Details on changes to the revised projections since the 2025-26 Budget can be found in Chapter 2 *Fiscal outlook*. For a list of entities included in each sector of government, refer to Appendix A *Classification of entities in the Northern Territory*.

General government sector comprehensive operating statement

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Taxation revenue	911 875	842 207	872 230	904 698	939 627
Current grants	6 981 569	7 204 764	7 088 533	7 327 694	7 566 101
Capital grants	489 105	519 618	599 981	522 787	516 547
Sales of goods and services	480 684	460 837	450 047	454 952	460 382
Interest income	148 661	144 230	148 103	152 738	156 864
Dividend and income tax equivalent income	87 809	98 704	176 014	207 416	156 545
Other revenue	497 754	516 885	472 639	494 602	505 954
TOTAL REVENUE	9 597 457	9 787 245	9 807 547	10 064 887	10 302 020
<i>less</i> EXPENSES					
Employee benefits expense	3 504 457	3 577 750	3 614 962	3 716 438	3 840 021
Superannuation expenses					
Superannuation interest cost	125 800	122 592	118 932	114 913	110 745
Other superannuation expenses	397 539	405 266	410 825	422 624	436 591
Depreciation and amortisation	811 887	804 617	778 835	756 285	743 508
Other operating expenses	2 169 841	2 285 260	2 200 366	2 242 009	2 262 154
Interest expenses	544 521	611 725	676 211	720 952	764 493
Other property expenses					
Current grants	1 326 009	1 402 603	1 382 442	1 419 158	1 376 212
Capital grants	360 243	313 126	91 487	64 318	54 961
Subsidies and personal benefit payments	261 925	306 443	334 466	335 270	340 924
TOTAL EXPENSES	9 502 222	9 829 382	9 608 526	9 791 967	9 929 609
<i>equals</i> NET OPERATING BALANCE	95 235	- 42 137	199 021	272 920	372 411
<i>plus</i> Other economic flows – included in operating result	- 13 060	77 004	86 625	96 864	105 637
<i>equals</i> OPERATING RESULT	82 175	34 867	285 646	369 784	478 048
<i>plus</i> Other economic flows – other comprehensive income	- 38 405	6 848	138 363	- 26 751	9 031
<i>equals</i> COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners	43 770	41 715	424 009	343 033	487 079
NET OPERATING BALANCE	95 235	- 42 137	199 021	272 920	372 411
<i>less</i> Net acquisition of non financial assets					
Purchases of non financial assets	1 283 862	1 579 231	1 304 248	1 134 241	1 116 559
Sales of non financial assets	- 27 064	- 28 349	- 28 849	- 28 849	- 28 849
<i>less</i> Depreciation	811 887	804 617	778 835	756 285	743 508
<i>plus</i> Change in inventories					
<i>plus</i> Other movements in non financial assets	- 17 245	33 365	58 034	58 491	20 142
<i>equals</i> Total net acquisition of non financial assets	427 666	779 630	554 598	407 598	364 344
<i>equals</i> FISCAL BALANCE	- 332 431	- 821 767	- 355 577	- 134 678	8 067

General government sector balance sheet

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
ASSETS					
Financial assets					
Cash and deposits	1 110 341	1 032 248	917 577	974 113	988 296
Advances paid	150 535	149 535	148 535	147 535	146 535
Investments, loans and placements	3 129 298	3 347 244	3 588 541	3 820 189	4 066 872
Receivables	573 339	602 992	656 699	613 471	613 342
Equity investments					
Investments in other public sector entities	2 556 866	2 563 714	2 702 077	2 675 326	2 684 357
Equity accounted investments					
Investments – shares	14 398	14 398	14 398	14 398	14 398
Other financial assets	84 431	83 367	82 296	81 221	80 145
Total financial assets	7 619 208	7 793 498	8 110 123	8 326 253	8 593 945
Non financial assets					
Inventories	22 368	22 368	22 368	22 368	22 368
Property, plant and equipment	22 250 774	23 009 082	23 581 675	24 008 473	24 391 582
Investment property	27 897	23 897	19 897	15 897	11 897
Other non financial assets	553 847	586 486	579 745	571 959	564 183
Total non financial assets	22 854 886	23 641 833	24 203 685	24 618 697	24 990 030
TOTAL ASSETS	30 474 094	31 435 331	32 313 808	32 944 950	33 583 975
LIABILITIES					
Deposits held	467 027	462 215	431 940	402 302	377 122
Advances received	103 462	92 262	83 664	74 649	65 197
Borrowing	12 818 006	13 919 191	14 481 350	14 874 218	15 075 850
Superannuation	2 770 700	2 702 842	2 633 549	2 562 069	2 489 397
Other employee benefits	1 005 184	1 005 184	1 005 184	1 005 184	1 005 184
Payables	362 266	364 668	367 065	369 530	369 485
Other liabilities	1 440 667	1 340 472	1 338 550	1 341 459	1 399 122
TOTAL LIABILITIES	18 967 312	19 886 834	20 341 302	20 629 411	20 781 357
NET ASSETS/LIABILITIES (-)	11 506 782	11 548 497	11 972 506	12 315 539	12 802 618
NET WORTH	11 506 782	11 548 497	11 972 506	12 315 539	12 802 618
NET FINANCIAL WORTH ¹	- 11 348 104	- 12 093 336	- 12 231 179	- 12 303 158	- 12 187 412
NET FINANCIAL LIABILITIES ²	13 904 970	14 657 050	14 933 256	14 978 484	14 871 769
NET DEBT³	8 998 321	9 944 641	10 342 301	10 409 332	10 316 466

1 Net financial worth equals total financial assets minus total liabilities.

2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

General government sector cash flow statement

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
Cash receipts from operating activities					
Taxes received	911 875	842 207	872 230	904 698	939 627
Receipts from sales of goods and services	517 811	473 306	463 325	468 230	473 660
Grants and subsidies received	7 563 610	7 670 850	7 641 275	7 803 558	8 082 648
Interest receipts	149 363	144 230	148 103	152 738	156 864
Dividends and income tax equivalents	81 238	58 175	100 306	251 538	156 674
Other receipts	453 293	509 753	466 903	489 653	499 443
Total operating receipts	9 677 190	9 698 521	9 692 142	10 070 415	10 308 916
Cash payments for operating activities					
Payments for employees	- 4 113 112	- 4 173 466	- 4 214 012	- 4 325 455	- 4 460 029
Payment for goods and services	- 1 886 886	- 1 905 774	- 1 808 591	- 1 869 008	- 1 880 508
Grants and subsidies paid	- 1 894 083	- 2 111 591	- 1 808 395	- 1 818 746	- 1 772 097
Interest paid	- 544 037	- 609 462	- 674 691	- 719 913	- 763 896
Other payments	- 352 757	- 352 307	- 352 307	- 352 307	- 352 307
Total operating payments	- 8 790 875	- 9 152 600	- 8 857 996	- 9 085 429	- 9 228 837
NET CASH FLOWS FROM OPERATING ACTIVITIES	886 315	545 921	834 146	984 986	1 080 079
Cash flows from investments in non financial assets					
Sales of non financial assets	27 064	28 349	28 849	28 849	28 849
Purchases of non financial assets	- 1 316 075	- 1 579 231	- 1 304 248	- 1 134 241	- 1 116 559
Net cash flows from investments in non financial assets	- 1 289 011	- 1 550 882	- 1 275 399	- 1 105 392	- 1 087 710
NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS	- 402 696	- 1 004 961	- 441 253	- 120 406	- 7 631
Net cash flows from investments in financial assets for policy purposes ¹	- 17 688	- 1 239	- 1 396	- 1 564	- 1 744
Net cash flows from investments in financial assets for liquidity purposes	- 108 029	- 123 701	- 137 274	- 117 218	- 123 300
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 1 414 728	- 1 675 822	- 1 414 069	- 1 224 174	- 1 212 754
Net cash flows from financing activities					
Advances received (net)	- 7 821	- 11 200	- 8 598	- 9 015	- 9 452
Borrowing (net)	865 665	1 067 820	504 125	334 377	181 490
Deposits received (net)	- 215 215	- 4 812	- 30 275	- 29 638	- 25 180
Other financing (net)					
NET CASH FLOWS FROM FINANCING ACTIVITIES	642 629	1 051 808	465 252	295 724	146 858
NET INCREASE/DECREASE (-) IN CASH HELD	114 216	- 78 093	- 114 671	56 536	14 183
Net cash flows from operating activities	886 315	545 921	834 146	984 986	1 080 079
Net cash flows from investments in non financial assets	- 1 289 011	- 1 550 882	- 1 275 399	- 1 105 392	- 1 087 710
CASH SURPLUS/DEFICIT (-)	- 402 696	- 1 004 961	- 441 253	- 120 406	- 7 631
Future infrastructure and superannuation contributions/earnings ²	- 63 256	- 61 215	- 64 888	- 68 781	- 72 907
UNDERLYING SURPLUS/DEFICIT (-)	- 465 952	- 1 066 176	- 506 141	- 189 187	- 80 538

¹ Includes equity acquisitions and disposals (net).

² Contributions for future infrastructure and superannuation requirements.

Public non financial corporation sector comprehensive operating statement

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Current grants	260 242	293 824	324 073	324 407	330 521
Capital grants	128 051	129 831	85 323	68 028	69 074
Sales of goods and services	847 164	964 800	1 253 565	1 088 611	1 069 568
Interest income	8 894	7 549	7 355	7 468	6 917
Other revenue	34 227	34 529	33 984	37 459	37 909
TOTAL REVENUE	1 278 578	1 430 533	1 704 300	1 525 973	1 513 989
<i>less</i> EXPENSES					
Employee benefits expense	122 488	116 888	128 813	129 458	132 822
Superannuation expenses	15 484	16 202	17 418	17 165	17 340
Depreciation and amortisation	248 741	251 437	260 529	272 187	281 930
Other operating expenses	717 798	803 328	869 040	816 859	788 459
Interest expenses	135 462	161 945	186 124	194 235	195 206
Other property expenses	11 536	14 033	77 760	41 043	44 195
Current grants					
Capital grants					
Subsidies and personal benefit payments	1 345	1 378	1 491	1 426	1 461
TOTAL EXPENSES	1 252 854	1 365 211	1 541 175	1 472 373	1 461 413
<i>equals</i> NET OPERATING BALANCE	25 724	65 322	163 125	53 600	52 576
<i>plus</i> Other economic flows – included in operating result	- 77 350	- 47 118	- 46 192	- 32 247	- 41 162
<i>equals</i> OPERATING RESULT	- 51 626	18 204	116 933	21 353	11 414
<i>plus</i> Other economic flows – other comprehensive income	31 227	23 836	24 156	19 642	22 283
<i>equals</i> COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners	- 20 399	42 040	141 089	40 995	33 697
NET OPERATING BALANCE	25 724	65 322	163 125	53 600	52 576
<i>less</i> Net acquisition of non financial assets					
Purchases of non financial assets	489 531	541 265	468 984	354 767	314 126
Sales of non financial assets	- 3 188	- 24 400			
<i>less</i> Depreciation	248 741	251 437	260 529	272 187	281 930
<i>plus</i> Change in inventories	4 174	149	2 414	6 736	7 566
<i>plus</i> Other movements in non financial assets					
<i>equals</i> Total net acquisition of non financial assets	241 776	265 577	210 869	89 316	39 762
<i>equals</i> FISCAL BALANCE	- 216 052	- 200 255	- 47 744	- 35 716	12 814

Public non financial corporation sector balance sheet

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
ASSETS					
Financial assets					
Cash and deposits	221 716	212 942	182 442	153 611	127 390
Advances paid					
Investments, loans and placements					
Receivables	153 932	176 373	425 385	172 963	168 414
Equity investments					
Investments in other public sector entities					
Equity accounted investments					
Investments – shares					
Other financial assets	6 016	4 699	3 378	540	2 636
Total financial assets	381 664	394 014	611 205	327 114	298 440
Non financial assets					
Inventories	218 267	218 416	220 830	227 566	235 132
Property, plant and equipment	4 782 018	5 059 300	5 267 440	5 396 238	5 448 591
Investment property					
Other non financial assets	73 711	72 249	71 973	71 922	71 900
Total non financial assets	5 073 996	5 349 965	5 560 243	5 695 726	5 755 623
TOTAL ASSETS	5 455 660	5 743 979	6 171 448	6 022 840	6 054 063
LIABILITIES					
Deposits held	2 223	1 952	1 952	1 952	1 952
Advances received					
Borrowing	2 595 172	2 844 690	3 060 057	2 972 204	3 000 482
Superannuation					
Other employee benefits	85 546	87 780	89 646	90 063	85 132
Payables	104 863	125 099	137 890	133 492	134 974
Other liabilities	114 375	97 877	168 393	157 312	163 309
TOTAL LIABILITIES	2 902 179	3 157 398	3 457 938	3 355 023	3 385 849
NET ASSETS/LIABILITIES (-)	2 553 481	2 586 581	2 713 510	2 667 817	2 668 214
NET WORTH	2 553 481	2 586 581	2 713 510	2 667 817	2 668 214
NET FINANCIAL WORTH ¹	- 2 520 515	- 2 763 384	- 2 846 733	- 3 027 909	- 3 087 409
NET DEBT²	2 375 679	2 633 700	2 879 567	2 820 545	2 875 044

1 Net financial worth equals total financial assets minus total liabilities.

2 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Public non financial corporation sector cash flow statement

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
Cash receipts from operating activities					
Receipts from sales of goods and services	853 989	935 214	997 859	1 333 085	1 068 532
Grants and subsidies received	337 935	391 394	405 064	415 941	394 446
Interest receipts	8 894	7 549	7 355	7 468	6 917
Dividends and income tax equivalents					
Other receipts	37 823	31 614	33 984	35 306	37 909
Total operating receipts	1 238 641	1 365 771	1 444 262	1 791 800	1 507 804
Cash payments for operating activities					
Income tax equivalents paid	- 19 011	1 286	- 11 142	- 82 026	- 42 271
Payments for employees	- 142 498	- 140 149	- 153 815	- 155 285	- 164 289
Payment for goods and services	- 767 307	- 771 968	- 845 125	- 848 180	- 795 450
Grants and subsidies paid	- 1 345	- 1 378	- 1 491	- 1 426	- 1 461
Interest paid	- 133 093	- 160 974	- 185 265	- 194 491	- 195 868
Other payments		- 358	- 397	- 214	- 228
Total operating payments	- 1 063 254	- 1 073 541	- 1 197 235	- 1 281 622	- 1 199 567
NET CASH FLOWS FROM OPERATING ACTIVITIES	175 387	292 230	247 027	510 178	308 237
Cash flows from investments in non financial assets					
Sales of non financial assets	3 188	24 400			
Purchases of non financial assets	- 489 531	- 541 265	- 468 984	- 354 767	- 314 126
Net cash flows from investments in non financial assets	- 486 343	- 516 865	- 468 984	- 354 767	- 314 126
NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS	- 310 956	- 224 635	- 221 957	155 411	- 5 889
Net cash flows from investments in financial assets for policy purposes ¹	- 3 101	- 204	1 048	3 069	- 2 001
Net cash flows from investments in financial assets for liquidity purposes	1 197	1 521	273	- 231	- 95
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 488 247	- 515 548	- 467 663	- 351 929	- 316 222
Net cash flows from financing activities					
Advances received (net)					
Borrowing (net)	337 670	225 271	203 477	- 101 613	16 463
Deposits received (net)	- 273	- 271			
Dividends paid	- 28 118	- 10 456	- 13 341	- 85 467	- 34 699
Other financing (net)					
NET CASH FLOWS FROM FINANCING ACTIVITIES	309 279	214 544	190 136	- 187 080	- 18 236
NET INCREASE/DECREASE (-) IN CASH HELD	- 3 581	- 8 774	- 30 500	- 28 831	- 26 221
Net cash flows from operating activities	175 387	292 230	247 027	510 178	308 237
Net cash flows from investments in non financial assets	- 486 343	- 516 865	- 468 984	- 354 767	- 314 126
Dividends paid	- 28 118	- 10 456	- 13 341	- 85 467	- 34 699
CASH SURPLUS/DEFICIT (-)	- 339 074	- 235 091	- 235 298	69 944	- 40 588

¹ Includes equity acquisitions and disposals (net).

Non financial public sector comprehensive operating statement

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Taxation revenue	903 121	833 298	862 816	895 592	930 442
Current grants	6 939 448	7 157 578	7 075 833	7 319 302	7 566 101
Capital grants	574 889	585 469	673 965	585 729	571 182
Sales of goods and services	1 255 523	1 353 064	1 631 024	1 470 976	1 458 356
Interest income	156 496	150 918	154 735	159 565	163 480
Dividend and income tax equivalent income	48 288	75 731	84 094	79 685	79 050
Other revenue	525 675	545 451	500 764	526 199	539 464
TOTAL REVENUE	10 403 440	10 701 509	10 983 231	11 037 048	11 308 075
<i>less</i> EXPENSES					
Employee benefits expense	3 626 945	3 694 638	3 743 775	3 845 896	3 972 843
Superannuation expenses					
Superannuation interest cost	125 800	122 592	118 932	114 913	110 745
Other superannuation expenses	409 856	418 301	425 076	436 622	450 764
Depreciation and amortisation	1 059 382	1 054 808	1 038 118	1 027 226	1 024 192
Other operating expenses	2 804 731	3 005 620	2 986 022	2 975 790	2 969 912
Interest expenses	678 826	772 711	861 514	914 448	959 300
Other property expenses					
Current grants	1 258 512	1 333 189	1 311 144	1 346 725	1 302 372
Capital grants	253 886	228 246	56 048	31 932	31 922
Subsidies and personal benefit payments	70 525	83 411	83 182	84 722	85 704
TOTAL EXPENSES	10 288 463	10 713 516	10 623 811	10 778 274	10 907 754
<i>equals</i> NET OPERATING BALANCE	114 977	- 12 007	359 420	258 774	400 321
<i>plus</i> Other economic flows – included in operating result	- 90 410	29 886	40 433	64 617	64 475
<i>equals</i> OPERATING RESULT	24 567	17 879	399 853	323 391	464 796
<i>plus</i> Other economic flows – other comprehensive income	19 203	23 836	24 156	19 642	22 283
<i>equals</i> COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners	43 770	41 715	424 009	343 033	487 079
NET OPERATING BALANCE	114 977	- 12 007	359 420	258 774	400 321
<i>less</i> Net acquisition of non financial assets					
Purchases of non financial assets	1 773 393	2 120 496	1 773 232	1 489 008	1 430 685
Sales of non financial assets	- 30 252	- 52 749	- 28 849	- 28 849	- 28 849
<i>less</i> Depreciation	1 059 382	1 054 808	1 038 118	1 027 226	1 024 192
<i>plus</i> Change in inventories	4 174	149	2 414	6 736	7 566
<i>plus</i> Other movements in non financial assets	10 381	33 365	58 034	58 491	20 142
<i>equals</i> Total net acquisition of non financial assets	698 314	1 046 453	766 713	498 160	405 352
<i>equals</i> FISCAL BALANCE	- 583 337	- 1 058 460	- 407 293	- 239 386	- 5 031

Non financial public sector balance sheet

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
ASSETS					
Financial assets					
Cash and deposits	1 129 167	1 051 074	936 403	992 939	1 007 122
Advances paid	150 535	149 535	148 535	147 535	146 535
Investments, loans and placements	3 129 298	3 347 244	3 588 541	3 820 189	4 066 872
Receivables	710 189	749 197	984 571	728 634	723 450
Equity					
Investments in other public sector entities	21 630	21 630	21 630	21 630	21 630
Equity accounted investments					
Investments – shares	14 398	14 398	14 398	14 398	14 398
Other financial assets	90 447	88 066	85 674	81 761	82 781
Total financial assets	5 245 664	5 421 144	5 779 752	5 807 086	6 062 788
Non financial assets					
Inventories	240 635	240 784	243 198	249 934	257 500
Property, plant and equipment	27 008 156	28 044 992	28 826 971	29 383 813	29 820 521
Investment property	27 897	23 897	19 897	15 897	11 897
Other non financial assets	627 558	658 735	651 718	643 881	636 083
Total non financial assets	27 904 246	28 968 408	29 741 784	30 293 525	30 726 001
TOTAL ASSETS	33 149 910	34 389 552	35 521 536	36 100 611	36 788 789
LIABILITIES					
Deposits held	266 360	270 051	270 276	269 469	270 510
Advances received	103 462	92 262	83 664	74 649	65 197
Borrowing	15 388 678	16 740 593	17 519 331	17 825 558	18 056 680
Superannuation	2 770 700	2 702 842	2 633 549	2 562 069	2 489 397
Other employee benefits	1 090 730	1 092 964	1 094 830	1 095 247	1 090 316
Payables	458 580	481 551	496 795	494 840	496 285
Other liabilities	1 564 618	1 460 792	1 450 585	1 463 240	1 517 786
TOTAL LIABILITIES	21 643 128	22 841 055	23 549 030	23 785 072	23 986 171
NET ASSETS/LIABILITIES (-)	11 506 782	11 548 497	11 972 506	12 315 539	12 802 618
NET WORTH	11 506 782	11 548 497	11 972 506	12 315 539	12 802 618
NET FINANCIAL WORTH ¹	- 16 397 464	- 17 419 911	- 17 769 278	- 17 977 986	- 17 923 383
NET FINANCIAL LIABILITIES ²	16 419 094	17 441 541	17 790 908	17 999 616	17 945 013
NET DEBT³	11 349 500	12 555 053	13 199 792	13 209 013	13 171 858

1 Net financial worth equals total financial assets minus total liabilities.

2 Net financial liabilities equals the sum of total liabilities less total financial assets excluding investments in other public sector entities.

3 Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Non financial public sector cash flow statement

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
Cash receipts from operating activities					
Taxes received	903 121	833 298	862 816	895 592	930 442
Receipts from sales of goods and services	1 277 878	1 335 947	1 388 596	1 728 728	1 470 598
Grants and subsidies received	7 562 572	7 683 540	7 686 827	7 862 706	8 123 534
Interest receipts	157 198	150 918	154 735	159 565	163 480
Dividends and income tax equivalents	34 051	48 288	75 731	84 094	79 685
Other receipts	484 810	535 404	495 028	519 097	532 953
Total operating receipts	10 419 630	10 587 395	10 663 733	11 249 782	11 300 692
Cash payments for operating activities					
Payments for employees	- 4 244 036	- 4 301 155	- 4 355 210	- 4 468 494	- 4 611 955
Payment for goods and services	- 2 558 037	- 2 603 350	- 2 579 690	- 2 643 238	- 2 604 434
Grants and subsidies paid	- 1 556 455	- 1 734 265	- 1 450 374	- 1 463 379	- 1 419 998
Interest paid	- 675 973	- 769 477	- 859 135	- 913 665	- 959 365
Other payments	- 352 757	- 352 665	- 352 704	- 352 521	- 352 535
Total operating payments	- 9 387 258	- 9 760 912	- 9 597 113	- 9 841 297	- 9 948 287
NET CASH FLOWS FROM OPERATING ACTIVITIES	1 032 372	826 483	1 066 620	1 408 485	1 352 405
Cash flows from investments in non financial assets					
Sales of non financial assets	30 252	52 749	28 849	28 849	28 849
Purchases of non financial assets	- 1 805 606	- 2 120 496	- 1 773 232	- 1 489 008	- 1 430 685
Net cash flows from investments in non financial assets	- 1 775 354	- 2 067 747	- 1 744 383	- 1 460 159	- 1 401 836
NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS	- 742 982	- 1 241 264	- 677 763	- 51 674	- 49 431
Net cash flows from investments in financial assets for policy purposes ¹	- 20 789	- 1 443	- 348	1 505	- 3 745
Net cash flows from investments in financial assets for liquidity purposes	- 106 832	- 122 180	- 137 001	- 117 449	- 123 395
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 1 902 975	- 2 191 370	- 1 881 732	- 1 576 103	- 1 528 976
Net cash flows from financing activities					
Advances received (net)	- 7 821	- 11 200	- 8 598	- 9 015	- 9 452
Borrowing (net)	1 204 547	1 294 303	708 814	233 976	199 165
Deposits received (net)	- 211 907	3 691	225	- 807	1 041
Other financing (net)					
NET CASH FLOWS FROM FINANCING ACTIVITIES	984 819	1 286 794	700 441	224 154	190 754
NET INCREASE/DECREASE (-) IN CASH HELD	114 216	- 78 093	- 114 671	56 536	14 183
Net cash flows from operating activities	1 032 372	826 483	1 066 620	1 408 485	1 352 405
Net cash flows from investments in non financial assets	- 1 775 354	- 2 067 747	- 1 744 383	- 1 460 159	- 1 401 836
CASH SURPLUS/DEFICIT (-)	- 742 982	- 1 241 264	- 677 763	- 51 674	- 49 431
Future infrastructure and superannuation contributions/earnings ²	- 63 256	- 61 215	- 64 888	- 68 781	- 72 907
UNDERLYING SURPLUS/DEFICIT (-)	- 806 238	- 1 302 479	- 742 651	- 120 455	- 122 338

¹ Includes equity acquisitions and disposals (net).

² Contributions for future infrastructure and superannuation requirements.

Public financial corporation sector comprehensive operating statement

2025-26
Revised

\$000

	REVENUE	
	Current grants	
	Capital grants	
	Sales of goods and services	987
	Interest income	586 617
	Other revenue	
	TOTAL REVENUE	587 604
<i>less</i>	EXPENSES	
	Employee benefits expense	711
	Superannuation expenses	84
	Depreciation and amortisation	
	Other operating expenses	1 930
	Interest expenses	536 592
	Other property expenses	14 486
	Current grants	
	Capital grants	
	Subsidies and personal benefit payments	
	TOTAL EXPENSES	553 803
<i>equals</i>	NET OPERATING BALANCE	33 801
<i>plus</i>	Other economic flows – included in operating result	
<i>equals</i>	OPERATING RESULT	33 801
<i>plus</i>	Other economic flows – other comprehensive income	
<i>equals</i>	COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners	33 801
	NET OPERATING BALANCE	33 801
<i>less</i>	Net acquisition of non financial assets	
	Purchases of non financial assets	
	Sales of non financial assets	
<i>less</i>	Depreciation	
<i>plus</i>	Change in inventories	
<i>plus</i>	Other movements in non financial assets	
<i>equals</i>	Total net acquisition of non financial assets	
<i>equals</i>	FISCAL BALANCE	33 801

Public financial corporation sector balance sheet

2025-26
Revised

\$000

ASSETS**Financial assets**

Cash and deposits	48 627
Advances paid	
Investments, loans and placements	13 601 899
Receivables	9 690
Equity investments	
Investments in other public sector entities	
Equity accounted investments	
Investments – shares	
Other financial assets	
Total financial assets	13 660 216

Non financial assets

Inventories	
Property, plant and equipment	
Investment property	
Other non financial assets	
Total non financial assets	

TOTAL ASSETS**13 660 216****LIABILITIES**

Deposits held	454
Advances received	147 015
Borrowing	13 326 845
Superannuation	
Other employee benefits	122
Payables	115 860
Other liabilities	48 290
TOTAL LIABILITIES	13 638 586

NET ASSETS/LIABILITIES (-)**21 630****NET WORTH****21 630**NET FINANCIAL WORTH¹

21 630

NET DEBT²**- 176 212**

¹ Net financial worth equals total financial assets minus total liabilities.

² Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Public financial corporation sector cash flow statement

2025-26
Revised

\$000

Cash receipts from operating activities

Receipts from sales of goods and services

987

Grants and subsidies received

Interest receipts

583 059

Other receipts

Total operating receipts**584 046****Cash payments for operating activities**

Income tax equivalents paid

- 10 215

Payments for employees

- 795

Payment for goods and services

- 1 930

Grants and subsidies paid

Interest paid

- 516 005

Other payments

Total operating payments**- 528 945****NET CASH FLOWS FROM OPERATING ACTIVITIES****55 101****Cash flows from investments in non financial assets**

Sales of non financial assets

Purchases of non financial assets

Net cash flows from investments in non financial assets**NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS****55 101**Net cash flows from investments in financial assets for policy purposes¹

Net cash flows from investments in financial assets for liquidity purposes

- 1 380 901

NET CASH FLOWS FROM INVESTING ACTIVITIES**- 1 380 901**

Net cash flows from financing activities

Advances received (net)

Borrowing (net)

1 138 002

Deposits received (net)

Dividends paid

- 23 836

Other financing (net)

NET CASH FLOWS FROM FINANCING ACTIVITIES**1 114 166****NET INCREASE/DECREASE (-) IN CASH HELD****- 211 634**

Net cash flows from operating activities

55 101

Net cash flows from investments in non financial assets

Distributions paid

- 23 836

CASH SURPLUS/DEFICIT (-)**31 265**¹ Includes equity acquisitions and disposals (net).

Total public sector comprehensive operating statement

	2025-26 Revised
	\$000
REVENUE	
Taxation revenue	903 121
Current grants	6 939 448
Capital grants	574 889
Sales of goods and services	1 254 784
Interest income	156 996
Dividend and income tax equivalent income	
Other revenue	525 674
TOTAL REVENUE	10 354 912
<i>less</i> EXPENSES	
Employee benefits expense	3 627 656
Superannuation expenses	
Superannuation interest cost	125 800
Other superannuation expenses	409 940
Depreciation and amortisation	1 059 382
Other operating expenses	2 804 934
Interest expenses	629 301
Other property expenses	
Current grants	1 258 512
Capital grants	253 886
Subsidies and personal benefit payments	70 525
TOTAL EXPENSES	10 239 936
<i>equals</i> NET OPERATING BALANCE	114 976
<i>plus</i> Other economic flows – included in operating result	- 90 410
<i>equals</i> OPERATING RESULT	24 566
<i>plus</i> Other economic flows – other comprehensive income	19 204
<i>equals</i> COMPREHENSIVE RESULT – total change in net worth before transactions with owners in their capacity as owners	43 770
NET OPERATING BALANCE	114 976
<i>less</i> Net acquisition of non financial assets	
Purchases of non financial assets	1 773 393
Sales of non financial assets	- 30 252
<i>less</i> Depreciation	1 059 382
<i>plus</i> Change in inventories	4 174
<i>plus</i> Other movements in non financial assets	10 381
<i>equals</i> Total net acquisition of non financial assets	698 314
<i>equals</i> FISCAL BALANCE	- 583 338

Total public sector balance sheet

	2025-26 Revised
	\$000
ASSETS	
Financial assets	
Cash and deposits	1 129 167
Advances paid	150 535
Investments, loans and placements	3 129 298
Receivables	662 049
Equity investments	
Investments in other public sector entities	
Equity accounted investments	
Investments – shares	14 398
Other financial assets	90 447
Total financial assets	5 175 894
Non financial assets	
Inventories	240 635
Property, plant and equipment	27 008 156
Investment property	27 897
Other non financial assets	627 558
Total non financial assets	27 904 246
TOTAL ASSETS	33 080 140
LIABILITIES	
Deposits held	218 187
Advances received	172 301
Borrowing	15 191 800
Superannuation	2 770 700
Other employee benefits	1 090 852
Payables	564 898
Other liabilities	1 564 620
TOTAL LIABILITIES	21 573 358
NET ASSETS/LIABILITIES (-)	11 506 782
NET WORTH	11 506 782
NET FINANCIAL WORTH ¹	- 16 397 464
NET DEBT²	11 173 288

¹ Net financial worth equals total financial assets minus total liabilities.

² Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Total public sector cash flow statement

2025-26
Revised

\$000

Cash receipts from operating activities

Taxes received	903 121
Receipts from sales of goods and services	1 277 139
Grants and subsidies received	7 562 572
Interest receipts	157 198
Other receipts	484 809
Total operating receipts	10 384 839

Cash payments for operating activities

Payments for employees	- 4 244 831
Payment for goods and services	- 2 558 240
Grants and subsidies paid	- 1 556 455
Interest paid	- 608 919
Other payments	- 352 757
Total operating payments	- 9 321 202
NET CASH FLOWS FROM OPERATING ACTIVITIES	1 063 637

Cash flows from investments in non financial assets

Sales of non financial assets	30 252
Purchases of non financial assets	- 1 805 606
Net cash flows from investments in non financial assets	- 1 775 354

NET CASH FROM OPERATING ACTIVITIES AND INVESTMENTS IN NON FINANCIAL ASSETS

Net cash flows from investments in financial assets for policy purposes ¹	- 20 789
Net cash flows from investments in financial assets for liquidity purposes	- 106 832
NET CASH FLOWS FROM INVESTING ACTIVITIES	- 1 902 975

Net cash flows from financing activities

Advances received (net)	
Borrowing (net)	953 827
Deposits received (net)	- 273
Other financing (net)	

NET CASH FLOWS FROM FINANCING ACTIVITIES

NET INCREASE/DECREASE (-) IN CASH HELD	114 216
Net cash flows from operating activities	1 063 637
Net cash flows from investments in non financial assets	- 1 775 354

CASH SURPLUS/DEFICIT (-)

Future infrastructure and superannuation contributions/earnings ²	- 63 256
--	----------

UNDERLYING SURPLUS/DEFICIT (-)

¹ Includes equity acquisitions and disposals (net).

² Contributions for future infrastructure and superannuation requirements.

General government sector taxes

	2025-26 Revised	2026-27 Budget
	\$M	\$M
Taxes on employers' payroll and labour force	332	351
Payroll taxes	332	351
Taxes on property	245	144
Stamp duties on financial and capital transactions	245	144
Taxes on the provision of goods and services	227	235
Taxes on gambling	149	153
Taxes on insurance	78	83
Taxes on the use of goods and performance of activities	108	112
Motor vehicle registration fees	105	109
Other	3	3
TOTAL TAXATION REVENUE	912	842

General government sector grant revenue

	2025-26 Revised	2026-27 Budget
	\$M	\$M
Current grant revenue		
Current grants from the Commonwealth (including for on-passing)	6 934	7 180
Untied revenue	4 967	5 102
Tied revenue	1 967	2 078
Other non-Commonwealth contributions and grants	48	25
Total current grant revenue	6 982	7 205
Capital grant revenue		
Capital grants from the Commonwealth (including for on-passing)	484	518
Tied revenue	484	518
Other non-Commonwealth contributions and grants	6	2
Total capital grant revenue	489	520
TOTAL GRANTS REVENUE	7 471	7 724

General government sector grant expenses

	2025-26 Revised	2026-27 Budget
	\$M	\$M
Current grant expense including subsidies and personal benefit payments		
Local government	80	80
Private and not-for-profit sector	1 113	1 183
Grants to other sectors of government	88	69
Other ¹	307	377
Total current grant expenses including subsidies and personal benefit payments	1 588	1 709
Capital grant expense		
Local government	113	63
Private and not-for-profit sector	140	165
Grants to other sectors of government	107	85
Other		
Total capital grant expenses	360	313
TOTAL GRANT EXPENSES	1 948	2 022

¹ Comprises grants to government schools and Charles Darwin University.

General government sector dividend and income tax equivalent income

	2025-26 Revised	2026-27 Budget
	\$M	\$M
Dividend and income tax equivalent income from public non financial corporations sector	40	23
Dividend and income tax equivalent income from public financial corporations sector	48	76
TOTAL DIVIDEND AND INCOME TAX EQUIVALENT INCOME	88	99

General government sector operating expenses by function

	2025-26 Revised	2026-27 Budget
	\$M	\$M
General public services	816	896
Public order and safety	1 410	1 467
Economic affairs	636	662
Environmental protection	140	136
Housing and community amenities	1 084	1 036
Health	2 462	2 521
Recreation, culture and religion	215	229
Education	1 572	1 628
Social protection	716	819
Transport	451	435
TOTAL OPERATING EXPENSES	9 502	9 829

Reported by Classifications of Functions of Government – Australia.

General government sector purchases of non financial assets by function

	2025-26 Revised	2026-27 Budget
	\$M	\$M
General public services	16	9
Public order and safety	129	261
Economic affairs	229	239
Environmental protection	27	21
Housing and community amenities	420	396
Health	102	94
Recreation, culture and religion	63	37
Education	41	101
Social protection	8	13
Transport	249	408
TOTAL PURCHASES OF NON FINANCIAL ASSETS	1 284	1 579

Reported by Classifications of Functions of Government – Australia.

Non financial public sector total expenditure by function

	2025-26 Revised	2026-27 Budget
	\$M	\$M
General public services	843	917
Public order and safety	1 539	1 728
Economic affairs	1 704	1 819
Environmental protection	217	213
Housing and community amenities	1 823	1 789
Health	2 565	2 617
Recreation, culture and religion	278	266
Education	1 613	1 729
Social protection	724	832
Transport	726	871
TOTAL EXPENDITURE¹	12 031	12 782

¹ Total expenditure comprises operating expenses and net capital investment.
Reported by Classifications of Functions of Government – Australia.

Appendices

Appendix A

Classification of entities in the Northern Territory

Total public sector

Non financial public sector

General government sector
Aboriginal Areas Protection Authority
Attorney-General's Department
Auditor-General's Office
AustralAsia Railway Corporation¹
Batchelor Institute of Indigenous Tertiary Education¹
Central Holding Authority
Darwin Waterfront Corporation¹
Data Centre Services²
Department of Agriculture and Fisheries
Department of the Chief Minister and Cabinet
Department of Children and Families
Department of Corporate and Digital Development
Department of Corrections
Department of Education and Training
Department of Health
Department of Housing, Local Government and Community Development
Department of Lands, Planning and Environment
Department of the Legislative Assembly
Department of Logistics and Infrastructure
Department of Mining and Energy
Department of People, Sport and Culture
Department of Tourism and Hospitality
Department of Trade, Business and Asian Relations
Department of Treasury and Finance
Desert Knowledge Australia¹
Motor Accidents (Compensation) Commission¹
Museums and Art Galleries Board of the Northern Territory¹
Nominal Insurer's Fund¹
Northern Territory Electoral Commission
Northern Territory Fire and Emergency Service
Northern Territory Legal Aid Commission¹
Northern Territory Major Events Company Pty Ltd¹
Northern Territory Police Force
NT Build¹
NT Fleet²
NT Home Ownership²
Office of the Independent Commissioner Against Corruption
Office of the Integrity and Ethics Commissioner⁴
Ombudsman's Office
Territory Wildlife Parks²

Public non financial corporations sector

Indigenous Essential Services Pty Ltd¹

Jacana Energy^{1,3}

Land Development Corporation²

Power and Water Corporation^{1,3}

Territory Generation^{1,3}

Public financial corporation sector

Northern Territory Treasury Corporation²

1 Non-budget sector entity.

2 Government business division.

3 Government owned corporation.

4 Reflects the merge of the Independent Commissioner Against Corruption, Ombudsman, Information Commissioner, and Health and Community Services Complaints Commissioner from 1 July 2026.

Appendix B

Abbreviations and acronyms

AARC	AustralAsia Railway Corporation	LNG	liquefied natural gas
AASB	Australian Accounting Standards Board	M	million
ABS	Australian Bureau of Statistics	MAC	Motor Accidents Compensation
b	budget	Moody's	Moody's Investors Service
B	billion	n/a	not applicable
BFSA	Better and Fairer Schools Agreement	NAIF	Northern Australia Infrastructure Facility
CGC	Commonwealth Grants Commission	NAJP	National Access to Justice Partnership Agreement
COPE	Commonwealth own-purpose expenses	NDIS	National Disability Insurance Scheme
CPI	consumer price index	NHRA	National Health Reform Agreement
CT	computed tomography	NTTC	Northern Territory Treasury Corporation
e	estimate	OECD	Organisation for Economic Co-operation and Development
f	forecast	ppt	percentage points
FFA	Federation Funding Agreement	r	revised
FITA	<i>Fiscal Integrity and Transparency Act 2001</i>	RBA	Reserve Bank of Australia
GFC	global financial crisis	RHS	right-hand side
GSP	gross state product	SCI	statement of corporate intent
GST	goods and services tax	SFD	state final demand
HFE	horizontal fiscal equalisation	SPP	specific purpose payment
ICT	information and communications technology	TAFE	Technical and Further Education
IGA FFR	Intergovernmental Agreement on Federal Financial Relations	UPF	Uniform Presentation Framework
IHACPA	Independent Health and Aged Care Pricing Authority	US	United States (of America)
LHS	left-hand side		

Appendix C

Explanation of terms

Australian Bureau of Statistics

A Commonwealth entity that coordinates statistical activities and collaborates with official bodies in collecting, compiling, analysing and distributing statistics.

Balancing item

The balancing item is the residual of gross state product less state final demand and net international trade in goods and services. It comprises the change in inventories at a jurisdictional level plus net interstate trade.

Borrowings

Receipt of money, property or other value with an obligation to repay, regardless of whether or not the repayment is of equal value. It includes loans, the issue of debentures, bonds or stock, discounted securities, promissory notes, the lease of real or personal property, or any other arrangement where there is an obligation to repay.

Budget cycle

Financial years reported in the budget, comprising of the revised budget, budget year and three forward estimate years.

Capital works

Infrastructure projects involving building and engineering works that create or improve government owned assets, as well as constructing or installing facilities and fixtures associated with and forming an integral part of those works.

Classifications of functions of government – Australia

A framework to classify government outlays or expenditure by the purpose served, for example, health or education, which is based on classifications set by the Australian Bureau of Statistics in the government finance statistics manual.

Commonwealth Grants Commission

A Commonwealth statutory body that makes recommendations to the Commonwealth Treasurer on how revenues raised from GST should be distributed to states and territories.

Commonwealth own-purpose expenses

Payments by the Commonwealth directly to an agency for provision of specific services or for onpassing to non-government and local government organisations.

Consumer price index

A measure of the price of a representative basket of goods and services for each Australian capital city over time.

The consumer price index's basket of goods has 11 categories of goods and services (food and non-alcoholic beverages; alcohol and tobacco; clothing and footwear; housing; furnishings, household equipment and services; health; transport; communication; recreation and culture; education; and insurance and financial services). These categories are weighted to reflect household consumption patterns in each city. Weights for each capital city are updated on an annual basis to reflect changing household consumption patterns over time.

Contingent liability

A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly in control of the Territory. It also includes present liabilities that arise from past events where it is not probable the Territory will be required to settle the liability, or the amount of the obligation cannot be reliably estimated.

Depreciation and amortisation

An expense that represents the cost of assets (both tangible and intangible) over their useful life, to account for declines in value over time due to usage, wear and tear, and obsolescence.

Employed

Persons 15 years and older who worked for one hour or more in the week as measured by the labour force survey. Persons are measured as being employed in the jurisdiction in which they reside, regardless of the location of their employment.

Employee benefits expense

Consists of all uncapitalised compensation of employees except for superannuation. It includes payments in cash or in-kind.

Federation funding agreement schedules

Fixed-term agreements between the Commonwealth and states and territories, with defined objectives, outcomes, outputs and performance measures for the delivery of specific projects, services or to facilitate reforms. These are arranged under five sectoral federation funding agreements covering health, education and skills, infrastructure, environment, and affordable housing, community services and other.

Financial asset

A non physical asset that gets its value from a contractual or ownership claim with a counterparty. Includes cash and deposits, advances paid, investments, loans and placements, receivables, equity investments and other contractual rights to receive future economic benefits.

Fiscal aggregate

Financial indicators used for macro-economic analysis purposes, including assessing the impact of a government and its sectors on the economy. AASB 1049 *Whole of Government and General Government Sector Financial Reporting* prescribes net operating balance, net lending/borrowing (fiscal balance), change in net worth (comprehensive result), net worth and cash surplus/deficit. The Uniform Presentation Framework prescribes additional fiscal aggregates not included in AASB 1049. These are net debt, net financial worth, net financial liabilities and cash surplus/deficit.

Fiscal balance (net lending/borrowing)

An operating statement measure, also referred to as net lending/borrowing, that differs from net operating balance as it includes spending on capital items but excludes depreciation. A net lending (or fiscal surplus) balance indicates government is saving more than enough to finance all its investment spending. A net borrowing (or fiscal deficit) balance indicates a government's level of investment is greater than its level of savings. The fiscal balance equals the net operating balance less the net acquisition of non financial assets.

General government sector

Agencies and other entities controlled by government mainly engaged in the production of goods and or services outside the normal market mechanism, where goods and services are provided free of charge or at nominal charge well below costs of production. This sector is generally funded by taxation revenues (directly or indirectly) and Commonwealth grants.

Government finance statistics

Statistics that measure the financial transactions of governments and reflect the impact of those transactions on other sectors of the economy. Government finance statistics in Australia are developed by the Australian Bureau of Statistics in conjunction with all governments and are mainly based on international statistical standards, developed in consultation with member countries by the International Monetary Fund.

Government owned corporation

An entity governed by the *Government Owned Corporations Act 2001*. Operating under a shareholder model of corporate government, its objectives are to function as efficiently as any corporate business and maximise sustainable returns to government.

The Territory has three government owned corporations: Power and Water Corporation, Territory Generation and Jacana Energy.

Grants

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving equal value in return. Grants can be either current or capital in nature.

Grants can be paid as general purpose grants, which refer to grants not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and or have conditions attached regarding their use.

Gross domestic product

The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. Gross domestic product can be calculated by summing total output, total income or total expenditure.

Gross state product

Measures the total value of goods and services produced in a state or territory. It can be calculated by measuring expenditure, where it is the sum of state final demand and international and interstate trade, changes in the level of stocks, and a balancing item.

Horizontal fiscal equalisation

A distribution of GST revenue to state and territory governments that, after accounting differences in revenue raising and expenditure needs, enables each state to provide services and associated infrastructure at comparable standards.

Household consumption

Expenditure by resident households on goods and services that will not be resold or used in production. The purchase of dwellings is excluded from household consumption as dwellings are goods used by owners to produce housing services for those owners and is therefore captured in private investment.

Inflation

Annual change in the consumer price index. For the purpose of adjusting agency budgets and government fees, the Territory Government generally uses the year-on-year change in the consumer price index.

Interest expense

Costs incurred in connection with the borrowing of funds. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments and amortisation of discounts or premiums on borrowings.

Intergovernmental Agreement on Federal Financial Relations

An agreement outlining the objectives, principles and institutional arrangements governing financial relations between the Commonwealth and state and territory governments, including Commonwealth funding to states and territories through general revenue assistance, specific purpose payments and national partnership payments.

Key fiscal indicators

Key financial measures that must be specified by government in accordance with the *Fiscal Integrity and Transparency Act 2001*, against which fiscal policy is set and assessed. The fiscal indicators determined by government are generally derived from fiscal aggregates reported in the Uniform Presentation Framework and AASB 1049.

Labour force

Persons 15 years and over who are available for work, that is, employed plus unemployed persons actively seeking work. Labour force excludes Australian Defence Force personnel and non residents.

Leases

Rights conveyed in a contract or part of a contract to use an asset (the underlying asset) for a period of time in exchange for consideration.

National funding agreements

Agreements between the Commonwealth and states and territories that contain significant policy content and act as sources of longer-term funding.

National partnership payments

Tied payments from Commonwealth Treasury to state and territory treasuries, and appropriated to government agencies to deliver outcomes and outputs under federation funding agreement schedules, national partnership agreements, and some national funding agreements.

Net capital investment

Purchases of non financial assets (incorporating the construction of assets) less sales of non financial assets as reported in the operating statement.

Net debt

A government's net stock of selected gross financial liabilities less financial assets. A key fiscal aggregate reported in the balance sheet, it equals the sum of deposits held, advances received, loans and other borrowings, less the sum of cash and deposits, advances paid and investments, loans and placements.

Net debt to revenue

Fiscal measure that assesses net debt as a proportion of total revenue. It assesses a government's ability to repay borrowings, with a high ratio indicating a lower ability to repay debt and a low ratio indicating a stronger ability to repay debt.

Net exports (also known as trade balance)

The trade balance is the difference between the value of a jurisdiction's exports and imports. When exports exceed imports, the jurisdiction has a trade surplus, and conversely, when imports exceed exports, the jurisdiction has a trade deficit.

Net operating balance

Key fiscal aggregate reported in the operating statement, measuring the ongoing sustainability of a government's operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets, and is the component of the change in net worth that is due to transactions attributable to government policies. It equals total revenue less total expenses.

Non financial assets

Assets that are not financial assets, predominantly comprising land and other fixed assets.

Non financial public sector

The sector formed through a consolidation of the general government and public non financial corporation sectors.

Non-policy variations

Changes in key fiscal indicators as a result of factors outside government's control, such as the timing of payments or changes in external economic conditions.

Other operating expenses

Expenses that generally represent day-to-day running costs incurred in normal operations. They also include total value of goods and services used in production and use of goods acquired for resale.

Own-source revenue

Revenue raised by the Territory, mainly through Territory administered legislation, largely comprising taxes, mining and petroleum royalties, fees and charges, rent and tenancy income, interest and dividend revenue, and profit and loss on the disposal of assets.

Parameters

Used to adjust agency budgets. Also referred to as inflators and deflators.

Policy variations

Changes to key fiscal indicators that arise from government decisions to implement new or expand existing agency programs and savings, revenue and contingency measures.

Private investment

Expenditure by producers on fixed assets that are used in the process of production and used repeatedly or continuously for longer than one year. It comprises dwelling investment, ownership transfer costs (fees incurred by the buyer or seller of real estate), non-dwelling construction (industrial, commercial and non-dwelling buildings and other structures such as pipelines and bridges), machinery and equipment, cultivated biological resources (natural resources used repeatedly to produce products such as milk or orchards) and intellectual property products (products as a result of creative activity, research and development and mineral exploration).

Public consumption

Government expenditure on goods and services (including wages and rents). National consumption is a combination of Commonwealth consumption, defence consumption and consumption by universities. State and local government consumption includes all other public consumption.

Public financial corporations

Government-controlled entity that performs a central bank function and has the authority to incur liabilities and acquire financial assets in the market on its own behalf.

Public investment

Expenditure by all levels of government on the purchase of fixed assets that are used over a long time period. Most data for public investment is sourced from state and territory government financial reports. Adjustments are made by the Australian Bureau of Statistics to deduct expenditure that is classified as consumption, rather than investment. The Australian Bureau of Statistics' statistical treatment of public investment does not always reconcile with the Territory Government's reporting of investment expenditure and, as a result, is not directly comparable.

Public non financial corporations

Government owned and controlled entities that provide goods and services to consumers on a commercial basis and are funded largely by the sale of these goods and services with the aim to maximise sustainable returns to government. These entities are legally distinguishable from the government that owns them.

Sales of goods and services

Revenue from the direct provision of goods and services, including fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on assets such as buildings and equipment, but excludes rental income from the use of non-produced assets such as land.

Specific purpose payments

A Commonwealth financial contribution to support delivery of services in a particular sector. Payments are made from Commonwealth Treasury to state and territory treasuries and are appropriated to the relevant government agency.

State final demand

A major component of gross state product, and a measure of the demand for goods and services in an economy. While state final demand includes consumption and investment expenditure, it does not include the contribution of trade or changes in inventories to economic growth and therefore is not a comprehensive measure of economic growth.

Territory-funded expenses

Expenses funded by the Territory from appropriation and payments made from the Central Holding Authority including interest and employee entitlements.

Tied revenue

Revenue received by the Territory that must be used for specific purposes, predominantly through national funding agreements, federation funding agreement schedules, national partnership agreements and specific purpose payments, which are tied with a sector.

Total public sector

The sector formed through a consolidation of the non financial public and public financial corporation sectors.

Unemployment rate

Number of unemployed persons expressed as a percentage of the labour force.

Uniform Presentation Framework

A framework agreed by the Council on Federal Financial Relations to incorporate AASB 1049. The Uniform Presentation Framework requires Commonwealth, state and territory governments to present a minimum set of budget and financial outcome information based on the government finance statistics, according to an agreed format and specified reporting arrangements. This enables users of the information to make valid comparisons between jurisdictions.

Untied revenue

Revenue received by the Territory that can be used for discretionary purposes. It comprises GST revenue.

Wage price index

A measure of hourly rates of pay over time for a fixed range of jobs. The Australian Bureau of Statistics measures the wage price index at the state and territory level (as well as nationally) and for both the public and private sectors. It excludes non-wage costs such as superannuation, payroll tax and workers compensation.



NORTHERN TERRITORY

2026-27 Budget



Budget Paper No. 3

Agency Budget Statements

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Overview

Budget Paper No. 3 provides accrual and output-based information for Northern Territory Government agencies and business divisions for 2025-26 and 2026-27, including:

- agency profiles, output descriptions and budget highlights
- expense and appropriation amounts, including explanations of material variations
- full-time equivalent (FTE) staffing information based on the March quarter 2026 average
- output statements for agencies and business line statements for government business divisions (GBDs), including key performance indicators
- financial statements (operating statement, balance sheet and cash flow statement) and revenue statements
- a summary of community service obligation (CSO) payments to GBDs and government owned corporations
- a summary of output appropriation funding by agency from 2025-26 to 2029-30.

The 2026 Budget is prepared in accordance with the Territory's financial management legislation and framework, which is summarised below.

Financial management legislation

The Territory's financial management framework, including accountability requirements, is established by the:

- *Fiscal Integrity and Transparency Act 2001* (FITA), which prescribes whole of government financial reporting requirements
- *Financial Management Act 1995* (FMA), which sets out agency and GBD financial accountability requirements.

These Acts are supplemented by the annual *Appropriation Act*, which provides the legal authority for the government's funding decisions.

Fiscal Integrity and Transparency Act 2001

The FITA requires reporting of the budget and forward estimates in accordance with external reporting standards. The reporting standard used is the Uniform Presentation Framework, agreed by state, territory and Commonwealth governments. This is based on Australian Accounting Standards Board 1049 *Whole of Government and General Government Sector Financial Reporting*.

Financial Management Act 1995

The FMA provides the financial framework within which Territory Government agencies and GBDs operate and manage resources. Budget Paper No. 3 includes all agencies and GBDs that are subject to the FMA and included in the Territory's budget sector.

The FMA provides the rules for budget monitoring and management for each agency and GBD, including accountability processes for budget variations arising from unforeseen circumstances or where government functions are redistributed between agencies.

The FMA also specifies agency and GBD internal control requirements, asset safeguarding, financial transaction and bank account rules, and financial reporting obligations.

Government owned corporations, such as the Power and Water Corporation, Jacana Energy and Territory Generation, are not included in Budget Paper No. 3 as they are subject to the *Government Owned Corporations Act 2001*.

Financial management framework

The Territory's financial management framework utilises an accrual output-based methodology for budgeting, accounting and reporting, with performance reporting a central tenet. This ensures the Territory's financial management processes are contemporary and consistent with the frameworks of other jurisdictions across Australia.

The financial management framework includes *Treasurer's Direction – Organisational performance and accountability*, which establishes the minimum standards for Territory Government agencies to plan, review and report their organisational performance and accountability, including performance reporting in Budget Paper No. 3.

Agencies – outputs and key performance indicators

The financial management framework provides a consistent basis for the 2026 Budget, including output structures and key performance indicators for each agency. Agency annual reports record actual performance and provide explanations of material variations.

Agency corporate and shared services costs are separately identified in a corporate and shared services output group for accountability and transparency. Costs associated with shared services functions are reported in both the agency providing the services and agency receiving the services.

Where material functional transfers between agencies have occurred during 2025-26, the FMA requires the original 2025-26 Budget and the revised 2025-26 Budget to be backcast to 1 July 2025. Material machinery of government changes reflected in the 2026 Budget include consolidation of the former Office of the Independent Commissioner Against Corruption and Ombudsman's Office, and the Health and Community Services Complaints Commission function from the Attorney-General's Department, into the new Office of the Integrity and Ethics Commissioner.

Where agencies have internally restructured their outputs during 2025-26 to better align with government's strategic priorities, the original 2025-26 Budget and revised 2025-26 Budget have also been backcast to enable comparability and ensure transparency.

Government businesses – business lines and performance

GBDs are expected to operate on a commercial basis and recover costs through user charges. However, GBDs remain subject to the financial management framework and FMA accountability requirements, with the chief executive of each GBD accountable to the responsible minister for financial performance.

Commercial practices implemented for GBDs include:

- fully attributing costs and being subject to similar government taxes (including tax equivalents), fees and charges as privately owned businesses
- adopting efficient pricing methods that account for all costs
- using CSO payments to compensate for undertaking non-commercial activities at the direction of government and paying dividends on profits earned
- performance monitoring.

GBDs are required to disaggregate income and expense information by business line. An operating surplus/deficit before income tax is also provided by business line.

A performance statement is provided for each GBD, summarising expected financial performance in 2026-27, relative to 2025-26. Key performance indicators for each business line are also included, with actual performance and financial outcomes presented in annual reports.

GBDs must comply with competitive neutrality principles to minimise any commercial advantage over private sector businesses due to government ownership. The Territory Government has a formal mechanism to allow private sector businesses to make competitive neutrality complaints against GBDs, managed by the Department of Treasury and Finance.

Accrual accounting

Under accrual accounting, income (revenue and gains) and expenses are recorded in the period in which they occur, regardless of whether cash has been received or paid. Accrual accounting also includes transactions where no cash is exchanged, such as creating obligations to pay or rights to receive cash in the future, and the cost of using assets in producing outputs, known as depreciation expense.

Appropriation arrangements

The Territory Government has a cash appropriation framework. Appropriation is provided to fund agencies and is generally an agency's main income and cash source. Three types of appropriation are recognised: output appropriation, capital appropriation and Commonwealth appropriation (including other external appropriation). The three appropriation types are designated in the *Appropriation Act* as 'purposes' as they reflect a purpose for providing funds and are shown separately in agency financial statements.

2025-26 budget

The 2025-26 budget information presented in this publication reflects the information originally published in the May 2025 Budget, except where backcasting has occurred following material function transfers, realignment with government's strategic priorities or specific direction. Such adjustments are identified in the relevant agency key variation explanations.

2025-26 revised

The revised 2025-26 budget information presented in this publication reflects the revised 2025-26 budget for each agency, incorporating any machinery of government changes and including the financial consequences of any government policy decisions made since the original 2025-26 budget. The budget variations are approved in accordance with the requirements of the FMA, with formal variation instruments tabled in the Legislative Assembly.

2026-27 budget

The 2026-27 budget for agencies is based on a forward estimates model, with inflator and deflator factors (parameters) applied to each agency's base budget and funding adjustments incorporated for new initiatives, and any savings and revenue measures approved through the year and during the budget development process. The following parameters have been applied in the 2026 Budget:

- consumer price index (CPI) parameter (inflator) of 3.3% in 2026-27 and 2.5% per annum thereafter, applied to agency operational expenditure budgets
- a wages parameter (inflator) of 3% per annum from 2026-27, applied to agency employee expenditure budgets
- a composite parameter (inflator) comprising 75% of the wages parameter and 25% of the CPI parameter, applied to agency grant expenditure budgets
- a budget repair measure (deflator) of 1.5% per annum in 2026-27, with a two-thirds discount applied to certain frontline agencies or functions
- a demand parameter (inflator) of 1.4% per annum applied to the Department of Health budget.

Budget Paper No. 3 layout and presentation

This publication presents agencies and GBDs in separate sections in the order set out in the Administrative Arrangements Order as it applied at 24 October 2025. As a result of the enactment of the *Integrity and Ethics Commissioner Act 2025* on 27 November 2025, the publication also incorporates the consolidation of the Office of the Independent Commissioner Against Corruption and Ombudsman's Office, and the Health and Community Services Complaints Commission function from the Attorney-General's Department, into the new Office of the Integrity and Ethics Commissioner that is anticipated to be operational from 1 July 2026.

The layout remains similar to the format used in the 2025 Budget.

Although some adjustments are made for consistency and to aid clarity during the preparation of this budget paper, the information for each agency and GBD is largely as provided by, and agreed with, each agency's accountable officer.

The following information describes the elements within the agency and GBD sections.

Expenses and appropriation summary

Provides expense information for each output group and output (or business line for GBDs) equating to total operating expenses in the operating statement. Explanations for material variations within 2025-26 and between the revised 2025-26 budget and the 2026-27 budget are provided as footnotes. Output, capital and Commonwealth appropriations are also shown, on a cash-flow basis.

For GBDs, this section describes financial performance, focusing on key variations between the years.

Agency and business division profile

A concise narrative overview of the agency's or GBD's key responsibilities.

Budget highlights

A table outlining additional funding for new initiatives approved since the 2025 Budget, key existing initiatives and new capital projects.

Outputs, business lines and performance

Agency budgets are based on outputs and objectives. GBD budgets are based on activities and objectives. Outputs (activities) are the services provided or the goods produced by an agency (GBD) for users external to the agency (GBD).

Outputs that are intended to contribute to the same objective are aggregated into an output group. Activities that are intended to contribute to the same objective are aggregated into a business line. An objective is provided for each output group or business line and a description is provided for each output or activity.

Key performance indicators are provided with targets and estimated outcomes identified for each measure. The indicators are focused on presenting measures that are meaningful, nationally consistent and relevant to assessing the achievement of the intended objective.

Treasurer's Direction – Organisational performance and accountability requires agencies and GBDs to annually review their Budget Paper No. 3 key performance indicators to ensure the measures meet the SMART principles (that is, specific, measurable, achievable, relevant and time-bound) and align with government priorities, agency objectives and statutory responsibilities.

To enable meaningful comparisons where measures have changed, agencies and GBDs recast key performance indicators for the 2025-26 estimate to be on a consistent basis with 2026-27 budget information. Where measures have been modified and 2025-26 data is not available, or where measures are commencing in 2026-27, no 2025-26 estimate is provided.

Financial statements

A set of financial statements (operating statement, balance sheet and cash flow statement) is presented on an accrual basis for each agency and GBD for the revised 2025-26 budget and the 2026-27 budget.

Operating statement – presents expenses, revenues, gains and net result of an agency. It excludes capital payments and receipts, as these only affect the balance sheet and cash flow statement.

As appropriation only covers cash expenses, most agencies will show a deficit due to unfunded non-cash expenses, including depreciation and amortisation. Agencies may also show a surplus or deficit in relation to the transfer of expenditure between years due to the treatment of timing differences in line with accounting standards. For example, where Commonwealth revenue is received in one year but not spent until the following financial year, a surplus will be shown in the first year and a deficit in the second. Approved carryovers, where unspent funding in one year is carried forward to a subsequent year, may also result in an agency showing a budgeted deficit. As a result, budgeted deficits at the agency level do not necessarily worsen whole of government fiscal outcomes over the budget and forward estimate period.

Agency accountable officers are required to comply with an employee expense cap. The employee expense cap for each agency is equivalent to the employee expense budget figure in the operating statement.

In addition to operating revenues controlled and utilised by an agency to fund its activities, a number of agencies also act on behalf of the Territory Government in managing administered items. Administered items in the operating statement include the collection of revenues such as taxes, levies, fees and fines that an agency is unable to use to further its own objectives without authorisation.

Administered items are transferred to, and reported by, the Central Holding Authority (CHA), as the parent entity of government. Administered income and expenses are not recognised in the agency's operating statement but are reported separately in accordance with Australian accounting standards.

Balance sheet – presents assets and liabilities, and records the net assets or equity of an agency at the end of the financial year. Deficits (as recorded in the operating statement) reduce the equity position over time, while surpluses increase equity.

In addition to assets and liabilities controlled and utilised by an agency to deliver its activities, a number of agencies also act on behalf of the Territory Government in managing administered items. Administered items on the balance sheet include government assets and liabilities managed by an agency that it is unable to use or consume to further its own objectives without authorisation.

Administered items are transferred to, and reported by, CHA, as the parent entity of government. Administered assets and liabilities are not recognised in the agency's balance sheet but are reported separately in accordance with Australian accounting standards.

Cash flow statement – presents cash movements in and out of an agency during the financial year and includes capital receipts and payments. The statement also reconciles to the agency's cash account at the end of the year, which is reported in the balance sheet.

Revenue statement

In addition to the financial statements, a revenue statement is included to provide detailed information on revenue received by each agency, GBD and CHA, including Commonwealth revenue.

Estimates for revenue from the Commonwealth are based on information provided in the Commonwealth's Mid-Year Economic and Fiscal Outlook 2025-26, released in December 2025, and any other funding agreements subsequently agreed.

A comprehensive discussion of Commonwealth revenue is provided in Budget Paper No. 2 *Budget Strategy and Outlook*.

Community service obligation payments and output appropriation

This section details CSO payments made to GBDs and government owned corporations to fund specific Territory Government, community or social objectives that would not otherwise be undertaken if left to commercial or market forces, or would be undertaken at higher prices. CSO requirements are reviewed annually.

This section also details output appropriation by agency from 2025-26 to 2029-30 to provide transparency in relation to time-limited Territory Government funding.

Ministerial portfolios

The Hon. Lia Emele Finocchiaro MLA

Chief Minister

Minister for Police

Minister for Fire and Emergency Service

Minister for Defence NT

Minister for Territory Coordinator

The Hon. Gerard Phillip Maley MLA

Deputy Chief Minister

Minister for Agriculture and Fisheries

Minister for Mining and Energy

Minister for Corrections

Minister for Renewables

Minister for Recreational Fishing

The Hon. William (Bill) Carl Yan MLA

Treasurer

Minister for Logistics and Infrastructure

Minister for Housing Construction

The Hon Marie-Clare Joy Boothby MLA

Attorney-General

Minister for Tourism and Hospitality

Minister for Major Events

Minister for Parks and Wildlife

Minister for Racing

The Hon. Steven (Steve) Mark Edgington MLA

Minister for Health

Minister for Mental Health

Minister for Alcohol Policy

Minister for Aboriginal Affairs

Minister for Housing, Local Government and Community Development

Minister for Essential Services

The Hon. Joshua (Josh) Roland Burgoyne MLA

Minister for Lands, Planning and Environment

Minister for Corporate and Digital Development

Minister for Water Resources

The Hon. Jo-Anne (Jo) Hersey MLA

Minister for Education and Training

Minister for Early Education

Minister for Public Service

The Hon. Robyn Patricia Cahill OAM MLA

Minister for Trade, Business and Asian Relations

Minister for International Education, Migration and Population

Minister for Workforce Development

Minister for Advanced Manufacturing

Minister for Children and Families

Minister for Child Protection

Minister for Prevention of Domestic Violence

The Hon. Jinson Anto Charls MLA

Minister for People, Sport and Culture

Minister for Disability

Minister for Arts

Minister for Youth, Seniors and Equality

Minister for Multicultural Affairs

Minister for Veterans

Part 1
Agencies

Department of the Chief Minister and Cabinet

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Advice and coordination	23 305	86 372	22 292	1
Strategic advice and coordination	5 077	8 251	6 019	
Strategic policy, reform and Aboriginal partnerships	11 750	71 768	10 228	
Territory regional coordination	6 478	6 353	6 045	
Office of the Territory Coordinator	6 382	5 387	6 172	2
Office of the Territory Coordinator	6 382	5 387	6 172	
Government support	30 121	32 745	33 923	3
Support to ministers and Leader of the Opposition	17 309	17 335	17 709	
Support to the Administrator	3 135	4 135	4 228	
Government services	9 677	11 275	11 986	
Office of the Commissioner for Public Employment	7 692	9 722	9 025	4
Employee and industrial relations	3 017	3 017	3 055	
Workforce planning and development	2 661	4 691	3 925	
Aboriginal employment and career development	1 018	1 018	1 030	
Public sector appeals and grievance reviews	996	996	1 015	
Corporate and shared services	17 684	13 919	13 528	5
Corporate and governance	7 358	6 295	5 896	
Shared services received	9 539	6 837	6 845	
Shared services provided	787	787	787	
Total expenses	85 184	148 145	84 940	
Appropriation				
Output	71 025	131 142	72 798	
Commonwealth	1 054	2 023	1 358	

2026-27 staffing: 285 FTE

- The variation in the strategic advice and coordination output in 2025-26 is mostly due to revised timing of Commonwealth funding. The decrease in the strategic advice and coordination output in 2026-27 mainly reflects expiry of time-limited Commonwealth funding. The variation in the strategic policy, reform, and Aboriginal partnerships output in 2025-26 is primarily related to the McArthur River Mine settlement.
- The variation in 2025-26 is primarily due to transferring funds between years from 2025-26 to 2026-27, partially offset by temporary funding arrangements to support gas purchases in 2025-26.
- The variations in the support to the Administrator and government services outputs in 2025-26 mostly reflect increased ongoing resourcing for the Office of the Official Secretary and Protocol NT.
- The variations in the workforce planning and development output in 2025-26 and 2026-27 relate to the leadership development function transferring from the Department of Corporate and Digital Development and associated increase in training delivery.
- The variations in the corporate and governance output in 2025-26 and 2026-27 mostly reflect internal resourcing adjustments to provide increased ongoing resourcing for Protocol NT. The variation in the shared services received output in 2025-26 is primarily due to the Department of Corporate and Digital Development cost allocation methodology adjustments following machinery of government changes.

Agency profile

The department supports the Chief Minister and Cabinet in actioning government's priorities by:

- delivering informed government decision-making and effective priority reforms across government
- supporting economic growth in the Territory and accelerating jobs and opportunities for all Territorians
- providing leadership and coordination across government in urban, regional and remote areas
- positioning the interests of the Territory at state, national and international levels through engagement with governments, industry and community sectors
- delivering efficient and effective support of executive government
- leading and coordinating the Territory Government's Aboriginal affairs agenda
- delivering improved organisational performance through strategic leadership and governance and providing corporate services functions.

The Office of the Commissioner for Public Employment is responsible for public sector workforce management and development, and industrial relations. The office supports the Commissioner's statutory employer functions under the *Public Sector Employment and Management Act 1993* (PSEMA). The Commissioner provides strategic and policy advice to support the Minister for Public Employment's requirements under PSEMA and other industrial relations legislation.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
National support and intervention program – National Partnership ¹	269	282
McArthur River Mine settlement provision	60 000	
De-densification of social and affordable housing	1 500	
Key existing initiatives		
Investing in Aboriginal self-determination to Close the Gap in the Territory ¹	1 054	1 076
Northern Territory Remote Aboriginal Investment - service evaluation and reform ¹	700	

¹ Includes Commonwealth funding.

Output groups and objectives

Advice and coordination

Objective: Informed government decision-making and effective delivery of priority reforms across government.

Strategic advice and coordination

Lead, coordinate and provide strategic advice to maximise benefits to the Territory, including through participation in strategic intergovernmental discussions and agreements.

Drive, support and maximise defence activity and national security to grow the Territory's economy and strengthen community resilience.

Lead and coordinate emergency recovery activities across the Territory.

Strategic policy, reform and Aboriginal partnerships

Provide strategic advice across a range of public policy issues to the Chief Minister and Cabinet. Work with relevant agencies and stakeholders to develop, guide and implement priority strategies and initiatives. Coordinate and lead the development and implementation of the Territory’s Aboriginal affairs policy, ensuring land and sea ownership delivers on the economic and social aspirations of Aboriginal Territorians.

Territory regional coordination

Work across agencies to lead the delivery and coordination of Territory Government priorities and strategies to improve outcomes within the regions in partnership with government agencies and key stakeholders.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Client satisfaction with engagement through policy development and coordination processes	≥ 90%	90%	≥ 90%
Ministerial advice provided within allotted timeframes	≥ 90%	90%	≥ 90%

Office of the Territory Coordinator

Objective: Economic growth in the Territory and accelerating jobs and opportunities for all Territorians.

Office of the Territory Coordinator

Facilitate significant projects and programs of work, designate infrastructure coordination and Territory development areas, and expedite scheduled statutory processes and decisions.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Stakeholder engagement conducted by the Territory Coordinator	120	120	120
Client satisfaction with engagement through Territory Coordinator processes	≥ 90%	90%	≥ 90%

Government support

Objective: Efficient and effective support of executive government.

Support to ministers and Leader of the Opposition

Provide operational advice and administrative support to the Chief Minister, ministers and Leader of the Opposition.

Support to the Administrator

Provide operational advice and administrative support to the Office of the Administrator of the Northern Territory.

Government services

Provide a streamlined whole of government approach to ensure communication and marketing priorities are effectively and professionally managed across agencies. Provide operational advice, support and hospitality services including protocol matters to the Chief Minister, ministers, Leader of the Opposition and the Administrator of the Northern Territory.

Provide secretariat services to the department, Cabinet and Executive Council.

Provide legislative drafting services and advice about bills for Acts, committee stage amendments, subordinate legislation and miscellaneous statutory instruments.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Client satisfaction with government services provided	≥ 90%	90%	≥ 90%
Client satisfaction with support provided to the Administrator	≥ 90%	90%	≥ 90%
Publications without error on the Northern Territory legislation website within 5 business days of notification/commencement	≥ 95%	95%	≥ 95%

Office of the Commissioner for Public Employment

Objective: An agile, capable, engaged and diverse workforce that delivers government's priorities and provides high quality services to Territorians.

Employee and industrial relations

Develop and manage employment policies, and provide employment services that ensure all employment legislative requirements are applied.

Ensure Northern Territory Public Sector (NTPS) employees have access to contemporary and sustainable working arrangements, and comply with the objectives of the PSEMA. Provide strategic public and private industrial relations advice, and administer the Territory's *Long Service Leave Act 1981* and *Public Holidays Act 1981*.

Workforce planning and development

Build workforce capability and capacity within the NTPS through establishing and implementing workforce planning and development strategies and initiatives, including core capability and leadership development throughout the NTPS. Develop and promote strategic workforce initiatives and professional development, and support agencies to improve inclusion and diversity across the NTPS.

Aboriginal employment and career development

Improve Aboriginal employment outcomes in the NTPS by leading and supporting initiatives that expand employment pathways. Attract, engage and retain Aboriginal employees to grow and develop their NTPS careers.

Public sector appeals and grievance reviews

Conduct promotion, disciplinary and inability appeals pursuant to the PSEMA. Provide employees with independent review of agency actions and decisions through a flexible, agile and contemporary grievance review process.

Ensure a uniform merit-based selection process across the NTPS and sustainable special measures recruitment plans.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Ministerial client satisfaction with Office of the Commissioner for Public Employment services, communication and responsiveness	≥ 95%	95%	≥ 95%
Agency client satisfaction with Office of the Commissioner for Public Employment services, communication and responsiveness	≥ 85%	85%	≥ 85%
NTPS enterprise agreement outcomes (average annual increase in remuneration) ¹		3.3%	3%
NTPS employees who identify as Aboriginal	≥ 12%	11%	≥ 12%
NTPS employees who identify as having a disability ^{1,2}		2%	≥ 8%

1 New measure.

2 NTPS employees are not required and may choose not to identify if they have a disability, which can result in under-representation in estimates.

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and governance, and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Shared services provided

Provide shared corporate and governance services to the Department of Treasury and Finance.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	251	
Capital		
Appropriation		
Output	131 142	72 798
Commonwealth	3 788	1 358
Sales of goods and services	2 856	2 180
Interest revenue		
Goods and services received free of charge	6 837	6 845
Gain (+)/loss (-) on disposal of assets		
Other revenue	3 205	129
TOTAL INCOME	148 079	83 310
EXPENSES		
Employee expenses	55 266	56 847
Administrative expenses		
Purchases of goods and services	80 897	17 429
Repairs and maintenance		
Depreciation and amortisation	510	497
Services free of charge	6 837	6 845
Other administrative expenses	26	
Grants and subsidies expenses		
Current	4 609	3 322
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	148 145	84 940
NET SURPLUS (+)/DEFICIT (-)¹	- 66	- 1 630

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	12 918	12 162
Receivables	589	589
Prepayments	302	302
Inventories		
Advances and investments		
Property, plant and equipment	33 109	32 612
Other assets	80	80
TOTAL ASSETS	46 998	45 745
LIABILITIES		
Deposits held		
Creditors and accruals	4 371	4 371
Borrowings and advances		
Provisions	6 844	6 844
Other liabilities	568	568
TOTAL LIABILITIES	11 783	11 783
NET ASSETS	35 215	33 962
EQUITY		
Capital		
Opening balance	77 891	77 732
Equity injections/withdrawals	- 159	377
Reserves	12 653	12 653
Accumulated funds		
Opening balance	- 55 104	- 55 170
Current year surplus (+)/deficit (-)	- 66	- 1 630
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	35 215	33 962

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	251	
Capital		
Appropriation		
Output	131 142	72 798
Commonwealth	2 023	1 358
Other agency receipts from sales of goods and services	5 472	2 309
Interest received		
Total operating receipts	138 888	76 465
Operating payments		
Payments to employees	55 219	56 847
Payments for goods and services	80 897	17 429
Grants and subsidies paid		
Current	4 609	3 322
Capital		
Community service obligations		
Interest paid		
Total operating payments	140 725	77 598
NET CASH FROM OPERATING ACTIVITIES	- 1 837	- 1 133
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections		377
Total financing receipts		377
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	363	
Service concession liability payments		
Total financing payments	363	
NET CASH FROM FINANCING ACTIVITIES	- 363	377
Net increase (+)/decrease (-) in cash held	- 2 200	- 756
Cash at beginning of financial year	15 118	12 918
CASH AT END OF FINANCIAL YEAR	12 918	12 162

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	251		- 251	
Gove Futures	137		- 137	
Living Safe Together intervention program	114		- 114	
Output appropriation	131 142	72 798	- 58 344	1
Commonwealth appropriation				
National partnership agreements	3 788	1 358	- 2 430	2
Northern Territory Remote Aboriginal Investment – service evaluation, monitoring and reform	1 754	1 076	- 678	
Northern Territory Risk Reduction program	1 666		- 1 666	
National Support and Intervention program	269	282	13	
Other	99		- 99	
Sales of goods and services	2 856	2 180	- 676	
Professional development programs	1 469	786	- 683	
EmployAbility	526	533	7	
Gazettal notice charges	350	350		
Local government by-laws drafting	150	150		
Merit selection training	125	125		
Other	236	236		
Goods and services received free of charge	6 837	6 845	8	
Other revenue	3 205	129	- 3 076	3
Office of the Parliamentary Counsel legislation drafting database	1 500		- 1 500	
Gas contract recoveries	1 031		- 1 031	
Blue Mud Bay	163		- 163	
Leadership development training	137		- 137	
Gove Futures	113		- 113	
Other	261	129	- 132	
OPERATING REVENUE	148 079	83 310	- 64 769	

1 The variation largely reflects one-off funding for the McArthur River Mine settlement in 2025-26.

2 The variations are in line with relevant Commonwealth agreements.

3 The variation is mostly due to a repayment and penalties related to non-delivery and cancellation of contracted works for Office of the Parliamentary Counsel legislation drafting database and one-off recoveries relating to gas contracts entered into by the Territory Government.

Department of the Legislative Assembly

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Parliamentary services	31 665	32 749	34 681	1
Assembly services	4 738	4 738	4 804	
Members' entitlements	19 310	19 899	21 680	
Building management services	7 617	8 112	8 197	
Corporate and shared services	6 532	6 533	6 555	
Corporate and governance	1 895	1 896	1 916	
Shared services received	4 637	4 637	4 639	
Total expenses	38 197	39 282	41 236	
Appropriation				
Output	29 638	30 227	32 204	
Capital	41	41	41	

2026-27 staffing: 102 FTE

1 The increase in the members' entitlements output in 2026-27 is primarily due to an increase in Legislative Assembly members' entitlements as determined by the Remuneration Tribunal.

Agency profile

The Department of the Legislative Assembly provides operational support, services and professional advice to Northern Territory Legislative Assembly members and other clients, and promotes community understanding of the work of the Legislative Assembly and its committees.

Output groups and objectives

Parliamentary services

Objective: Parliamentary services that facilitate effective representation by members of the Legislative Assembly, good governance and parliamentary democracy.

Assembly services

Provide administrative and procedural support and advice to members, the parliament and its committees, including:

- producing and providing public access to parliamentary documentation, records and proceedings
- delivering public education on the role and operation of parliament
- providing administrative services and support to members, the parliament and its committees in accordance with the Remuneration Tribunal Determination
- managing members' participation in the Commonwealth Parliamentary Association and other inter-parliamentary activities.

Members' entitlements

Facilitate the provision of members' entitlements determined by the Remuneration Tribunal.

Building management services

Provide a secure, safe and well-maintained facility and precinct to facilitate the operation of parliament and activities for members and other clients.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Member satisfaction with Chamber support and advice	> 95%	96%	> 95%
Records and transcripts produced within agreed timeframes	> 95%	99%	> 95%
Member satisfaction with committee support and advice	> 98%	99%	> 98%
Speaker and member client satisfaction with library and research services ¹	> 95%	95%	> 95%
Speaker and member client satisfaction with staffing, human resources and work health safety services ¹	> 95%	97%	> 95%
Speaker and member client satisfaction with travel and vehicle services, finance and reporting services and provision of furniture and ICT equipment ¹	> 95%	97%	> 95%
Speaker and member client satisfaction with external services ²	> 95%	89%	> 95%
Client satisfaction with Parliament House and electorate office building services ³	> 95%	94%	> 95%
Client satisfaction with Parliament House and electorate office security services ³	> 95%	97%	> 95%

1 Measure has been disaggregated into internal service categories compared to the previous publication to provide greater detail.

2 Reflects the results of members of the Legislative Assembly's annual satisfaction survey on services provided by other Territory Government agencies.

3 Measure has been disaggregated compared to the previous publication.

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and governance, and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	30 227	32 204
Commonwealth		
Sales of goods and services	75	75
Interest revenue		
Goods and services received free of charge	4 637	4 639
Gain (+)/loss (-) on disposal of assets		
Other revenue	73	52
TOTAL INCOME	35 012	36 970
EXPENSES		
Employee expenses	23 845	25 332
Administrative expenses		
Purchases of goods and services	6 530	6 999
Repairs and maintenance		
Depreciation and amortisation	4 259	4 266
Services free of charge	4 637	4 639
Other administrative expenses	11	
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	39 282	41 236
NET SURPLUS (+)/DEFICIT (-)¹	- 4 270	- 4 266

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	8 573	8 573
Receivables	68	68
Prepayments	137	137
Inventories	8	8
Advances and investments		
Property, plant and equipment	301 804	297 579
Other assets		
TOTAL ASSETS	310 590	306 365
LIABILITIES		
Deposits held	2	2
Creditors and accruals	977	977
Borrowings and advances		
Provisions	1 261	1 261
Other liabilities	2	2
TOTAL LIABILITIES	2 242	2 242
NET ASSETS	308 348	304 123
EQUITY		
Capital		
Opening balance	152 356	148 999
Equity injections/withdrawals	- 3 357	41
Reserves	222 548	222 548
Accumulated funds		
Opening balance	- 58 929	- 63 199
Current year surplus (+)/deficit (-)	- 4 270	- 4 266
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	308 348	304 123

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	30 227	32 204
Commonwealth		
Other agency receipts from sales of goods and services	148	127
Interest received		
Total operating receipts	30 375	32 331
Operating payments		
Payments to employees	23 845	25 332
Payments for goods and services	6 530	6 999
Grants and subsidies paid		
Current		
Capital		
Community service obligations		
Interest paid		
Total operating payments	30 375	32 331
NET CASH FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	2	2
Repayment of advances		
Sales of investments		
Total investing receipts	2	2
Investing payments		
Purchases of assets	43	43
Advances and investing payments		
Total investing payments	43	43
NET CASH FROM INVESTING ACTIVITIES	- 41	- 41
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	41	41
Commonwealth		
Equity injections		
Total financing receipts	41	41
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	4 000	
Service concession liability payments		
Total financing payments	4 000	
NET CASH FROM FINANCING ACTIVITIES	- 3 959	41
Net increase (+)/decrease (-) in cash held	- 4 000	
Cash at beginning of financial year	12 573	8 573
CASH AT END OF FINANCIAL YEAR	8 573	8 573

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Output appropriation	30 227	32 204	1 977	1
Sales of goods and services	75	75		
Parliament House venue hire charges	75	75		
Goods and services received free of charge	4 637	4 639	2	
Other revenue	73	52	- 21	
OPERATING REVENUE	35 012	36 970	1 958	
Capital appropriation	41	41		
CAPITAL RECEIPTS	41	41		

1 The variation largely reflects additional funding from 2026-27 for Legislative Assembly members' entitlements as determined by the Remuneration Tribunal.

Auditor-General's Office

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget
	\$000	\$000	\$000
Audits and reviews	5 183	5 310	5 330
Audits and reviews	5 183	5 310	5 330
Corporate and shared services	626	649	645
Corporate and governance	453	476	459
Shared services received	173	173	186
Total expenses	5 809	5 959	5 975
Appropriation			
Output	3 214	3 214	3 281

2026-27 staffing: 6 FTE

Agency profile

The Northern Territory Auditor-General's Office supports the Auditor-General in the discharge of the Auditor-General's responsibilities under the *Audit Act 1995* and other legislation.

Output groups and objectives

Audits and reviews

Objective: Provide independent audits and other assurance services to parliament to help in its oversight of the performance and accountability of the public sector.

Audits and reviews

Undertake audits of financial reports of Territory entities and the Treasurer's Annual Financial Report, and issue audit opinions on their fair presentation, accuracy, and compliance with applicable financial reporting framework.

Undertake other assurance engagements, including performance management system audits, information technology, controls, and compliance audits and reviews.

Report audit findings, including deficiencies in internal controls identified during audits and provide recommendations to accountable officers.

Report to parliament on the outcomes of financial report audits and other assurance engagements and reviews.

Manage outsourced audits and own assurance activities efficiently and effectively to achieve quality audits.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Average number of days taken after balance date to issue financial audit opinions	100 days	106 days	100 days
Average number of months taken to complete performance management system audits	12 months	12 months	12 months
Members of the Legislative Assembly satisfaction ¹	≥ 75%	not measured	≥ 75%
Implementation of audit recommendations	≥ 70%	72%	≥ 70%
Client satisfaction ^{2,3}	≥ 60%	75%	≥ 60%
Average number of months taken to complete <i>Public Information Act 2010</i> referrals ^{4,5}	3 months	4 months	n/a

1 Performance not measurable due to a low response rate.

2 The variation in 2025-26 is due to high satisfaction with staff professionalism, technical expertise and responsiveness.

3 Target set at 60% as client satisfaction is not the main aim of independent audits in the public sector and a high target could create unintended incentives for auditors.

4 The KPI for *Public Information Act 2010* referrals has been removed due to responsibility for reviews being transferred to the Ombudsman.

5 The variation in 2025-26 is primarily due to receiving a large volume of referrals on or around the same time.

Corporate and shared services

Objective: Efficient and effective administrative services.

Corporate and governance

Provide financial, people, information systems, records and property management services to support the Auditor-General and the audits and reviews output of the Auditor-General's Office.

Provide administrative support to the Auditor-General, including parliamentary reporting, and communications and stakeholder engagement.

Manage records to ensure confidentiality of information. Manage outsourced services and own activities efficiently and effectively to ensure compliance and good governance.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	3 214	3 281
Commonwealth		
Sales of goods and services	2 505	2 508
Interest revenue		
Goods and services received free of charge	173	186
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	5 892	5 975
EXPENSES		
Employee expenses	1 085	1 280
Administrative expenses		
Purchases of goods and services	4 701	4 509
Repairs and maintenance		
Depreciation and amortisation		
Services free of charge	173	186
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	5 959	5 975
NET SURPLUS (+)/DEFICIT (-)¹	- 67	

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	822	822
Receivables	963	963
Prepayments	9	9
Inventories		
Advances and investments		
Property, plant and equipment		
Other assets		
TOTAL ASSETS	1 794	1 794
LIABILITIES		
Deposits held		
Creditors and accruals	251	251
Borrowings and advances		
Provisions	78	78
Other liabilities		
TOTAL LIABILITIES	329	329
NET ASSETS	1 465	1 465
EQUITY		
Capital		
Opening balance	570	570
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	962	895
Current year surplus (+)/deficit (-)	- 67	
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	1 465	1 465

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	3 214	3 281
Commonwealth		
Other agency receipts from sales of goods and services	2 505	2 508
Interest received		
Total operating receipts	5 719	5 789
Operating payments		
Payments to employees	1 085	1 280
Payments for goods and services	4 701	4 509
Grants and subsidies paid		
Current		
Capital		
Community service obligations		
Interest paid		
Total operating payments	5 786	5 789
NET CASH FROM OPERATING ACTIVITIES	- 67	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals		
Service concession liability payments		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES		
Net increase (+)/decrease (-) in cash held	- 67	
Cash at beginning of financial year	889	822
CASH AT END OF FINANCIAL YEAR	822	822

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation
	\$000	\$000	\$000
Output appropriation	3 214	3 281	67
Sales of goods and services	2 505	2 508	3
Recovery of audit costs	2 505	2 508	3
Goods and services received free of charge	173	186	13
OPERATING REVENUE	5 892	5 975	83

Northern Territory Electoral Commission

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Electoral services	1 330	3 233	1 410	1
Electoral services	1 330	3 233	1 410	
Corporate and shared services	1 059	1 417	1 437	2
Corporate and governance	443	426	446	
Shared services received	616	991	991	
Total expenses	2 389	4 650	2 847	
Appropriation				
Output	1 712	1 699	1 809	

2026-27 staffing: 14 FTE

- 1 The variation in 2025-26 and decrease in 2026-27 is primarily due to expenses associated with local government council elections and by-election activities during 2025-26.
- 2 The variation in the shared services received output in 2025-26 reflects the Department of Corporate and Digital Development update to the cost allocation model.

Agency profile

The Northern Territory Electoral Commission provides an independent electoral service to the people of the Territory, the Legislative Assembly, local government councils and other organisations.

Output groups and objectives

Electoral services

Objective: An effective electoral service that conducts electoral events and supports redistributions, maintains high public confidence and participation, and keeps the community informed on electoral matters.

Electoral services

Provide a range of electoral services including:

- Legislative Assembly, local government and fee-for-service elections
- redistribution of Legislative Assembly electoral boundaries and local government representation reviews
- electoral education sessions for schools and community groups
- management of the joint electoral roll for the Territory in partnership with the Australian Electoral Commission.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Number of challenged election results	0	0	0
Eligible voters on the electoral roll ¹	≥ 95%	91.5%	≥ 95%

- 1 The variation in 2025-26 is due to a range of factors including the transience and remoteness of the Territory's population, and recent roll cleansing activities by the Australian Electoral Commission.

Corporate and shared services

Objective: Improved organisational performance through strategic and governance leadership and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	1 699	1 809
Commonwealth		
Sales of goods and services	1 949	50
Interest revenue		
Goods and services received free of charge	991	991
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	4 639	2 850
EXPENSES		
Employee expenses	2 551	1 417
Administrative expenses		
Purchases of goods and services	1 058	403
Repairs and maintenance		
Depreciation and amortisation	47	35
Services free of charge	991	991
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expenses	3	1
TOTAL EXPENSES	4 650	2 847
NET SURPLUS (+)/DEFICIT (-)¹	- 11	3

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	796	796
Receivables	34	34
Prepayments		
Inventories		
Advances and investments		
Property, plant and equipment	42	7
Other assets		
TOTAL ASSETS	872	837
LIABILITIES		
Deposits held		
Creditors and accruals	311	311
Borrowings and advances	44	6
Provisions	233	233
Other liabilities		
TOTAL LIABILITIES	588	550
NET ASSETS	284	287
EQUITY		
Capital		
Opening balance	4 301	3 101
Equity injections/withdrawals	- 1 200	
Reserves		
Accumulated funds		
Opening balance	- 2 806	- 2 817
Current year surplus (+)/deficit (-)	- 11	3
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	284	287

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	1 699	1 809
Commonwealth		
Other agency receipts from sales of goods and services	2 287	50
Interest received		
Total operating receipts	3 986	1 859
Operating payments		
Payments to employees	2 551	1 417
Payments for goods and services	1 058	403
Grants and subsidies paid		
Current		
Capital		
Community service obligations		
Interest paid	3	1
Total operating payments	3 612	1 821
NET CASH FROM OPERATING ACTIVITIES	374	38
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments	36	38
Equity withdrawals	1 200	
Service concession liability payments		
Total financing payments	1 236	38
NET CASH FROM FINANCING ACTIVITIES	- 1 236	- 38
Net increase (+)/decrease (-) in cash held	- 862	
Cash at beginning of financial year	1 658	796
CASH AT END OF FINANCIAL YEAR	796	796

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Output appropriation	1 699	1 809	110	
Sales of goods and services	1 949	50	- 1 899	1
Fees and charges	1 949	50	- 1 899	
Goods and services received free of charge	991	991		
OPERATING REVENUE	4 639	2 850	- 1 789	

1 The variation reflects the timing of local government elections, which are conducted on a cost-recovery basis.

Office of the Integrity and Ethics Commissioner

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Office of the Independent Commissioner Against Corruption	5 383	5 383	5 493	1
Office of the Independent Commissioner Against Corruption operations	5 383	5 383	5 493	
Ombudsman's Office	1 735	1 738	1 778	
Ombudsman's operations	1 735	1 738	1 778	
Information Commissioner	436	436	480	2
Information Commissioner operations	436	436	480	
Judicial Commission	370	370	375	
Judicial Commission operations	370	370	375	
Health and Community Services Complaints Commission	1 047	1 047	1 077	
Health and Community Services Complaints Commission	1 047	1 047	1 077	
Corporate and shared services	1 988	1 985	2 013	
Corporate and governance	959	956	984	
Shared services received	1 029	1 029	1 029	
Total expenses	10 959	10 959	11 216	
Appropriation				
Output	9 607	9 607	9 867	

2026-27 staffing: 35 FTE

- 1 The 2025-26 budget has been backcast to reflect the establishment of the Office of the Integrity and Ethics Commissioner, which consolidated functions of other agencies.
- 2 The increase in 2026-27 is mostly due to a temporary budget adjustment in 2025-26.

Agency profile

The Integrity and Ethics Commissioner is the Territory's principal integrity officer, consolidating the functions of the Independent Commissioner Against Corruption, Ombudsman, Information Commissioner, and Health and Community Services Complaints Commissioner. The Commissioner is supported by the Office of the Integrity and Ethics Commissioner, led by a chief executive officer.

Output groups and objectives

Office of the Independent Commissioner Against Corruption

Objective: Improved integrity in public administration by reducing improper conduct.

Office of the Independent Commissioner Against Corruption operations

Prevent, detect, investigate and respond to improper conduct by public officers, public bodies and those who receive government resources, while protecting persons who assist in this role.

Deliver training, refer matters, review practices, make findings and recommendations, and make public reports and comments. These activities educate the public and assist public bodies to improve their policies, practices and procedures to ensure integrity in public administration.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Allegations received ¹	300	600	300
Assessments completed within 20 business days of receipt of report	≥ 90%	100%	≥ 90%
Average time (in days) to complete an investigation ²	365	674	365
Referrals to other public bodies with a direction to report back	40	40	40
Reviews or evaluations completed	4	3	4
Percentage of review recommendations accepted by agencies	≥ 90%	100%	≥ 90%
Education and prevention activities conducted ³	100	100	100
Satisfaction rate of participants on face to face and online learning sessions	≥ 75%	80%	≥ 75%

1 The higher 2025-26 estimate is due to an increase in allegations as a result of mandatory training, targeted education activities and publication of investigation outcomes. The 2026-27 target reflects an expected return to underlying demand levels rather than a reduction in reporting.

2 The 2025-26 estimate was significantly affected by a single complex investigation that was reliant on finalisation of external court processes.

3 Education and prevention activities include structured training sessions. Passive communications such as newsletters are excluded.

Ombudsman's Office

Objective: Improved quality of decision-making and administrative practices in public authorities.

Ombudsman's operations

Resolve complaints about Territory Government agencies, police and local government councils. Make recommendations for improvements to public administration and assist public authorities to improve their practices and procedures.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Approaches received	2 200	2 300	2 200
Approaches finalised	2 200	2 300	2 200
Police approaches finalised within 90 days	≥ 80%	75%	≥ 80%
Other approaches finalised within 28 days	≥ 90%	90%	≥ 90%

Information Commissioner

Objective: Improved understanding and awareness of freedom of information (FOI) and privacy rights.

Information Commissioner operations

Provide advice and promote knowledge about FOI and privacy rights. Investigate and resolve complaints about FOI, privacy matters and related applications.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
General enquiries	300	300	300
Complaints/applications received ¹	30	40	30
Complaints/applications finalised	30	30	30

1 The variation in 2025-26 reflects a slight increase in complaints activity, which exhibits variation year-by-year.

Judicial Commission

Objective: Effective management of complaints against judicial officers and Northern Territory Civil and Administrative Tribunal members.

Judicial Commission operations

Manage complaints relating to the behaviour or capacity of judicial officers and members, and provide support to the independent Judicial Commission.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Complaints finalised within 6 months	≥ 80%	80%	≥ 80%

Health and Community Services Complaints Commission

Objective: Improve the quality of health, aged and disability services in the Territory.

Health and Community Services Complaints Commission

Resolve complaints between users and providers of health and community services in the Territory. Provide recommendations to improve service delivery and encourage awareness of the rights and responsibilities of users and providers of health services, disability services and services for aged people.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Health and Community Services Complaints Commission complaints and enquiries closed	100%	100%	100%

Corporate and shared services

Objective: Improved organisational performance through strategic and governance leadership and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions, including financial and budget management, governance, risk management and general services.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.
Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	9 607	9 867
Commonwealth		
Sales of goods and services		
Interest revenue		
Goods and services received free of charge	1 029	1 029
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	10 636	10 896
EXPENSES		
Employee expenses	8 164	8 392
Administrative expenses		
Purchases of goods and services	1 443	1 475
Repairs and maintenance		
Depreciation and amortisation	323	320
Services free of charge	1 029	1 029
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	10 959	11 216
NET SURPLUS (+)/DEFICIT (-)¹	- 323	- 320

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	4 009	4 009
Receivables	17	17
Prepayments	116	116
Inventories		
Advances and investments		
Property, plant and equipment	1 488	1 168
Other assets		
TOTAL ASSETS	5 630	5 310
LIABILITIES		
Deposits held		
Creditors and accruals	199	199
Borrowings and advances		
Provisions	875	875
Other liabilities		
TOTAL LIABILITIES	1 074	1 074
NET ASSETS	4 556	4 236
EQUITY		
Capital		
Opening balance	1 069	1 261
Equity injections/withdrawals	192	
Reserves		
Accumulated funds		
Opening balance	2 582	3 295
Current year surplus (+)/deficit (-)	- 323	- 320
Transfers to/from reserves	1 036	
Accounting policy changes and corrections		
TOTAL EQUITY	4 556	4 236

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	9 607	9 867
Commonwealth		
Other agency receipts from sales of goods and services	476	
Interest received		
Total operating receipts	10 083	9 867
Operating payments		
Payments to employees	7 650	8 392
Payments for goods and services	1 929	1 475
Grants and subsidies paid		
Current		
Capital		
Community service obligations		
Interest paid		
Total operating payments	9 579	9 867
NET CASH FROM OPERATING ACTIVITIES	504	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections	1 331	
Total financing receipts	1 331	
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	122	
Service concession liability payments		
Total financing payments	122	
NET CASH FROM FINANCING ACTIVITIES	1 209	
Net increase (+)/decrease (-) in cash held	1 713	
Cash at beginning of financial year	2 296	4 009
CASH AT END OF FINANCIAL YEAR	4 009	4 009

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation
	\$000	\$000	\$000
Output appropriation	9 607	9 867	260
Goods and services received free of charge	1 029	1 029	
OPERATING REVENUE	10 636	10 896	260

Northern Territory Police Force

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Policing services	557 958	570 735	601 443	1
Community safety, crime prevention and safer roads	557 958	570 735	601 443	
Corporate and shared services	50 148	51 864	52 668	
Corporate and governance	12 231	12 841	13 226	
Shared services received	36 391	37 497	37 870	
Shared services provided	1 526	1 526	1 572	
Total expenses	608 106	622 599	654 111	
Appropriation				
Output	491 120	497 667	542 853	
Capital	8 265	8 274	8 274	
Commonwealth	42 363	74 370	40 546	

2026-27 staffing: 2,223 FTE

1 The increase in 2026-27 is mostly due to additional funding to implement the police public safety officer initiative, support the Wellbeing Strategy 2023-27 and expand electronic monitoring capacity, as well as the Police Review response funding profile.

Agency profile

The core functions of the Northern Territory Police Force, as outlined under the *Police Administration Act 1978*, include upholding the law and maintaining social order, protecting life and property, preventing, detecting, investigating and prosecuting offences, managing road safety education and enforcement measures, and managing service provision in emergencies.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Police public safety officers	3 500	16 031
Additional electronic monitoring capacity		2 500
Additional wellbeing resourcing for the Northern Territory Police Force and Northern Territory Fire and Emergency Service workforce		1 000
Key existing initiatives		
Northern Territory Police Review response funding package	95 000	105 000
Domestic, family and sexual violence co-responder early intervention	4 459	5 076
School-based policing	3 489	3 489
Northern Territory Police, Fire and Emergency Service wellbeing strategy	3 000	3 000
Family Safety Framework	969	1 885

Output groups and objectives

Policing services

Objective: Improved community safety and crime prevention through policing, law enforcement and engagement, and partnership activities.

Community safety, crime prevention and safer roads

Provide timely, high quality and effective response activities to community issues, including:

- a visible presence in our community
- efficient call centre operations
- crime detection capability and management of high-harm offenders
- care and protection of victim-survivors and witnesses
- reducing harm caused on our roads, through engagement and enforcement activities
- responding to and investigating road crash incidents
- a safe environment and care for all persons in custody
- resourcing and planning for the search and rescue of people, vehicles, vessels and aircraft on land, seas, inland waterways and urban environments
- service provision to the judiciary
- engagement with our urban, regional and remote communities
- reducing the impact of harm caused by antisocial behaviour, family and domestic violence, and alcohol misuse by delivering enforcement, support and prevention services
- youth engagement through effective alternative pathways, diverting youth away from the criminal justice system
- preventative measures aimed at promoting public safety by reducing the opportunities and conditions for crime to occur
- fostering collaboration with established national bodies on matters of national security.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Graduated sworn police members trained and deployed ^{1,2}	≥ 169	185	≥ 276
Aboriginal staff ³		12.1%	≥ 30%
Crimes against the person cleared up within 30 days ⁴	≥ 85%	62%	≥ 75%
Crimes against property cleared up within 30 days ⁵	≥ 85%	41%	≥ 75%
000 calls answered within 10 seconds	≥ 90%	87%	≥ 90%
Total offences per 100,000 population ⁶	≤ 24 909	28 445	≤ 24 909
Domestic violence-related assaults as a proportion of total assaults	≤ 64%	66%	≤ 64%
Driver alcohol tests returned as positive	≤ 10%	8%	≤ 10%
Road deaths per 100,000 registered vehicles ⁷	≤ 14	33	≤ 14
Motor vehicle crash victims admitted to hospital ⁷	≤ 8%	11%	≤ 8%
Diversion events for youth who have been apprehended ⁸	≥ 45%	27%	≥ 30%

- 1 Comprises the ranks of constable, police auxiliary, Aboriginal community police officer and police public safety officer.
- 2 The variation in 2025-26 reflects the establishment of the police public safety officer rank and anticipated recruitment of the first squad. The increase in the 2026-27 target reflects the planned staged recruitment process for the police public safety officer initiative and Police Review response funding profile.
- 3 New measure. The increase in the 2026-27 target reflects the 30% Aboriginal employment targets in the Northern Territory Police Force's *Our Plan 2024-2027* and *Anti-racism Strategy 2025-2027*.
- 4 The variation in 2025-26 is due to resource and demand challenges and reflects the complexity of investigations. The decrease in the 2026-27 target reflects the trend in factors impacting clearance rates and benchmarking against other jurisdictions.
- 5 The variation in 2025-26 is primarily due to the nature of theft and property damage offences, which are typically high-volume crimes where identify of suspects is not known to victims. This results in longer identification and clearance timeframes. The decrease in the 2026-27 target reflects the trend in factors impacting clearance rates and benchmarking against other jurisdictions.
- 6 The variation in 2025-26 reflects factors including legislative changes such as the reclassification of nuisance public drinking and breach of bail offences, along with expanding wandering powers, which have added to recorded volumes.
- 7 The variation in 2025-26 relates to an increased trend in road trauma resulting from crashes.
- 8 The variation in 2025-26 and lower 2026-27 target reflects a higher proportion of apprehended youths being ineligible for diversion following legislative amendments to the *Youth Justice Act 2005*.

Corporate and shared services

Objective: Improved organisational performance through strategic and governance leadership and the provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Shared serviced provided

Provide logistics, facilities, procurement, fleet, housing and wellbeing support services to the Northern Territory Fire and Emergency Service.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	4 925	1 445
Capital		
Appropriation		
Output	497 667	542 853
Commonwealth	43 659	40 546
Sales of goods and services	10 249	9 536
Interest revenue		
Goods and services received free of charge	37 497	37 870
Gain (+)/loss (-) on disposal of assets	800	800
Other revenue	2 089	897
TOTAL INCOME	596 886	633 947
EXPENSES		
Employee expenses	430 186	464 115
Administrative expenses		
Purchases of goods and services	112 508	114 387
Repairs and maintenance		
Depreciation and amortisation	38 755	34 991
Services free of charge	37 497	37 870
Other administrative expenses	379	
Grants and subsidies expenses		
Current	1 011	813
Capital		
Community service obligations		
Interest expenses	2 263	1 935
TOTAL EXPENSES	622 599	654 111
NET SURPLUS (+)/DEFICIT (-)¹	- 25 713	- 20 164

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	595	613
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	595	613

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	23 573	23 397
Receivables	2 764	2 764
Prepayments	30	30
Inventories	5 346	5 346
Advances and investments		
Property, plant and equipment	413 990	390 292
Other assets		
TOTAL ASSETS	445 703	421 829
LIABILITIES		
Deposits held	7 507	7 507
Creditors and accruals	18 742	18 742
Borrowings and advances	59 315	47 331
Provisions	65 272	65 272
Other liabilities	76	76
TOTAL LIABILITIES	150 912	138 928
NET ASSETS	294 791	282 901
EQUITY		
Capital		
Opening balance	670 073	663 160
Equity injections/withdrawals	- 6 913	8 274
Reserves	156 558	156 558
Accumulated funds		
Opening balance	- 499 214	- 524 927
Current year surplus (+)/deficit (-)	- 25 713	- 20 164
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	294 791	282 901

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	4 925	1 445
Capital		
Appropriation		
Output	497 667	542 853
Commonwealth	74 215	40 546
Other agency receipts from sales of goods and services	12 087	10 433
Interest received		
Total operating receipts	588 894	595 277
Operating payments		
Payments to employees	430 186	464 115
Payments for goods and services	112 508	114 387
Grants and subsidies paid		
Current	1 011	813
Capital		
Community service obligations		
Interest paid	2 263	1 935
Total operating payments	545 968	581 250
NET CASH FROM OPERATING ACTIVITIES	42 926	14 027
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	4 897	4 897
Repayment of advances		
Sales of investments		
Total investing receipts	4 897	4 897
Investing payments		
Purchases of assets	13 494	13 339
Advances and investing payments		
Total investing payments	13 494	13 339
NET CASH FROM INVESTING ACTIVITIES	- 8 597	- 8 442
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	8 274	8 274
Commonwealth	155	
Equity injections		
Total financing receipts	8 429	8 274
Financing payments		
Repayment of borrowings		
Lease payments	13 958	14 035
Equity withdrawals	17 000	
Service concession liability payments		
Total financing payments	30 958	14 035
NET CASH FROM FINANCING ACTIVITIES	- 22 529	- 5 761
Net increase (+)/decrease (-) in cash held	11 800	- 176
Cash at beginning of financial year	11 773	23 573
CASH AT END OF FINANCIAL YEAR	23 573	23 397

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	4 484	1 374	- 3 110	1
National Crime Intelligence System – tranche 1 funding	3 968	1 068	- 2 900	
Illicit tobacco trade	296	306	10	
Australia-New Zealand Counter Terrorism Council	220		- 220	
Other grants	441	71	- 370	
Neighbourhood Watch	251		- 251	
Disaster Ready Fund	81		- 81	
Automatic number plate recognition system	71	71		
Cadets training	38		- 38	
Output appropriation	497 667	542 853	45 186	2
Commonwealth appropriation				
National partnership agreements	43 659	40 546	- 3 113	1
Northern Territory Remote Aboriginal Investment – Remote Policing	31 819	32 773	954	
National Firearm Register	5 300	6 400	1 100	
Strengthening Community Safety in Central Australia	4 889		- 4 889	
National Support and Intervention program	1 074	1 129	55	
Aged Care Worker Screening – Preparatory Support Northern Territory	336		- 336	
Family law information sharing	241	244	3	
Sales of goods and services	10 249	9 536	- 713	3
Safe NT	5 678	5 820	142	
School-based policing	3 000	3 000		
Digital radio network	550	100	- 450	
Radio equipment reimbursement	171		- 171	
Family law information sharing	155		- 155	
Other	695	616	- 79	
Goods and services received free of charge	37 497	37 870	373	
Gain (+)/loss (-) on disposal of assets	800	800		
Other revenue	2 089	897	- 1 192	3
Northern Territory Fire and Emergency Service reimbursement	1 134		- 1 134	
Seconded staff arrangements	316	316		
Other	639	581	- 58	
OPERATING REVENUE	596 886	633 947	37 061	

continued

Budget 2026-27

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Capital appropriation	8 274	8 274		
Commonwealth capital appropriation	155		- 155	
CAPITAL RECEIPTS	8 429	8 274	- 155	

1 The variations are in line with relevant agreements.

2 The increase in 2026-27 is mostly due to additional funding to implement the police public safety officer initiative, support the Wellbeing Strategy 2023-27 and expand electronic monitoring capacity, as well as the Police Review response funding profile.

3 The decrease mainly reflects one-off funding in 2025-26.

Northern Territory Fire and Emergency Service

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Fire and rescue services	56 903	57 299	58 806	
Fire prevention and response management	56 903	57 299	58 806	
Emergency services	7 346	7 267	6 044	1
Emergency and preparedness services	7 346	7 267	6 044	
Bushfires NT	11 160	12 346	11 186	2
Fire and land management and mitigation services	11 160	12 346	11 186	
Corporate and shared services	11 380	11 593	11 999	3
Corporate and governance	4 590	4 593	4 938	
Shared services received	6 790	7 000	7 061	
Total expenses	86 789	88 505	88 035	
Appropriation				
Output	67 659	67 312	69 500	
Capital	4 462	4 462	4 162	
Commonwealth	4 431	4 431	3 160	

2026-27 staffing: 384 FTE

- 1 The decrease in 2026-27 is primarily due to revised timing of project milestone payments between financial years for the Commonwealth's Disaster Ready Fund.
- 2 The variation in 2025-26 reflects one-off additional grant payments through the Commonwealth's National Aerial Firefighting Centre for compensation for fire suppression activities.
- 3 The increase in the corporate and governance output in 2026-27 is mostly due to reclassification of capital funding to output funding.

Agency profile

The Northern Territory Fire and Emergency Service comprises the Northern Territory Fire and Rescue Service, the Northern Territory Emergency Service and Bushfires NT.

The department's core functions include protecting life, property and the environment, and to support community resilience against fire and other emergencies to enhance safety and minimise the impact of disasters, hazards and incidents on the Territory community through effective preparedness, planning and mitigation measures.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
Key existing initiatives		
National Aerial Firefighting Centre funding arrangements	2 500	2 500
Enhancing emergency management	1 100	1 100
Northern Territory Emergency Service capability	746	746
Disaster Ready Fund – round 2 ¹	1 378	

1 Commonwealth funded.

Output groups and objectives

Fire and rescue services

Objective: Protection of life, property and the environment against fire and other emergencies to enhance community safety.

Fire prevention and response management

Provide a range of fire and emergency management activities aimed at:

- building community resilience through partnering with volunteers, stakeholders and local communities
- enhancing community education and training to improve preparedness and awareness
- providing proactive hazard reduction and advocacy for fire management
- ensuring capabilities and resources meet evolving community expectations for preventative and responsive operational activities.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Buildings deemed compliant at first inspection after occupancy permit issued ¹	≥ 55%	32%	≥ 55%
Career firefighters meeting minimum training requirements for current rank ²	≥ 80%	100%	≥ 80%
Auxiliary and volunteer firefighters meeting minimum training requirements ³	≥ 80%	76%	≥ 80%
Median response time (minutes): ⁴			
– Territory-wide emergency response areas	≤ 8	7	≤ 8
– outer regional emergency response areas	≤ 8	7	≤ 8
– remote emergency response areas	≤ 8	6	≤ 8
– very remote emergency response areas	≤ 10	6	≤ 10
Fire incidents attended ⁵	4 700	4 900	4 700
Structure fires contained to room or object of origin within an emergency response area ^{4, 6}	≥ 90%	71%	≥ 90%
Structure fires contained to room or object of origin outside an emergency response area ^{4, 6}	≥ 50%	33%	≥ 50%
Fires investigated for which cause was determined	≥ 75%	80%	≥ 75%
Community resilience and awareness programs delivered ⁶	≥ 500	276	≥ 500
Building and fire safety inspections conducted by operational crews ⁶	≥ 400	126	≥ 400
Fire-break inspections ⁵	850	2 000	850
Unwanted alarm responses as a proportion of total alarm responses ⁷	≤ 50%	27%	≤ 50%
Vehicle crashes attended ⁸	≤ 186	504	≤ 186
Vehicle crashes attended involving injuries and or extraction of victim(s) from vehicle ⁸	≤ 11%	48%	≤ 11%

1 The variation in 2025-26 is due to building safety issues for construction and renovation certification and non-compliance with the National Construction Code.

2 The variation in 2025-26 is due to increased resourcing in the Fire and Rescue Service Training and Development Command.

3 The variation in 2025-26 reflects challenges securing recognised training for volunteers in remote locations.

4 An emergency response area has a permanent or volunteer Northern Territory Fire and Rescue Service presence.

5 This measure is volatile from year to year.

6 The variation in 2025-26 is due to resourcing availability.

7 An unwanted alarm response occurs when the Northern Territory Fire and Rescue Service responds to a call where there is no fire or other emergency present.

8 The variation in 2025-26 is due to the high number of vehicle crashes on Territory roads, which are at about four times the national average.

Emergency services

Objective: Minimise the impact of disasters, hazards and emergencies on our community through effective preparedness, planning and mitigation measures including engaging with stakeholders.

Emergency and preparedness services

Provide a range of emergency and preparedness services through our dedicated staff and volunteers, including:

- emergency management activities to increase disaster preparedness in our community
- hazard management activities to enhance community preparedness through proactive initiatives aimed at building resilience
- ensuring prevention, preparation, response and recovery to limit the impact of emergency events.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Volunteer members meeting minimum operational training requirements ¹	100%	73%	100%
Emergency management courses delivered	≥ 40	42	≥ 40
Hazard management courses delivered to emergency service personnel ²	≥ 50	40	≥ 50
Local emergency plans (46) reviewed by 1 November ³	100%	100%	100%
Regional emergency plans (2) reviewed by 1 November ³	100%	100%	100%
Territory Emergency Plan reviewed by 1 November ³	Achieved	Achieved	Achieved
Community education programs delivered to members of the public ²	≥ 50	46	≥ 50

1 The variation in 2025-26 is due to new volunteer members who have not yet completed induction training. The Northern Territory Emergency Service will continue work to improve the number of volunteers meeting minimum training requirements.

2 The variation in 2025-26 is due to resourcing availability.

3 It is a statutory requirement for the operation and effectiveness of the Territory's plans to be reviewed at least once every 12 months. A comprehensive review of the Territory Emergency Plan will be undertaken in the 2026-27 period.

Bushfires NT

Objective: Fire management support for landholders and volunteer bushfire brigades across the Territory, including planning, education, mitigation and suppression activities.

Fire and land management and mitigation services

Provide a range of support and preparedness services through our dedicated staff and volunteers, including:

- planned mitigation activities to increase fire protection in our community
- hazard management activities to enhance community preparedness and compliance with the *Bushfires Management Act 2016*
- ensuring prevention, preparation, response and recovery relating to fire management.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Total authorised bushfire volunteers	≥ 410	400	≥ 400
Properties in high-risk fire protection zones found to comply with the <i>Bushfires Management Act 2016</i>	≥ 90%	90%	≥ 90%
Planned mitigation burns completed in fire protection zones	≥ 80%	80%	≥ 80%
Accredited training units delivered relating to fire management	≥ 100	100	≥ 100

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and governance, and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Receive logistics, facilities, procurement, fleet, housing and wellbeing support services from the Northern Territory Police Force.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	1 154	
Capital		
Appropriation		
Output	67 312	69 500
Commonwealth	4 431	3 160
Sales of goods and services	1 476	1 300
Interest revenue		
Goods and services received free of charge	7 000	7 061
Gain (+)/loss (-) on disposal of assets		
Other revenue	31	11
TOTAL INCOME	81 404	81 032
EXPENSES		
Employee expenses	55 681	57 456
Administrative expenses		
Purchases of goods and services	17 126	16 006
Repairs and maintenance		
Depreciation and amortisation	6 727	6 662
Services free of charge	7 000	7 061
Other administrative expenses	17	
Grants and subsidies expenses		
Current	1 419	850
Capital	535	
Community service obligations		
Interest expenses		
TOTAL EXPENSES	88 505	88 035
NET SURPLUS (+)/DEFICIT (-)¹	- 7 101	- 7 003

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	5 165	5 320
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	5 165	5 320

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	1 908	1 567
Receivables	1 289	1 289
Prepayments	14	14
Inventories		
Advances and investments		
Property, plant and equipment	135 099	132 616
Other assets	76	59
TOTAL ASSETS	138 386	135 545
LIABILITIES		
Deposits held		
Creditors and accruals	3 045	3 045
Borrowings and advances		
Provisions	15 532	15 532
Other liabilities	2 982	2 982
TOTAL LIABILITIES	21 559	21 559
NET ASSETS	116 827	113 986
EQUITY		
Capital		
Opening balance	155 833	161 185
Equity injections/withdrawals	5 352	4 162
Reserves	2 850	2 850
Accumulated funds		
Opening balance	- 40 107	- 47 208
Current year surplus (+)/deficit (-)	- 7 101	- 7 003
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	116 827	113 986

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	3	3
TOTAL ASSETS	3	3
LIABILITIES		
Central Holding Authority income payable	3	3
Unearned Central Holding Authority income		
TOTAL LIABILITIES	3	3
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	1 154	
Capital		
Appropriation		
Output	67 312	69 500
Commonwealth	4 431	3 160
Other agency receipts from sales of goods and services	1 507	1 311
Interest received		
Total operating receipts	74 404	73 971
Operating payments		
Payments to employees	55 681	57 456
Payments for goods and services	17 126	16 006
Grants and subsidies paid		
Current	1 419	850
Capital	535	
Community service obligations		
Interest paid		
Total operating payments	74 761	74 312
NET CASH FROM OPERATING ACTIVITIES	- 357	- 341
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	495	495
Repayment of advances		
Sales of investments		
Total investing receipts	495	495
Investing payments		
Purchases of assets	4 957	4 657
Advances and investing payments		
Total investing payments	4 957	4 657
NET CASH FROM INVESTING ACTIVITIES	- 4 462	- 4 162
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	4 462	4 162
Commonwealth		
Equity injections		
Total financing receipts	4 462	4 162
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals		
Service concession liability payments		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES	4 462	4 162
Net increase (+)/decrease (-) in cash held	- 357	- 341
Cash at beginning of financial year	2 265	1 908
CASH AT END OF FINANCIAL YEAR	1 908	1 567

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Other grants	1 154		- 1 154	1
National Aerial Firefighting Centre Agreement	997		- 997	
Northern Territory Risk Reduction Program	157		- 157	
Output appropriation	67 312	69 500	2 188	
Commonwealth appropriation				
National partnership agreements	4 431	3 160	- 1 271	1
Provision of fire services for Commonwealth properties	3 053	3 160	107	
Disaster Ready Fund	1 378		- 1 378	
Sales of goods and services	1 476	1 300	- 176	
Nhulunbuy Corporation	627	627		
Ayers Rock Resort Corporation	599	623	24	
Other	250	50	- 200	
Goods and services received free of charge	7 000	7 061	61	
Other revenue	31	11	- 20	
OPERATING REVENUE	81 404	81 032	- 372	
Capital appropriation	4 462	4 162	- 300	
CAPITAL RECEIPTS	4 462	4 162	- 300	

1 The variations are in line with relevant agreements.

Department of Agriculture and Fisheries

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Agriculture, fisheries and biosecurity	55 977	67 597	60 321	1, 2
Industry development and project facilitation	2 606	4 024	2 690	
Agriculture	16 790	21 761	17 606	
Fisheries	17 425	17 634	18 937	
Biosecurity and animal welfare	19 156	24 178	21 088	
Corporate and shared services	9 555	10 908	10 969	3
Corporate and governance	1 847	2 027	2 071	
Shared services received	7 708	8 881	8 898	
Total expenses	65 532	78 505	71 290	
Appropriation				
Output	45 261	43 947	49 877	
Capital	401	807	401	
Commonwealth	1 548	2 160	1 326	

2026-27 staffing: 304 FTE

- 1 The variation in the industry development and project facilitation output in 2025-26 is primarily due to one-off external funding. The variation in the agriculture output in 2025-26 predominantly reflects one-off external funding combined with revenue-related expenditure capacity from increased livestock sales. The variation in the biosecurity and animal welfare output in 2025-26 mostly reflects one-off external funding.
- 2 The decrease in the industry development and project facilitation output in 2026-27 is primarily due to one-off external funding in 2025-26, combined with tapering of Commonwealth funding for the National Water Grid Fund in 2026-27. The decrease in the agriculture output in 2026-27 mainly reflects one-off external funding in 2025-26. The increase in the fisheries output in 2026-27 is largely due to additional funding for fisheries compliance and the golden snapper recovery plan under the Safeguarding Our Fisheries program, partially offset by the timing of funding profiles of externally funded programs. The decrease in the biosecurity and animal welfare output in 2026-27 mainly reflects one-off external funding in 2025-26, partially offset by additional funding under the winning investment to unlock growth initiative for biosecurity and supply chain integrity.
- 3 The variation in the corporate and governance output in 2025-26 is largely due to budget realignment in line with agency operational requirements. The variation in the shared services received output in 2025-26 reflects post-machinery of government realignment of services received free of charge from the Department of Corporate and Digital Development and Department of Logistics and Infrastructure.

Agency profile

The Department of Agriculture and Fisheries supports, promotes and enables economic growth and enhancement of the Territory lifestyle through research, diagnostic testing and industry facilitation actions that underpin development and management of primary industry and fisheries.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Safeguarding our fisheries – additional funding for the fisheries compliance unit		2 000
Safeguarding our fisheries – golden snapper recovery plan		1 250
Winning investment to unlock growth – biosecurity and supply chain integrity		1 000
Key existing initiatives		
Operations of the fisheries compliance unit	1 000	

Output groups and objectives

Agriculture, fisheries, and biosecurity

Objective: Increased economic growth and viability of existing and emerging primary industries.

Industry development and project facilitation

Facilitate the development of agriculture and aquaculture across the Territory including working with industry proponents or investors to identify new land, diversification opportunities, on-farm industry development and pathways to markets.

Agriculture

Promote and enable economic growth in partnership with industry through research, development, and capacity-building projects and activities that support new and existing agribusinesses. Increase productivity, secure sustainable markets and enable manufacturing opportunities for Territory produce across agriculture, horticulture, forestry, cattle and buffalo businesses.

Manage the pastoral estate and provide land management services to promote optimum use and environmental sustainability of the Territory's natural resources.

Fisheries

Work in partnership with industry and the community to ensure sustainability, best use and fair access to the Territory's aquatic resources for the economic benefit and recreational enjoyment of all Territorians.

Biosecurity and animal welfare

Support Territory economic development and underpin market access for agricultural products by providing research, extension and diagnostic functions, and excluding, eradicating, and managing plant and animal pests and disease risks.

Work with stakeholders to respond to animal cruelty complaints and ensure best practice animal welfare standards are adhered to within the Territory. Prepare for biosecurity emergencies.

Key performance indicator	2025-26 Target	2025-26 Estimate	2026-27 Target
Number of significant agriculture sector projects currently being case managed ¹	5	5	4
Pastoral land clearing applications processed within 6 months	≥ 90%	100%	≥ 90%
Number of significant research projects completed and communicated	25	25	25
Stakeholder satisfaction rating with extension events delivered	≥ 85%	86%	≥ 85%
Number of fish stocked for recreational fishing <12 months old ²	75 000	100 000	100 000
Number of fish stocked for recreational fishing >12 months old	500	500	500
Livestock biosecurity inspections, certification and registrations supporting livestock supply chain trade and market access	1 500	1 500	1 500
Livestock biosecurity risks excluded through timely and accurate laboratory diagnostic services	≥ 500	500	≥ 500
Scheduled surveillance activities for high priority pests, inspections of products and interstate certification audits undertaken to support industry to maintain trade and support market access ³	230	263	263
Animal welfare complaints actioned within 3 days of receiving complaint	≥ 95%	95%	≥ 95%

1 The decrease in the 2026-27 target reflects the conclusion of two projects being case managed in 2025-26 and a new project anticipated in 2026-27.

2 The variation in 2025-26 and increase in the 2026-27 target reflect the department's commitment to increase the number of released fingerlings to 100,000 per year to support recreational fishing opportunities in the Darwin region under the Northern Territory Lifestyle Strategy.

3 The variation in 2025-26 and increase in the 2026-27 target reflects additional inspections for new permit types such as banana trade and polocrosse hay.

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and provision of corporate support functions.

Corporate and governance

Provide strategic leadership and a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development and the Department of Trade, Business and Asian Relations, and infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	7 699	1 680
Capital		
Appropriation		
Output	43 947	49 877
Commonwealth	4 924	1 326
Sales of goods and services	8 741	6 086
Interest revenue		
Goods and services received free of charge	7 132	7 115
Gain (+)/loss (-) on disposal of assets	18	
Other revenue	141	104
TOTAL INCOME	72 602	66 188
EXPENSES		
Employee expenses	41 786	40 193
Administrative expenses		
Purchases of goods and services	19 528	16 118
Repairs and maintenance		
Depreciation and amortisation	5 380	5 161
Services free of charge	7 132	7 115
Other administrative expenses	200	
Grants and subsidies expenses		
Current	4 389	2 615
Capital		
Community service obligations		
Interest expenses	90	88
TOTAL EXPENSES	78 505	71 290
NET SURPLUS (+)/DEFICIT (-)¹	- 5 903	- 5 102

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services		
Interest revenue		
Royalties and rents	6 159	6 400
Other revenue		
TOTAL INCOME	6 159	6 400

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	3 131	3 131
Receivables	9 073	9 073
Prepayments	34	34
Inventories		
Advances and investments	286	286
Property, plant and equipment	115 231	110 471
Other assets		
TOTAL ASSETS	127 755	122 995
LIABILITIES		
Deposits held	2 786	2 786
Creditors and accruals	2 137	2 137
Borrowings and advances	2 501	2 442
Provisions	5 781	5 781
Other liabilities	1	1
TOTAL LIABILITIES	13 206	13 147
NET ASSETS	114 549	109 848
EQUITY		
Capital		
Opening balance	76 889	78 145
Equity injections/withdrawals	1 256	401
Reserves	48 572	48 572
Accumulated funds		
Opening balance	- 6 265	- 12 168
Current year surplus (+)/deficit (-)	- 5 903	- 5 102
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	114 549	109 848

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	7 699	1 680
Capital		
Appropriation		
Output	43 947	49 877
Commonwealth	2 160	1 326
Other agency receipts from sales of goods and services	4 863	6 190
Interest received		
Total operating receipts	58 669	59 073
Operating payments		
Payments to employees	41 751	40 193
Payments for goods and services	19 528	16 118
Grants and subsidies paid		
Current	4 389	2 615
Capital		
Community service obligations		
Interest paid	90	88
Total operating payments	65 758	59 014
NET CASH FROM OPERATING ACTIVITIES	- 7 089	59
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	18	
Repayment of advances		
Sales of investments		
Total investing receipts	18	
Investing payments		
Purchases of assets	807	401
Advances and investing payments		
Total investing payments	807	401
NET CASH FROM INVESTING ACTIVITIES	- 789	- 401
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	807	401
Commonwealth		
Equity injections		
Total financing receipts	807	401
Financing payments		
Repayment of borrowings		
Lease payments	57	59
Equity withdrawals	35	
Service concession liability payments		
Total financing payments	92	59
NET CASH FROM FINANCING ACTIVITIES	715	342
Net increase (+)/decrease (-) in cash held	- 7 163	
Cash at beginning of financial year	10 294	3 131
CASH AT END OF FINANCIAL YEAR	3 131	3 131

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	1 803		- 1 803	1
North Australia Coordination Network	615		- 615	
Northern Australia Biosecurity Sequencing Network	570		- 570	
Agrifutures – jackfruit stage 2	266		- 266	
Cotton Partnership	145		- 145	
Mangrove jack stock structure project	69		- 69	
Other	138		- 138	
Other grants	5 896	1 680	- 4 216	1
Various plant industry research and development grants	2 606	973	- 1 633	
Various livestock research and development grants	930	44	- 886	
Browsing Ant Eradication Program	706	498	- 208	
Cooperative Research Centre for Developing Northern Australia – blacklip rock oyster	612		- 612	
Cooperative Research Centre for Developing Northern Australia – black jewfish	425	15	- 410	
Australian Centre for International Agricultural Research seaweed project	271	117	- 154	
National Varroa Mite Response Plan	198		- 198	
Other	148	33	- 115	
Output appropriation	43 947	49 877	5 930	2
Commonwealth appropriation				
National partnership agreements	4 924	1 326	- 3 598	1
National Water Grid Fund	1 438	590	- 848	
Northern Australia People Capacity and Response Network	868		- 868	
Browsing Ant Eradication Program	713	503	- 210	
Boosting High Pathogenicity Avian Influenza Biosecurity Response Capability	634		- 634	
Future Drought Fund	490		- 490	
Developing Sustainable Pastoral Carrying Capacities	258	101	- 157	
Horticultural netting trial	258		- 258	
National Plant Health Surveillance Program	153	132	- 21	
Sheep and goat eID traceability	93		- 93	
Farm forestry, private native forestry and Indigenous forestry	19		- 19	

continued

Budget 2026-27

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Sales of goods and services	8 741	6 086	- 2 655	3
Research and services contracts	2 535	666	- 1 869	
Water analysis testing	2 174	2 174		
Research farm – sale of livestock and produce	2 130	1 837	- 293	
Biosecurity fees and diagnostic testing	883	627	- 256	
Fisheries fee for services	557	400	- 157	
Facility rental fees	366	366		
Community science project	80		- 80	
Other	16	16		
Goods and services received free of charge	7 132	7 115	- 17	
Gain (+)/loss (-) on disposal of assets	18		- 18	
Other revenue	141	104	- 37	
OPERATING REVENUE	72 602	66 188	- 6 414	
Capital appropriation	807	401	- 406	
CAPITAL RECEIPTS	807	401	- 406	

1 The variations are in line with the relevant agreements.

2 The increase largely reflects additional funding from 2026-27 to support safeguarding our fisheries and to support biosecurity and supply chain integrity.

3 The variation largely reflects higher revenue from research and services contracts in 2025-26.

Department of Mining and Energy

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Mining and energy	44 481	86 383	45 180	1
Northern Territory Geological Survey	13 934	14 038	14 109	
Mining development	8 651	53 088	11 775	
Energy development	6 832	7 530	6 675	
Sustainable energy development	13 346	10 452	10 621	
Beetaloo Project Management Office	1 718	1 275	2 000	
Corporate and shared services	4 125	6 881	6 982	2
Corporate and governance	1 466	1 642	1 726	
Shared services received	2 659	5 239	5 256	
Total expenses	48 606	93 264	52 162	
Appropriation				
Output	40 020	35 450	38 738	
Capital		110		
Commonwealth	2 000	62 713	2 350	

2026-27 staffing: 170 FTE

- The variations in the mining development output predominantly reflect additional Commonwealth funding for mine remediation. The variation in the energy development output in 2025-26 mostly relates to carryover of prior year unspent funds into 2025-26 for petroleum exploration regulation. The variations in the sustainable energy development output are mainly due to revised program delivery timelines for various sustainable energy development projects. The variations in the Beetaloo Project Management Office output mostly reflects revised timing of program delivery for the Beetaloo project and additional funding for development of the Beetaloo Sub-basin in 2026-27.
- The variations in the corporate and governance output reflects realignment of the budget in line with agency operating requirements. The variation in the shared services received output in 2025-26 reflects post-machinery of government realignment of services received free of charge from the Department of Corporate and Digital Development.

Agency profile

The Department of Mining and Energy is responsible for implementing the Territory Government's priorities for mineral and energy resources development, facilitating exploration, supporting the expansion of energy supply for the Territory, Australia and strategic partners, and providing government oversight of energy policy including renewables and energy systems.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Beetaloo Sub-basin development		1 400
Key existing initiatives		
Darwin Energy Hub	1 253	1 807
Remote Power Partnership program	375	1 373
Electricity market reform	1 220	1 281
Sustainable energy project facilitation	297	525
Emission reduction through industry development	750	320

Output groups and objectives

Mining and energy

Objective: To enable development of the Territory's energy supply and mineral and extractive industries by supporting, regulating, promoting and de-risking investment, and to ensure affordable, secure and sustainable electricity.

Northern Territory Geological Survey

Support resource exploration through acquisition, management, delivery and promotion of geoscience information and data. Manage statutory reporting of exploration and production, and provide access to industry reports, data and drill core.

Deliver industry grant programs and promote the Territory as an exploration investment destination through the Resourcing the Territory program.

Mining development

Deliver strategies, policy and regulation under the *Mineral Titles Act 2010* and *Legacy Mines Remediation Act 2023* to support the responsible operation and expansion of the Territory's mining and extractive industries, and effective rehabilitation of legacy mine sites.

Increase the Territory's competitiveness as a mining project investment destination by actively engaging with proponents and their projects to expedite timely approvals on the pathway to a final investment decision.

Energy development

Advance projects for energy security through provision of strategic advice, policy development and regulation including administration of titles and tenure, sustainable resource management, operational approvals, and monitoring and compliance under the *Petroleum Act 1984*, the *Energy Pipelines Act 1981* and the *Geothermal Energy Act 2009*.

Sustainable energy development

Lead the coordinated design and development of the Territory's electricity systems and sustainable energy industry enablers to deliver secure and reliable electricity at lowest sustainable cost for Territorians.

Promote and facilitate delivery of private sector sustainable energy projects to secure external investment and economic diversification.

Beetaloo Project Management Office

Coordinate the development and commercialisation of the Beetaloo Sub-basin across government to maximise benefits for Territorians.

Advance and accelerate industry and investment confidence in onshore gas development in the Beetaloo by facilitating the short to mid-term delivery of coordinated, whole of government policy, infrastructure and industry growth-related outcomes.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Annual uptake of data, products and information provided by Northern Territory Geological Survey ¹			≥ 1.2M
Industry co-investment per dollar of grant funding ¹			≥ 1.5:1
Mineral exploration licences on native title-affected land granted within 9 months	≥ 85%	85%	≥ 85%
Energy title applications and report assessments completed within 60 days	≥ 85%	85%	≥ 85%
Regulatory site inspections for petroleum and pipeline operations	32	32	32
Remediation projects progressed by the Mining Development Division	8	8	8
Beetaloo titleholders delivering gas to markets ²	2	0	2
Position papers developed to implement Territory Electricity Market reforms and circulated for industry comment ¹			12
Exposure drafts of Territory Electricity Market rules released for public consultation ¹			5

1 New measure commencing 1 July 2026.

2 The variation in 2025-26 reflects commercial delays.

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and provision of corporate support functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development and Department of Trade, Business and Asian Relations. Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	35 450	38 738
Commonwealth	43 447	3 350
Sales of goods and services	1 338	1 185
Interest revenue		
Goods and services received free of charge	4 021	4 010
Gain (+)/loss (-) on disposal of assets		
Other revenue	1 686	1 094
TOTAL INCOME	85 942	48 377
EXPENSES		
Employee expenses	27 442	22 623
Administrative expenses		
Purchases of goods and services	48 869	15 106
Repairs and maintenance		
Depreciation and amortisation	4 449	3 641
Services free of charge	4 021	4 010
Other administrative expenses		
Grants and subsidies expenses		
Current	7 504	3 430
Capital	975	3 350
Community service obligations		
Interest expenses	4	2
TOTAL EXPENSES	93 264	52 162
NET SURPLUS (+)/DEFICIT (-)¹	- 7 322	- 3 785

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	11 867	7 867
Interest revenue		
Royalties and rents	12 078	12 639
Other revenue	55	55
TOTAL INCOME	24 000	20 561

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	165 795	164 605
Receivables	5 762	5 762
Prepayments	322	322
Inventories		
Advances and investments		
Property, plant and equipment	44 942	41 301
Other assets		
TOTAL ASSETS	216 821	211 990
LIABILITIES		
Deposits held	160 923	160 923
Creditors and accruals	9 755	9 755
Borrowings and advances	77	31
Provisions	3 169	3 169
Other liabilities	6 500	5 500
TOTAL LIABILITIES	180 424	179 378
NET ASSETS	36 397	32 612
EQUITY		
Capital		
Opening balance	9 064	43 971
Equity injections/withdrawals	34 907	
Reserves	4 527	4 527
Accumulated funds		
Opening balance	- 4 779	- 12 101
Current year surplus (+)/deficit (-)	- 7 322	- 3 785
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	36 397	32 612

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable	819	819
Other receivables	925	925
TOTAL ASSETS	1 744	1 744
LIABILITIES		
Central Holding Authority income payable	1 744	1 744
Unearned Central Holding Authority income		
TOTAL LIABILITIES	1 744	1 744
NET ASSETS		

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	35 450	38 738
Commonwealth	28 313	2 350
Other agency receipts from sales of goods and services	3 024	2 279
Interest received		
Total operating receipts	66 787	43 367
Operating payments		
Payments to employees	27 442	22 623
Payments for goods and services	48 869	15 106
Grants and subsidies paid		
Current	7 504	3 430
Capital	975	3 350
Community service obligations		
Interest paid	4	2
Total operating payments	84 794	44 511
NET CASH FROM OPERATING ACTIVITIES	- 18 007	- 1 144
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	34 510	
Advances and investing payments		
Total investing payments	34 510	
NET CASH FROM INVESTING ACTIVITIES	- 34 510	
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	110	
Commonwealth	34 400	
Equity injections	125	
Total financing receipts	34 635	
Financing payments		
Repayment of borrowings		
Lease payments	44	46
Equity withdrawals		
Service concession liability payments		
Total financing payments	44	46
NET CASH FROM FINANCING ACTIVITIES	34 591	- 46
Net increase (+)/decrease (-) in cash held	- 17 926	- 1 190
Cash at beginning of financial year	183 721	165 795
CASH AT END OF FINANCIAL YEAR	165 795	164 605

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Output appropriation	35 450	38 738	3 288	1
Commonwealth appropriation				
National partnership agreements	43 447	3 350	- 40 097	2
Management of the former Rum Jungle mine site	40 472		- 40 472	
Solar for Multi-Dwelling Grant scheme	2 975	2 350	- 625	
Energy and emissions		1 000	1 000	
Sales of goods and services	1 338	1 185	- 153	
Mines and energy processing fees (licences/titles)	1 096	1 073	- 23	
Business and industry events	169	109	- 60	
Pine Creek and West Arnhem gravity survey	70		- 70	
Other	3	3		
Goods and services received free of charge	4 021	4 010	- 11	
Other revenue	1 686	1 094	- 592	3
Legacy mines	1 094	1 094		
Return of unspent grants	450		- 450	
Gove electricity supply study	125		- 125	
Other	17		- 17	
OPERATING REVENUE	85 942	48 377	- 37 565	
Capital appropriation	110		- 110	
Commonwealth capital appropriation	34 400		- 34 400	2
Management of the former Rum Jungle mine site	34 400		- 34 400	
CAPITAL RECEIPTS	34 510		- 34 510	

1 The increase largely reflects the funding profile of the Remote Renewable Power Rollout program and additional funding in 2026-27 to support development of the Beetaloo Sub-basin.

2 The variations are in line with the relevant Commonwealth agreements.

3 The decrease largely reflects the return of unspent funds and recoveries for various programs in 2025-26.

Department of Corrections

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Adult operations	282 076	313 125	314 690	1, 2
Custodial services	282 076	313 125	314 690	
Community corrections and youth justice	134 651	136 271	118 157	3
Community corrections	49 945	50 032	46 625	
Youth justice	84 706	86 239	71 532	
Health services	20 000	41 491	38 653	1, 4
Health services	20 000	41 491	38 653	
Corporate and shared services	57 995	48 569	53 134	5, 6
Corporate and governance	26 134	27 328	31 195	
Shared services received	31 861	21 241	21 939	
Total expenses	494 722	539 456	524 634	
Appropriation				
Output	435 392	488 375	472 269	
Capital	8 641	8 641	9 491	

2026-27 staffing: 1,454 FTE

- 1 The 2025-26 Budget figures have been realigned to reflect a new output structure for prisoner health services.
- 2 The variation in 2025-26 is primarily due to additional funding for increased prisoner numbers and associated services including additional contingency funding drawn down during the year.
- 3 The decrease in the community corrections output in 2026-27 mostly reflects the reprioritisation of funding towards new custodial initiatives to accommodate increased prisoner numbers. The decrease in the youth justice output in 2026-27 is primarily due to the finalisation of time-limited funding for residential youth justice facilities in 2025-26.
- 4 The variation in 2025-26 is mostly due to the transfer of the prisoner health services budget from the Department of Health to centralise funding in one agency and additional contingency funding drawn down during the year.
- 5 The increase in the corporate and governance output in 2026-27 mostly reflects higher workers' compensation premium commitments and additional funding for corrections demand pressures and associated services.
- 6 The variation in the shared services received output in 2025-26 is primarily due to the revision of the Department of Corporate and Digital Development's cost allocation model.

Agency profile

The Department of Corrections provides correctional services that promote accountability and rehabilitation, and strengthen pathways to reduce reoffending.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Ready to Work program	500	1 200
Key existing initiatives		
Corrections demand pressures ¹	95 560	100 000
Prisoner health services	20 000	20 000
Increasing electronic monitoring capacity	6 000	6 000
Domestic, family and sexual violence reduction and prevention	4 210	5 004
New capital works		
Darwin work camp		192 190
Katherine work camp		41 800
Alice Springs Correctional Centre – critical infrastructure upgrades		12 000

1 The revised 2025-26 budget for the Department of Corrections includes \$37.6 million drawn down during the year from contingency funding held in the CHA for corrections demand pressures. In 2026-27, a further \$50 million is available to be drawn down from the CHA if required.

Output groups and objectives

Adult operations

Objective: Community safety is improved through correctional interventions, programs and services for people who have offended.

Custodial services

Provide a safe, secure and humane custodial service focused on reducing reoffending by addressing criminogenic needs through targeted programs, education and training.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Annual recidivism rate of sentenced prisoners ¹	≤ 59%	60%	≤ 58%
Eligible prisoners completing their enrolled education or training program	≥ 80%	82%	≥ 80%
Prisoner offence-specific program completions ²	≥ 80%	95%	≥ 80%

1 Revised measure from 'convicted people' to 'sentenced prisoners' to more accurately reflect the data presented.

2 The variation in 2025-26 is due to clinical staff heavily focused on supporting offenders to complete programs.

Community corrections and youth justice

Objective: Community safety is improved by reducing reoffending and supporting people who have offended or are at risk of reoffending, including young people, to successfully reintegrate into the community.

Community corrections

Monitor and supervise community-based offenders to ensure offenders are held accountable for non-compliance with orders by the courts and Parole Board.

Youth justice

Provide youth detention and diversion programs and services that contribute to community safety, keep young people safe, and reduce offending and reoffending by young people.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Completion of supervised community corrections orders ¹	≥ 70%	74%	≥ 70%
Receptions into a youth detention facility ²	1 000	1 200	1 300

1 The variation in 2025-26 is due to various factors including improved case management and support for compliance with conditions of orders.

2 The variation in 2025-26 and increase in the 2026-27 target reflects strengthened bail laws.

Health services

Objective: Prisoners and detainees receive appropriate healthcare.

Health services

Deliver clinically appropriate health services to prisoners and detainees in accordance with legislative requirements contained within the *Correctional Services Act 2014* and the *Youth Justice Act 2005*.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Initial prisoner health screenings performed within 24 hours of entering custody ¹			≥ 95%

1 New measure commencing 1 July 2026.

Corporate and shared services

Objective: The performance of the agency's business units is improved through strategic leadership, governance and efficient support services.

Corporate and governance

Provide strategic, governance and support services to facilitate agency operations.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	15	
Capital		
Appropriation		
Output	488 375	472 269
Commonwealth		
Sales of goods and services	3 234	3 234
Interest revenue		
Goods and services received free of charge	21 241	21 939
Gain (+)/loss (-) on disposal of assets		
Other revenue	1 238	1 211
TOTAL INCOME	514 103	498 653
EXPENSES		
Employee expenses	238 696	242 283
Administrative expenses		
Purchases of goods and services	186 939	171 108
Repairs and maintenance		
Depreciation and amortisation	24 722	26 292
Services free of charge	21 241	21 939
Other administrative expenses	11	
Grants and subsidies expenses		
Current	22 091	18 126
Capital		
Community service obligations		
Interest expenses	45 756	44 886
TOTAL EXPENSES	539 456	524 634
NET SURPLUS (+)/DEFICIT (-)¹	- 25 353	- 25 981

¹ Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	27 527	27 527
Receivables	749	749
Prepayments	1 516	1 516
Inventories	3 320	3 320
Advances and investments		
Property, plant and equipment	857 444	831 152
Other assets		
TOTAL ASSETS	890 556	864 264
LIABILITIES		
Deposits held	2 344	2 344
Creditors and accruals	33 834	33 748
Borrowings and advances	455 795	446 079
Provisions	29 509	29 509
Other liabilities		
TOTAL LIABILITIES	521 482	511 680
NET ASSETS	369 074	352 584
EQUITY		
Capital		
Opening balance	579 831	631 989
Equity injections/withdrawals	52 158	9 491
Reserves	132 391	132 391
Accumulated funds		
Opening balance	- 369 953	- 395 306
Current year surplus (+)/deficit (-)	- 25 353	- 25 981
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	369 074	352 584

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	15	
Capital		
Appropriation		
Output	488 375	472 269
Commonwealth		
Other agency receipts from sales of goods and services	4 472	4 445
Interest received		
Total operating receipts	492 862	476 714
Operating payments		
Payments to employees	238 696	242 283
Payments for goods and services	185 909	170 969
Grants and subsidies paid		
Current	22 091	18 126
Capital		
Community service obligations		
Interest paid	45 961	45 111
Total operating payments	492 657	476 489
NET CASH FROM OPERATING ACTIVITIES	205	225
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	8 641	9 491
Commonwealth		
Equity injections		
Total financing receipts	8 641	9 491
Financing payments		
Repayment of borrowings		
Lease payments	8 846	9 716
Equity withdrawals		
Service concession liability payments		
Total financing payments	8 846	9 716
NET CASH FROM FINANCING ACTIVITIES	- 205	- 225
Net increase (+)/decrease (-) in cash held		
Cash at beginning of financial year	27 527	27 527
CASH AT END OF FINANCIAL YEAR	27 527	27 527

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	15		- 15	
Celebrating Australia Day	15		- 15	
Output appropriation	488 375	472 269	- 16 106	1
Sales of goods and services	3 234	3 234		
Prison industries and prisoner support revenue	3 234	3 234		
Goods and services received free of charge	21 241	21 939	698	
Other revenue	1 238	1 211	- 27	
Prison phone system, outside work wages, prison room/board	1 078	1 078		
Centrelink detainee allowance	133	133		
Return of unspent grants	27		- 27	
OPERATING REVENUE	514 103	498 653	- 15 450	
Capital appropriation	8 641	9 491	850	2
CAPITAL RECEIPTS	8 641	9 491	850	

1 The variation mainly reflects finalisation of time-limited funding for youth justice initiatives in 2025-26.

2 The variation is mostly due to the Darwin Correctional Centre finance lease projections.

Department of Treasury and Finance

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Financial management	12 106	6 507	11 891	1
Financial management	12 106	6 507	11 891	
Economic services	225 630	202 630	269 899	2
Economic services	5 939	8 139	18 232	
Payments on behalf of government	219 691	194 491	251 667	
Territory revenue	30 413	22 268	27 248	3
Territory revenue	14 302	5 157	10 132	
Home owner assistance	16 111	17 111	17 116	
Superannuation	2 469	2 469	2 600	
Superannuation	2 469	2 469	2 600	
Economic regulation	1 452	1 452	1 338	
Utilities Commission	1 452	1 452	1 338	
Corporate and shared services	11 206	11 202	11 695	4
Corporate and governance	3 774	3 770	4 263	
Shared services received	7 432	7 432	7 432	
Total expenses	283 276	246 528	324 671	
Appropriation				
Output	240 138	216 485	306 802	
Commonwealth	20 685	20 685		

2026-27 staffing: 115 FTE

- 1 The variations reflect the revised payment profile for the development of whole of government ICT projects including the Sage budget management system.
- 2 The variations in the economic services output are mostly due to additional funding for the procurement process of a new correctional facility. The variations in the payments on behalf of government output reflect the payment profile for regulated retail electricity tariffs and fuel excise relief, partially offset in 2026-27 by a reduction in Commonwealth funding for the National Energy Bill Relief program.
- 3 The variations in the Territory revenue output mainly relate to the revised payment profile of the RevConnect ICT project. The variation in the home owner assistance output in 2025-26 mainly reflects increases in HomeGrown and FreshStart grants.
- 4 The increase in the corporate and governance output in 2026-27 is mostly due to additional graduate and training capacity.

Agency profile

The Department of Treasury and Finance provides specialist fiscal, economic and commercial policy advice to support the Territory's fiscal sustainability, economic development and contribute to the improved wellbeing of Territorians.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Northern Territory Fuel Excise Relief 2026		19 691
New Darwin correctional facility procurement	2 000	13 000
Key existing initiatives		
Utilities payments	166 916	225 116
HomeGrown and FreshStart housing grants	10 814	10 706
First Home Owner Grant	6 297	6 410
National Energy Bill Relief Program ¹	20 685	

1 Includes Commonwealth funding.

Output groups and objectives

Financial management

Objective: Effective financial management to meet key fiscal targets and enable implementation of government priorities. Anticipate government needs and issues, ensuring government decisions are informed by sound financial analysis.

Financial management

Provide financial analysis, reporting and strategic policy advice to inform decision-making on whole of government resource allocation. Manage the Central Holding Authority and provide financial services to support the Northern Territory Treasury Corporation. Drive public sector financial management, performance and accountability. Provide strategic advice to maximise benefits to the Territory, including through participation in intergovernmental forums.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Compliance with financial reporting and disclosure obligations, as specified in the FITA	100%	100%	100%
Unmodified audit opinion on the financial statements of each sector of government in the Treasurer's Annual Financial Report	Yes	Yes	Yes
Maintain or improve the Territory's credit rating of Aa3 (stable)	Yes	Yes	Yes
Ministerial advice provided within allotted timeframes ¹	≥ 80%	83%	≥ 80%
Satisfaction of the Treasurer with fiscal and strategic policy advice ²	≥ 5	5	≥ 5
Maintain or improve the Territory's GST revenue-sharing relativities	≥ 5.15112	5.15112	≥ 5.24149

1 Refers to advice sought on correspondence to the Treasurer.

2 Measure ranges from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Economic services

Objective: Effective analysis and advice on economic, commercial and demographic issues to support the Territory's economic development.

Economic services

Provide economic forecasts, analysis and policy advice to inform government decision-making. Forecast GST and own-source revenue for the Territory. Provide across-government oversight of major commercial contracts to ensure value for money. Provide advice to the Treasurer on the financial performance of government owned corporations. Proactive engagement with external stakeholders to facilitate economic development.

Payments on behalf of government

Payments made on behalf of government as a result of formal agreements or legislative requirements, for example, community service obligations for uniform tariffs for utilities.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Variation between key economic forecasts and actual outcomes ¹	≤ 1ppt	≤ 1ppt	≤ 1ppt
Contribution of the government owned corporations to government's fiscal balance ²	≤-\$121M	-\$263M	≤-\$222M
Ministerial advice provided within allotted timeframes ³	≥ 80%	70%	≥ 80%
Satisfaction of the Treasurer with strategic policy advice ⁴	≥ 5	5	≥ 5

1 Includes population, employment, unemployment, CPI and wage price index forecasts.

2 The variation in 2025-26 reflects updated statement of corporate intent forecasts as provided by government owned corporations.

3 Refers to advice sought on correspondence to the Treasurer.

4 Measure ranges from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Territory revenue

Objective: Efficient and responsive revenue management services. Effective analysis and advice on Territory revenue matters.

Territory revenue

Administer and maintain the integrity of the Territory's tax, royalty, concession and grant schemes. Provide education, and advisory and compliance services relevant to the Territory's own-source revenue.

Home owner assistance

Administer assistance schemes to encourage home ownership.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Variation between revenue forecast and actual outcome ¹	≤ 5%	17.98%	≤ 5%
Ministerial advice provided within allotted timeframes ²	≥ 80%	82%	≥ 80%
Satisfaction of the Treasurer with revenue advice ³	≥ 5	5	≥ 5
Overdue debt as a percentage of total revenue collected	< 1.70%	1.56%	< 1.70%
Territory taxation effort ⁴	≥ 90%	82.49%	≤ 100%
Territory Revenue Office expenditure as a percentage of non financial public sector taxes and royalties	< 1%	0.29%	< 1%

1 The variation in 2025-26 is due to stronger than expected growth in mining and petroleum royalties and receipts from payroll taxes.

2 Refers to advice sought on correspondence to the Treasurer.

3 Measure ranges from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

4 Measure reflects the most recent year assessed by the Commonwealth Grants Commission, currently 2024-25, compared with the state average of 100%. The 2026-27 target has been updated to less than or equal to 100% of average state effort to align with the 2025-26 fiscal strategy.

Superannuation

Objective: Superannuation services that meet the expectations of scheme members. Effective analysis and advice on superannuation matters that enables government to meet its obligations.

Superannuation

Provide superannuation services to scheme members, and advice to the Commissioner for Public Employment and government.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Member statements issued within approved timeframes	100%	100%	100%
Satisfaction of the Treasurer with superannuation advice ¹	≥ 5	5	≥ 5
Unmodified audit opinion on superannuation reporting obligations	Yes	Yes	Yes

1 Measure ranges from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Economic regulation

Objective: An economic regulatory framework that promotes competition, and fair and efficient market conduct or, in the absence of a competitive market, prevents the misuse of monopoly power.

Utilities Commission

Administer economic regulatory frameworks and seek to protect the long-term interests of Territory consumers of services. Provide independent advice to government for the regulated industries of electricity, water, sewerage and ports.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Determinations, reports and approvals issued or published within statutory timeframes	100%	100%	100%

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and governance, and provision of corporate services functions.

Corporate and governance

Provide corporate and governance services to support the agency's executive functions including executive support, governance and risk services, and corporate communications.

Shared services received

Receive shared financial and business services from the Department of the Chief Minister and Cabinet. Receive other corporate services from the Department of Corporate and Digital Development, and infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	216 485	306 802
Commonwealth	20 685	
Sales of goods and services	497	500
Interest revenue		
Goods and services received free of charge	7 432	7 432
Gain (+)/loss (-) on disposal of assets		
Other revenue	200	
TOTAL INCOME	245 299	314 734
EXPENSES		
Employee expenses	18 686	20 110
Administrative expenses		
Purchases of goods and services	8 287	27 836
Repairs and maintenance		
Depreciation and amortisation	10	
Services free of charge	7 432	7 432
Other administrative expenses	6 897	6 867
Grants and subsidies expenses		
Current	21 180	20 185
Capital	17 111	17 116
Community service obligations	166 916	225 116
Interest expenses	9	9
TOTAL EXPENSES	246 528	324 671
NET SURPLUS (+)/DEFICIT (-)¹	- 1 229	- 9 937

Income administered for the Central Holding Authority

INCOME		
Taxation revenue	986 099	949 842
Commonwealth revenue		
GST revenue	4 967 154	5 102 349
Specific purpose payments	614 116	683 180
National partnership agreements	1 203 704	1 210 913
Current grants		
Capital grants		
Fees from regulatory services	1 486	1 530
Interest revenue		
Royalties and rents	388 000	445 000
Other revenue	300	300
TOTAL INCOME	8 160 859	8 393 114

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	28 079	20 219
Receivables	8 788	8 788
Prepayments	57	57
Inventories		
Advances and investments	25 000	25 000
Property, plant and equipment		
Other assets	25	25
TOTAL ASSETS	61 949	54 089
LIABILITIES		
Deposits held		
Creditors and accruals	1 702	1 702
Borrowings and advances		
Provisions	2 596	2 596
Other liabilities		
TOTAL LIABILITIES	4 298	4 298
NET ASSETS	57 651	49 791
EQUITY		
Capital		
Opening balance	- 87 481	- 86 622
Equity injections/withdrawals	859	2 077
Reserves		
Accumulated funds		
Opening balance	145 502	144 273
Current year surplus (+)/deficit (-)	- 1 229	- 9 937
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	57 651	49 791

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable	88 128	111 486
Grants and subsidies receivable		
Royalties and rent receivable	131 876	131 876
Other receivables	202 919	151 216
TOTAL ASSETS	422 923	394 578
LIABILITIES		
Central Holding Authority income payable	249 580	272 938
Unearned Central Holding Authority income	173 343	121 640
TOTAL LIABILITIES	422 923	394 578
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	216 485	306 802
Commonwealth	20 685	
Other agency receipts from sales of goods and services	22 294	500
Interest received		
Total operating receipts	259 464	307 302
Operating payments		
Payments to employees	18 686	20 110
Payments for goods and services	15 184	34 703
Grants and subsidies paid		
Current	21 180	20 185
Capital	17 111	17 116
Community service obligations	166 916	225 116
Interest paid	9	9
Total operating payments	239 086	317 239
NET CASH FROM OPERATING ACTIVITIES	20 378	- 9 937
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections	28 150	2 150
Total financing receipts	28 150	2 150
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	27 291	73
Service concession liability payments		
Total financing payments	27 291	73
NET CASH FROM FINANCING ACTIVITIES	859	2 077
Net increase (+)/decrease (-) in cash held	21 237	- 7 860
Cash at beginning of financial year	6 842	28 079
CASH AT END OF FINANCIAL YEAR	28 079	20 219

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Output appropriation	216 485	306 802	90 317	1
Commonwealth appropriation				
National partnership agreements	20 685		- 20 685	2
National Energy Bill Relief	20 685		- 20 685	
Sales of goods and services	497	500	3	
Fees and charges	497	500	3	
Goods and services received free of charge	7 432	7 432		
Other revenue	200		- 200	
Underground power project recoveries	200		- 200	
OPERATING REVENUE	245 299	314 734	69 435	

1 The variation reflects increased funding for regulated retail electricity tariffs to support cost-of-living pressures by constraining growth in utility price increases combined with additional funding to support the procurement process of a new correctional facility and fuel excise relief.

2 The variation is in line with the relevant Commonwealth agreement.

Central Holding Authority

Overview

The Central Holding Authority (CHA) receives Commonwealth income, including GST revenue, national partnership and specific purpose payments, and Territory own-source revenue collected by other agencies on behalf of CHA. It then distributes this funding to agencies in the form of appropriations.

As the parent financial entity of government, CHA does not transact directly with the public. CHA's key deliverables include:

- administration of appropriation payments to agencies in accordance with the *Appropriation Act*
- maintaining government's investment portfolio
- managing government borrowings
- recognising unfunded employee liabilities including superannuation, long service leave and workers compensation.

Appropriations from the Central Holding Authority

The *Appropriation Act* provides CHA with the authority to fund specific purposes. The main appropriation purposes are output, capital and Commonwealth.

Most revenue received by the Territory is recorded in CHA's operating statement, including GST revenue, national partnership and specific purpose payments, and Territory taxes. Funds are provided to agencies as output appropriation, capital appropriation or Commonwealth appropriation, which can be for operational or capital purposes. Output appropriation is recorded in the operating and cash flow statements, whereas capital appropriation is recorded only in the cash flow statement.

Output appropriation is the operating payment to each agency for the outputs they provide.

Capital appropriation is the payment for capital investment. Most capital works for general government agencies are centrally managed by the Department of Logistics and Infrastructure, which receives capital appropriation for capital works managed on behalf of other agencies. A number of general government agencies also receive capital appropriation for the acquisition of capital items.

Commonwealth appropriation relates to national partnership and specific purpose payment funding, and other external funding received by the Territory. Commonwealth Treasury makes payments to the Territory's Department of Treasury and Finance on behalf of CHA, which are passed on to the relevant agencies as Commonwealth appropriation.

Other appropriation purposes include those paid for employee entitlements (such as superannuation and long service leave), interest, taxes, administration payments and Treasurer's Advance.

Performance

CHA's net operating balance is projected to decrease from a surplus of \$835 million in 2025-26 to a surplus of \$698 million in 2026-27 as a result of higher expenditure of \$384 million, partially offset by an increase in revenue of \$247 million.

The \$247 million increase in revenue from 2025-26 to 2026-27 predominately reflects:

- higher GST revenue of \$135 million, mostly due to an increased Territory GST relativity in 2026-27 of 5.24149 compared to 5.15112 in 2025-26
- a net increase in national partnership, specific purpose payment and capital grant revenue of \$61 million in line with relevant Commonwealth agreements
- higher royalties, rents and dividend revenue of \$59 million, predominantly driven by sustained higher commodity prices
- higher other revenue of \$16 million, mostly due to higher workers compensation premiums recovered from agencies reflecting increased scheme costs
- a net increase in interest revenue of \$12 million, reflecting returns on investments in line with anticipated market conditions, partially offset by
- lower taxation revenue of \$33 million, largely related to elevated stamp duty collections in 2025-26, due to significant investor activity and a small number of large one-off commercial transactions.

The increase in expenditure of \$384 million from 2025-26 to 2026-27 reflects:

- a net increase in appropriation payments to agencies of \$313 million comprising increased Territory-funded appropriation of \$452 million and a \$31 million increase in Commonwealth appropriation provided to agencies, partly offset by a decrease in the Treasurer's Advance of \$170 million, following allocations to agencies to address demand pressures in 2025-26
- higher interest expenses of \$71 million in 2026-27 in line with government's borrowing requirements.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue	1 058 668	1 026 161
Commonwealth revenue		
GST revenue	4 967 154	5 102 349
Specific purpose payments	614 116	683 180
National partnership agreements	1 203 704	1 210 913
Current grants		
Capital grants	42 479	27 565
Fees from regulatory services	33 576	30 225
Interest revenue	111 606	123 473
Royalties, rents and dividends	478 296	537 038
Superannuation contributions	30 810	30 498
Other revenue	87 604	103 546
TOTAL INCOME	8 628 013	8 874 948
EXPENSES		
Long service leave expense	61 379	63 220
Superannuation expense	167 756	163 652
Other salary expenses	88 324	90 341
Administrative expenses	984	984
Interest expenses	461 833	532 929
Appropriation expenses	7 013 038	7 325 897
TOTAL EXPENSES	7 793 314	8 177 023
NET SURPLUS (+)/DEFICIT (-)	834 699	697 925
OTHER COMPREHENSIVE INCOME		
Comprehensive income		
Changes in accounting policies		
Correction of prior period errors		
TOTAL OTHER COMPREHENSIVE INCOME		
COMPREHENSIVE RESULT	834 699	697 925

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	903 422	824 923
Receivables	273 508	315 169
Prepayments	176 554	123 022
Advances and investments	1 617 652	1 709 474
Equity investments	19 201 080	20 853 007
Other assets		
TOTAL ASSETS	22 172 216	23 825 595
LIABILITIES		
Deposits held	944 210	824 498
Creditors and accruals	36 679	39 174
Borrowings and advances	11 336 723	12 537 384
Superannuation liability	2 770 700	2 702 842
Provision for long service leave	445 671	445 671
Provision for workers compensation	373 712	373 712
Other liabilities	203 673	143 541
TOTAL LIABILITIES	16 111 368	17 066 822
NET ASSETS	6 060 848	6 758 773
EQUITY		
Capital		
Reserves		
Accumulated funds		
Opening balance	5 226 149	6 060 848
Current year surplus (+)/deficit (-)	834 699	697 925
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	6 060 848	6 758 773

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received	1 065 243	1 005 904
Commonwealth revenue received		
GST receipts	4 967 154	5 102 349
Specific purpose payments	614 116	683 180
National partnership agreements	1 311 155	1 159 910
Current grants		
Capital grants	27 997	25 036
Receipts from regulatory services	33 576	30 225
Interest received	97 497	92 866
Royalties, rents and dividends received	463 671	518 735
Superannuation contributions	30 810	30 498
Other receipts	87 604	103 546
Total operating receipts	8 698 823	8 752 249
Operating payments		
Long service leave payments	61 379	63 220
Superannuation benefits paid	253 065	231 510
Other salary payments	91 333	93 442
Payments for goods and services	6 284	7 584
Interest paid	461 156	530 434
Appropriation payments	7 076 904	7 306 079
Total operating payments	7 950 121	8 232 269
NET CASH FROM OPERATING ACTIVITIES	748 702	519 980
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Advance and investing receipts		
Equity withdrawals from agencies	160 588	59 688
Other investing receipts		
Total investing receipts	160 588	59 688
Investing payments		
Advance and investing payments	63 256	61 215
Appropriation payments	1 291 478	1 585 778
Equity injections to agencies	235 338	92 123
Total investing payments	1 590 072	1 739 116
NET CASH FROM INVESTING ACTIVITIES	- 1 429 484	- 1 679 428
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	1 037 000	1 210 000
Deposits received	- 199 651	- 119 712
Total financing receipts	837 349	1 090 288
Financing payments		
Repayment of borrowings	33 278	9 339
Total financing payments	33 278	9 339
NET CASH FROM FINANCING ACTIVITIES	804 071	1 080 949
Net increase (+)/decrease (-) in cash held	123 289	- 78 499
Cash at beginning of financial year	780 133	903 422
CASH AT END OF FINANCIAL YEAR	903 422	824 923

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Taxation revenue	1 058 668	1 026 161	- 32 507	
Payroll tax	462 511	507 654	45 143	1
Stamp duty	357 828	262 400	- 95 428	2
Lotteries, gaming and wagering tax	131 564	134 247	2 683	
Light vehicle registration	41 746	44 642	2 896	
Heavy vehicle registration	30 878	31 714	836	
Passenger service levy	2 954	3 064	110	
Income tax equivalents				
Northern Territory Treasury Corporation	14 486	22 719	8 233	3
Jacana Energy	7 510	5 100	- 2 410	
NT Fleet	4 112	4 610	498	
Territory Generation	2 411	2 940	529	
Land Development Corporation	1 300		- 1 300	
Data Centre Services	1 053	1 078	25	
Power and Water Corporation	315	5 993	5 678	3
Commonwealth revenue	6 827 453	7 024 007	196 554	
GST revenue	4 967 154	5 102 349	135 195	4
National partnership agreements	1 203 704	1 210 913	7 209	5
Specific purpose payments	614 116	683 180	69 064	5
Capital grants	42 479	27 565	- 14 914	5
Fees from regulatory services	33 576	30 225	- 3 351	
Interest revenue	111 606	123 473	11 867	6
Conditions of Service Reserve	77 365	91 822	14 457	
General interest	34 241	31 651	- 2 590	
Royalties, rents and dividends	478 296	537 038	58 742	
Mining and petroleum royalties	388 000	445 000	57 000	7
Mining and petroleum rents	12 078	12 639	561	
Land rents	10 404	10 811	407	
Dividends				
Northern Territory Treasury Corporation	33 802	53 012	19 210	8
Jacana Energy	17 992	8 940	- 9 052	9
Territory Generation	6 477		- 6 477	9
NT Fleet	4 798	5 379	581	
Power and Water Corporation	2 000		- 2 000	
Land Development Corporation	1 516		- 1 516	
Data Centre Services	1 229	1 257	28	
Superannuation contributions	30 810	30 498	- 312	

continued

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Other revenue	87 604	103 546	15 942	
Workers compensation premiums	68 107	83 401	15 294	10
Other	19 497	20 145	648	
OPERATING REVENUE	8 628 013	8 874 948	246 935	

- 1 The increase largely reflects the increased payroll tax rate for employers who have Australia-wide wages of \$100 million or more per annum.
- 2 The decrease mostly reflects an elevated outcome for 2025-26 due to increased investor demand and the extended homeowners grant program.
- 3 The increase predominantly relates to expected tax obligations in line with revised profitability.
- 4 The increase is due to a higher GST relativity for the Territory.
- 5 The variations are in line with relevant Commonwealth agreements.
- 6 The variations reflect returns on investments in line with anticipated market conditions.
- 7 The increase is mostly due to sustained high commodity prices.
- 8 The increase mainly relates to improved profitability associated with additional borrowings.
- 9 The decrease is in line with revised profitability of the government owned corporations.
- 10 The variation reflects an increase to workers compensation premiums recovered from agencies, in line with rising workers compensation costs.

Northern Territory Treasury Corporation

Business line	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Income	586 022	587 604	679 698	1
Government loans and investments	586 022	587 604	679 698	
Expenses	540 733	539 316	603 967	2
Government loans and investments	540 733	539 316	603 967	
Surplus (+)/deficit (-) before income tax	45 289	48 288	75 731	

2026-27 staffing: 3 FTE

- 1 The increase in 2026-27 largely reflects additional interest income associated with higher interest rates and increased loans to CHA, Power and Water Corporation and Territory Generation.
- 2 The increase in 2026-27 is mainly due to higher interest expenditure on additional borrowings to fund loans to CHA, Power and Water Corporation and Territory Generation.

Business division profile

The Northern Territory Treasury Corporation is the central financing authority for the Territory Government. The corporation undertakes borrowing and investment activities on behalf of the Territory and provides cost-effective loans to its public sector clients.

Performance

Performance is expected to improve in 2026-27 mostly due to increased loans and borrowings, upon which the corporation charges a margin.

The borrowing program for 2026-27 is expected to be around \$2.07 billion, comprising \$0.9 billion of maturing debt and \$1.17 billion of additional borrowings. The corporation will continue to focus on issuance in the domestic market, including institutional and retail investors, for its borrowing program.

The key variables that affect the corporation's financial performance are the financial market outlook for interest rates, investor demand for semi-government securities and level of loans and borrowings.

The Reserve Bank of Australia (RBA) increased the cash rate to 4.1% in March 2026, as expected by most financial market participants. The RBA has indicated it will take a cautious approach to monetary policy decisions. Market pricing currently anticipates two further cash rate increases this calendar year. The 10-year Commonwealth Government bond yields have increased considerably from an average of 4.3% in June 2025 to about 4.9% in March 2026.

Business line

Government loans and investments

Objective: Fund loans to government using appropriate borrowing strategies and ensuring compliance with financial reporting obligations. Effectively manage surplus cash on behalf of CHA with the aim of optimising returns within approved guidelines and cash flow requirements.

Activities: Undertake borrowing and investing activities for the Territory Government. Invest surplus short-term cash balances of government accounts. Provide cost-efficient loans to its public sector clients and government agencies, government owned corporations and local authorities.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Unqualified audit opinion on the corporation's reporting obligations	Yes	Yes	Yes
Investment portfolio return above benchmark ¹	≥ index	≥ index	≥ index
Weighted average cost of borrowings ²	≤ 5.75%	5.77%	≤ 6.02%
Borrowing rate margin compared to industry peers	≤ 0.35%	0.35%	≤ 0.35%

1 The benchmark is the Bloomberg AUSBond Bank Bill index.

2 The increase in 2026-27 target reflects prevailing financial market expectations for interest rates and the corporation's expected borrowing profile.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations		
Sales of goods and services	987	987
Interest revenue	586 617	678 711
Rent and dividends		
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	587 604	679 698
EXPENSES		
Employee expenses	795	799
Administrative expenses		
Purchases of goods and services	1 925	1 930
Repairs and maintenance		
Depreciation and amortisation	4	
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expenses	536 592	601 238
TOTAL EXPENSES	539 316	603 967
SURPLUS (+)/DEFICIT (-) BEFORE INCOME TAX	48 288	75 731
Income tax expense	14 486	22 719
NET SURPLUS (+)/DEFICIT (-)	33 802	53 012

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	48 627	52 589
Receivables	9 473	12 932
Prepayments	215	215
Inventories		
Advances and investments	13 601 899	14 762 660
Property, plant and equipment		
Other assets		
TOTAL ASSETS	13 660 214	14 828 396
LIABILITIES		
Deposits held	454	454
Creditors and accruals	115 867	122 124
Borrowings and advances	13 473 860	14 608 342
Provisions	48 402	75 845
Other liabilities		
TOTAL LIABILITIES	13 638 583	14 806 765
NET ASSETS	21 631	21 631
EQUITY		
Capital		
Opening balance	18 714	18 714
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	2 917	2 917
Current year surplus (+)/deficit (-)	33 802	53 012
Dividends paid/payable	- 33 802	- 53 012
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	21 631	21 631

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations		
Receipts from sales of goods and services	987	987
Interest received	583 059	674 752
Total operating receipts	584 046	675 739
Operating payments		
Payments to employees	795	799
Payments for goods and services	1 925	1 930
Grants and subsidies paid		
Current		
Capital		
Interest paid	516 005	585 950
Income tax paid	10 215	14 486
Total operating payments	528 940	603 165
NET CASH FROM OPERATING ACTIVITIES	55 106	72 574
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances	71 099	20 539
Sales of investments		
Total investing receipts	71 099	20 539
Investing payments		
Purchases of assets		
Advances and investing payments	1 452 000	1 181 300
Total investing payments	1 452 000	1 181 300
NET CASH FROM INVESTING ACTIVITIES	- 1 380 901	- 1 160 761
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	2 249 590	2 067 840
Deposits received		
Equity injections		
Total financing receipts	2 249 590	2 067 840
Financing payments		
Repayment of borrowings	1 111 588	941 889
Lease payments	5	
Dividends paid	23 836	33 802
Equity withdrawals		
Service concession liability payments		
Total financing payments	1 135 429	975 691
NET CASH FROM FINANCING ACTIVITIES	1 114 161	1 092 149
Net increase (+)/decrease (-) in cash held	- 211 634	3 962
Cash at beginning of financial year	260 261	48 627
CASH AT END OF FINANCIAL YEAR	48 627	52 589

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Sales of goods and services	987	987		
Investment management fees	984	984		
Other	3	3		
Interest revenue	586 617	678 711	92 094	1
Interest from general government sector entities	463 532	528 455	64 923	
Interest from public non financial corporations	122 585	149 756	27 171	
Gain on Territory Bonds	500	500		
OPERATING REVENUE	587 604	679 698	92 094	

1 The variation mainly reflects new loans to CHA, Power and Water Corporation, and Territory Generation, combined with higher interest rates in 2026-27.

Department of Logistics and Infrastructure

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Infrastructure NT	60 799	50 499	48 745	1, 2
Infrastructure strategy and investment	13 654	12 279	12 303	
Strategic project delivery	47 145	38 220	36 442	
Built infrastructure program, support and delivery	161 351	160 862	169 967	1, 3, 4
Infrastructure investment and delivery	39 318	38 732	45 994	
Investment planning and governance	3 151	3 350	3 251	
Building asset management	118 882	118 780	120 722	
Civil logistics infrastructure	213 521	347 593	277 401	1, 5
Civil logistics planning and delivery	199 407	287 378	260 735	
Transport assets	14 114	60 215	16 666	
Transport operations	93 028	95 307	94 730	1, 6
Passenger transport	72 636	73 797	72 749	
Registration and licensing	10 700	11 753	12 001	
Road and water safety and compliance	9 692	9 757	9 980	
Housing and land servicing	38 354	66 294	37 340	1, 7
Capital program delivery	27 272	55 171	25 834	
Program planning and engagement	11 082	11 123	11 506	
Corporate and shared services	33 453	29 734	29 895	1, 8
Corporate and governance	10 335	10 415	10 576	
Shared services received	23 118	19 319	19 319	
Total expenses	600 506	750 289	658 078	
Appropriation				
Output	397 637	381 724	407 341	
Capital	890 915	685 848	1 002 494	
Commonwealth	442 394	541 852	540 083	

2026-27 staffing: 731 FTE

- 1 The 2025-26 Budget figures have been backcast to reflect an internal restructure to better align with the agency's outputs.
- 2 The variation in the infrastructure strategy and investment output in 2025-26 is primarily due to revised timing of Commonwealth funding for the Growing Regions program and Regional Precincts and Partnerships program. The variation in the strategic project delivery output in 2025-26 mainly reflects revised timing of Commonwealth funding for the Darwin Region Water Supply Infrastructure program, partially offset by impairment of assets damaged by weather-related events.
- 3 The variation in the investment planning and governance output in 2025-26 is due to a change of funding from capital to output appropriation to relocate transportable emergency accommodation.
- 4 The increase in the infrastructure investment and delivery output in 2026-27 is due to the funding profile for Alice Springs infrastructure priorities.
- 5 The variations in the civil logistics planning and delivery, and transport assets outputs are mainly due to higher depreciation costs after assets were revalued and expensing of completed works in 2025-26 that did not meet asset recognition criteria or will be transferred to external bodies.
- 6 The variation in the registration and licensing output in 2025-26 relates to more vehicle registrations and licensing renewals.
- 7 The variation in the capital program delivery output in 2025-26 is mostly due to expensing of completed works that did not meet asset recognition criteria or will be transferred to external bodies.
- 8 The variation in the shared services received output in 2025-26 reflects revisions to the allocations of services provided free of charge by the Department of Corporate and Digital Development following machinery of government changes.

Agency profile

The Department of Logistics and Infrastructure works with the community, business and industry to build, connect and grow the Territory. The department plans, constructs, maintains and invests in integrated logistics and infrastructure solutions and services across the Territory. It also performs transport regulatory functions on behalf of the Territory Government.

The department is responsible for:

- integrated infrastructure planning and strategy that contributes to the Territory's long-term economic development, aligns with community needs and delivers sustainable, resilient and climate-appropriate outcomes
- securing and managing land tenure arrangements in remote communities
- securing funding and investment for transport infrastructure from the Commonwealth
- delivering the Territory Government's capital works program, from planning and procurement through to construction and handover
- delivering the Territory Government's building asset and transport infrastructure and maintenance programs
- facilitating third-party development along road corridors, by coordinating access, approvals and technical requirements
- delivering passenger transport services and regulation, with a focus on safety and reliability
- providing regulatory oversight of designated ports and pilotage operations, advancing marine infrastructure development and promoting recreation boating safety
- delivering a consistently high standard of customer services across the department to support the community, industry and stakeholders
- engaging nationally and interjurisdictionally to influence national infrastructure priorities and reform, advance investment in the Territory and ensure national approaches to regulation are suitable to local requirements and context.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
Key existing initiatives		
Repairs and maintenance ¹	204 707	208 804
Territory-wide public transport services	33 100	34 240
Territory-wide school transport services	24 410	25 240
Middle Arm Sustainable Development Precinct and Territory Energy Link	13 767	13 750
Remote Passenger Transport program	3 070	3 130
Driver education	2 762	2 820
New capital works		
Flood Recovery Fund		100 000
Road Asset Modernisation Program (RAMP)		
RAMP – Roads Repair Package		30 500
RAMP – Coolalinga road safety upgrades – stages 1 and 2 ¹		26 472
RAMP – Other projects		24 326
Northern Territory Strategic Roads Package – upgrade and sealing of remote and regional roads ¹		45 500
Remote community access road upgrades ¹		20 000
Roads to recovery program on targeted local roads ²		12 483
National network highway flood resilience upgrades ¹		7 500
Kirkland Road/Woodlake Boulevard roundabout		7 000
Rebuilding our economy – road upgrades		5 000
Building compliance works to existing government infrastructure		3 000
Major project business case fund ¹		2 500

1 Includes Commonwealth funding.

2 Commonwealth funded.

Output groups and outputs

Infrastructure NT

Objective: Enable sustainable economic and social growth across the Territory by strategically planning, prioritising and delivering critical infrastructure.

Infrastructure strategy and investment

Provide whole of government leadership to prioritise infrastructure investment and inform strategic, evidence-based infrastructure decisions.

Strategic project delivery

Deliver complex infrastructure projects that contribute to the long-term economic and social development of the Territory.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Government's strategic infrastructure planning document, Northern Territory Infrastructure Plan and Pipeline, is developed and released annually	Yes	Yes	Yes

Built infrastructure program, support and delivery

Objective: Ensure government-built infrastructure assets are fit for purpose and the Territory's works programs are delivered efficiently and in accordance with value for Territory principles.

Infrastructure investment and delivery

Plan and deliver construction and maintenance services that provide high-quality government infrastructure and support sustained construction-related employment across the Territory.

Investment planning and governance

Provide centralised program governance, strategic and technical advice, procurement and reporting to support delivery of infrastructure services on behalf of Territory Government agencies.

Building asset management

Develop, maintain and apply strategic asset management frameworks, policies and tools to guide effective planning and maintenance of government-owned built assets.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Construction contracts awarded to Territory enterprises	≥ 97%	97%	≥ 97%
Territory Government-owned building assets inspected	≥ 33%	33%	≥ 33%

Civil logistics infrastructure

Objective: Plan, deliver and manage a resilient transport infrastructure network that meets the current and future needs of the Territory.

Civil logistics planning and delivery

Lead planning, investment and delivery of the Territory's transport system, including strategy, funding, approvals and integration of major developments.

Transport assets

Maintain and manage transport assets to support safe, reliable and efficient transport services.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Reported defects on roads repaired ¹	≥ 80%	86%	≥ 80%
Average processing time for corridor access applications (days) ^{2,3}	≤ 10	4	≤ 10

1 The variation in 2025-26 mainly reflects higher volume of disaster-related defect repairs.

2 The variation in 2025-26 reflects a combination of workforce capacity, external dependencies, and early improvements from changes to systems and processes that are still being tested and embedded into standard operations.

3 The 2026-27 target of 10 days has been set to align with a sustainable service standard that supports consistent, high-quality governance and decision-making across varying application volumes and levels of complexity.

Transport operations

Objective: Provide safe, regulated and accessible transport services and systems across the Territory, that promote mobility, compliance and community safety, supported by effective reform initiatives and responsive customer service.

Passenger transport

Manage the safe and efficient delivery of public and school transport services, and administer commercial passenger vehicle licensing, operator accreditation and regulatory services.

Registration and licensing

Provide driver licensing and vehicle registration services through Motor Vehicle Registry service centres, online platforms and service partners, and oversee driver licence training and practical assessments delivered by industry.

Road and water safety and compliance

Deliver road safety education programs for communities and schools, including the DriveSafe licensing program. Provide vehicle standards advice and regulatory services, and conduct vehicle inspections, on-road enforcement and compliance audits for heavy and commercial passenger vehicles.

Deliver regional harbourmaster regulatory services for designated ports, including marine pilot licensing and waterways management. Provide regulatory oversight of recreational vessels and deliver community boating safety education and awareness programs.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
School and community-based safety programs delivered:			
– marine safety ¹	225	150	170
– road safety ¹	450	300	350
Heavy vehicles checked as part of on-road auditing activity	7 000	7 000	7 000
Motor Vehicle Registry customers served within 15 minutes ²	≥ 80%	45%	≥ 80%

1 The variation in 2025-26 reflects staff resourcing availability and weather-related access challenges, affecting program delivery in regional and remote communities.

2 The variation in 2025-26 reflects ongoing recruitment and retention pressures, together with a change in customer mix as simpler transactions increasingly shift to online self-service or alternative servicing channels. As a result, a higher proportion of customers attending the Motor Vehicle Registry require more complex, time-intensive assistance, increasing average wait and service times.

Housing and land servicing

Objective: Increase the availability of serviced land and housing in urban and remote communities across the Territory.

Capital program delivery

Design and construct serviced land, quality government housing and related infrastructure in urban and remote areas, while supporting employment in the construction sector.

Program planning and engagement

Work with communities to plan housing infrastructure that is fit for purpose and reduces overcrowding through the delivery of new housing and related infrastructure.

Liaise with key landowner stakeholders to secure leasing arrangements over infrastructure, housing and essential services assets in remote areas for Territory Government agencies.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Remote housing lots developed	200	200	200
Proportion of Aboriginal people employed to deliver housing works and services	≥ 30%	30%	≥ 30%
New constructed homes:			
– remote ¹	270	230	240
– urban ²	17	37	26

1 The variation in 2025-26 is due to weather-related access challenges in remote communities.

2 The variations mainly reflect the expected completion of homes under the Social Housing Accelerator Program and key workers accommodation in Katherine.

Corporate and shared services

Objective: Improve organisational performance through effective strategic leadership and governance, and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions, including financial, governance and risk services, and communications and media.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	945	454
Capital		
Appropriation		
Output	381 724	407 341
Commonwealth	57 197	62 756
Sales of goods and services	15 125	15 125
Interest revenue		
Goods and services received free of charge	19 319	19 319
Gain (+)/loss (-) on disposal of assets		
Other revenue	21 762	4 764
TOTAL INCOME	496 072	509 759
EXPENSES		
Employee expenses	113 462	116 126
Administrative expenses		
Purchases of goods and services	99 373	102 605
Repairs and maintenance	218 599	222 317
Depreciation and amortisation	146 597	150 302
Services free of charge	19 319	19 319
Other administrative expenses	58 292	
Grants and subsidies expenses		
Current	4 793	6 794
Capital	89 236	40 136
Community service obligations		
Interest expenses	618	479
TOTAL EXPENSES	750 289	658 078
NET SURPLUS (+)/DEFICIT (-)¹	- 254 217	- 148 319

Income administered for the Central Holding Authority

INCOME		
Taxation revenue	75 578	79 420
Commonwealth revenue		
Current grants		
Capital grants	41 898	26 565
Fees from regulatory services	5 937	6 115
Interest revenue		
Royalties and rents	1 220	1 258
Other revenue	3 335	3 335
TOTAL INCOME	127 968	116 693

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	162 365	116 315
Receivables	17 131	17 131
Prepayments	554	554
Inventories		
Advances and investments		
Property, plant and equipment	10 511 866	11 796 029
Other assets	84 797	83 733
TOTAL ASSETS	10 776 713	12 013 762
LIABILITIES		
Deposits held	22 329	22 329
Creditors and accruals	14 552	14 552
Borrowings and advances	17 500	14 347
Provisions	105 860	16 441
Other liabilities	160 168	117 423
TOTAL LIABILITIES	320 409	185 092
NET ASSETS	10 456 304	11 828 670
EQUITY		
Capital		
Opening balance	6 122 315	6 858 223
Equity injections/withdrawals	735 908	1 520 685
Reserves	6 229 478	6 229 478
Accumulated funds		
Opening balance	- 2 377 180	- 2 631 397
Current year surplus (+)/deficit (-)	- 254 217	- 148 319
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	10 456 304	11 828 670

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable	155	155
Other receivables	2 973	444
TOTAL ASSETS	3 128	599
LIABILITIES		
Central Holding Authority income payable	599	599
Unearned Central Holding Authority income	2 529	
TOTAL LIABILITIES	3 128	599
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	945	454
Capital		
Appropriation		
Output	381 724	407 341
Commonwealth	60 238	53 979
Other agency receipts from sales of goods and services	25 322	14 725
Interest received		
Total operating receipts	468 229	476 499
Operating payments		
Payments to employees	113 462	116 126
Payments for goods and services	327 113	324 922
Grants and subsidies paid		
Current	4 793	6 794
Capital	64 096	129 555
Community service obligations		
Interest paid	618	479
Total operating payments	510 082	577 876
NET CASH FROM OPERATING ACTIVITIES	- 41 853	- 101 377
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances	7 867	8 013
Sales of investments		
Total investing receipts	7 867	8 013
Investing payments		
Purchases of assets	1 145 006	1 434 465
Advances and investing payments	2 093	2 239
Total investing payments	1 147 099	1 436 704
NET CASH FROM INVESTING ACTIVITIES	- 1 139 232	- 1 428 691
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	685 848	1 002 494
Commonwealth	481 614	486 104
Equity injections	58 130	6 000
Total financing receipts	1 225 592	1 494 598
Financing payments		
Repayment of borrowings		
Lease payments	4 232	3 153
Equity withdrawals	27 427	7 427
Service concession liability payments		
Total financing payments	31 659	10 580
NET CASH FROM FINANCING ACTIVITIES	1 193 933	1 484 018
Net increase (+)/decrease (-) in cash held	12 848	- 46 050
Cash at beginning of financial year	149 517	162 365
CASH AT END OF FINANCIAL YEAR	162 365	116 315

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	26	454	428	
Aerodrome priority works	26	454	428	
Other grants	919		- 919	
Disaster Ready Fund	919		- 919	
Output appropriation	381 724	407 341	25 617	1
Commonwealth appropriation				
National partnership agreements	57 197	62 756	5 559	2
National network repairs and maintenance	22 448	23 009	561	
National Water Grid Fund	13 485	17 090	3 605	
Land transport infrastructure projects	12 000	12 000		
Regional precincts and partnership program	4 334	4 780	446	
Growing regions program	3 300	2 805	- 495	
Safer local roads and infrastructure program	767	1 152	385	
Black spot program	485	1 542	1 057	
Active transport fund program	378	378		
Sales of goods and services	15 125	15 125		
Motor vehicle registry administrative charges	13 218	13 218		
Other	1 907	1 907		
Goods and services received free of charge	19 319	19 319		
Other revenue	21 762	4 764	- 16 998	3
Australian Taxation Office reimbursement	10 915		- 10 915	
Insurance proceeds	5 000		- 5 000	
Defence Accommodation Precinct Darwin	3 537	2 471	- 1 066	
Port lease finance income	2 093	2 239	146	
Other	217	54	- 163	
OPERATING REVENUE	496 072	509 759	13 687	
Capital appropriation	685 848	1 002 494	316 646	4
Commonwealth capital appropriation				
Specific purpose payments		10 000	10 000	2
Palmerston Secondary Special Education School		10 000	10 000	
National partnership agreements	449 976	450 368	392	
Investment Roads	209 263	270 999	61 736	
Remote Housing Northern Territory	197 792	139 390	- 58 402	
National Water Grid Fund	19 000	25 000	6 000	

continued

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Barkly Regional Deal				
– student boarding accommodation	10 400	5 600	- 4 800	
– Tennant Creek visitor park		3 000	3 000	
Northern Australia Roads Program	6 310	787	- 5 523	
Government employment housing	3 914		- 3 914	
Bees Creek emergency training facility	2 150		- 2 150	
Heavy vehicle safety program	250	3 592	3 342	
Black spot program	47	2 000	1 953	
Other	850		- 850	
Other	31 638	25 736	- 5 902	2
Roads to Recovery	24 787	19 622	- 5 165	
Local roads and community infrastructure	11 957		- 11 957	
Wurankuwu housing upgrades	4 817		- 4 817	
Government schools minor new works	3 834		- 3 834	
Darwin Youth and Community Hub and Men's Shed relocation	1 000	1 700	700	
Remote Airstrip Upgrade Program		2 425	2 425	
Aboriginal and Torres Strait Islander Art Gallery of Australia	- 16 000		16 000	5
Other	1 243	1 989	746	
CAPITAL RECEIPTS	1 167 462	1 488 598	321 136	

- 1 The variation mainly reflects the funding profile for the remote housing investment package, combined with the transfer of infrastructure-related consultancies to 2026-27 in line with project milestones.
- 2 The variations are in line with relevant Commonwealth agreements.
- 3 The variation largely reflects one-off Tropical Cyclone Fina insurance reimbursements for the Northern Marine Complex, including the Darwin ship lift facility, combined with a GST refund from the Australian Taxation Office relating to disability housing in 2025-26.
- 4 The variation is mostly due to additional funding in 2026-27 to support new capital projects including Katherine and Darwin work camps and the Palmerston Secondary Special Education School, combined with the funding profile for the Northern Marine Complex, including the Darwin ship lift facility.
- 5 The variation reflects the return of unspent Commonwealth funds related to the Aboriginal and Torres Strait Islander Art Gallery of Australia – Alice Springs.

Attorney-General's Department

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Legal services	22 500	22 790	23 169	
Solicitor for the Northern Territory	9 912	10 040	10 390	
Solicitor-General	1 025	1 025	1 053	
Crime victims services	11 563	11 725	11 726	
Strategic policy services	90 399	89 930	93 592	1, 2, 3
Strategic policy and delivery	8 112	7 081	8 703	
Legislation and legal policy	3 524	3 641	3 416	
Legal assistance	76 458	76 777	79 119	
Criminal justice research, evaluation and statistics	2 305	2 431	2 354	
Justice services	55 235	55 263	55 325	4, 5
Higher courts	16 410	17 962	19 377	
Lower courts	32 496	28 932	29 226	
NT Civil and Administrative Tribunal	3 363	3 374	3 387	
Registrar-General	1 924	3 953	2 256	
Parole Board	1 042	1 042	1 079	
Director of Public Prosecutions	22 489	22 857	22 489	
Director of Public Prosecutions	22 489	22 857	22 489	
Independent offices	15 508	16 213	15 902	6
Anti-Discrimination Commission	1 655	1 778	1 775	
Children's Commissioner	1 880	1 948	1 933	
Consumer Affairs	2 927	3 119	3 060	
Liquor Commission	544	544	554	
Public Guardian and Trustee	8 502	8 824	8 580	
NT WorkSafe	8 866	9 805	9 881	7
NT WorkSafe	8 866	9 805	9 881	
Corporate and shared services	21 063	31 112	30 011	1, 8, 9
Corporate and governance	7 542	8 949	7 809	
Shared services received	13 521	22 163	22 202	
Total expenses	236 060	247 970	250 369	
Appropriation				
Output	130 645	130 613	133 773	
Capital	556	556	556	
Commonwealth	65 428	63 011	67 212	

2026-27 staffing: 587 FTE

- 1 The 2025-26 Budget figures have been backcast to reflect realignment of business units.
- 2 The variation in the strategic policy and delivery output in 2025-26 and increase in 2026-27 is primarily due to the delayed finalisation of the new Northern Territory Remote Aboriginal Investment agreement.
- 3 The reduction in the legislation and legal policy output in 2026-27 is primarily due to the family law information sharing National Partnership Agreement being delivered directly by the Department of Children and Families and the Northern Territory Police Force.
- 4 The variation in the higher courts output in 2025-26 is due to additional funding to support additional judiciary. The variation in the lower courts output in 2025-26 is due to the transfer of funding to the Department of Children and Families for non-legal support services for domestic and family violence victims, the delay in the new Northern Territory Remote Aboriginal Investment agreement finalisation and an alternative delivery for the Mparntwe peacemaking services. The variation in the Registrar-General output in 2025-26 is due to additional own-source revenue primarily from higher than anticipated land transactions.

- 5 The increase in the higher courts output in 2026-27 is due to additional funding to address cost and demand pressures. The decrease in the Registrar-General output in 2026-27 reflects additional own-source revenue in 2025-26.
- 6 The 2025-26 Budget figures have been backcast to reflect the transfer of the Health and Community Services Complaints Commission function to the new Office of the Integrity and Ethics Commissioner.
- 7 The variation in the NT WorkSafe output in 2025-26 is due to additional revenue under the *Return to Work Act 1986*.
- 8 The variation in the corporate and governance output in 2025-26 and decrease in 2026-27 is due to a one-off carryover of funds from 2024-25.
- 9 The variation in the shared services received output in 2025-26 is due to a Department of Corporate and Digital Development update to the cost allocation model.

Agency profile

The Attorney-General’s Department provides strategic law and legal policy services to government, strategic policy support across the justice continuum, support to courts and tribunals, prosecutions, regulatory, registration and board secretariat services, advocacy, guardianship, trusts, estates and will services, and mediation and complaint resolution services.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Higher courts cost and demand pressures		2 400
Two permanent local court judges		1 400
Key existing initiatives		
Director of Public Prosecutions demand pressures	8 500	8 500
Legal Aid NT additional funding	5 500	5 500
Local court demand pressures	5 300	5 300
Victims of crime – address backlog and additional support for victims	3 500	3 500

Output groups and objectives

Legal services

Objective: Quality legal advice and representation for government.

Solicitor for the Northern Territory

Provide government with quality legal services including legal advice and representation.

Solicitor-General

Act as counsel for the Crown in right of the Northern Territory of Australia, including legal advice to the Administrator, the Attorney-General, executive government and Cabinet office, and for any other person for whom the Attorney-General requests the Solicitor-General to act, including the Legislative Assembly and its various committees.

Crime victims services

Administer the Crime Victims Assistance scheme and Victims Register to assist victims of violent crime, and meet the Territory’s obligations under the National Redress Scheme. Recover victim payments from offenders, manage counselling and support services grants, including for victims of residential property crime, and advise the Attorney-General on victim-related matters.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Client satisfaction of the quality and timelines of legal services	≥ 85%	90%	≥ 85%
Legal requests completed by the due date	≥ 85%	85%	≥ 85%
Victims of crime assistance applications finalised	420	410	420

Strategic policy services

Objective: Quality advice and coordination of strategic reform and policy development for government.

Strategic policy and delivery

Coordinate and provide advice on strategic justice-related policy, including establishing governance arrangements and partnerships to support implementation of justice initiatives, in the Northern Territory Crime Reduction Strategy and other strategic priority projects across the Territory.

Legislation and legal policy

Develop, review and implement legislation, and advise the Attorney-General and government on law and justice policy matters.

Legal assistance

Support the legal assistance sector, including administering the National Access to Justice Partnership, to ensure all Territorians have appropriate access to legal assistance.

Criminal justice research, evaluation and statistics

Provide statistics and research to build an evidence base to develop, monitor and evaluate justice policies and practices. Lead, provide advice and coordinate monitoring and evaluation activities.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Ministerial requests for the Attorney-General completed by due date	≥ 75%	75%	≥ 75%
Bills introduced into parliament ¹	5	9	5
Number of Aboriginal people referred to alternative to custody facilities or programs ²	85	130	100
Ad hoc criminal justice research and statistics requests delivered within agreed timeframes	≥ 95%	97%	≥ 95%

1 The variation in 2025-26 is due to the delivery of government's reform agenda.

2 The variation in 2025-26 and increase in the 2026-27 target is due to establishing a second alternatives to custody facility on Groote Eylandt in early 2025, expanding capacity and supporting increased referrals.

Justice services

Objective: An accessible and fair justice, and land titles management system to deal with matters expeditiously in a way that promotes, protects and respects rights.

Higher courts

Provide processing and appropriate case-flow management for higher courts, including the Supreme Court and courts of appeal.

Lower courts

Provide processing and appropriate case-flow management for lower courts, tribunals and other statutory offices.

NT Civil and Administrative Tribunal

Provide a forum to resolve smaller legal disputes, reconsider government decisions and help ensure certain important human rights are respected.

Registrar-General

Register dealings with land and other property, powers of attorney, births, deaths, marriages and changes of name, sex or gender.

Parole Board

Provide secretariat support to the Parole Board of the Northern Territory and undertake associated administrative duties.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Higher courts criminal matters clearance rate	≥ 88%	90%	≥ 88%
Lower courts criminal matters clearance rate	≥ 95%	100%	≥ 95%
Northern Territory Civil and Administrative Tribunal clearance rate (excluding mental health and adult guardianship proceedings) ¹	≥ 90%	110%	≥ 90%
Office of the Registrar-General client satisfaction	≥ 95%	95%	≥ 95%

1 The variation in 2025-26 reflects the finalisation of matters lodged in 2025-26 as well as matters lodged in prior years.

Director of Public Prosecutions

Objective: The Territory community is provided with an independent public prosecution service.

Director of Public Prosecutions

Provide an independent public prosecution service to the Territory, and witness and victim support services during the criminal justice process.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Matters finalised with a guilty verdict	≥ 95%	97%	≥ 95%
Supreme Court criminal matters finalised within 12 months	≥ 75%	77%	≥ 75%
Local Court criminal matters finalised within 12 months ¹	≥ 80%	89%	≥ 80%

1 The variation in 2025-26 is due to changes in internal processes promoting early file resolution.

Independent offices

Objective: The Territory community has access to services that protect, advocate and promote a person's legal rights and interests, and contribute towards an equitable society.

Anti-Discrimination Commission

Eliminate discrimination and sexual harassment by raising awareness about individuals' rights and responsibilities in the Territory through public education and training, complaints handling and community engagement.

Promote the rights of people detained or receiving treatment under the *Mental Health and Related Services Act 1998* and the *Disability Services Act 1993* through the Community Visitor Program.

Children’s Commissioner

Handle complaints relating to services provided to vulnerable children including undertaking investigations and inquiries into systemic issues. Monitor the administration of the *Care and Protection of Children Act 2007* and places where children are held involuntarily in institutional settings. Promote and advocate for the rights, interests and wellbeing of vulnerable children.

Consumer Affairs

Regulate and promote rights and responsibilities to consumers and business through education and compliance actions. Provide dispute resolution services for consumer law, business and residential tenancies, and residential building matters.

Liquor Commission

Provide secretariat support to the Liquor Commission of the Northern Territory and undertake associated administrative duties.

Public Guardian and Trustee

Safeguard and promote the personal, legal and financial interests of Territorians by providing adult guardianship, trust, estate and wills services within a human rights framework.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Anti-Discrimination Commission complaints conciliated	≥ 50%	50%	≥ 50%
Community Visitor Program issues resolved/referred	≥ 60%	60%	≥ 60%
Children’s Commissioner complaint decisions made within 28 days	≥ 90%	90%	≥ 90%
Consumer Affairs scheduled education visits to business completed ¹	≥ 85%	100%	≥ 85%
Compliance reviews of trust files annually ²	≥ 80%	60%	80%
Complex and non-complex decisions aligning with the represented person’s views ³	≥ 75%	65%	≥ 75%

- 1 The variation in 2025-26 is due to the reallocation of resources to conduct increased business education relating to implementing new Australian seafood labelling information standards.
- 2 The variation in 2025-26 is due to a reallocation of resources from the compliance activity to support the introduction, testing and modification of an electronic client management system.
- 3 The variation in 2025-26 is due to a decrease in overall decision numbers and increase in cases where representative communications were obtained after the final decision.

NT WorkSafe

Objective: Legislative reforms, safety awareness and education that supports industry, business and community needs.

NT WorkSafe

Works with Territory industry to influence best possible outcomes in work health and safety, including dangerous goods, electrical safety and rehabilitation, and compensation for injured workers returning to work.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Incidence of serious injury and disease claims per 1,000 workers in the Territory is reduced year on year	≤ 7.4	7.5	≤ 7.4
Active cases per 100,000 people residing in the Territory ¹	≤ 225	282	≤ 225

- 1 The variation in 2025-26 reflects increased reporting activity and system changes, combined with staffing constraints. Due to the Territory’s small population, minor variances in the number of active cases can have a significant impact on the overall result, making the measure volatile.

Corporate and shared services

Objective: The performance of the agency's business units is improved through strategic leadership, governance and efficient support services.

Corporate and governance

Provide strategic, governance and support services to facilitate agency operations.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	1 030	
Capital		
Appropriation		
Output	130 613	133 773
Commonwealth	63 011	67 212
Sales of goods and services	17 261	15 861
Interest revenue		
Goods and services received free of charge	22 163	22 202
Gain (+)/loss (-) on disposal of assets		
Other revenue	6 078	6 068
TOTAL INCOME	240 156	245 116
EXPENSES		
Employee expenses	98 315	100 788
Administrative expenses		
Purchases of goods and services	38 774	36 066
Repairs and maintenance		
Depreciation and amortisation	5 062	5 253
Services free of charge	22 163	22 202
Other administrative expenses	14	
Grants and subsidies expenses		
Current	83 642	86 060
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	247 970	250 369
NET SURPLUS (+)/DEFICIT (-)¹	- 7 814	- 5 253

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	2 016	2 076
Interest revenue		
Royalties and rents		
Other revenue	171	213
TOTAL INCOME	2 187	2 289

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	9 486	9 486
Receivables	1 325	1 325
Prepayments	387	387
Inventories		
Advances and investments		
Property, plant and equipment	242 942	238 245
Other assets		
TOTAL ASSETS	254 140	249 443
LIABILITIES		
Deposits held	789	789
Creditors and accruals	5 821	5 821
Borrowings and advances		
Provisions	13 177	13 177
Other liabilities	459	459
TOTAL LIABILITIES	20 246	20 246
NET ASSETS	233 894	229 197
EQUITY		
Capital		
Opening balance	43 310	41 270
Equity injections/withdrawals	- 2 040	556
Reserves	206 287	206 287
Accumulated funds		
Opening balance	- 5 849	- 13 663
Current year surplus (+)/deficit (-)	- 7 814	- 5 253
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	233 894	229 197

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	1 030	
Capital		
Appropriation		
Output	130 613	133 773
Commonwealth	63 011	67 212
Other agency receipts from sales of goods and services	22 764	21 929
Interest received		
Total operating receipts	217 418	222 914
Operating payments		
Payments to employees	98 436	100 788
Payments for goods and services	38 775	36 066
Grants and subsidies paid		
Current	83 642	86 060
Capital		
Community service obligations		
Interest paid		
Total operating payments	220 853	222 914
NET CASH FROM OPERATING ACTIVITIES	- 3 435	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	556	556
Advances and investing payments		
Total investing payments	556	556
NET CASH FROM INVESTING ACTIVITIES	- 556	- 556
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	556	556
Commonwealth		
Equity injections	122	
Total financing receipts	678	556
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	5 000	
Service concession liability payments		
Total financing payments	5 000	
NET CASH FROM FINANCING ACTIVITIES	- 4 322	556
Net increase (+)/decrease (-) in cash held	- 8 313	
Cash at beginning of financial year	17 799	9 486
CASH AT END OF FINANCIAL YEAR	9 486	9 486

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	969		- 969	1
Mparntwe peacemaking service	546		- 546	
West Daly peace project	261		- 261	
Community engagement project	136		- 136	
Redress scheme awareness	26		- 26	
Other grants	61		- 61	
Town camps peace project	61		- 61	
Output appropriation	130 613	133 773	3 160	2
Commonwealth appropriation				
National partnership agreements	63 011	67 212	4 201	1
Legal assistance services	61 921	63 283	1 362	
Specialised and trauma-informed legal services	575	1 177	602	
Family law information sharing	309		- 309	
Northern Territory Remote Aboriginal Investment	126	2 726	2 600	
Uniform seafood labelling	80	26	- 54	
Sales of goods and services	17 261	15 861	- 1 400	3
Land Titles Office fees and levies	8 460	7 060	- 1 400	
NT WorkSafe	3 990	3 990		
Public Trustee commission, fees and levies	1 374	1 374		
Supreme Court fees	967	967		
Births, deaths and marriages fees and levies	935	935		
Family Court and Federal Court rent	520	520		
Northern Territory Civil and Administrative Tribunal fees	505	505		
Lower courts fees	310	310		
Anti-discrimination training	200	200		
Goods and services received free of charge	22 163	22 202	39	
Other revenue	6 078	6 068	- 10	
Crime Victims Assistance levy	4 710	4 710		
Tenants advice service	725	761	36	
Commissioner of Tenancies	485	499	14	
Other	158	98	- 60	
OPERATING REVENUE	240 156	245 116	4 960	
Capital appropriation	556	556		
CAPITAL RECEIPTS	556	556		

1 The variations are in line with the relevant Commonwealth agreements.

2 The increase largely reflects additional funding from 2026-27 to support appointment of two local court judges and to fund higher court cost and demand pressures.

3 The variation reflects a one-off increase in land title fees in 2025-26 largely as a result of higher than expected land transactions.

Department of Tourism and Hospitality

Output/Output group	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Tourism, events and screen production	88 387	99 693	103 264	1
Tourism, events and screen production	88 387	99 693	103 264	
Darwin Waterfront Corporation	25 258	23 016	23 662	2
Darwin Waterfront Corporation	25 258	23 016	23 662	
Liquor, gaming and racing	43 354	37 776	48 994	3
Licensing NT	43 354	37 776	48 994	
Parks and wildlife	54 374	56 248	59 550	4
Parks and wildlife	54 374	56 248	59 550	
Corporate and shared services	22 064	18 260	23 875	5
Corporate and governance	10 020	5 025	10 523	
Shared services received	12 044	13 235	13 352	
Total expenses	233 437	234 993	259 345	
Appropriation				
Output	175 405	173 185	180 415	
Capital	260	260	260	
Commonwealth	4 448	3 888	2 550	

2026-27 staffing: 354 FTE

- 1 The variation in 2025-26 is primarily due to the acquisition of the NT Major Events Company Pty Ltd, additional funding from the Department of Trade, Business and Asian Relations for Rebuilding Aviation Connectivity for the Economy marketing activities, and an internal agency realignment across outputs.
- 2 The variation in 2025-26 reflects cessation of a service level agreement with the Darwin Waterfront Corporation.
- 3 The variation in 2025-26 and increase in 2026-27 is mostly due to the transfer of Commonwealth and external project funding between years, including funding for Northern Territory Remote Aboriginal Investment for Alcohol Policy and Liquor Compliance, and the Community Benefit Fund.
- 4 The increase in 2026-27 is mainly due to additional funding for parks and reserves, including the new Silkwood estate.
- 5 The variation in the corporate and governance output in 2025-26 is due to a one-off internal realignment of funding across outputs. The variation in the shared services received output in 2025-26 reflects the acquisition of the NT Major Events Company Pty Ltd.

Agency profile

The Department of Tourism and Hospitality supports the tourism industry through development activities, strategy, policy and promotion, and delivers competitive regulatory frameworks that enable responsible and sustainable growth, market access and stakeholder certainty.

The department is responsible for management, development, protection and preservation of the Territory's wildlife, parks and reserves.

Budget highlights

	2025-26 Revised	2026-27 Budget
New initiatives		
Maintain parks and reserves within the Territory, including the new Silkwood estate		5 000
Support major sporting events	4 913	4 800
Support Territory tourism events		2 800
Key existing initiatives		
Strategic Indigenous tourism projects	1 680	1 120
Enhanced crocodile management	857	857
New capital works		
Northern Territory parks and reserves upgrades		10 000

Output groups and objectives

Tourism, events and screen production

Objective: Increase visitation and screen production in the Territory.

Tourism, events and screen production

Encourage and facilitate sustainable growth of the tourism industry, market the Territory as a desirable visitor destination, attract, support and deliver events and exhibitions that contribute to the benefit of the Territory, and support, develop and promote growth of the screen sector for the benefit of Territorians and the economy.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Tourism visitation (000s) ¹		1 281	1 346
Tourism expenditure ¹		\$2.3B	\$2.4B
Screen production expenditure in the Territory ²	\$9M	\$7.4M	\$9M
Event attendance ³		130 000	130 000

1 New measure based on updated methodology and reflecting NT Visitor Economy Strategy 2032 targets.

2 The variation in 2025-26 is due to timing of Australian content quota legislation that did not pass Federal Parliament until 28 November 2025.

3 New measure reflecting the integration of the former NT Major Events Company Pty Ltd within the department.

Darwin Waterfront Corporation

Objective: A well managed Darwin Waterfront Precinct that provides residential, business, event and entertainment opportunities.

Darwin Waterfront Corporation

Support the operation of the Darwin Waterfront Corporation.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Darwin Convention Centre increase in international and national delegate numbers from prior years ^{1,2}	≥ 1%	4.6%	≥ 1%

1 Compared to average of the three years prior.

2 The variation in 2025-26 is primarily due to higher than anticipated delegate numbers at secured conferences.

Liquor, gaming and racing

Objective: Maintain a strong regulatory compliance function for the liquor, gaming and racing sectors.

Licensing NT

Provide a regulatory framework that delivers a range of liquor, gambling and racing services that supports jobs, industry, business and the community.

Minimise potential harm to the community through a program of compliance monitoring, education and advice in high-risk areas in a range of racing, gambling and liquor environments.

Administer funding support for gambling-related research, amelioration programs and community non-profit group projects.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Compliant liquor licensed premises	≥ 90%	95%	≥ 90%
Liquor licence applications actioned within 30 days ¹	≥ 70%	91%	≥ 70%
Gambling disputes resolved within 6 months	≥ 90%	100%	≥ 90%

1 The variation in 2025-26 is attributable to expanded delegations and improved procedures.

Parks and wildlife

Objective: The natural, cultural, historical and recreational assets of Territory parks and reserves are protected, with a focus on maintaining community safety, restoring the Territory lifestyle and encouraging visitation to parks.

Parks and wildlife

Manage, regulate and protect the Territory's parks and reserves in partnership with traditional owners, offering safe and diverse natural and cultural experiences while growing visitation.

Provide CSO funding for the non-commercial functions carried out by Territory Wildlife Parks.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Strategic fire, weed and pest management projects completed within Territory parks and reserves	≥ 90%	100%	≥ 90%
Visitors to parks and reserves (millions)	≥ 3.4	3.4	≥ 3.4
Number of rangers	142	142	142

Corporate and shared services

Objective: Improved organisational performance through strategic and governance leadership and the provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue	17 797	18 397
Grants and subsidies revenue		
Current	3 537	3 000
Capital		
Appropriation		
Output	173 185	180 415
Commonwealth	5 166	2 550
Sales of goods and services	15 513	17 030
Interest revenue		
Goods and services received free of charge	13 235	13 352
Gain (+)/loss (-) on disposal of assets		
Other revenue	380	380
TOTAL INCOME	228 813	235 124
EXPENSES		
Employee expenses	45 655	53 782
Administrative expenses		
Purchases of goods and services	70 514	92 234
Repairs and maintenance		
Depreciation and amortisation	9 861	9 540
Services free of charge	13 235	13 352
Other administrative expenses		
Grants and subsidies expenses		
Current	68 036	61 918
Capital	17 353	18 190
Community service obligations	8 623	8 623
Interest expenses	1 716	1 706
TOTAL EXPENSES	234 993	259 345
NET SURPLUS (+)/DEFICIT (-)¹	- 6 180	- 24 221

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	2 117	2 181
Interest revenue		
Royalties and rents		
Other revenue	473	473
TOTAL INCOME	2 590	2 654

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	27 621	12 116
Receivables	3 785	3 785
Prepayments	727	727
Inventories	316	316
Advances and investments		
Property, plant and equipment	297 308	288 028
Other assets		
TOTAL ASSETS	329 757	304 972
LIABILITIES		
Deposits held	4 667	4 667
Creditors and accruals	5 935	5 935
Borrowings and advances	82 822	82 360
Provisions	6 965	6 965
Other liabilities	1 183	821
TOTAL LIABILITIES	101 572	100 748
NET ASSETS	228 185	204 224
EQUITY		
Capital		
Opening balance	132 759	153 742
Equity injections/withdrawals	20 983	260
Reserves	90 087	90 087
Accumulated funds		
Opening balance	- 12 973	- 15 644
Current year surplus (+)/deficit (-)	- 6 180	- 24 221
Transfers to/from reserves	3 509	
Accounting policy changes and corrections		
TOTAL EQUITY	228 185	204 224

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	29	29
TOTAL ASSETS	29	29
LIABILITIES		
Central Holding Authority income payable	29	29
Unearned Central Holding Authority income		
TOTAL LIABILITIES	29	29
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received	17 797	18 397
Grants and subsidies received		
Current	3 537	3 000
Capital		
Appropriation		
Output	173 185	180 415
Commonwealth	3 888	2 550
Other agency receipts from sales of goods and services	16 255	17 048
Interest received		
Total operating receipts	214 662	221 410
Operating payments		
Payments to employees	44 971	53 782
Payments for goods and services	70 514	92 234
Grants and subsidies paid		
Current	68 036	61 918
Capital	17 353	18 190
Community service obligations	8 623	8 623
Interest paid	1 716	1 706
Total operating payments	211 213	236 453
NET CASH FROM OPERATING ACTIVITIES	3 449	- 15 043
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	260	260
Advances and investing payments		
Total investing payments	260	260
NET CASH FROM INVESTING ACTIVITIES	- 260	- 260
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	260	260
Commonwealth		
Equity injections	14 193	
Total financing receipts	14 453	260
Financing payments		
Repayment of borrowings		
Lease payments	452	462
Equity withdrawals	684	
Service concession liability payments		
Total financing payments	1 136	462
NET CASH FROM FINANCING ACTIVITIES	13 317	- 202
Net increase (+)/decrease (-) in cash held	16 506	- 15 505
Cash at beginning of financial year	11 115	27 621
CASH AT END OF FINANCIAL YEAR	27 621	12 116

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Taxation revenue	17 797	18 397	600	1
Current grants and subsidies revenue				
Commonwealth grants	537		- 537	2
Boosting high pathogenicity avian influenza biosecurity response capability	537		- 537	
Other grants	3 000	3 000		
Rebuilding Aviation Connectivity for the Economy	3 000	3 000		
Output appropriation	173 185	180 415	7 230	3
Commonwealth appropriation				
National partnership agreements	5 166	2 550	- 2 616	2
Northern Territory Remote Aboriginal Investment – Liquor Compliance	2 050	1 743	- 307	
Strategic Indigenous Tourism Projects	1 147	560	- 587	
Marine Park Management Capacity	1 033		- 1 033	
Strengthening Community Safety in Central Australia	504		- 504	
Northern Territory Remote Aboriginal Investment – Alcohol Policy	309	247	- 62	
Resourcing the Gamba Army	123		- 123	
Sales of goods and services	15 513	17 030	1 517	4
Major events ticket sales	7 721	9 337	1 616	
Parks camping fees and other associated revenue	5 254	5 254		
Racing and Wagering Fund levy	2 000	2 000		
Territory Wildlife Parks service level agreement	263	263		
Darwin Waterfront Corporation recoveries	100		- 100	
Other	175	176	1	
Goods and services received free of charge	13 235	13 352	117	
Other revenue	380	380		
Miscellaneous income	300	300		
Fuel tax credits	80	80		
OPERATING REVENUE	228 813	235 124	6 311	
Capital appropriation	260	260		
CAPITAL RECEIPTS	260	260		

1 The increase reflects higher Community Benefit Levy revenue expected from 2026-27.

2 The variations are in line with the relevant agreements.

3 The increase largely reflects additional funding from 2026-27 to maintain parks and reserves, and support tourism events.

4 The increase mainly reflects higher ticket sales expected from major events across the Territory.

Territory Wildlife Parks

Business line	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Income	11 711	12 299	11 711	1
Territory Wildlife Park	6 328	6 836	6 414	
Alice Springs Desert Park	5 383	5 463	5 297	
Expenses	13 399	13 843	13 517	
Territory Wildlife Park	7 167	7 514	7 206	
Alice Springs Desert Park	6 232	6 329	6 311	
Surplus (+)/deficit (-) before income tax	- 1 688	- 1 544	- 1 806	
Territory Wildlife Park	- 839	- 678	- 792	
Alice Springs Desert Park	- 849	- 866	- 1 014	

2026-27 staffing: 73 FTE

1 The variation in 2025-26 mostly reflects additional revenue from higher visitation at Territory Wildlife Park and a one-off capital grant received from the Department of Tourism and Hospitality for exhibit upgrades.

Business division profile

Territory Wildlife Parks consists of the Territory Wildlife Park at Berry Springs and the Alice Springs Desert Park. Both parks support the Territory's biodiversity through captive breeding and recovery programs for threatened species, education and research. They operate as commercial attractions, linking visitors to the Territory's unique natural landscape and local flora and fauna.

Performance

Performance in 2026-27 is expected to moderate following a reduction in income associated with a one-off grant in 2025-26.

Business line

Territory Wildlife Park

Objective: Provide high quality educational, interpretative and cultural experiences, and collaborative threatened species breeding programs.

Activities: Manage the Territory Wildlife Park to increase visitation, conserve threatened species through captive breeding and research, deliver environmental and sustainable outputs, and provide education.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Visitor numbers ¹	53 000	54 000	55 000
Biodiversity and threatened species conservation programs ²	5	4	5
Visitor satisfaction	≥ 95%	95%	≥ 95%

1 The increase in the 2026-27 target is linked to the opening of a new bugs and butterflies exhibit.

2 The variation in 2025-26 is due to the loss of the last northern quoll in the collection, with the black-footed tree rat, ghost bat, bush stone-curlew and atlas moth conservation programs remaining. The northern quoll program will be recommenced in 2026-27.

Alice Springs Desert Park

Objective: Provide high quality education and interpretative experiences of the region’s landscape and collaborative threatened species breeding programs.

Activities: Manage the Alice Springs Desert Park to increase visitation, conserve threatened species through captive breeding and research, and deliver environmental education.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Visitor numbers ¹	52 500	52 500	54 000
Biodiversity and threatened species conservation programs	5	5	5
Visitor satisfaction	≥ 95%	95%	≥ 95%

1 The increase in the 2026-27 target is linked to planned new experiences and events.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital	250	
Community service obligations	8 623	8 623
Sales of goods and services	3 408	3 070
Interest revenue	18	18
Rent and dividends		
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	12 299	11 711
EXPENSES		
Employee expenses	7 855	7 800
Administrative expenses		
Purchases of goods and services	3 264	3 011
Repairs and maintenance	597	597
Depreciation and amortisation	2 109	2 097
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expenses	18	12
TOTAL EXPENSES	13 843	13 517
SURPLUS (+)/DEFICIT (-) BEFORE INCOME TAX	- 1 544	- 1 806
Income tax expense		
NET SURPLUS (+)/DEFICIT (-)	- 1 544	- 1 806

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	814	852
Receivables	260	260
Prepayments	35	35
Inventories	75	75
Advances and investments		
Property, plant and equipment	40 836	38 838
Other assets		
TOTAL ASSETS	42 020	40 060
LIABILITIES		
Deposits held	102	102
Creditors and accruals	325	325
Borrowings and advances	416	262
Provisions	951	951
Other liabilities		
TOTAL LIABILITIES	1 794	1 640
NET ASSETS	40 226	38 420
EQUITY		
Capital		
Opening balance	39 852	40 928
Equity injections/withdrawals	1 076	
Reserves	48 207	48 207
Accumulated funds		
Opening balance	- 47 365	- 48 909
Current year surplus (+)/deficit (-)	- 1 544	- 1 806
Dividends paid/payable		
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	40 226	38 420

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital	250	
Community service obligations	8 623	8 623
Receipts from sales of goods and services	3 408	3 070
Interest received	18	18
Total operating receipts	12 299	11 711
Operating payments		
Payments to employees	7 855	7 800
Payments for goods and services	3 861	3 608
Grants and subsidies paid		
Current		
Capital		
Interest paid	18	12
Income tax paid		
Total operating payments	11 734	11 420
NET CASH FROM OPERATING ACTIVITIES	565	291
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	349	99
Advances and investing payments		
Total investing payments	349	99
NET CASH FROM INVESTING ACTIVITIES	- 349	- 99
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments	178	154
Dividends paid		
Equity withdrawals		
Service concession liability payments		
Total financing payments	178	154
NET CASH FROM FINANCING ACTIVITIES	- 178	- 154
Net increase (+)/decrease (-) in cash held	38	38
Cash at beginning of financial year	776	814
CASH AT END OF FINANCIAL YEAR	814	852

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Capital grants and subsidies revenue				
Other grants	250		- 250	1
Butterfly exhibit and red mulga room upgrade	250		- 250	
Community service obligations	8 623	8 623		
Sales of goods and services	3 408	3 070	- 338	2
Fees and charges	3 408	3 070	- 338	
Interest revenue	18	18		
OPERATING REVENUE	12 299	11 711	- 588	

1 The variation reflects one-off funding in 2025-26 for facility upgrades.

2 The variation largely reflects higher revenue from parks visitation in 2025-26.

Department of Health

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Hospital services and support	1 536 178	1 684 453	1 753 777	1
Hospital services and support	1 536 178	1 684 453	1 753 777	
Primary health care	313 389	315 576	313 997	2
Remote primary health care	226 443	227 821	224 510	
Urban primary health care	36 375	37 716	41 573	
Territory-wide community services	50 571	50 039	47 914	
Community treatment and extended care	210 550	212 235	218 324	3, 4
Alcohol and other drugs	60 334	56 983	62 281	
Mental health	135 049	134 904	130 912	
Aged care	15 167	20 348	25 131	
Disease prevention and health protection	28 108	28 705	27 185	5
Disease prevention and health protection	28 108	28 705	27 185	
National critical care and trauma response	26 240	30 446	23 426	6
National critical care and trauma response	26 240	30 446	23 426	
Corporate and shared services	218 049	222 399	227 564	7
Corporate and governance	92 942	94 434	98 728	
Shared services received	125 107	127 965	128 836	
Total expenses	2 332 514	2 493 814	2 564 273	
Appropriation				
Output	1 284 652	1 393 346	1 372 427	
Capital	7 302	7 863	18 135	
Commonwealth	176 877	177 784	172 041	

2026-27 staffing: 7,589 FTE

- 1 The variations reflect additional Territory Government and Commonwealth funding for hospital demand and cost pressures.
- 2 The increase in the urban primary health care output in 2026-27 is due to timing of various Commonwealth funding agreements.
- 3 The variation in the alcohol and other drugs output in 2025-26 predominantly relates to revised timing of Commonwealth funding for the community-led alcohol harm reduction agreement. The variation in the aged care output in 2025-26 mostly reflects increased Commonwealth funding for flexible care and subsidy for transition care.
- 4 The increase in the alcohol and other drugs output in 2026-27 mainly relates to the revised timing of Commonwealth funding agreements. The increase in the aged care output in 2026-27 is mostly due to revised timing of delivering the Strengthening Medicare – supporting older Australians agreement. The reduction in the mental health output relates to finalisation of time-limited funding under the national mental health and suicide prevention bilateral agreement.
- 5 The decrease in 2026-27 is primarily due to timing of service delivery for the remote store licensing scheme in the Territory.
- 6 The variations reflect revised timing of Commonwealth funding for the National Critical Care and Trauma Response Centre agreement, and Department of Foreign Affairs and Trade agreements.
- 7 The increase in the corporate and governance output in 2026-27 is primarily due to a one-off transfer of funding in 2025-26 to the Department of Corporate and Digital Development for ICT projects and supports.

Agency profile

The role of the Department of Health is to work together in partnership with individuals, families, the community, Aboriginal health organisations and stakeholders to provide a health system that delivers high quality, culturally appropriate, evidence-based and patient-centred care by:

- improving Territorians' lifetime physical and mental health through focusing on primary prevention and wellbeing, and improving health literacy through availability of information and data
- integrating the roles of the community, primary and hospital care to reduce demand on the hospital system
- developing new models of care that provide culturally appropriate, efficient, consistent and safe services to reflect best practice and contextually applied evidence-based care while allowing patients to receive care closer to home
- harnessing technology to help overcome the physical and financial barriers of distance, and to improve decision-making
- establishing workforce solutions to improve the retention of skilled staff, attract talent and introduce new ways of working to ensure staff feel valued, safe and supported
- maximising the power of partnerships with communities, government and non-government organisations (NGOs), particularly Aboriginal community-controlled health organisations, to address inequities in remote areas
- ensuring care is planned and provided on the basis of what matters to patients
- maintaining and enhancing capacity to respond to local and national trauma events.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
National Health Reform agreement ¹		152 628
Operational funding for the multi-purpose modular ward at Royal Darwin Hospital		18 300
Expansion of contracted road ambulance services		10 000
Continuation of the Top End Aeromedical Retrieval Service		10 000
Major capital equipment investment		10 000
Funding for health services to address demand and cost pressures	130 000	
Key existing initiatives		
Operational funding for the mental health ward at Royal Darwin Hospital	16 500	16 000
Reform the banned drinker register and assessment, withdrawal and specialised alcohol treatment services to assist people with alcohol misuse issues and dependence	15 500	15 500
Royal Darwin Hospital positron emission tomography service, cyclotron and radio pharmacy facility, and expanded chemotherapy and related services	8 143	8 143
Sustained Nurse Home Visiting for Vulnerable Families program	5 000	5 000
Health-related Early Childhood Development Plan initiatives	2 800	2 800
Specialist domestic, family and sexual violence after-hours health response program	400	425
New capital works		
Tennant Creek Hospital		
– installation of CT scanner		4 000
– theatre suite and emergency department – design		1 000
Royal Darwin Hospital		
– morgue upgrades		2 000
– forensic morgue and bereavement centre – design		1 000
Alice Springs ambulatory care centre – design ¹		2 350

¹ Includes Commonwealth funding.

Output groups and objectives

Hospital services and support

Objective: The health and wellbeing of those in the community who require acute or specialist care is improved and maintained.

Hospital services and support

Provide admitted, non-admitted and emergency health services, aeromedical retrievals and ambulance services.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Weighted activity units ¹	199 275	202 052	215 052
Elective surgery timely admissions: ^{2,3}			
– category 1 – patients admitted within 30 days	100%	76%	100%
– category 2 – patients admitted within 90 days	≥ 97%	53%	≥90%
– category 3 – patients admitted within 365 days	≥ 97%	60%	≥90%
Emergency department presentations departing within 4 hours ^{3,4}	≥ 80%	48%	≥80%
Potentially preventable hospitalisations (excluding dialysis) ⁵	≤ 10%	16%	≤10%
Hospital-acquired complications per 100 episodes	≤ 2.0	1.68	≤2.0
Aboriginal clients discharged against medical advice ^{3,6}	≤ 7%	11%	≤ 7%
Average length (in days) of acute mental health inpatient stay	≤ 12	11.4	≤ 12
Relative stay index (against national average) ^{3,7,8}	≤ 100%	116%	≤ 100%
Average monthly number of acute patients who stay in hospital for 35 days or more ⁹	≤ 6	24	≤ 16

- 1 Weighted activity units are reported as gross weighted activity units, a nationally standardised measure of public hospital activity that adjusts for patient complexity to reflect relative resource utilisation.
- 2 The variation in 2025-26 reflects continued challenges in attraction and retention of suitably qualified clinical staff, hospital inpatient flows, and/or managing patients not ready for surgery. Processes are being strengthened to manage patients not ready for surgery more efficiently, while maintaining partnerships with private providers to support elective surgery service delivery.
- 3 The 2026-27 target is based on national benchmarks and the Northern Territory Regional Health Service Plan to drive better clinical outcomes and improve effectiveness of health care delivery.
- 4 The variation in 2025-26 reflects challenges in attraction and retention of suitably qualified clinical staff and increased emergency department length of stay consistent with national trends. The department is strengthening ambulance transfer of care processes to improve patient flow and reduce emergency department occupancy challenges.
- 5 The variation in 2025-26 reflects challenges in attraction and retention of suitably qualified clinical staff.
- 6 The variation in 2025-26 is due to challenges in hospital inpatient flows and limited availability of after-hours Aboriginal interpreters and Aboriginal liaison officers.
- 7 The variation in 2025-26 is due to challenges in hospital inpatient flows.
- 8 The measure is a ratio of length of stay performance against national average for the same case mix profile.
- 9 The variation in 2025-26 is due challenges in hospital inpatient flows and calculation errors in the initial target that did not reflect anticipated performance.

Primary health care

Objective: The capability of Territorians to maintain and improve their health is strengthened through education, prevention, early intervention and access to culturally appropriate assessment, treatment and support services.

Remote primary health care

Provide primary health care services through government health centres located in remote communities.

Urban primary health care

Provide primary health care services through government health centres located in urban communities.

Territory-wide community services

Provide community care services through hearing, oral health, cancer screening specialists and allied health services across the Territory.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Screened Aboriginal children under 5 years with anaemia ^{1,2}	≤ 10%	14%	≤ 10%
Remote Aboriginal women who attended their first antenatal visit in the first trimester of their pregnancy ^{2,3}	≥ 70%	55%	≥ 70%
Remote Aboriginal clients aged 15 years and over with type II diabetes and or coronary heart disease who have a chronic disease management plan	≥ 85%	86%	≥ 85%
Remote Aboriginal clients aged 15 years and over with type II diabetes whose latest HbA1c measurements are lower than or equal to 7% ²	≥ 41%	38%	≥ 41%
Proportion of eligible newborns that complete newborn hearing screening ⁴		98%	≥ 97%

1 The variation in 2025-26 is due to transition to testing methodologies with higher sensitivity for anaemia since 2023-24.

2 The variation in 2025-26 reflects constraints on safe service delivery arising from external disruptions, including cyclones, flooding and community unrest, together with continued challenges in the attraction and retention of suitably qualified clinical staff. Measure includes services provided by remote Territory Government primary care clinics only. Performance can be impacted by clients receiving services from Aboriginal community-controlled clinics. The 2026-27 target reflects planned service delivery capacity under the Northern Territory Regional Health Service Plan.

3 Measure was not published in the 2025-26 Budget due to data availability issues in 2024-25.

4 New measure from the National Newborn Screening Program that has mandated benchmarks relating to the percentage of babies screened in each state and territory.

Community treatment and extended care

Objective: The capacity of individuals, families and communities to improve and protect their health and wellbeing is strengthened through access to specialist and community-based clinical and support services.

Alcohol and other drugs

Deliver community development, education intervention, treatment and care, policy, planning, service funding and program management, and legislative support to reduce harm attributable to the use and misuse of alcohol, tobacco and other drugs.

Mental health

Provide specialist mental health services including assessment, case management and treatment, and support an integrated Territory-wide mental health service through reporting, policy, planning, program funding and management, and legislative support.

Aged care

Provide services to support senior Territorians to live in the community, along with hospital care and assessment for residential care.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Alcohol and other drugs assessments undertaken in Territory Government and NGO facilities ¹	5 600	3 934	5 600
Alcohol and other drug treatments commenced in Territory Government and NGO facilities (episodes) ¹	3 500	2 568	3 500
Alcohol and other drug treatments commenced in Territory Government and NGO facilities, which are closed ¹	70%	61%	70%
Individuals receiving non-admitted public mental health services ²	9 200	8 554	9 200
Alcohol-attributed emergency department presentations per 1,000 persons in the Territory	≤ 50	49	≤ 50
Separations from public acute mental health inpatient units with community service follow-up within seven days	≥ 90%	92%	≥ 90%
Separations from public acute mental health inpatient units followed by re-admission within 28 days of discharge	≤ 10%	11%	≤ 10%
Aged Care Assessment Program clients receiving timely intervention in accordance with priority at referral ³	≥ 90%	96%	≥ 90%

1 The variation in 2025-26 reflects the impact of significant weather events and increased incarceration rates that have constrained client access to alcohol and other drug assessment, and treatment services.

2 The variation in 2025-26 reflects changes in the number of service providers and staff.

3 The variation in 2025-26 is due to increased staffing within the Aged Care Assessment Program team along with employment of a triage delegate.

Disease prevention and health protection

Objective: The capacity of individuals, families and communities to improve and protect their health is strengthened through promotion and prevention strategies, and appropriate interventions that minimise harm from disease and the environment.

Disease prevention and health protection

Provide an integrated Territory-wide disease prevention and health protection service, including statutory surveillance and monitoring, and preventative health programs to control and reduce the amount of communicable disease caused by physical, chemical, biological and radiological factors in the environment.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Reported environmental health incidents resolved within 3 months	≥ 85%	85%	≥ 85%
Children fully immunised:			
– at age 12 months	≥ 95%	92%	≥ 95%
– at age 2 years ¹	≥ 92%	88%	≥ 92%
24-hour access to sterile injecting equipment in the 5 town centres of the Territory	100%	100%	100%

1 The variation in 2025-26 reflects sustained lower childhood vaccination rates consistent with national trends, with uptake impacted by ongoing access barriers, missed opportunities during healthcare encounters, and reduced engagement due to reduced confidence in vaccine effectiveness and 'vaccine fatigue' in parents following covid.

National critical care and trauma response

Objective: High quality and efficient emergency medical response services are available for northern Australian and Asia-Pacific regions, building sustainable disaster, public health and infectious/communicable disease capability and resilience across the region.

National critical care and trauma response

Operation and development of the National Critical Care and Trauma Response Centre that provides evidence-based emergency care, research and education, enabling health responses to incidents of national and international significance, including deployable capability.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Training participants including clinicians, managers, administrators and youth ¹	800	1 395	1 500

¹ The variation in 2025-26 and increase in 2026-27 reflects the inclusion of Department of Foreign Affairs and Trade-funded programs that were previously not captured.

Corporate and shared services

Objective: Effective and efficient performance of the health system through governance and regulation, system-wide policy, plans and standards, and resource and information management.

Corporate and governance

Provide leadership and strategic management that ensures the health system meets its service and quality objectives, and identifies and mitigates risk. Deliver Territory-wide strategy, policies and plans to ensure an equitable and integrated system. Ensure participation at the national level to maximise opportunities for the delivery of health care across the Territory.

Shared services received

Receive corporate shared services from the Department of Corporate and Digital Development.
Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	590 044	665 595
Capital	117	
Appropriation		
Output	1 393 346	1 372 427
Commonwealth	201 130	172 041
Sales of goods and services	133 487	130 853
Interest revenue		
Goods and services received free of charge	127 965	128 836
Gain (+)/loss (-) on disposal of assets		
Other revenue	3 093	2 620
TOTAL INCOME	2 449 182	2 472 372
EXPENSES		
Employee expenses	1 460 831	1 473 786
Administrative expenses		
Purchases of goods and services	679 154	721 074
Repairs and maintenance		
Depreciation and amortisation	75 151	71 350
Services free of charge	127 965	128 836
Other administrative expenses	19	
Grants and subsidies expenses		
Current	148 735	167 280
Capital		
Community service obligations		
Interest expenses	1 959	1 947
TOTAL EXPENSES	2 493 814	2 564 273
NET SURPLUS (+)/DEFICIT (-)¹	- 44 632	- 91 901

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	516	531
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	516	531

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	89 336	61 342
Receivables	131 994	131 994
Prepayments	4 394	4 394
Inventories	13 244	13 244
Advances and investments		
Property, plant and equipment	1 095 361	1 043 878
Other assets		
TOTAL ASSETS	1 334 329	1 254 852
LIABILITIES		
Deposits held	6 123	6 123
Creditors and accruals	245 540	245 540
Borrowings and advances	46 512	43 599
Provisions	180 001	180 001
Other liabilities	17 808	15 010
TOTAL LIABILITIES	495 984	490 273
NET ASSETS	838 345	764 579
EQUITY		
Capital		
Opening balance	1 795 666	1 852 510
Equity injections/withdrawals	56 844	18 135
Reserves	331 016	331 016
Accumulated funds		
Opening balance	- 1 300 549	- 1 345 181
Current year surplus (+)/deficit (-)	- 44 632	- 91 901
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	838 345	764 579

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	29	29
TOTAL ASSETS	29	29
LIABILITIES		
Central Holding Authority income payable	29	29
Unearned Central Holding Authority income		
TOTAL LIABILITIES	29	29
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	590 044	665 595
Capital	117	
Appropriation		
Output	1 393 346	1 372 427
Commonwealth	177 162	172 041
Other agency receipts from sales of goods and services	123 368	130 675
Interest received		
Total operating receipts	2 284 037	2 340 738
Operating payments		
Payments to employees	1 460 831	1 473 786
Payments for goods and services	679 154	721 074
Grants and subsidies paid		
Current	148 735	167 280
Capital		
Community service obligations		
Interest paid	1 959	1 947
Total operating payments	2 290 679	2 364 087
NET CASH FROM OPERATING ACTIVITIES	- 6 642	- 23 349
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	8 685	18 867
Advances and investing payments		
Total investing payments	8 685	18 867
NET CASH FROM INVESTING ACTIVITIES	- 8 685	- 18 867
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	7 863	18 135
Commonwealth	622	
Equity injections	15 000	
Total financing receipts	23 485	18 135
Financing payments		
Repayment of borrowings		
Lease payments	3 594	3 913
Equity withdrawals	1 000	
Service concession liability payments		
Total financing payments	4 594	3 913
NET CASH FROM FINANCING ACTIVITIES	18 891	14 222
Net increase (+)/decrease (-) in cash held	3 564	- 27 994
Cash at beginning of financial year	85 772	89 336
CASH AT END OF FINANCIAL YEAR	89 336	61 342

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	556 045	646 980	90 935	1
National Health Reform – activity based funding	446 542	543 299	96 757	
Highly specialised drugs	37 961	37 961		
National Health Reform – block and teaching, training and research	33 664	42 706	9 042	
Flexible care and subsidy for transition care	5 953	6 867	914	
National Health Reform – public health funding	5 662	5 822	160	
Public health operations in emergencies for national strengthening in the Indo-Pacific	5 418	3 388	- 2 030	
Indigenous Australians' Health Program	4 840	2 186	- 2 654	
Rural Health Outreach Fund	3 197		- 3 197	
Aged care assessment program	2 497	2 497		
Home support program	2 105	1 442	- 663	
National Rural Generalist Pathway	1 866		- 1 866	
Strengthening regional emergency health preparedness in the Pacific and Timor Leste	1 786		- 1 786	
Organ and tissue donation	1 515		- 1 515	
Other	3 039	812	- 2 227	
Other grants	33 999	18 615	- 15 384	1
Specialist training programs	10 563	5 173	- 5 390	
Primary Health Network Northern Territory	6 127	586	- 5 541	
Australian teletrial program	3 160	236	- 2 924	
Clinical teaching services agreement	2 709	2 827	118	
Darwin Private Hospital medical cover	1 400	1 400		
Australian College of Rural and Remote Medicine	1 349	1 291	- 58	
Integrated rural training pipeline	1 221	720	- 501	
Other	7 470	6 382	- 1 088	
Capital grants and subsidies revenue				
Other grants	117		- 117	
Output appropriation	1 393 346	1 372 427	- 20 919	2
Commonwealth appropriation				
National partnership agreements	201 130	172 041	- 29 089	1
Health Reform – support for hospital and related health services	50 800	66 000	15 200	
Comprehensive Primary Health Care Delivery – health	47 720	49 152	1 432	
Medicare urgent care clinic	23 412	2 942	- 20 470	
National Critical Care and Trauma Response Centre	21 644	18 800	- 2 844	
Northern Territory Remote Aboriginal Investment – health	18 270	18 025	- 245	
John Flynn Prevocational Doctor Program	10 062	3 523	- 6 539	
Community-led alcohol harm reduction	7 998		- 7 998	
Remote store licensing scheme in the Territory	2 788		- 2 788	

continued

Budget 2026-27

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Improving trachoma control services for Aboriginal Australians	2 683	1 934	- 749	
Strengthening Medicare – supporting older Australians	2 598	8 095	5 497	
National mental health and suicide prevention	2 051	368	- 1 683	
Primary care pilot	1 615		- 1 615	
Specialist services for children	1 543		- 1 543	
Public dental services for adults	1 420		- 1 420	
Other	6 526	3 202	- 3 324	
Sales of goods and services	133 487	130 853	- 2 634	3
Prison health services	38 491	38 491		
Cross-border charges	27 762	27 762		
Hospital patients (private, ineligible, defence, nursing home and other)	23 277	23 277		
Medicare bulk-billing revenue	14 347	14 347		
Compensable patients	11 052	11 052		
Recoveries, fees and charges	9 335	7 401	- 1 934	
Veterans' Affairs	4 400	4 400		
Other	4 823	4 123	- 700	
Goods and services received free of charge	127 965	128 836	871	
Other revenue	3 093	2 620	- 473	
OPERATING REVENUE	2 449 182	2 472 372	23 190	
Capital appropriation	7 863	18 135	10 272	4
Commonwealth capital appropriation	622		- 622	1
National Critical Care and Trauma Response Centre	551		- 551	
Expanding access to cervical screening services	71		- 71	
CAPITAL RECEIPTS	8 485	18 135	9 650	

1 The variations are in line with relevant agreements.

2 The variation mostly reflects additional funding in 2025-26 for health and hospital demand and cost pressures, partially offset by new funding from 2026-27 for the operation of the new modular ward at the Royal Darwin Hospital, and ambulatory and aeromedical services.

3 The variation largely relates to reimbursement received from the Royal Flying Doctor Service in 2025-26 for Alice Springs Hospital medical retrieval consultants.

4 The variation largely reflects additional funding in 2026-27 for the replacement of medical equipment across Territory hospitals and health facilities.

Department of Housing, Local Government and Community Development

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Housing	694 917	770 223	798 030	1, 2, 3
Urban housing	153 863	185 407	193 110	
Remote housing	244 017	270 171	306 774	
Town camps and homelands	105 137	121 627	101 431	
Government employee housing	64 302	67 802	63 291	
Indigenous essential services	127 598	125 216	133 424	
Local government and community development	111 615	140 181	151 683	1, 4, 5
Local government	59 529	59 831	60 024	
Community development	39 679	69 496	74 899	
Interpreter and translator services	12 407	10 854	16 760	
Corporate and shared services	49 772	41 771	43 296	1, 6, 7
Corporate and governance	25 119	25 119	26 644	
Shared services received	24 653	16 652	16 652	
Total expenses	856 304	952 175	993 009	
Appropriation				
Output	305 867	290 153	335 212	
Capital	29 269	20 269	23 910	
Commonwealth	229 615	171 909	259 139	

2026-27 staffing: 546 FTE

- The 2025-26 Budget figures have been backcast to reflect a realignment of outputs across the agency.
- The variation in the urban housing output in 2025-26 is primarily due to increases in non-cash depreciation and amortisation adjustments, and additional repairs and maintenance funding. The variation in the remote housing output in 2025-26 reflects non-cash adjustments relating to increased depreciation from completed work-in-progress transfers and asset write-offs. The variation in the town camps and homelands output in 2025-26 is due to transfer of funding from 2024-25 into 2025-26. The variation in the government employee housing output in 2025-26 relates to additional repairs and maintenance funding.
- The increase in the urban housing output in 2026-27 reflects contributions to Housing Australia Future Fund round 3 development projects partially offset by one-off repairs and maintenance funding in 2025-26. The increase in the remote housing output in 2026-27 relates to revised program delivery timelines. The decrease in the town camps and homelands output in 2026-27 is primarily driven by the funding profile under the Housing and Essential Services on Northern Territory Homelands agreement. The decrease in the government employee housing output in 2026-27 is mostly due to one-off additional repairs and maintenance funding in 2025-26. The increase in the Indigenous essential services output in 2026-27 relates to additional Commonwealth National Water Grid funding.
- The variation in the community development output in 2025-26 relates to one-off capital grants to local councils and recognition of prior-year unearned revenue, partially offset by transfer of funding to 2026-27 in line with revised service delivery timing. The variation in the interpreter and translator services output in 2025-26 is due to revised timing of Commonwealth funding under the Northern Territory Remote Aboriginal Investment agreement.
- The increase in the community development output in 2026-27 is due to funding carried forward from 2025-26 to align with revised service delivery timing, partially offset by one-off grant funding to local councils in 2025-26. The increase in the interpreter and translator services output in 2026-27 reflects transfer of funding from 2025-26 in line with revised timing of Commonwealth funding under the Northern Territory Remote Aboriginal Investment agreement.
- The variation in the shared services received output in 2025-26 reflects the Department of Corporate and Digital Development's revised cost allocation model.
- The increase in the corporate and governance output in 2026-27 is due to internal reprioritisation.

Agency profile

The Department of Housing, Local Government and Community Development works to provide housing for those in need and supports communities to grow through respectful engagement underpinned by empowering local people, including through the delivery of interpreter and translator services, Indigenous essential services, town camps and homelands services, and provides funding and support to the local government sector.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Housing Australia Future Fund – Round 3 developments		22 800
Community development infrastructure plan – Darwin and Palmerston	20 000	
Additional repairs and maintenance for urban housing	10 000	
Additional minor works for urban housing	7 000	
Additional repairs and maintenance for government employee housing	3 000	
Key existing initiatives		
National Water Grid Fund ¹	36 221	43 096
Northern Territory Remote Aboriginal Investment – Aboriginal interpreter services ¹	6 300	12 917
New capital works		
Remote housing – 10-year remote housing agreement 2024–2035 ¹		238 444
Remote Housing Investment Package		
– government employee housing		25 500
– improvement and upgrades		16 000
Rolling program to refresh the Territory's public housing stock		5 000

¹ Includes Commonwealth funding.

Output groups and objectives

Housing

Objective: Affordable, appropriate and accessible housing for eligible Territorians that contributes to economic development, local jobs and improved social wellbeing.

Urban housing

Provide eligible Territorians access to safe, affordable and appropriate housing, and promote tenant accountability and community safety through effective tenancy and property management.

Remote housing

Manage and provide access to safe, affordable and appropriate housing for tenants living in remote areas, and promote tenant accountability and community safety through effective tenancy and property management.

Town camps and homelands

Support Territorians living in town camps and homelands through housing delivery in town camps and by empowering homelands.

Government employee housing

Provide housing and manage tenancies for eligible Territory Government employees in designated regional and remote areas.

Indigenous essential services

Coordinate funding and provide strategic planning and policy advice for delivery of electricity, water and sewerage to remote Aboriginal communities through Indigenous Essential Services Pty Ltd, a subsidiary of the Power and Water Corporation, under a purchaser-provider model.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Urban social housing dwellings	5 280	5 260	5 280
Urban social housing dwellings managed by community housing providers	≥ 22%	25%	≥ 22%
Urban public housing rent received	≥ 90%	95%	≥ 90%
Urban public housing dwellings inspected in previous 12 months ¹	≥ 90%	55%	≥ 90%
Urban public housing dwellings occupied within 70 days of vacancy ²	≥ 50%	25%	≥ 50%
New households assisted into urban public housing ³	215	150	215
Remote public housing dwellings managed	6 110	5 940	6 110
Remote public housing tenancies living in appropriately sized housing	≥ 50%	52%	≥ 50%
Remote public housing rent received	≥ 80%	80%	≥ 80%
Remote public housing dwellings inspected in previous 12 months	≥ 72%	70%	≥ 72%
Remote public housing dwellings occupied within 70 days of vacancy	≥ 50%	50%	≥ 50%
New households assisted into remote public housing ⁴	500	370	500
Houses upgraded under the Homelands Housing and Infrastructure Program	100	90	100
Businesses providing town camps and homelands services that are Aboriginal business enterprises	≥ 60%	81%	≥ 60%
Government employee housing dwellings inspected in previous 12 months ⁵	≥ 90%	76%	≥ 90%
Maintenance contracts awarded to Aboriginal Business Enterprises	≥ 50%	76%	≥ 50%
Proportion of days safe drinking water is supplied across the 72 Indigenous essential services communities	≥ 95%	99%	≥ 95%
Average electrical outage duration for each customer served across the 72 Indigenous essential services communities (minutes/year)	≤ 500	200	≤ 500

- 1 The variation in 2025-26 is due to a risk-based approach to tenancy management. The 2026-27 target is in line with requirements under the inspections policy.
- 2 The variation in 2025-26 is due to a risk-based approach to tenancy management and repairs and maintenance constraints including contractor capacity.
- 3 The variation in 2025-26 is due to expiry of leased-dwelling agreements, resulting in households transferred into government-owned dwellings.
- 4 The variation in 2025-26 is due to a lower than estimated number of additional dwellings constructed by the end of 2024-25, larger dwellings with more bedrooms being constructed and the impacts of flooding and weather events.
- 5 The variation in 2025-26 is due to a risk-based approach to tenancy management.

Local government and community development

Objective: Improved decision-making, local governance structures and greater outcomes for all Territorians.

Local government

Manage contemporary legislation, funding activities and capacity-building programs to foster and build strong, resilient and sustainable local governments to represent communities fairly and effectively, and deliver services that best meet community needs.

Community development

Drive the delivery of strategies and actions to improve outcomes across the Territory in partnership with Territory Government agencies, community organisations, key stakeholders, local government and the Commonwealth.

Interpreter and translator services

Provide Aboriginal and other interpreter and translator services to overcome language barriers for Territorians who do not speak English as a first language.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Community governance agreements reviewed	100%	100%	100%
Scheduled local government compliance reviews completed	4	4	4
Aboriginal interpreting hours provided by accredited or qualified interpreters	≥ 76%	76%	≥ 76%
Aboriginal interpreting assignments completed ¹	≥ 55%	45%	≥ 55%

1 The variation in 2025-26 is due to lower interpreter availability and challenges in filling requests for accredited and qualified interpreters.

Corporate and shared services

Objective: Effective and efficient performance of the agency and its funded organisations through governance and regulation, system-wide reform and strategy, policy, plans and standards, resource and information management, evaluation and performance analysis.

Corporate and governance

Provide leadership and strategic management to ensure the agency meets its service and quality objectives, and identifies and mitigates risk. Deliver Territory-wide coordination, strategy, reform policies and plans to ensure an equitable and integrated system.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.
Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	2 561	2 041
Capital		
Appropriation		
Output	290 153	335 212
Commonwealth	200 700	259 139
Sales of goods and services	133 609	133 621
Interest revenue		
Goods and services received free of charge	16 652	16 652
Gain (+)/loss (-) on disposal of assets	257	
Other revenue	15 500	20
TOTAL INCOME	659 432	746 685
EXPENSES		
Employee expenses	82 973	84 557
Administrative expenses		
Purchases of goods and services	97 092	112 231
Repairs and maintenance	101 705	121 340
Depreciation and amortisation	258 319	264 723
Services free of charge	16 652	16 652
Other administrative expenses	22 756	16 217
Grants and subsidies expenses		
Current	163 648	170 827
Capital	202 951	200 703
Community service obligations	3 657	3 657
Interest expenses	2 422	2 102
TOTAL EXPENSES	952 175	993 009
NET SURPLUS (+)/DEFICIT (-)¹	- 292 743	- 246 324

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	26 823	28 801
Receivables	32 677	32 677
Prepayments	2 532	2 532
Inventories		
Advances and investments		
Property, plant and equipment	3 931 761	3 699 634
Other assets		
TOTAL ASSETS	3 993 793	3 763 644
LIABILITIES		
Deposits held	5 898	5 898
Creditors and accruals	15 274	15 274
Borrowings and advances	104 769	97 822
Provisions	8 476	8 476
Other liabilities	3 471	1 971
TOTAL LIABILITIES	137 888	129 441
NET ASSETS	3 855 905	3 634 203
EQUITY		
Capital		
Opening balance	3 845 525	4 138 744
Equity injections/withdrawals	293 219	24 622
Reserves	2 146 261	2 146 261
Accumulated funds		
Opening balance	- 2 136 357	- 2 429 100
Current year surplus (+)/deficit (-)	- 292 743	- 246 324
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	3 855 905	3 634 203

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	2 561	2 041
Capital		
Appropriation		
Output	290 153	335 212
Commonwealth	171 909	259 139
Other agency receipts from sales of goods and services	194 420	115 924
Interest received		
Total operating receipts	659 043	712 316
Operating payments		
Payments to employees	82 973	84 557
Payments for goods and services	198 797	233 571
Grants and subsidies paid		
Current	163 648	170 827
Capital	181 789	200 703
Community service obligations	3 657	3 657
Interest paid	2 422	2 102
Total operating payments	633 286	695 417
NET CASH FROM OPERATING ACTIVITIES	25 757	16 899
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	1 717	
Repayment of advances		
Sales of investments		
Total investing receipts	1 717	
Investing payments		
Purchases of assets	28 986	23 910
Advances and investing payments		
Total investing payments	28 986	23 910
NET CASH FROM INVESTING ACTIVITIES	- 27 269	- 23 910
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	20 269	23 910
Commonwealth		
Equity injections	3 000	8 000
Total financing receipts	23 269	31 910
Financing payments		
Repayment of borrowings		
Lease payments	19 471	15 633
Equity withdrawals	6 212	7 288
Service concession liability payments		
Total financing payments	25 683	22 921
NET CASH FROM FINANCING ACTIVITIES	- 2 414	8 989
Net increase (+)/decrease (-) in cash held	- 3 926	1 978
Cash at beginning of financial year	30 749	26 823
CASH AT END OF FINANCIAL YEAR	26 823	28 801

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	541	541		
Stronger Places, Stronger People	420	420		
Secretariat and strategic communications	121	121		
Other grants	2 020	1 500	- 520	
Jabiru Social Infrastructure Fund	1 765		- 1 765	
Alice Springs swimming pool access	150		- 150	
Arnhem Land Progress Association Interpreting Services	105		- 105	
Local decision making		1 500	1 500	
Output appropriation	290 153	335 212	45 059	1
Commonwealth appropriation				
National partnership agreements	200 700	259 139	58 439	2
Housing and Essential Services on Northern Territory Homelands	82 101	55 086	- 27 015	
Remote Housing Northern Territory	48 015	50 118	2 103	
National Water Grid Fund	36 221	43 096	6 875	
National Agreement on Social Housing and Homelessness	13 070	13 360	290	
Northern Territory Remote Aboriginal Investment – Aboriginal interpreter services	6 300	12 917	6 617	
Social Housing Accelerator Payment	5 549		- 5 549	
Northern Territory Remote Aboriginal Investment – community development hubs	2 663	13 146	10 483	
Central Australia investment package	2 620	37 622	35 002	
Household Energy Upgrades Fund (social housing)	2 500	1 100	- 1 400	
Northern Territory Remote Aboriginal Investment – jobs, training and business hubs	900	3 119	2 219	
Northern Territory Remote Aboriginal Investment – children and schooling	500		- 500	
Regional Precincts and Partnership Program	150	4 575	4 425	
Barkly Regional Deal	111		- 111	
Housing Australia Future Fund		25 000	25 000	
Sales of goods and services	133 609	133 621	12	
Rent and tenancy charges	128 927	128 927		
Local government rates revenue	3 190	3 202	12	
Interpreting and translating services	1 331	1 331		
Other	161	161		
Goods and services received free of charge	16 652	16 652		
Gain (+)/loss (-) on disposal of assets	257		- 257	

continued

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Other revenue	15 500	20	- 15 480	3
Elliott town camp dwellings	10 000		- 10 000	
Australian Taxation Office reimbursement	3 400		- 3 400	
National Rental Affordability Scheme	1 433		- 1 433	
Cross-border Aboriginal interpreting	373		- 373	
Northern Territory Aboriginal Legal Interpreting Services	274		- 274	
Other	20	20		
OPERATING REVENUE	659 432	746 685	87 253	
Capital appropriation	20 269	23 910	3 641	4
CAPITAL RECEIPTS	20 269	23 910	3 641	

1 The variation largely reflects additional funding in 2026-27 for contributions to Housing Australia Future Fund round 3 developments including the St Mary's site combined with the funding profile for repairs and maintenance programs.

2 The variations are in line with the relevant agreements.

3 The variation largely reflects one-off revenue associated with the transfer of Elliott town camp dwellings in 2025-26.

4 The variation mostly relates to revised timing and funding profile for repairs and maintenance for dwellings transferred to community housing providers.

NT Home Ownership

Business line	2025-26 Budget	2025-26 Revised	2026-27 Budget
	\$000	\$000	\$000
Income	10 817	10 817	11 017
NT Home Ownership	10 817	10 817	11 017
Expenses	7 391	7 626	7 320
NT Home Ownership	7 391	7 626	7 320
Surplus (+)/deficit (-) before income tax	3 426	3 191	3 697

2026-27 staffing: 2 FTE

Business division profile

NT Home Ownership oversees the provision of Territory Government home loan products and services to assist eligible Territorians to achieve affordable home ownership.

Performance

Financial performance in 2026-27 is expected to be broadly consistent with 2025-26.

Business line

NT Home Ownership

Objective: Assist eligible Territorians to achieve affordable home ownership.

Activities: Provide Territory Government home loan products and services.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Loan accounts in arrears greater than 30 days ¹	≤ 5%	7%	≤ 5%

¹ The variation in 2025-26 reflects the impact of higher interest rates on borrowers.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations	3 657	3 657
Sales of goods and services		
Interest revenue	7 160	7 360
Rent and dividends		
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	10 817	11 017
EXPENSES		
Employee expenses	311	311
Administrative expenses		
Purchases of goods and services	2 744	2 749
Repairs and maintenance		
Depreciation and amortisation		
Other administrative expenses		
Grants and subsidies expenses		
Current	243	243
Capital		
Interest expenses	4 328	4 017
TOTAL EXPENSES	7 626	7 320
SURPLUS (+)/DEFICIT (-) BEFORE INCOME TAX	3 191	3 697
Income tax expense		
NET SURPLUS (+)/DEFICIT (-)	3 191	3 697

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	9 992	7 482
Receivables	47	47
Prepayments		
Inventories		
Advances and investments	93 718	88 718
Property, plant and equipment		
Other assets		
TOTAL ASSETS	103 757	96 247
LIABILITIES		
Deposits held	79	79
Creditors and accruals	341	334
Borrowings and advances	78 176	66 976
Provisions	65	65
Other liabilities		
TOTAL LIABILITIES	78 661	67 454
NET ASSETS	25 096	28 793
EQUITY		
Capital		
Opening balance	22 745	22 745
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	- 840	2 351
Current year surplus (+)/deficit (-)	3 191	3 697
Dividends paid/payable		
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	25 096	28 793

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations	3 657	3 657
Receipts from sales of goods and services		
Interest received	7 160	7 360
Total operating receipts	10 817	11 017
Operating payments		
Payments to employees	311	311
Payments for goods and services	2 744	2 749
Grants and subsidies paid		
Current	243	243
Capital		
Interest paid	4 316	4 024
Income tax paid		
Total operating payments	7 614	7 327
NET CASH FROM OPERATING ACTIVITIES	3 203	3 690
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances	15 000	15 000
Sales of investments	4 000	4 000
Total investing receipts	19 000	19 000
Investing payments		
Purchases of assets		
Advances and investing payments	14 000	14 000
Total investing payments	14 000	14 000
NET CASH FROM INVESTING ACTIVITIES	5 000	5 000
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings	7 821	11 200
Lease payments		
Dividends paid		
Equity withdrawals		
Service concession liability payments		
Total financing payments	7 821	11 200
NET CASH FROM FINANCING ACTIVITIES	- 7 821	- 11 200
Net increase (+)/decrease (-) in cash held	382	- 2 510
Cash at beginning of financial year	9 610	9 992
CASH AT END OF FINANCIAL YEAR	9 992	7 482

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation
	\$000	\$000	\$000
Community service obligations	3 657	3 657	
Interest revenue	7 160	7 360	200
Interest on loans	7 100	7 300	200
Interest on cash balances	60	60	
OPERATING REVENUE	10 817	11 017	200

Department of Lands, Planning and Environment

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Notes
	\$000	\$000	\$000	
Lands and planning	47 580	53 181	45 019	1
Land development	6 000	14 576	7 739	
Crown land estate	22 121	19 012	17 337	
Planning	6 507	6 476	6 619	
Building advisory services	3 213	3 261	3 297	
Land information and spatial analytics	9 365	9 482	9 648	
Northern Territory Planning Commission	374	374	379	
Environment	16 156	15 934	16 834	2, 3
Environment assessment and policy	7 017	7 694	7 902	
Environment regulation	8 197	7 298	7 971	
Northern Territory Environment Protection Authority	942	942	961	
Heritage	1 470	1 576	1 423	4
Heritage	1 470	1 576	1 423	
Natural Resources	41 082	47 391	36 827	5, 6, 7
Flora and fauna	15 988	17 179	13 759	
Water resources	15 456	18 884	13 585	
Land resources	9 638	11 328	9 483	
Mining	3 249	3 249	2 957	8
Mining	3 249	3 249	2 957	
Corporate and shared services	13 455	20 854	20 884	9
Corporate and governance	4 020	4 119	4 014	
Shared services received	9 435	16 735	16 870	
Total expenses	122 992	142 185	123 944	
Appropriation				
Output	88 015	86 030	87 555	
Capital	15 383	19 154	11 908	
Commonwealth	3 860	5 624	3 687	

2026-27 staffing: 443 FTE

- 1 The variation in the land development output in 2025-26 and decrease in 2026-27 relates to the accounting treatment of capital works in progress, capital grants and non-cash expenses in 2025-26. The variation in the Crown land estate output in 2025-26 and decrease in 2026-27 is primarily due to accounting adjustments related to asset acquisitions and asset write downs.
- 2 The variations in the environment assessment and policy, and environment regulation outputs in 2025-26 are primarily due to a one-off transfer of funding between outputs to support priority environmental activities.
- 3 The increase in the environment regulation output in 2026-27 is primarily due to the transfer of funds between years to support priority environmental activities.
- 4 The variation in the heritage output in 2025-26 and decrease in 2026-27 reflects externally funded heritage projects in 2025-26.
- 5 The former water resources and water security outputs have been combined, and figures have been backcast.
- 6 The variation in the flora and fauna output in 2025-26 and decrease in 2026-27 is primarily due to revised timing of Commonwealth payments. The variation in the water resources output in 2025-26 mainly reflects adjustments in projects under the National Water Grid Fund. The variation in the land resources output in 2025-26 and decrease in 2026-27 is primarily due to additional external funding in 2025-26 and revised timing of Commonwealth payments.
- 7 The decrease in the water resources output in 2026-27 is mostly due to timing of Commonwealth milestone payments and finalisation of the Territory Water Plan.
- 8 The decrease in 2026-27 reflects cessation of external funding for independent monitoring, which is yet to be renegotiated.
- 9 The variation in the shared services received output in 2025-26 is primarily due to revised allocation of shared services received from the Department of Corporate and Digital Development.

Agency profile

The Department of Lands, Planning and Environment engages with community, business and industry to support the Territory's economic development and protect its natural resources and cultural assets through integrated planning, evidence-based advice and efficient regulation.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Infrastructure planning in Alice Springs		1 500
Infrastructure planning in Tennant Creek		500
Key existing initiatives		
Planning and development decisions and advice	2 950	2 950
Petroleum regulation	2 400	2 400
Water resource assessment	2 400	2 400
Weed management	2 250	2 250
Land development supply program	2 078	2 100

Output groups and objectives

Lands and planning

Objective: Long-term integrated planning is undertaken, and land is released and managed to support community needs and economic development in the Territory. Land and building developments are appropriately regulated across the Territory.

Land development

Plan, develop and implement the land development program, including forward planning activities, strategic investigations and enabling infrastructure assessments to optimise and facilitate land release, and support population growth and economic development across the Territory.

Crown land estate

Manage the Crown land estate including provision of land to support community needs and economic development. Provide advice and undertake administrative activities on a range of matters related to the Crown land estate including release and management of Crown land, Aboriginal land claims, native title claims and community living area applications. Manage the operations of the Frances Bay marine facilities.

Planning

Develop and implement strategic land use policies and provide streamlined development and regulatory processes in accordance with the *Planning Act 1999* to guide sustainable growth to meet the needs of the community.

Building advisory services

Manage and reform the regulatory framework to ensure structures within proclaimed building areas achieve structural, fire, safety, health and amenity standards, and meet community expectations. Ensure residential swimming pool safety barriers meet specific standards.

Land information and spatial analytics

Provide geospatial, survey and valuation services with supporting land information, geospatial data, systems and mapping to support the Territory Government, land development industry, business and the public.

Northern Territory Planning Commission

Set the strategic framework for integrated land use, transport and infrastructure planning. Develop planning options that provide flexibility for the future and meet a range of possible needs, while delivering more sustainable and cost-effective outcomes for the community that reflect environmental and heritage values.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Average processing time for development applications (days)	≤ 55	55	≤ 55
Building practitioners audited	65	65	65
Northern Territory Integrated Land Information System is online and accessible	100%	100%	100%
Average approval times for survey plans (days)	≤ 6	6	≤ 6

Environment

Objective: Ecologically sustainable development of the Territory is supported by administering the Territory’s environmental laws.

Environment assessment and policy

Assessment and provision of policy advice on potential environmental impacts and risks from human activities, including a changing climate, to support the ecologically sustainable development and circular economy strategies within the Territory.

Environment regulation

Apply, monitor and ensure compliance with Territory environment laws, including advice and guidance, licensing and approvals, monitoring compliance and enforcement to support the ecologically sustainable development of the Territory.

Northern Territory Environment Protection Authority

Provide staff and facilities to enable the Northern Territory Environment Protection Authority to properly exercise its powers and perform its functions.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Assessment decisions under the <i>Environment Protection Act 2019</i> made within statutory timeframes	≥ 80%	80%	≥ 80%
Environment management plan decisions made under the <i>Petroleum (Environment) Regulations 2016</i> within 90 calendar days	≥ 90%	90%	≥ 90%
Environmental licence decisions made under the <i>Waste Management and Pollution Control Act 1998</i> within 60 business days of a compliant application	≥ 80%	80%	≥ 80%
Northern Territory Environment Protection Authority satisfaction with support provided ¹	≥ 5	5	≥ 5
Priority sites identified in compliance plans undergo an inspection	100%	100%	100%

1 Measures range from a rating of 1 = extremely dissatisfied to 6 = extremely satisfied.

Heritage

Objective: Conserve and protect the Territory's natural and cultural heritage by administering the *Heritage Act 2011*.

Heritage

Protect, conserve, promote and celebrate the Territory's rich and diverse cultural heritage through preservation of declared Heritage Places and Aboriginal and Macassan Archaeological Places.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Places and objects on the NT Heritage Register	300	300	301

Natural resources

Objective: The Territory's natural resources are sustainably developed, threats to the Territory's environmental assets are mitigated, and native flora and fauna are conserved.

Flora and fauna

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

Water resources

Scientific assessment, monitoring and regulation of the Territory's water resources, and delivery of policy and advice to support the sustainable use of water.

Land resources

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

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Spatial biodiversity records for the Territory (millions) ¹	4.70	4.70	4.75
Biodiversity information requests met within agreed timeframes	≥ 85%	85%	≥ 85%
Water extraction licences assessed within 80 business days	≥ 70%	70%	≥ 70%
Planned water extraction licence inspections completed	100%	100%	100%
Annual public water resource reports produced for declared plan areas ²	≥ 90%	90%	100%
Compliance inspections undertaken under the <i>Weeds Management Act 2001</i>	≥ 90%	90%	≥ 90%
Applications for the clearing of native vegetation on unzoned land assessed within 84 days	≥ 80%	80%	≥ 80%

1 The increase in the 2026-27 target is due to the expected addition of about 50,000 biodiversity records from a variety of sources, including departmental surveys, data provided by environmental consultants and capture from public biodiversity databases.

2 The increase in the 2026-27 target reflects the commitment to improving transparency and stakeholder confidence in water resource management aligning with the number of declared water allocation plans.

Mining

Objective: Mineral projects are managed responsibly and sustainably through the efficient and effective administration of the *Environment Protection Act 2019*.

Mining

Support sustainable development of the Territory's mineral exploration, extraction and mining sectors through outcome-focused and risk-proportional environmental regulation.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Applications for environmental (mining) licences under the <i>Environment Protection Act 2019</i> screened within 2 business days of receipt	≥ 85%	85%	≥ 85%
Environmental (mining) licence applications under the <i>Environment Protection Act 2019</i> assessed within statutory timeframes	≥ 85%	85%	≥ 85%
Licensed high risk mining sites that have undergone a compliance inspection	≥ 85%	85%	≥ 85%

Corporate and shared services

Objective: Improved organisational performance through strategic and governance leadership and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions including financial, strategic, governance and risk services, and communications and media.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.
Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	6 420	3 354
Capital	213	
Appropriation		
Output	86 030	87 555
Commonwealth	7 453	4 017
Sales of goods and services	7 360	5 380
Interest revenue		
Goods and services received free of charge	16 735	16 870
Gain (+)/loss (-) on disposal of assets		
Other revenue	1 090	629
TOTAL INCOME	125 301	117 805
EXPENSES		
Employee expenses	66 468	62 771
Administrative expenses		
Purchases of goods and services	34 571	28 328
Repairs and maintenance	2 078	4 133
Depreciation and amortisation	7 356	6 139
Services free of charge	16 735	16 870
Other administrative expenses	2 043	
Grants and subsidies expenses		
Current	5 592	5 703
Capital	7 342	
Community service obligations		
Interest expenses		
TOTAL EXPENSES	142 185	123 944
NET SURPLUS (+)/DEFICIT (-)¹	- 16 884	- 6 139

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	463	477
Interest revenue		
Royalties and rents	3 025	3 153
Other revenue		
TOTAL INCOME	3 488	3 630

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	6 077	6 088
Receivables	3 907	3 907
Prepayments	9 455	9 455
Inventories	15	15
Advances and investments		
Property, plant and equipment	1 097 910	1 103 354
Other assets	220	118
TOTAL ASSETS	1 117 584	1 122 937
LIABILITIES		
Deposits held	805	805
Creditors and accruals	13 579	13 579
Borrowings and advances	130	130
Provisions	17 065	17 065
Other liabilities	577	161
TOTAL LIABILITIES	32 156	31 740
NET ASSETS	1 085 428	1 091 197
EQUITY		
Capital		
Opening balance	554 007	583 302
Equity injections/withdrawals	29 295	11 908
Reserves	752 427	752 427
Accumulated funds		
Opening balance	- 233 417	- 250 301
Current year surplus (+)/deficit (-)	- 16 884	- 6 139
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	1 085 428	1 091 197

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable	644	644
Other receivables	1	1
TOTAL ASSETS	645	645
LIABILITIES		
Central Holding Authority income payable	645	645
Unearned Central Holding Authority income		
TOTAL LIABILITIES	645	645
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	6 420	3 354
Capital	213	
Appropriation		
Output	86 030	87 555
Commonwealth	5 624	3 687
Other agency receipts from sales of goods and services	5 475	5 923
Interest received		
Total operating receipts	103 762	100 519
Operating payments		
Payments to employees	66 503	62 771
Payments for goods and services	36 649	32 461
Grants and subsidies paid		
Current	5 592	5 703
Capital		
Community service obligations		
Interest paid		
Total operating payments	108 744	100 935
NET CASH FROM OPERATING ACTIVITIES	- 4 982	- 416
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	3 455	3 455
Repayment of advances	35	
Sales of investments		
Total investing receipts	3 490	3 455
Investing payments		
Purchases of assets	22 855	14 936
Advances and investing payments		
Total investing payments	22 855	14 936
NET CASH FROM INVESTING ACTIVITIES	- 19 365	- 11 481
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	19 154	11 908
Commonwealth		
Equity injections	35	
Total financing receipts	19 189	11 908
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals		
Service concession liability payments		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES	19 189	11 908
Net increase (+)/decrease (-) in cash held	- 5 158	11
Cash at beginning of financial year	11 235	6 077
CASH AT END OF FINANCIAL YEAR	6 077	6 088

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	3 342	608	- 2 734	1
MacDonnell Ranges threat abatement	2 920	466	- 2 454	
National protection and management of underwater cultural heritage	139		- 139	
Acacia peuce trajectory	125		- 125	
Lake Eyre Basin Rivers Assessment project	121	142	21	
Running Waters Rehabilitation project – Lake Eyre Basin Finke River waterholes	37		- 37	
Other grants	3 078	2 746	- 332	
Ichthys project voluntary offsets	1 598	2 000	402	
Darwin Harbour Integrated Marine Monitoring and Research program	1 044	746	- 298	
Disaster Ready Fund	274		- 274	
NT Risk Reduction program	150		- 150	
Australian Wildlife Conservancy Central Rock-rat	12		- 12	
Capital grants and subsidies revenue				
Other grants	213		- 213	
Marrakai Gauging Station	213		- 213	
Output appropriation	86 030	87 555	1 525	2
Commonwealth appropriation				
National partnership agreements	7 453	4 017	- 3 436	1
National Water Grid Fund – Water Allocation Plan for the Adelaide River catchment	1 775	350	- 1 425	
National Water Grid Fund – other	1 499	1 800	301	
National Soil Action Plan	1 219	422	- 797	
Darwin Harbour catchment waterways	1 146	1 014	- 132	
Enhancing national pest animal and weed management	767		- 767	
Digital Environmental Assessment program	760	231	- 529	
Farrar West Commonwealth Housing Support program	200	200		
Recycling Modernisation Fund	87		- 87	
Sales of goods and services	7 360	5 380	- 1 980	3
Sales of product, maps and valuations	1 873	1 873		
Water testing and bore construction	1 641		- 1 641	
Development assessment application fees	1 607	1 607		
Frances Bay marine facility	1 069	1 069		
Flood alert hydrographic services	223	223		
Aerial photography	202	202		
Subregional biodiversity assessments	103	122	19	
Other	642	284	- 358	
Goods and services received free of charge	16 735	16 870	135	

continued

Budget 2026-27

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Other revenue	1 090	629	- 461	4
Wharf Precinct electricity cost reimbursement	459	459		
McArthur River Mine – independent monitor services	374	30	- 344	
Legal cost reimbursement	111		- 111	
Other reimbursement costs	110	96	- 14	
Other	36	44	8	
OPERATING REVENUE	125 301	117 805	- 7 496	
Capital appropriation	19 154	11 908	- 7 246	5
CAPITAL RECEIPTS	19 154	11 908	- 7 246	

1 The variations are in line with relevant agreements.

2 The variation primarily reflects additional funding in 2026-27 to support land release in Alice Springs and Tennant Creek.

3 The decrease largely reflects one-off revenue for water testing and bore construction works in 2025-26.

4 The variation is primarily due to one-off reimbursements in 2025-26.

5 The variation largely relates to revised timing and funding profile for land acquisition to support housing and infrastructure programs.

Land Development Corporation

Business line	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Income	16 620	27 884	27 328	1
Residential development	7 537	13 444	20 112	
Industrial development	9 083	14 440	7 216	
Expenses	17 804	23 552	29 893	2
Residential development	8 127	13 365	19 210	
Industrial development	9 677	10 187	10 683	
Surplus (+)/deficit (-) before income tax	- 1 184	4 332	- 2 565	
Residential development	- 590	79	902	
Industrial development	- 594	4 253	- 3 467	

2026-27 staffing: 13 FTE

- 1 The variations in residential development income are primarily due to higher expected sales at Zuccoli Village. The variations in industrial development income mostly reflect the one-off sale of four commercial building assets at East Arm and Holtze in 2025-26.
- 2 The variations in residential development expenses mainly relate to higher sales and development activity at Zuccoli Village. The variation in industrial development expenses in 2025-26 reflects the one-off sale of four commercial building assets at East Arm and Holtze.

Business division profile

The Land Development Corporation underpins economic development through the provision of strategic industrial precincts, land and common use infrastructure.

The corporation also facilitates the delivery of innovative residential and mixed-use developments, with emphasis on affordability, regional development and innovation, largely through partnership arrangements with the private sector.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
Key existing initiatives		
Marine Industry Park – Precinct 1	5 716	11 861
Wishart Estate stage 2	229	2 771
Holtze Industrial Estate stage 2	8 610	1 826
Kilgariff Estate dwelling construction initiative	549	1 820

Performance

The corporation's performance is expected to decline in 2026-27 mainly due to lower industrial income following one-off revenue received from the sale of four commercial building assets in 2025-26, partially offset by increased residential land sales.

Business line

Residential development

Objective: Provide affordable, innovative and appropriate residential property solutions through the development and delivery of a range of residential projects.

Activities: Development and sale of residential land at the Palmerston suburb of Zuccoli and the Alice Springs suburb of Kilgariff.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Jobs supported to deliver new residential titled lots ¹	21	16	37
New residential lots delivered ²	40	76	84

1 The variation in 2025-26 relates to cessation of the Fannie Bay residential development project. The increase in the 2026-27 target is due to anticipated increased development activity at Zuccoli.

2 The variation in 2025-26 reflects the issue of titles for completed lots in Kilgariff Stage 2B. The increase in the 2026-27 target is due to an anticipated increase in Zuccoli titles from improved market conditions.

Industrial development

Objective: Ensure the availability, development and management of strategic industrial land and precincts.

Activities: Development of industrial land at the Middle Arm Precinct, Wishart Estate, Holtze Industrial Estate, and at East Arm comprising Darwin Business Park, Bulk Liquids Area and Marine Industry Park.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Jobs supported to deliver new industrial titled lots ¹	58	38	31
New industrial lots delivered ^{1,2}	11	nil	17
Industrial leases managed ³	15	14	14
Industrial licences managed ⁴	17	18	13
Lease and licence rent collected on time	≥ 80%	76%	≥ 80%

1 The variations are due to construction delays associated with wet weather in 2025-26 resulting in the delay of issuing titles at the Marine Industry Park – Precinct 1 and Holtze Industrial Estate.

2 The increase in the 2026-27 target reflects the completion of construction activity and issue of titles at the Marine Industry Park – Precinct 1 and Holtze Industrial Estate.

3 The variation in 2025-26 reflects the sale of four properties at East Arm and Holtze, and three new development leases attached to land sales at East Arm and Holtze.

4 The variation in 2025-26 relates to issuing one new licence at Middle Arm. The decrease in the 2026-27 target reflects the anticipated lapsing of five licences at Hidden Valley and Middle Arm.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations		
Sales of goods and services	22 458	22 797
Interest revenue	1 064	866
Rent and dividends	3 420	3 048
Gain (+)/loss (-) on disposal of assets	118	
Other revenue	824	617
TOTAL INCOME	27 884	27 328
EXPENSES		
Employee expenses	3 121	3 184
Administrative expenses		
Purchases of goods and services	17 489	22 527
Repairs and maintenance	500	500
Depreciation and amortisation	641	633
Other administrative expenses	60	695
Grants and subsidies expenses		
Current		
Capital		
Interest expenses	1 741	2 354
TOTAL EXPENSES	23 552	29 893
SURPLUS (+)/DEFICIT (-) BEFORE INCOME TAX	4 332	- 2 565
Income tax expense	1 300	
NET SURPLUS (+)/DEFICIT (-)	3 032	- 2 565

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	26 163	21 369
Receivables	1 199	1 199
Prepayments	283	283
Inventories	147 568	150 316
Advances and investments		
Property, plant and equipment	12 062	11 429
Other assets	316	310
TOTAL ASSETS	187 591	184 906
LIABILITIES		
Deposits held	426	155
Creditors and accruals	4 978	8 550
Borrowings and advances	36 655	38 965
Provisions	3 106	290
Other liabilities	11 368	8 453
TOTAL LIABILITIES	56 533	56 413
NET ASSETS	131 058	128 493
EQUITY		
Capital		
Opening balance	54 402	54 402
Equity injections/withdrawals		
Reserves	2 264	2 264
Accumulated funds		
Opening balance	72 876	74 392
Current year surplus (+)/deficit (-)	3 032	- 2 565
Dividends paid/payable	- 1 516	
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	131 058	128 493

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations		
Receipts from sales of goods and services	30 050	23 547
Interest received	1 064	866
Total operating receipts	31 114	24 413
Operating payments		
Payments to employees	3 121	3 184
Payments for goods and services	33 029	22 920
Grants and subsidies paid		
Current		
Capital		
Interest paid	1 713	2 332
Income tax paid	1 413	1 300
Total operating payments	39 276	29 736
NET CASH FROM OPERATING ACTIVITIES	- 8 162	- 5 323
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	3 188	
Repayment of advances	6	6
Sales of investments		
Total investing receipts	3 194	6
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES	3 194	6
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	7 500	2 500
Deposits received	271	- 271
Equity injections		
Total financing receipts	7 771	2 229
Financing payments		
Repayment of borrowings		
Lease payments	182	190
Dividends paid	1 649	1 516
Equity withdrawals		
Service concession liability payments		
Total financing payments	1 831	1 706
NET CASH FROM FINANCING ACTIVITIES	5 940	523
Net increase (+)/decrease (-) in cash held	972	- 4 794
Cash at beginning of financial year	25 191	26 163
CASH AT END OF FINANCIAL YEAR	26 163	21 369

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation
	\$000	\$000	\$000
Sales of goods and services	22 458	22 797	339
Sales of land	22 458	22 797	339
Interest revenue	1 064	866	- 198
Rent and dividends	3 420	3 048	- 372
Rent	3 420	3 048	- 372
Gain (+)/loss (-) on disposal of assets	118		- 118
Other revenue	824	617	- 207
OPERATING REVENUE	27 884	27 328	- 556

Aboriginal Areas Protection Authority

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Protection of sacred sites	6 270	7 940	5 672	1, 2
Protection of sacred sites	6 270	7 940	5 672	
Corporate and shared services	2 106	2 369	1 763	1, 2
Corporate and governance	1 135	1 398	792	
Shared services received	971	971	971	
Total expenses	8 376	10 309	7 435	
Appropriation				
Output	3 323	3 323	3 445	

2026-27 staffing: 37 FTE

- 1 The variations in 2025-26 reflect increased operational expenditure related to sacred sites clearance requests, funded by additional self-generated revenue.
- 2 The decreases in 2026-27 are mostly due to self-generated revenues returning to baseline and finalisation of time-limited funding for increased sacred site clearance requests from Northern Territory Government agencies.

Agency profile

The Aboriginal Areas Protection Authority is an independent statutory authority established under the *Northern Territory Aboriginal Sacred Sites Act 1989*. The Authority protects Aboriginal sacred sites and the traditional interests of Aboriginal custodians in those sites. It documents and maintains secure records of sacred site information and provides authoritative advice so these interests are appropriately recognised in land and sea use planning and development.

Output groups and objectives

Protection of sacred sites

Objective: Enhanced relations between Aboriginal custodians and the wider Territory community by increasing the level of certainty when identifying constraints, if any, on land and sea use proposals arising from the existence of sacred sites.

Protection of sacred sites

Provide statutory services to protect and register sacred sites, and support the avoidance of sacred sites in economic development and use of land. This includes assessing applications for Authority certificates, undertaking consultations with Aboriginal custodians, documenting, evaluating and registering sacred sites, and maintaining sacred site records.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Authority certificates issued ¹	100	118	100
Average time between receiving authority certificate applications and completing service (days)	≤ 120	120	≤ 120
Requests for information completed	850	850	850
Average time between receiving requests for information and completing service (days)	≤ 3	3	≤ 3
Statutory appeals	≤ 1%	1%	≤ 1%

1 The variation in 2025-26 reflects time-limited increases in project funding.

Corporate and shared services

Objective: Improved organisational performance through strategic and governance leadership and the provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the authority's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.

Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	3 323	3 445
Commonwealth		
Sales of goods and services	6 215	3 223
Interest revenue		
Goods and services received free of charge	971	971
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	10 509	7 639
EXPENSES		
Employee expenses	5 383	4 553
Administrative expenses		
Purchases of goods and services	3 947	1 907
Repairs and maintenance		
Depreciation and amortisation	8	4
Services free of charge	971	971
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	10 309	7 435
NET SURPLUS (+)/DEFICIT (-)¹	200	204

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	105	108
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	105	108

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	2 634	2 842
Receivables	763	763
Prepayments	6	6
Inventories		
Advances and investments		
Property, plant and equipment	13	9
Other assets		
TOTAL ASSETS	3 416	3 620
LIABILITIES		
Deposits held		
Creditors and accruals	269	269
Borrowings and advances		
Provisions	450	450
Other liabilities	518	518
TOTAL LIABILITIES	1 237	1 237
NET ASSETS	2 179	2 383
EQUITY		
Capital		
Opening balance	- 2 379	- 2 379
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	4 358	4 558
Current year surplus (+)/deficit (-)	200	204
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	2 179	2 383

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	3 323	3 445
Commonwealth		
Other agency receipts from sales of goods and services	6 215	3 223
Interest received		
Total operating receipts	9 538	6 668
Operating payments		
Payments to employees	5 383	4 553
Payments for goods and services	3 947	1 907
Grants and subsidies paid		
Current		
Capital		
Community service obligations		
Interest paid		
Total operating payments	9 330	6 460
NET CASH FROM OPERATING ACTIVITIES	208	208
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals		
Service concession liability payments		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES		
Net increase (+)/decrease (-) in cash held	208	208
Cash at beginning of financial year	2 426	2 634
CASH AT END OF FINANCIAL YEAR	2 634	2 842

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Output appropriation	3 323	3 445	122	
Sales of goods and services	6 215	3 223	- 2 992	1
Fees and charges	6 215	3 223	- 2 992	
Goods and services received free of charge	971	971		
OPERATING REVENUE	10 509	7 639	- 2 870	

1 The variation reflects an increase in sacred site clearance requests for major development activities in 2025-26.

Department of Corporate and Digital Development

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Corporate support development	202 368	205 053	212 504	1, 2
Workforce services	30 589	33 507	34 104	
Employment services	20 698	17 624	23 347	
Finance services	8 051	7 864	7 980	
Procurement services	9 272	9 274	9 438	
Property leasing services	120 383	121 311	123 565	
Information services	10 614	11 854	11 251	
Fines Recovery Unit	2 761	3 619	2 819	
Digital government development	241 091	225 731	224 414	3, 4
ICT network services	49 400	50 947	50 084	
Agency business systems and support services	69 280	75 968	71 256	
Across government systems and support services	28 473	29 789	28 158	
Digital projects	63 806	43 983	42 137	
Data and digital strategy and advisory services	26 639	20 994	28 808	
Web services	3 493	4 050	3 971	
Corporate and shared services	11 309	11 594	12 867	5, 6
Corporate and governance	8 590	9 034	10 108	
Shared services received	321	351	357	
Shared services provided	2 398	2 209	2 402	
Total expenses	454 768	442 378	449 785	
Appropriation				
Output	358 604	337 136	360 589	
Capital	21 163	17 758	20 197	
Commonwealth	2 200	2 200	300	

2026-27 staffing: 1,129 FTE

- The variation in the workforce services and employment services outputs in 2025-26 primarily reflect a transfer of employment actions and vacancy advertising functions from the employment services output to the workforce services output due to an internal business restructure, partly offset by transfer of the leadership development function to the Office of the Commissioner for Public Employment. The variation in the information services output in 2025-26 mostly relates to digital policy functions transferred from the data and digital strategy and advisory services output due to an internal business restructure. The variation in the Fines Recovery Unit output in 2025-26 is due to a one-off adjustment to align with increased estimated income from fine recoveries in 2025-26.
- The increase in the employment services output in 2026-27 is primarily due to new funding for the automation of human resource applications. The decrease in the information services output in 2026-27 is mostly due to one-off recoveries from agencies for courier and mail services in 2025-26. The decrease in the Fines Recovery Unit output in 2026-27 relates to a one-off adjustment to align with increased estimated income from fine recoveries in 2025-26.
- The data services and digital connectivity and strategy outputs have been combined in 2026-27 and backcast for 2025-26. The variation in the agency business systems and support services output in 2025-26 is primarily driven by a one-off depreciation adjustment for the Acacia program, and one-off cost recoveries for ICT projects. The variation in the digital projects output in 2025-26 is primarily driven by transfer of funding between years and cost transfers from operational to capital funding, offset by transfers from agencies and carryover from 2024-25. The variation in the data and digital strategy and advisory services output in 2025-26 reflects the deferral of Commonwealth funding for the Regional Roads Australia Mobile Program and mobile connectivity services to 2026-27. The variation in the web services output in 2025-26 is mainly due to funding received from agencies for projects and web hosting, support and design.
- The decrease in the agency business systems and support services output in 2026-27 is primarily driven by a one-off adjustment for depreciation for the Acacia program in 2025-26. The decrease in the across government systems and support services output in 2026-27 is mostly due to an adjustment for depreciation of the Sage system in 2025-26. The increase in the data and digital strategy and advisory services output in 2026-27 reflects Commonwealth funding for the Regional Roads Australia Mobile Program and mobile connectivity services transferred from 2025-26 to 2026-27.
- The increases in the corporate and governance output in 2025-26 and 2026-27 reflect internal realignment to strengthen corporate governance, risk management and compliance.
- The variation in the shared services provided output in 2025-26 relates to recovery of building utilities costs from various agencies.

Agency profile

The Department of Corporate and Digital Development supports all government agencies by delivering corporate and digital services, providing expert advice, developing transformative solutions and managing the Territory Government's digital environment.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Automation of the government payroll system		5 000
Electronic rostering system for the Department of Corrections		2 800
Key existing initiatives		
Education Management Transformation program (on behalf of the Department of Education and Training)	6 441	23 409
Acacia program (on behalf of the Department of Health)	23 007	14 309
Northern Territory mobile driver licence (on behalf of the Department of Logistics and Infrastructure)	3 817	13 562
Joint Emergency Services Communications Centre upgrade (on behalf of Northern Territory Police Force)	1 066	8 400
Data management system for Aboriginal Areas Protection Authority	1 320	5 000
Telecommunications uplift for Territory schools (on behalf of Department of Education and Training)	4 000	4 000
Territory Services online portal	4 800	3 800
Pensioner Concession Scheme upgrade (on behalf of Department of People, Sport and Culture)	526	1 840
eConveyancing (on behalf of Attorney-General's Department, Department of Treasury and Finance and Department of Lands, Planning and Environment)	3 010	1 020
School LAN cabling (on behalf of Department of Education and Training)	2 764	300
Web-based Emergency Operations Centre upgrade (on behalf of Northern Territory Fire and Emergency Service)	768	100
National Firearms Registry (on behalf of Northern Territory Police Force)	2 772	
NTGPay – Procure to Pay system (on behalf of Department of Logistics and Infrastructure)	639	

Output groups and objectives

Corporate support development

Objective: Professional, responsive and consistent corporate services, high quality value-adding solutions and trusted advice that enables agencies to focus on their core business and delivering government priorities.

Workforce services

Provide workforce services, including operational human resource, recruitment, case management and training services, assisting agencies to develop and manage their workforce and meet employer obligations.

Employment services

Deliver payroll operations and employment advisory and assurance services that enable accurate, consistent and compliant employment arrangements across government.

Finance services

Provide whole of government finance operations and expert advice that support agencies to manage their financial resources effectively.

Procurement services

Deliver procurement and contract administration services, advice and innovation, enabling agencies to source goods and services needed for their business operations, including establishing and managing across-government contracts.

Property leasing services

Deliver property leasing and tenancy management services and advice to meet the commercial leased accommodation requirements of agencies.

Information services

Provide information and records management services to agencies to manage their business records effectively. Deliver FOI services to applicants and agencies. Prepare digital policies and standards for government.

Fines Recovery Unit

Process and collect fines and infringements (penalties). Take enforcement action to collect overdue penalties.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Average days taken to resolve human resource matters ¹	≤ 92	67	≤ 80
Hours to complete a preliminary assessment of first level human resource service requests (average) ²	≤ 2	3.4	≤ 2
Participants commencing in enterprise early careers programs ³	390	340	350
NTPS employee completions of training programs coordinated by the department ⁴	≥ 18 000	30 024	≥ 30 000
Payroll client queries resolved on first contact ⁵	≥ 70%	58%	≥ 70%
Days to activate new employees on payroll system (average)	≤ 4	4	≤ 4
Across-government contracts – annual contractor performance reviews ⁶	250	255	270
Days to process tender documents (average)	≤ 3	2.9	≤ 3
Days to process information management service requests	≤ 2	1.9	≤ 2
Applications made under the <i>Information Act 2002</i> finalised within statutory timeframes	≥ 95%	97%	≥ 95%
Fines and penalties collection rate ⁷	≥ 85%	78.5%	≥ 80%
Payments processing accuracy	100%	100%	100%
Days to collect debts (average) ⁸	≤ 55	60	≤ 55
Leased accommodation occupancy density (m ² /FTE)	15.5	14.5	15.5
Unallocated net lettable area	≤ 0.4%	0.37%	≤ 0.4%

- 1 The variation in 2025-26 reflects the complexity of cases managed, which fluctuate from year to year.
- 2 The variation in 2025-26 is due to an increase in service demand.
- 3 The variation in 2025-26 is due to a decline in employment offers by agencies across the programs. The decrease in the 2026-27 target aligns more closely with 2025-26 participation figures.
- 4 The 2025-26 target refers to training programs coordinated by workforce services. The variation in 2025-26 estimate and increase in the 2026-27 target is due to the scope of the measure being revised to include training programs delivered by the whole department.
- 5 The variation in 2025-26 is due to high volumes of complex work requiring manual back-dating, extending resolution times.
- 6 The increase in the 2026-27 target is due to additional contractors on new across-government contracts.
- 7 The variation in 2025-26 is due to external factors impacting collection timeframes, such as increased value of debts due to indexation and cost-of-living pressures. The decrease in the 2026-27 target aligns performance expectations with current operating conditions.
- 8 The variation in 2025-26 is due to an increase in the number of invoices requiring debt collection actions.

Digital government development

Objective: Transformative customer-focused digital solutions and services operating in a secure and controlled ICT environment, leveraging technology and connectivity to support and improve government service delivery.

ICT network services

Operate and oversee government's ICT network, infrastructure, cyber security operations and sourcing of ICT services to manage and sustain government's digital ecosystem.

Agency business systems and support services

Provide systems administration and support services, improvement initiatives, digital solutions and technical advice for systems in agencies that support them to deliver services to the community.

Across government systems and support services

Provide systems administration and support services, improvement initiatives, digital solutions and technical advice for systems that operate across government to support the NTPS.

Digital projects

Implement major digital projects in collaboration with agencies. Provide advice and guidance to agencies on new project proposals that help deliver efficient, customer-focused digital solutions.

Data and digital strategy and advisory services

Lead whole-of-government data and digital strategy, support digital transformation and advocate for improved digital connectivity. Manage government data and provide analytics and reporting to enable informed decision-making.

Web services

Provide web management and digital content services and solutions to support agencies in delivering clear, accessible online government information and services to the community.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
ICT Service Centre queries resolved on first contact	≥ 70%	74%	≥ 70%
Availability of core agency business systems	≥ 99%	99.9%	≥ 99%
Availability of core across-government systems	≥ 99%	99%	≥ 99%
Average annual unscheduled outages per core system	≤ 2	2	≤ 2
Availability of OneNTG business intelligence environment	≥ 99%	99.9%	≥ 99%
Days to process website publishing requests (average)	≤ 5	3	≤ 5
Major ICT projects overseen by the ICT Governance Board	≥ 90%	100%	100%
Additional published datasets on the Territory open data portal	≥ 30	32	≥ 30

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and governance, and provision of corporate services functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive infrastructure services from the Department of Logistics and Infrastructure.

Shared services provided

Provide corporate and governance services to support functions and divisions assisted by the department, primarily NT Fleet and Data Centre Services.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation		
Output	337 136	360 589
Commonwealth	500	8 400
Sales of goods and services	49 355	48 743
Interest revenue		
Goods and services received free of charge	351	357
Gain (+)/loss (-) on disposal of assets		
Other revenue	23 740	10 557
TOTAL INCOME	411 082	428 646
EXPENSES		
Employee expenses	161 373	163 809
Administrative expenses		
Purchases of goods and services	157 653	162 121
Repairs and maintenance		
Depreciation and amortisation	100 568	94 432
Services free of charge	351	357
Other administrative expenses	5	
Grants and subsidies expenses		
Current	1 292	1 313
Capital	364	8 400
Community service obligations		
Interest expenses	20 772	19 353
TOTAL EXPENSES	442 378	449 785
NET SURPLUS (+)/DEFICIT (-)¹	- 31 296	- 21 139

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services		
Interest revenue		
Royalties and rents		
Other revenue	15 131	15 737
TOTAL INCOME	15 131	15 737

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	50 618	33 571
Receivables	6 397	6 397
Prepayments	24 732	24 732
Inventories		
Advances and investments		
Property, plant and equipment	609 836	547 966
Other assets	377 122	410 071
TOTAL ASSETS	1 068 705	1 022 737
LIABILITIES		
Deposits held	956	956
Creditors and accruals	28 089	28 089
Borrowings and advances	618 327	561 428
Provisions	23 326	23 326
Other liabilities	9 285	1 185
TOTAL LIABILITIES	679 983	614 984
NET ASSETS	388 722	407 753
EQUITY		
Capital		
Opening balance	425 626	478 229
Equity injections/withdrawals	52 603	40 170
Reserves		
Accumulated funds		
Opening balance	- 58 211	- 89 507
Current year surplus (+)/deficit (-)	- 31 296	- 21 139
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	388 722	407 753

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Appropriation		
Output	337 136	360 589
Commonwealth	2 200	300
Other agency receipts from sales of goods and services	73 095	59 300
Interest received		
Total operating receipts	412 431	420 189
Operating payments		
Payments to employees	161 420	163 809
Payments for goods and services	157 653	162 121
Grants and subsidies paid		
Current	1 292	1 313
Capital	364	8 400
Community service obligations		
Interest paid	20 772	19 353
Total operating payments	341 501	354 996
NET CASH FROM OPERATING ACTIVITIES	70 930	65 193
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	34 863	43 883
Advances and investing payments		
Total investing payments	34 863	43 883
NET CASH FROM INVESTING ACTIVITIES	- 34 863	- 43 883
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	17 758	20 197
Commonwealth		
Equity injections	34 938	19 973
Total financing receipts	52 696	40 170
Financing payments		
Repayment of borrowings		
Lease payments	77 676	78 527
Equity withdrawals	200	
Service concession liability payments		
Total financing payments	77 876	78 527
NET CASH FROM FINANCING ACTIVITIES	- 25 180	- 38 357
Net increase (+)/decrease (-) in cash held	10 887	- 17 047
Cash at beginning of financial year	39 731	50 618
CASH AT END OF FINANCIAL YEAR	50 618	33 571

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Output appropriation	337 136	360 589	23 453	1
Commonwealth appropriation				
National partnership agreements	500	8 400	7 900	2
Aged care worker screening – preparatory support Northern Territory	500		- 500	
Regional Roads Australia Mobile Program		5 700	5 700	
Mobile connectivity services		2 700	2 700	
Sales of goods and services	49 355	48 743	- 612	
ICT infrastructure services	32 820	32 820		
Rent recovery	5 011	4 937	- 74	
Shared services corporate management charges	4 890	5 152	262	
Enforcement fees	3 619	2 819	- 800	
ICT identity and coordination services	1 973	1 973		
Salary sacrifice administrative fees	1 042	1 042		
Goods and services received free of charge	351	357	6	
Other revenue	23 740	10 557	- 13 183	3
OPERATING REVENUE	411 082	428 646	17 564	
Capital appropriation	17 758	20 197	2 439	4
CAPITAL RECEIPTS	17 758	20 197	2 439	

1 The variation mainly reflects the timing of funding in line with milestone payments for various ICT projects including the Acacia program, data management system, Joint Emergency Services Communications Centre and strategic information projects.

2 The variations are in line with relevant Commonwealth agreements.

3 The variation mostly relates to one-off cost recovery for ICT system development costs in 2025-26 for various projects.

4 The variation is due to the timing of funding in line with milestone payments for various ICT projects including eConveyancing, mobile driver licence and Acacia projects.

Data Centre Services

Business line	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Income	33 006	35 962	35 850	1
Data centre management	33 006	35 962	35 850	
Expenses	29 800	32 451	32 258	2
Data centre management	29 800	32 451	32 258	
Surplus (+)/deficit (-) before income tax	3 206	3 511	3 592	

2026-27 staffing: 46 FTE

1 The variation in 2025-26 is primarily due to an overall increase in ICT revenue from client agencies.

2 The variation in 2025-26 relates to increased software, licensing and contractor costs.

Business division profile

Data Centre Services delivers core ICT infrastructure and support services to Territory Government agencies.

Performance

Performance in 2026-27 is expected to be broadly consistent with 2025-26.

Business line

Data centre management

Objective: A computing environment that is reliable, adaptable and secure for government's critical digital systems, with high levels of performance and availability.

Activities: Deliver high quality, reliable and secure enterprise-scale computing services across a diverse range of technology platforms that support government operations.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Fully managed servers	2 070	2 057	2 100
Data storage (terabytes)	15 000	15 000	15 500
Virtual server computing availability	100%	100%	100%
Mainframe computing availability	100%	100%	100%

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations		
Sales of goods and services	33 722	33 722
Interest revenue	493	493
Rent and dividends		
Gain (+)/loss (-) on disposal of assets		
Other revenue	1 747	1 635
TOTAL INCOME	35 962	35 850
EXPENSES		
Employee expenses	7 194	7 193
Administrative expenses		
Purchases of goods and services	20 664	20 675
Repairs and maintenance		
Depreciation and amortisation	4 215	4 053
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expenses	378	337
TOTAL EXPENSES	32 451	32 258
SURPLUS (+)/DEFICIT (-) BEFORE INCOME TAX	3 511	3 592
Income tax expense	1 053	1 078
NET SURPLUS (+)/DEFICIT (-)	2 458	2 514

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	17 643	20 390
Receivables	2 645	2 645
Prepayments	8 988	8 988
Inventories		
Advances and investments		
Property, plant and equipment	21 032	18 574
Other assets		
TOTAL ASSETS	50 308	50 597
LIABILITIES		
Deposits held		
Creditors and accruals	885	885
Borrowings and advances	12 094	11 073
Provisions	3 427	3 480
Other liabilities	30	30
TOTAL LIABILITIES	16 436	15 468
NET ASSETS	33 872	35 129
EQUITY		
Capital		
Opening balance	4 560	4 560
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	28 083	29 312
Current year surplus (+)/deficit (-)	2 458	2 514
Dividends paid/payable	- 1 229	- 1 257
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	33 872	35 129

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations		
Receipts from sales of goods and services	35 469	35 357
Interest received	493	493
Total operating receipts	35 962	35 850
Operating payments		
Payments to employees	7 194	7 193
Payments for goods and services	20 664	20 675
Grants and subsidies paid		
Current		
Capital		
Interest paid	378	337
Income tax paid	1 059	1 053
Total operating payments	29 295	29 258
NET CASH FROM OPERATING ACTIVITIES	6 667	6 592
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	2 545	1 595
Advances and investing payments		
Total investing payments	2 545	1 595
NET CASH FROM INVESTING ACTIVITIES	- 2 545	- 1 595
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments	1 102	1 021
Dividends paid	1 235	1 229
Equity withdrawals		
Service concession liability payments		
Total financing payments	2 337	2 250
NET CASH FROM FINANCING ACTIVITIES	- 2 337	- 2 250
Net increase (+)/decrease (-) in cash held	1 785	2 747
Cash at beginning of financial year	15 858	17 643
CASH AT END OF FINANCIAL YEAR	17 643	20 390

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation
	\$000	\$000	\$000
Sales of goods and services	33 722	33 722	
Data centre management	33 722	33 722	
Interest revenue	493	493	
Other revenue	1 747	1 635	- 112
Infosphere and IBM hardware maintenance	1 747	1 635	- 112
OPERATING REVENUE	35 962	35 850	- 112

NT Fleet

Business line	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Income	48 308	50 050	52 377	1
Vehicle fleet services	48 308	50 050	52 377	
Expenses	34 274	36 343	37 010	2
Vehicle fleet services	34 274	36 343	37 010	
Surplus (+)/deficit (-) before income tax	14 034	13 707	15 367	

2026-27 staffing: 19 FTE

1 The variation in 2025-26 relates to increased lease revenue as a result of higher new vehicle costs.

2 The variation in 2025-26 reflects higher depreciation as a result of higher new vehicle costs.

Business division profile

NT Fleet provides fleet management and advisory services to the Territory Government, with the exception of Northern Territory Police Force and Northern Territory Fire and Emergency Service vehicles.

Performance

Performance in 2026-27 is expected to be broadly consistent with 2025-26.

Business line

Vehicle fleet services

Objective: Safe, cost-efficient, fit-for-purpose vehicles that support agencies' requirements.

Activities: Acquisition, leasing, whole-of-life management and disposal of a diverse fleet of vehicle assets used by agencies to deliver their core business.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Vehicles managed	3 681	3 638	3 647
Light vehicles managed within the Territory Government fleet policy	≥ 90%	96%	≥ 90%
Electric vehicles in the Territory fleet	159	145	159

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations		
Sales of goods and services	45 327	45 296
Interest revenue	374	374
Rent and dividends		
Gain (+)/loss (-) on disposal of assets	3 832	6 500
Other revenue	517	207
TOTAL INCOME	50 050	52 377
EXPENSES		
Employee expenses	2 533	3 207
Administrative expenses		
Purchases of goods and services	16 150	16 149
Repairs and maintenance		
Depreciation and amortisation	17 319	17 319
Other administrative expenses	311	311
Grants and subsidies expenses		
Current		
Capital		
Interest expenses	30	24
TOTAL EXPENSES	36 343	37 010
SURPLUS (+)/DEFICIT (-) BEFORE INCOME TAX	13 707	15 367
Income tax expense	4 112	4 610
NET SURPLUS (+)/DEFICIT (-)	9 595	10 757

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	12 197	12 112
Receivables	2 162	2 162
Prepayments	2 134	2 134
Inventories		
Advances and investments		
Property, plant and equipment	137 834	144 380
Other assets	3 155	2 979
TOTAL ASSETS	157 482	163 767
LIABILITIES		
Deposits held		
Creditors and accruals	2 507	2 507
Borrowings and advances	713	541
Provisions	9 399	10 478
Other liabilities	24	24
TOTAL LIABILITIES	12 643	13 550
NET ASSETS	144 839	150 217
EQUITY		
Capital		
Opening balance	6 565	6 565
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	133 477	138 274
Current year surplus (+)/deficit (-)	9 595	10 757
Dividends paid/payable	- 4 798	- 5 379
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	144 839	150 217

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations		
Receipts from sales of goods and services	45 844	45 503
Interest received	374	374
Total operating receipts	46 218	45 877
Operating payments		
Payments to employees	2 533	3 207
Payments for goods and services	16 150	16 149
Grants and subsidies paid		
Current		
Capital		
Interest paid	30	24
Income tax paid	4 410	4 112
Total operating payments	23 123	23 492
NET CASH FROM OPERATING ACTIVITIES	23 095	22 385
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	12 300	15 500
Repayment of advances		
Sales of investments		
Total investing receipts	12 300	15 500
Investing payments		
Purchases of assets	31 200	33 000
Advances and investing payments		
Total investing payments	31 200	33 000
NET CASH FROM INVESTING ACTIVITIES	- 18 900	- 17 500
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments	166	172
Dividends paid		4 798
Equity withdrawals		
Service concession liability payments		
Total financing payments	166	4 970
NET CASH FROM FINANCING ACTIVITIES	- 166	- 4 970
Net increase (+)/decrease (-) in cash held	4 029	- 85
Cash at beginning of financial year	8 168	12 197
CASH AT END OF FINANCIAL YEAR	12 197	12 112

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Sales of goods and services	45 327	45 296	- 31	
Vehicle lease revenue	45 327	45 296	- 31	
Interest revenue	374	374		
Gain (+)/loss (-) on disposal of assets	3 832	6 500	2 668	1
Other revenue	517	207	- 310	
OPERATING REVENUE	50 050	52 377	2 327	

1 The variation reflects an expected increase in disposal of vehicles in 2026-27.

Department of Education and Training

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Early childhood education and care services	25 731	31 559	30 550	1
Early childhood education and care services	25 731	31 559	30 550	
Government education	976 607	986 168	1 034 428	2, 3
Preschool education	43 511	51 165	52 147	
Primary years education	542 954	536 173	566 018	
Secondary years education	388 584	396 910	414 705	
International education	1 558	1 920	1 558	
Non-government education	343 265	337 657	351 925	4
Primary and secondary years education	343 265	337 657	351 925	
Training and higher education	120 046	118 517	120 812	
Training	110 546	108 761	111 052	
Higher education	9 500	9 756	9 760	
Corporate and shared services	84 996	91 852	93 351	5
Corporate and governance	18 540	19 343	20 115	
Shared services received	66 456	72 509	73 236	
Total expenses	1 550 645	1 565 753	1 631 066	
Appropriation				
Output	713 813	711 938	766 546	
Commonwealth	654 902	669 584	697 604	

2026-27 staffing: 4,994 FTE

- 1 The variation in 2025-26 is primarily due to additional Commonwealth funding for renewal of the Connected Beginnings Program and carryover of funds from prior years for various programs.
- 2 The variation in the preschool education output in 2025-26 reflects additional Territory and Commonwealth funding distributed through the school resourcing model, and renewal of the Commonwealth's Preschool Reform Agreement. The variation in the primary and secondary years education outputs in 2025-26 reflects the actual distribution of the school resourcing model funding to government schools for 2025 and 2026 calendar years. Funding is driven by enrolments, student needs and targeted programs. The variation in the international education output reflects higher than expected international student fees received in 2025-26.
- 3 The increase in the primary and secondary years education outputs in 2026-27 is mostly due to additional Territory and Commonwealth funding to support Schooling Resource Standard targets associated with the Better and Fairer Schools Agreement.
- 4 The variation in 2025-26 is primarily due to aligning Commonwealth funding under the Better and Fairer Schools Agreement to match the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2025-26*.
- 5 The variation in the shared services received output in 2025-26 reflects revisions to the Department of Corporate and Digital Development's cost allocation model.

Agency profile

The Department of Education and Training delivers, supports and regulates early childhood, education and training services to provide all Territorians with the skills and capabilities to contribute to the Territory's economic and social future. It has a range of strategic policy, regulatory, service delivery and support responsibilities, including:

- ensuring high quality early learning and development programs support a strong start in life
- delivering high quality education services focused on getting back to basics with explicit instruction in literacy and numeracy to re-engage children and young people through flexible learning and intensive support
- providing a high quality and flexible vocational education and training (VET) system to all Territorians
- creating better pathways for all Territorians to real and critical jobs
- supporting Territory institutions to deliver tertiary education
- providing a regulatory function over the operation of early childhood education and care services, and non-government schools.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Strengthening training and workforce in the VET sector ¹	5 565	9 721
Advancing VET for secondary students	7 978	8 578
Early Childhood Safe Start, Strong Future	744	1 169
Teacher registration board digital registration platform		1 100
Key existing initiatives		
Government schools resourcing including centralised school costs ^{1,2}	729 834	779 349
Supporting apprenticeships and traineeships ¹	28 083	30 196
Keeping and attracting teachers ¹	14 133	14 642
Boosting literacy and numeracy – embedding practice ¹	13 418	13 682
Increasing school attendance ¹	12 154	12 340
Continued implementation of the Preschool Reform Agreement ¹	8 732	5 400
Expanding qualified counsellors in schools	1 979	3 374
Swimming programs in schools for government and non-government schools	3 000	3 000
New capital works		
Palmerston Secondary Special Education School		110 000
Palmerston secondary reform school capacity upgrades – Rosebery and Driver		9 500
Ali Curung School upgrades		3 500

1 Includes Commonwealth funding.

2 Government schools resourcing is published on a calendar-year basis. Government school funding allocations for 2027 are expected to be finalised in October 2026.

Output groups and objectives

Early childhood education and care services

Objective: Quality early childhood programs and services to provide a strong start for all Territory children.

Early childhood education and care services

Provide strategic advice, assistance and regulation of early childhood education and care services. Provide targeted and integrated early childhood services, family support and capacity-building programs to give children a strong start in life.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Proportion of approved services with a quality rating meeting national quality standard or higher ¹	≥ 83%	84%	≥ 85%

¹ Measure based on Australian Children’s Education and Care Quality Authority ratings for the December quarter.

Government education

Objective: Territorians of all ages are learning the skills and developing capabilities to contribute to the Territory’s economic and social future.

Preschool education

Provide quality, evidence-based preschool education programs that support a strong start for children.

Primary years education

Deliver the Australian curriculum and boost literacy and numeracy through providing quality learning programs with explicit instruction and targeted support for students from transition to year 6.

Secondary years education

Deliver the Australian curriculum, VET in Schools and the Northern Territory Certificate of Education and Training (NTCET) to enhance educational outcomes and create better pathways beyond schooling to real and critical jobs.

International education

Provide strategic advice and services to strengthen international education through growing international school partnerships and fee-paying international student numbers at Territory Government schools.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Total preschool student enrolments ^{1,2}	2 800	2 746	2 700
Aboriginal preschool student enrolments ^{1,2}	1 200	1 145	1 150
Preschool attendance rate: ³			
– non-Aboriginal	≥ 88%	87%	≥ 88%
– Aboriginal	≥ 53%	51%	≥ 53%
Total primary and secondary student enrolments ¹	29 400	29 383	29 400
Aboriginal primary and secondary student enrolments ¹	13 200	12 985	13 100
Primary and secondary attendance rate: ³			
– non-Aboriginal	≥ 86%	85%	≥ 88%
– Aboriginal	≥ 60%	55%	≥ 60%
NAPLAN – Proportion of students who achieved strong or exceeding proficiency levels: ⁴			
– reading – non-Aboriginal students	≥ 61%	58%	≥ 59%
– reading – Aboriginal students	≥ 17%	12%	≥ 13%
– numeracy – non-Aboriginal students	≥ 55%	54%	≥ 55%
– numeracy – Aboriginal students	≥ 13%	9%	≥ 10%
NAPLAN – Proportion of students whose results indicate they need additional support: ⁴			
– reading – outer regional students	≤ 16%	20%	≤ 19%
– reading – remote students	≤ 34%	38%	≤ 37%
– reading – very remote students	≤ 74%	81%	≤ 80%
– numeracy – outer regional students	≤ 16%	18%	≤ 17%
– numeracy – remote students	≤ 34%	39%	≤ 38%
– numeracy – very remote students	≤ 74%	82%	≤ 81%
Students attaining a NTCET:			
– non-Aboriginal ⁵	873	861	783
– Aboriginal ⁶	162	186	208
NTCET attainment rate: ⁷			
– non-Aboriginal	≥ 86%	84%	≥ 86%
– Aboriginal	≥ 37%	42%	≥ 38%

1 Enrolment numbers are sourced from the Age Grade Census and are not comparable to attendance rates.

Enrolments vary due to multiple factors including population migration and family choice of education sectors.

2 Territory children may be enrolled in approved preschool programs outside the government sector, including in long day care settings.

3 Average attendance rate across the school year.

4 The National Assessment Program – Literacy and Numeracy (NAPLAN) results are volatile year to year. Measures are derived from national NAPLAN proficiency standards.

5 The decrease in the 2026-27 target reflects a lower proportion of non-Aboriginal students in the year 12 starting cohort, noting overall cohort size remains largely consistent with the previous year.

6 The variation in 2025-26 is primarily due to a higher than anticipated NTCET attainment rate for Aboriginal students and the increase in the 2026-27 target reflects a higher proportion of Aboriginal students in the starting year 12 cohort.

7 The NTCET attainment rate is based on students attaining a NTCET as a proportion of year 12 students enrolled at the start of the school year.

Non-government education

Objective: Quality education choices for Territory families and communities.

Primary and secondary years education

Regulate non-government schools providing primary and secondary year programs, administer Commonwealth and Territory grants, and work in partnership to deliver education services to Territorians.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Total primary and secondary student enrolments ¹	11 200	11 252	11 200
Aboriginal primary and secondary student enrolments ¹	2 800	2 950	2 800
Primary and secondary attendance rate: ²			
– non-Aboriginal	≥ 90%	88%	≥ 91%
– Aboriginal	≥ 62%	60%	≥ 62%
Students attaining a NTCET: ³			
– non-Aboriginal	392	421	491
– Aboriginal ⁴	61	75	80

1 Enrolment numbers are sourced from the Age Grade Census and are not comparable to attendance rates.

Enrolments vary due to multiple factors including population migration and family choice of education sectors.

2 Average attendance rate across the school year.

3 The 2026-27 targets include Territory school students completing a Victorian Certificate of Education.

4 The variation in 2025-26 is primarily due to a higher than anticipated number of Aboriginal students in the starting year 12 cohort.

Training and higher education

Objective: Skill requirements of the Territory economy are met through responsive training and higher education sectors that are aligned to the needs of Territorians and Territory employers.

Training

Provide overarching stewardship of the VET system that cultivates a skilled, adaptable workforce to support rebuilding the Territory economy.

Higher education

Manage higher education legislation, strategic advice and funding for Charles Darwin University and Batchelor Institute of Indigenous Tertiary Education to support a strong and responsive higher education sector in the Territory.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
School students who completed a Certificate II, III or IV qualification:			
– government school sector ¹	441	571	580
– non-government school sector ¹	315	350	320
Apprenticeship and traineeship commencement	2 450	2 187	2 250
Apprentices and trainees – Aboriginal or Torres Strait Islander	≥ 30%	33%	≥ 33%
VET graduates in employment or further study ²	n/a	85%	≥ 85%

1 The variation in 2025-26 is primarily due to increased uptake of VET.

2 Revised measurement methodology based on the age group of 15-65 years old, replacing the previous measure using 20-64 year olds.

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and governance, and provision of corporate functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions including financial services, portfolio project and performance management, safety management, complaints resolution, strategic policy, intergovernmental relations, governance and risk management, and corporate communications.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development.
Receive infrastructure services from the Department of Logistics and Infrastructure.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	8 665	6 652
Capital		
Appropriation		
Output	711 938	766 546
Commonwealth	649 673	699 415
Sales of goods and services	15 380	16 448
Interest revenue		
Goods and services received free of charge	72 507	73 237
Gain (+)/loss (-) on disposal of assets		
Other revenue	3 717	223
TOTAL INCOME	1 461 880	1 562 521
EXPENSES		
Employee expenses	725 349	768 299
Administrative expenses		
Purchases of goods and services	97 929	96 391
Repairs and maintenance		
Depreciation and amortisation	63 427	63 656
Services free of charge	72 507	73 237
Other administrative expenses	872	
Grants and subsidies expenses		
Current	600 217	624 217
Capital	5 012	4 836
Community service obligations		
Interest expenses	440	430
TOTAL EXPENSES	1 565 753	1 631 066
NET SURPLUS (+)/DEFICIT (-)¹	- 103 873	- 68 545

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	740	762
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	740	762

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	61 607	57 744
Receivables	9 397	9 397
Prepayments	1 757	1 757
Inventories		
Advances and investments		
Property, plant and equipment	1 449 341	1 385 685
Other assets		
TOTAL ASSETS	1 522 102	1 454 583
LIABILITIES		
Deposits held		
Creditors and accruals	23 505	23 505
Borrowings and advances	11 600	11 337
Provisions	76 595	76 595
Other liabilities	2 712	901
TOTAL LIABILITIES	114 412	112 338
NET ASSETS	1 407 690	1 342 245
EQUITY		
Capital		
Opening balance	1 778 487	1 821 514
Equity injections/withdrawals	43 027	3 100
Reserves	503 615	503 615
Accumulated funds		
Opening balance	- 813 566	- 917 439
Current year surplus (+)/deficit (-)	- 103 873	- 68 545
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	1 407 690	1 342 245

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	8 665	6 652
Capital		
Appropriation		
Output	711 938	766 546
Commonwealth	669 584	697 604
Other agency receipts from sales of goods and services	17 977	16 671
Interest received		
Total operating receipts	1 408 164	1 487 473
Operating payments		
Payments to employees	725 349	768 299
Payments for goods and services	97 929	96 391
Grants and subsidies paid		
Current	600 217	624 217
Capital	5 012	4 836
Community service obligations		
Interest paid	440	430
Total operating payments	1 428 947	1 494 173
NET CASH FROM OPERATING ACTIVITIES	- 20 783	- 6 700
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections	21 000	23 000
Total financing receipts	21 000	23 000
Financing payments		
Repayment of borrowings		
Lease payments	260	263
Equity withdrawals	15 600	19 900
Service concession liability payments		
Total financing payments	15 860	20 163
NET CASH FROM FINANCING ACTIVITIES	5 140	2 837
Net increase (+)/decrease (-) in cash held	- 15 643	- 3 863
Cash at beginning of financial year	77 250	61 607
CASH AT END OF FINANCIAL YEAR	61 607	57 744

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	8 313	6 652	- 1 661	1
Children and Schooling Program	4 443	3 782	- 661	
Connected Beginnings Program	3 034	2 455	- 579	
Community Child Care Fund	700	415	- 285	
Australian Early Development Census	136		- 136	
Other grants	352		- 352	
Northern Territory Risk Reduction Program	352		- 352	
Output appropriation	711 938	766 546	54 608	2
Commonwealth appropriation				
Specific purpose payments	614 116	673 180	59 064	1
Better and Fairer Schools Agreement – government schools	302 532	340 666	38 134	
Better and Fairer Schools Agreement – non-government schools	280 268	293 828	13 560	
National Skills Agreement	31 316	38 686	7 370	
National partnership agreements	35 557	26 235	- 9 322	1
Northern Territory Remote Aboriginal Investment – children and schooling	19 224	15 358	- 3 866	
Preschool Reform Agreement	5 100	5 400	300	
Turbocharging TAFE Centres of Excellence	4 054	1 241	- 2 813	
Fee-free TAFE Skills Agreement	3 272	3 011	- 261	
Workload Reduction Fund	2 000		- 2 000	
Transition funding for highly disadvantaged independent schools	990	550	- 440	
National Student Wellbeing Program	510	510		
Consent and respectful relationships education	407	165	- 242	
Sales of goods and services	15 380	16 448	1 068	3
School contributions	11 869	13 504	1 635	
International student fees	1 862	1 500	- 362	
ICT services for non-government schools	594	601	7	
Headleasing	384	384		
Training centres	173	90	- 83	
Boarder contributions	138	138		
NT Training Award	82	82		
Other	278	149	- 129	
Goods and services received free of charge	72 507	73 237	730	
Other revenue	3 717	223	- 3 494	4
OPERATING REVENUE	1 461 880	1 562 521	100 641	

1 The variations are in line with relevant Commonwealth agreements.

2 The increase largely reflects the Territory's increased contribution to support government and non-government schools as part of the Better and Fairer Schools Agreement.

3 The variation reflects higher school contributions in 2026.

4 The decrease largely reflects the return of unspent funds and recoveries for various programs in 2025-26.

Department of Trade, Business and Asian Relations

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Trade, business and Asian relations	65 749	62 411	64 506	1, 2
Business	38 813	38 244	37 342	
Workforce and population	8 213	8 214	8 334	
Trade and investment	18 723	15 953	18 830	
Corporate and shared services	23 271	18 372	18 214	3
Corporate and governance	4 109	4 776	4 568	
Shared services received	16 195	10 629	10 634	
Shared services provided	2 967	2 967	3 012	
Total expenses	89 020	80 783	82 720	
Appropriation				
Output	64 869	59 027	59 716	
Capital		300		
Commonwealth	188	2 307	4 939	

2026-27 staffing: 225 FTE

- 1 The variation in the trade and investment output in 2025-26 is primarily due to a transfer of funding to 2026-27 to support the winning investment to unlock growth initiative.
- 2 The increase in the trade and investment output in 2026-27 reflects additional funding for the winning investment to unlock growth initiative and Commonwealth funding for the National Water Grid Fund, partly offset by finalisation of advanced manufacturing grants and time-limited funding for the Critical Minerals National Productivity Initiative in 2025-26.
- 3 The variation in the corporate and governance output in 2025-26 is due to realignment of budget in line with agency operating requirements. The variation in the shared services received output in 2025-26 reflects post-machinery of government realignment of services received free of charge from the Department of Corporate and Digital Development and Department of Logistics and Infrastructure.

Agency profile

The Department of Trade, Business and Asian Relations works to shape a competitive environment that activates industry and business, attracts investment and drives growth to sustain a vibrant Territory economy and lifestyle.

Budget highlights

	2025-26 Revised	2026-27 Budget
New initiatives		
Winning investment to unlock growth		2 000
Safer Businesses, Stronger Economy, Better Lifestyle		1 500
Key existing initiatives		
Rebuilding Aviation Connectivity for the Economy	6 589	8 500
Attracting workers and students to grow the Territory population and economy	1 990	1 990

Output groups and objectives

Trade, business and Asian relations

Objective: Capable innovative businesses, growing industries, a skilled workforce to meet the needs of today and the future, and accelerated investment to support the Territory's growth.

Business

Improve business resilience, competitiveness and productivity through regulatory reform, efficient licensing, and by building capacity through targeted grant programs, business services and advice.

Grow local supply chain involvement in priority industries. Promote advanced technologies, manufacturing and digital services to enhance business operations and innovation. Improve airline connectivity for business and the community.

Administer the *Associations Act 2003* to ensure a compliant and capable not-for-profit sector. Deliver government's procurement framework of governance, strategy, capability and engagement, including reforms to improve efficiency and effectiveness.

Workforce and population

Lead research and analysis of the Territory's current and future labour market and skills requirements as key inputs to develop and implement workforce strategies to build a workforce with the skills and capabilities needed now and in the future.

Promote the Territory as a great place to work, study and live. Advocate to the Commonwealth on migration, international student and regional population settings.

Implement policies and initiatives that support workforce and population growth including by building awareness of career opportunities in the Territory. Connect workers and employers to grow populations across all regions.

Trade and investment

Build the Territory's investment pipeline through attraction and engagement with investors and businesses locally, domestically and internationally.

Develop and promote opportunities for investment and innovation in the Territory. Strategically target markets to accelerate, grow and diversify exports. Amplify the Territory in Asia and strengthen relationships to connect local businesses and industries with international markets and investors.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Customer satisfaction with business support services and programs	≥ 75%	75%	≥ 75%
Business grant recipients that report a positive impact on their business	≥ 90%	90%	≥ 90%
Business and skilled migration visas assessed ¹	2 500	2 700	2 500
Occupation licence applications processed within 30 days from lodgement of complete application	≥ 90%	92%	≥ 90%
Incorporated associations compliant with financial lodgements	≥ 70%	70%	≥ 70%
Growth in the investment pipeline	≥ 20%	20%	≥ 20%
Opportunities taken to market	4	4	4

¹ The variation in 2025-26 reflects an unexpected increase in the general migration program nomination applications due to a delay in Commonwealth visa nomination allocations and increased demand under the revamped Northern Territory Designated Area Migration Agreement program.

Corporate and shared services

Objective: Improved organisational performance through strategic leadership and provision of corporate and governance support functions.

Corporate and governance

Provide a range of corporate and governance services to support the agency's functions.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development and infrastructure services from the Department of Logistics and Infrastructure.

Shared services provided

Provide corporate services to the Department of Agriculture and Fisheries and the Department of Mining and Energy.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	435	
Capital		
Appropriation		
Output	59 027	59 716
Commonwealth	2 307	4 939
Sales of goods and services	4 318	4 013
Interest revenue		
Goods and services received free of charge	10 629	10 634
Gain (+)/loss (-) on disposal of assets		
Other revenue	1 308	1 375
TOTAL INCOME	78 024	80 677
EXPENSES		
Employee expenses	34 956	34 956
Administrative expenses		
Purchases of goods and services	11 456	12 435
Repairs and maintenance		
Depreciation and amortisation	115	121
Services free of charge	10 629	10 634
Other administrative expenses		
Grants and subsidies expenses		
Current	20 045	19 968
Capital	3 582	4 606
Community service obligations		
Interest expenses		
TOTAL EXPENSES	80 783	82 720
NET SURPLUS (+)/DEFICIT (-)¹	- 2 759	- 2 043

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants		
Fees from regulatory services	2 568	2 645
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	2 568	2 645

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	33 268	38 969
Receivables	1 897	1 897
Prepayments	331	331
Inventories		
Advances and investments	48 797	48 797
Property, plant and equipment	890	769
Other assets		
TOTAL ASSETS	85 183	90 763
LIABILITIES		
Deposits held	131	131
Creditors and accruals	3 669	3 669
Borrowings and advances	25 241	25 241
Provisions	4 482	4 482
Other liabilities		
TOTAL LIABILITIES	33 523	33 523
NET ASSETS	51 660	57 240
EQUITY		
Capital		
Opening balance	152 658	171 894
Equity injections/withdrawals	19 236	7 623
Reserves	- 5 809	- 5 809
Accumulated funds		
Opening balance	- 111 666	- 114 425
Current year surplus (+)/deficit (-)	- 2 759	- 2 043
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	51 660	57 240

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	435	
Capital		
Appropriation		
Output	59 027	59 716
Commonwealth	2 307	4 939
Other agency receipts from sales of goods and services	5 487	5 388
Interest received		
Total operating receipts	67 256	70 043
Operating payments		
Payments to employees	34 956	34 956
Payments for goods and services	11 456	12 435
Grants and subsidies paid		
Current	20 045	19 968
Capital	3 582	4 606
Community service obligations		
Interest paid		
Total operating payments	70 039	71 965
NET CASH FROM OPERATING ACTIVITIES	- 2 783	- 1 922
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	300	
Advances and investing payments	16 630	
Total investing payments	16 930	
NET CASH FROM INVESTING ACTIVITIES	- 16 930	
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	300	
Commonwealth		
Equity injections	58 630	32 623
Total financing receipts	58 930	32 623
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	40 000	25 000
Service concession liability payments		
Total financing payments	40 000	25 000
NET CASH FROM FINANCING ACTIVITIES	18 930	7 623
Net increase (+)/decrease (-) in cash held	- 783	5 701
Cash at beginning of financial year	34 051	33 268
CASH AT END OF FINANCIAL YEAR	33 268	38 969

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	136		- 136	
Barkly Regional Deal	136		- 136	
Other grants	299		- 299	
Food Security and Resupply Framework project	230		- 230	
Timor-Leste Saltwater Crocodile Management program	69		- 69	
Output appropriation	59 027	59 716	689	
Commonwealth appropriation				
National partnership agreements	2 307	4 939	2 632	1
Yulara water supply	1 500	4 600	3 100	
Copper and Critical Minerals Feasibility Study	300		- 300	
Recycling Modernisation Fund	258		- 258	
Illicit Tobacco Compliance and Enforcement Uplift	249	339	90	
Sales of goods and services	4 318	4 013	- 305	
Corporate shared services provided	2 967	3 012	45	
General skilled migration visas processing fees	980	630	- 350	
Tradestart	96	99	3	
Business and industry events	78	75	- 3	
Other	197	197		
Goods and services received free of charge	10 629	10 634	5	
Other revenue	1 308	1 375	67	
Agents Licensing Fidelity Guarantee Fund	1 089	1 156	67	
Procurement NT	200	200		
Other	19	19		
OPERATING REVENUE	78 024	80 677	2 653	
Capital appropriation	300		- 300	
CAPITAL RECEIPTS	300		- 300	

1 The variations are in line with the relevant Commonwealth agreements.

Department of Children and Families

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
Families	204 091	208 740	216 780	1
Family support	44 531	41 115	49 460	
Child protection	20 930	24 169	23 953	
Out of home care	138 630	143 456	143 367	
Domestic, family and sexual violence	71 503	66 130	63 511	2
Domestic, family and sexual violence services	71 503	66 130	63 511	
Homelessness	73 161	74 647	77 740	
Homelessness services	73 161	74 647	77 740	
Emergency management	680	923	929	3
Emergency management welfare group	680	923	929	
Corporate and shared services	23 375	32 706	33 902	4
Corporate and governance	4 132	10 051	11 330	
Shared services received	17 920	21 200	21 234	
Shared services provided	1 323	1 455	1 338	
Total expenses	372 810	383 146	392 862	
Appropriation				
Output	280 731	293 657	295 081	
Commonwealth	70 623	73 582	71 831	

2026-27 staffing: 589 FTE

- 1 The variations in the family support output are primarily due to revised timing of Commonwealth funding under the Northern Territory Remote Aboriginal Investment agreement. The variation in the child protection output in 2025-26 reflects an internal reprioritisation between outputs. The variation in the out of home care output in 2025-26 is due to additional funding to meet rising out of home care placement costs.
- 2 The variations in the domestic, family and sexual violence (DFSV) services output mostly relate to revised timing of Commonwealth funding under the Northern Territory Remote Aboriginal Investment agreement.
- 3 The variation in the emergency management welfare group output in 2025-26 is primarily due to increased funding under the Northern Territory Risk Reduction Program.
- 4 The variations in the corporate and governance output mostly reflect the centralisation of whole of agency corporate and governance costs that were previously allocated across outputs. The variation in the shared services received output in 2025-26 is mainly due to the Department of Corporate and Digital Development's revised cost allocation methodology.

Agency profile

The Department of Children and Families leads the Territory Government's responses to homelessness, DFSV and child protection, delivering prevention, early-intervention and tertiary services in partnership with families, communities and service providers. The agency works to empower people experiencing vulnerability to increase safety and wellbeing for themselves, their children and their community.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Out of home care placement costs	10 000	10 000
Carer register development ¹		600
Co-location and framework extension ¹	122	363
DFSV infrastructure	1 000	
Key existing initiatives		
Northern Territory Remote Aboriginal Investment: ¹		
– remote women's safe spaces	7 999	10 418
– child and family centres	1 200	8 179
– family support services	5 370	5 508
DFSV reduction and prevention:		
– Circuit Breaker program	8 300	8 300
– specialist services funding for an integrated system response	5 200	5 200
– programs in community settings for people committing DFSV	3 428	3 178
– co-responder regional presence	1 800	2 620
– training and resource centre	1 500	1 500
– whole of government policy, coordination and governance	2 566	1 500
– primary prevention grant program	1 400	1 162
– remote safe houses	500	500
– risk assessment by universal services	250	250
Family, Domestic and Sexual Violence Responses – National Partnership Agreement ¹	4 769	2 623

¹ Includes Commonwealth funding.

Output groups and objectives

Families

Objective: Territory children and young people live in safe environments and services provided are culturally safe, integrated, effective and individualised.

Family support

Provide early intervention and strengthen guardian capacity for families and children who are experiencing vulnerability and or disadvantage.

Child protection

Respond to concerns around children and young people who have experienced harm or are at risk of harm, providing assessment and intervention, where required, to ensure their safety utilising established and evidence-based practice.

Out of home care

Provide case management and support for children and young people under guardianship of the chief executive and support the reunification of children and young people with their families where it is safe to do so.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Family support cases opened ¹	400	510	≥ 400
Child and family centres (total) ²	9	11	13
Child protection investigations commenced ³	≤ 5 000	4 100	≤ 5 000
Children entering out of home care ⁴	≤ 150	159	≤ 150
Aboriginal children in out of home care placed with an Aboriginal carer ⁵	≥ 35%	27%	≥ 35%
Children exiting out of home care	≥ 180	190	≥ 180

1 The variation in 2025-26 is due to improved referral pathways and family support services.

2 The variation in 2025-26 and increase in the 2026-27 target relate to increased funding under the Northern Territory Remote Aboriginal Investment agreement to expand child and family centres in remote locations across the Territory.

3 The variation in 2025-26 reflects a reduction in the number of child protection investigations, consistent with a decrease in notifications and fewer matters progressing to investigation.

4 The variation in 2025-26 is due to children entering care on provisional and temporary protection orders.

5 The variation in 2025-26 is due to not capturing carers' demographic information for purchased home-based care placements.

Domestic, family and sexual violence

Objective: Territorians are safe from abuse and violence.

Domestic, family and sexual violence services

Develop and implement policies and programs to support prevention, reduction and response to Territorians affected by domestic, family and sexual violence.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Domestic and family violence workers completing Risk Assessment Management Framework training ¹	530	750	≥ 600
Circuit Breaker cases commenced ²	200	380	300
Eligible referrals to domestic and family violence behaviour change programs ³	170	230	170
Clients supported to develop DFSV safety plans ⁴	≥ 3 500	3 300	≥ 3 500
Bed nights clients stayed at a women's safe house ⁵	≥ 35 000	33 000	≥ 35 000

1 The variation in 2025-26 and increase in the 2026-27 target is due to a strong uptake of training across the Territory, with participation significantly exceeding initial expectations.

2 The variation in 2025-26 and increase in the 2026-27 target is due to strong demand and program uptake following implementation in December 2025, which exceeded initial projections.

3 The variation in 2025-26 reflects a strategic focus on early intervention and accountability.

4 The variation in 2025-26 is due to lower recorded safety plans completed in engagement with victim survivors.

5 The variation in 2025-26 reflects lower recorded bed nights in women's safe houses, with clients accessing non-residential supports.

Homelessness

Objective: Territorians experiencing or at risk of homelessness have access to culturally safe and appropriate housing and support.

Homelessness services

Deliver place-based solutions to prevent and address homelessness, and support people at risk of homelessness.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Homelessness service presentations where clients were housed at the end of their support period ¹	≥ 10%	8%	≥ 10%
Homelessness service presentations where a client at risk of homelessness received assistance and avoided homelessness	≥ 85%	90%	≥ 85%
DFSV short-term transitional accommodation presentations where clients were housed at the end of their support period ²	300	450	400

1 The variation in 2025-26 is due to external market factors and housing supply.

2 The variations are due to new contract arrangements that commenced 1 July 2025.

Emergency management

Objective: Meet the essential needs of Territorians impacted by a declared emergency.

Emergency management welfare group

Deliver a whole of government welfare response during declared emergencies to meet the immediate essential needs of individuals and families, including operating evacuation centres.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Welfare group meetings held ¹	24	32	24

1 Meetings are set based on regional needs and seasonal activity. The variation in 2025-26 is due to the increased activation of welfare group activities in response to emergency events in December 2025, February 2026 and March 2026.

Corporate and shared services

Objective: Support a culturally safe, integrated, effective and sustainable service system through strong governance and corporate services.

Corporate and governance

Provide leadership, governance, strategy, policy, data and resource management, evaluation and performance oversight, and risk management to ensure accountable and effective service delivery.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development and infrastructure services from the Department of Logistics and Infrastructure.

Shared services provided

Provide shared corporate and governance services to the Department of People, Sport and Culture.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	1 039	1 042
Capital		
Appropriation		
Output	293 657	295 081
Commonwealth	63 240	71 831
Sales of goods and services	1 716	1 394
Interest revenue		
Goods and services received free of charge	21 200	21 234
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	380 852	390 582
EXPENSES		
Employee expenses	85 570	86 166
Administrative expenses		
Purchases of goods and services	112 172	108 928
Repairs and maintenance		
Depreciation and amortisation	4 798	1 589
Services free of charge	21 200	21 234
Other administrative expenses	13	
Grants and subsidies expenses		
Current	158 127	172 766
Capital	1 180	2 179
Community service obligations		
Interest expenses	86	
TOTAL EXPENSES	383 146	392 862
NET SURPLUS (+)/DEFICIT (-)¹	- 2 294	- 2 280

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	17 335	16 044
Receivables	4 854	4 854
Prepayments	172	172
Inventories		
Advances and investments		
Property, plant and equipment	16 990	15 401
Other assets		
TOTAL ASSETS	39 351	36 471
LIABILITIES		
Deposits held		
Creditors and accruals	14 640	14 640
Borrowings and advances	879	879
Provisions	9 659	9 659
Other liabilities	1 200	600
TOTAL LIABILITIES	26 378	25 778
NET ASSETS	12 973	10 693
EQUITY		
Capital		
Opening balance	30 639	22 925
Equity injections/withdrawals	- 7 714	
Reserves		
Accumulated funds		
Opening balance	- 7 658	- 9 952
Current year surplus (+)/deficit (-)	- 2 294	- 2 280
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	12 973	10 693

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	500	500
TOTAL ASSETS	500	500
LIABILITIES		
Central Holding Authority income payable		
Unearned Central Holding Authority income	500	500
TOTAL LIABILITIES	500	500
NET ASSETS		

Cash flow statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	1 039	1 042
Capital		
Appropriation		
Output	293 657	295 081
Commonwealth	73 582	71 831
Other agency receipts from sales of goods and services	1 229	794
Interest received		
Total operating receipts	369 507	368 748
Operating payments		
Payments to employees	85 570	86 166
Payments for goods and services	111 079	108 928
Grants and subsidies paid		
Current	158 127	172 766
Capital	1 180	2 179
Community service obligations		
Interest paid	86	
Total operating payments	356 042	370 039
NET CASH FROM OPERATING ACTIVITIES	13 465	- 1 291
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital		
Commonwealth		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Lease payments	2 960	
Equity withdrawals	8 000	
Service concession liability payments		
Total financing payments	10 960	
NET CASH FROM FINANCING ACTIVITIES	- 10 960	
Net increase (+)/decrease (-) in cash held	2 505	- 1 291
Cash at beginning of financial year	14 830	17 335
CASH AT END OF FINANCIAL YEAR	17 335	16 044

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	1 039	1 042	3	
Children and Families Tripartite Forum	487		- 487	
Keeping Women Safe in their Homes	442	442		
Mikan Reference Group redesign and implementation	110		- 110	
Northern Territory carers register		600	600	
Output appropriation	293 657	295 081	1 424	
Commonwealth appropriation				
National partnership agreements	63 240	71 831	8 591	1
National Agreement on Social Housing and Homelessness	43 780	44 740	960	
Northern Territory Remote Aboriginal Investment	14 569	24 105	9 536	
Family, Domestic and Sexual Violence Responses	4 769	2 623	- 2 146	
Family law information sharing	122	363	241	
Sales of goods and services	1 716	1 394	- 322	
Corporate shared services provided	1 323	1 325	2	
Family law information sharing	154		- 154	
Other	239	69	- 170	
Goods and services received free of charge	21 200	21 234	34	
OPERATING REVENUE	380 852	390 582	9 730	

1 The variations are in line with the relevant agreements.

Department of People, Sport and Culture

Output group/Output	2025-26 Budget	2025-26 Revised	2026-27 Budget	Note
	\$000	\$000	\$000	
People	189 662	182 194	181 756	1
Community engagement and inclusion	17 470	17 357	16 049	
Disability	141 487	134 517	135 511	
Northern Territory concession and recognition schemes	30 705	30 320	30 196	
Sport	45 225	42 372	45 779	2
Sport and recreation	45 225	42 372	45 779	
Culture	38 758	39 169	38 508	3
Arts and culture	27 398	27 092	27 464	
Libraries and archives	11 360	12 077	11 044	
Corporate and shared services	8 734	16 618	17 309	4
Corporate and governance	1 406	1 242	1 792	
Shared services received	7 328	15 376	15 517	
Total expenses	282 379	280 353	283 352	
Appropriation				
Output	211 162	204 030	211 759	
Capital	45	144	45	

2026-27 staffing: 148 FTE

- 1 The decrease in the community engagement and inclusion output in 2026-27 is primarily due to replacement of a time-limited funding uplift for multicultural grants with a new broader ongoing community grant program, which is included in the sport and recreation output from 2026-27. The variation in the disability output in 2025-26 reflects lower in-kind contributions to the National Disability Insurance Scheme (NDIS).
- 2 The variation in the sport and recreation output in 2025-26 and increase in 2026-27 is mainly due to partial transfer of capital grants from 2025-26 to 2026-27 to redevelop Woodroffe Oval and the Tracy Village sports precinct and additional funding for a new community grant program from 2026-27.
- 3 The variation in the libraries and archives output in 2025-26 reflects a one-off internal reprioritisation across outputs.
- 4 The variations in the corporate and governance output in 2025-26 and 2026-27 relate to internal reprioritisation across outputs. The variation in the shared services received output in 2025-26 is mostly due to an increase in minor works allocations managed by the Department of Logistics and Infrastructure, and the Department of Corporate and Digital Development's revised cost allocation methodology.

Agency profile

The department fosters an inclusive and connected community for all Territorians. It promotes active lifestyles through accessible sport and recreation programs and spaces, supports participation in arts and cultural activities, connects people to their cultural heritage, and enables creative expression across the Territory.

The department develops policies and delivers programs that increase participation, support inclusion and celebrate the Territory's diverse cultures and histories. It provides programs and services that support veterans, people with disability, seniors, multicultural communities, young people, gender equity and diversity, and concession recipients, and supports participation in sport, recreation, arts and cultural activities.

The department maintains key facilities and collaborates with stakeholders to deliver accessible and high-quality services across the Territory.

Budget highlights

	2025-26 Revised	2026-27 Budget
	\$000	\$000
New initiatives		
Community and cultural property and facility management		3 000
Community grant program		1 000
Community sporting infrastructure upgrades	3 750	
Hidden Valley Motor Sports Complex capital equipment	250	
Key existing initiatives		
NDIS contribution funding	131 099	132 034
Museum and Art Gallery of the Northern Territory	10 693	10 693
Northern Territory Seniors Recognition Scheme	7 354	8 354
Woodroffe Oval redevelopment	900	5 550
Tracy Village sports precinct redevelopment	1 400	1 600
Operation Thrive	850	850
Supporting Territory Aboriginal participation in sport	500	500
Prevention activities addressing gender-based violence	250	125
Auslan interpreters	120	120

Output groups and objectives

People

Objective: Territory communities have access to programs and services that support participation, community representation, safety and inclusion, including access to NDIS and disability services, and financial assistance for essential goods and services.

Community engagement and inclusion

Develop and deliver policy, programs and initiatives through the offices of veterans engagement and support, disability, senior Territorians, multicultural affairs, youth affairs, and gender equity and diversity to support inclusion, participation and community connection.

Disability

Lead the Territory partnership with the NDIS and development of government's disability policy, and support initiatives that advocate, assist and provide opportunity for those living with disability.

Northern Territory concession and recognition schemes

Deliver cost-of-living assistance and recognition programs that support eligible Territorians and acknowledge the contribution of seniors to the Territory community.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Events, programs and activities funded to support and celebrate veterans and their families ¹	20	30	30
Events, services and activities funded to celebrate and support senior Territorians	50	50	52
Events and activities funded to promote and celebrate our multicultural community ²	110	100	90
Events and activities funded to promote and celebrate young Territorians	200	200	200
Events and activities funded to enhance gender equity and diversity	80	80	80
Active participants with an approved NDIS plan ³	5 900	6 741	6 741
Eligible Territorians who are members of the Northern Territory Concession Scheme ⁴	≥ 65%	61%	≥ 65%
Eligible Territorians who are members of the Northern Territory Seniors Recognition Scheme	≥ 75%	76%	≥ 75%

1 The variation in the 2025-26 and increase in the 2026-27 target is due to increased grant funding.

2 The variation in 2025-26 and decrease in the 2026-27 target reflects the transition of funding to Darwin Community Arts to manage performance events at the Harmony Soiree and expiry of multi-year agreements.

3 The increase in the 2026-27 target is based on higher than anticipated outcomes in 2025-26.

4 The variation in 2025-26 is due to a reduction in scheme membership growth and an increase in estimated eligible population of Territory residents in receipt of Commonwealth pension or payment.

Sport

Objective: Develop and strengthen a sport and active recreation sector that delivers accessible and sustainable participation opportunities for the benefit of all Territorians and visitors.

Sports and recreation

Support and develop the sport and active recreation sector through investment in capability, facilities and programs that promote safe, inclusive and sustainable life-long participation, including pathways that enable athlete development and opportunities at all levels.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Sports and recreation organisation partnerships	73	73	73
Eligible organisations registered for sport vouchers ^{1, 2}	275	306	275

1 The variation in 2025-26 is due to new eligible organisations registering as activity providers at the end of the two-year eligibility period.

2 The decrease in the 2026-27 target reflects an expected decline in eligible organisations following an upcoming audit and bi-annual renewal process of activity providers that generally results in organisations opting out of the program, including removing organisations no longer in operation or no longer redeeming vouchers.

Culture

Objective: Growth and development of the Territory's arts and creative sectors and connecting communities to the Territory's unique stories and histories through our libraries and archive collections.

Arts and culture

Support and develop the Territory's arts and creative sectors through grants, infrastructure and industry support including managing the Araluen Cultural Precinct.

Libraries and archives

Connect people to the Territory's unique stories and histories through onsite and online access to library and archive collections and services.

Key performance indicators	2025-26 Target	2025-26 Estimate	2026-27 Target
Online and in-person visits to Territory public libraries including Library & Archives NT	1.43M	1.43M	1.44M
Artists, art workers and arts organisations funded through arts and culture grant programs ¹	150	196	160

1 The variation in 2025-26 and increase in the 2026-27 target is primarily driven by higher demand for lower-value grants, which enables more grants to be awarded within the allocated budget.

Corporate and shared services

Objective: Effective and efficient organisational performance through strategic leadership and governance.

Corporate and governance

Provide leadership and strategic management to ensure the agency meets its service and quality objectives, and identifies and mitigates risk.

Shared services received

Receive corporate services from the Department of Corporate and Digital Development and infrastructure services from the Department of Logistics and Infrastructure. Receive corporate and governance services from the Department of Children and Families.

Operating statement

	2025-26 Revised	2026-27 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	588	320
Capital		
Appropriation		
Output	204 030	211 759
Commonwealth		
Sales of goods and services	1 683	1 683
Interest revenue		
Goods and services received free of charge	55 053	55 192
Gain (+)/loss (-) on disposal of assets	4	
Other revenue	202	
TOTAL INCOME	261 560	268 954
EXPENSES		
Employee expenses	19 688	19 582
Administrative expenses		
Purchases of goods and services	9 955	11 973
Repairs and maintenance		
Depreciation and amortisation	15 298	14 398
Services free of charge	55 053	55 192
Other administrative expenses	85	
Grants and subsidies expenses		
Current	160 347	159 668
Capital	5 569	8 181
Community service obligations	14 358	14 358
Interest expenses		
TOTAL EXPENSES	280 353	283 352
NET SURPLUS (+)/DEFICIT (-)¹	- 18 793	- 14 398

Income administered for the Central Holding Authority

INCOME		
Taxation revenue		
Commonwealth revenue		
Current grants		
Capital grants	581	1 000
Fees from regulatory services		
Interest revenue		
Royalties and rents		
Other revenue		
TOTAL INCOME	581	1 000

1 Agencies are not-for-profit entities and will generally report a deficit balance due to non-cash items (for example, depreciation and amortisation) and any approved use of cash balances associated with unspent funding from prior financial years.

Balance sheet

	2025-26 Revised	2026-27 Budget
	\$000	\$000
ASSETS		
Cash and deposits	15 314	15 314
Receivables	1 286	1 286
Prepayments	29	29
Inventories	44	44
Advances and investments		
Property, plant and equipment	423 817	409 464
Other assets		
TOTAL ASSETS	440 490	426 137
LIABILITIES		
Deposits held	67	67
Creditors and accruals	4 382	4 382
Borrowings and advances		
Provisions	2 354	2 354
Other liabilities	23	23
TOTAL LIABILITIES	6 826	6 826
NET ASSETS	433 664	419 311
EQUITY		
Capital		
Opening balance	264 802	277 134
Equity injections/withdrawals	12 332	45
Reserves	183 727	183 727
Accumulated funds		
Opening balance	- 8 404	- 27 197
Current year surplus (+)/deficit (-)	- 18 793	- 14 398
Transfers to/from reserves		
Accounting policy changes and corrections		
TOTAL EQUITY	433 664	419 311

Assets and liabilities administered for the Central Holding Authority

ASSETS		
Taxes receivable		
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	419	1 119
TOTAL ASSETS	419	1 119
LIABILITIES		
Central Holding Authority income payable		
Unearned Central Holding Authority income	419	1 119
TOTAL LIABILITIES	419	1 119
NET ASSETS		

Cash flow statement

	2025-26 Revised \$000	2026-27 Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	588	320
Capital		
Appropriation		
Output	204 030	211 759
Commonwealth		
Other agency receipts from sales of goods and services	1 889	1 683
Interest received		
Total operating receipts	206 507	213 762
Operating payments		
Payments to employees	19 688	19 582
Payments for goods and services	9 955	11 973
Grants and subsidies paid		
Current	160 347	159 668
Capital	5 569	8 181
Community service obligations	14 358	14 358
Interest paid		
Total operating payments	209 917	213 762
NET CASH FROM OPERATING ACTIVITIES	- 3 410	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	384	45
Advances and investing payments		
Total investing payments	384	45
NET CASH FROM INVESTING ACTIVITIES	- 384	- 45
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	144	45
Commonwealth		
Equity injections		
Total financing receipts	144	45
Financing payments		
Repayment of borrowings		
Lease payments		
Equity withdrawals	930	
Service concession liability payments		
Total financing payments	930	
NET CASH FROM FINANCING ACTIVITIES	- 786	45
Net increase (+)/decrease (-) in cash held	- 4 580	
Cash at beginning of financial year	19 894	15 314
CASH AT END OF FINANCIAL YEAR	15 314	15 314

Revenue statement

	2025-26 Revised	2026-27 Budget	Variation	Note
	\$000	\$000	\$000	
Current grants and subsidies revenue				
Commonwealth grants	503	235	- 268	
Australian Sports Commission	503	235	- 268	
Other grants	85	85		
Alice Springs Town Council collection management	85	85		
Output appropriation	204 030	211 759	7 729	1
Sales of goods and services	1 683	1 683		
Araluen Arts Centre	1 127	1 127		
Hidden Valley	361	361		
Marrara indoor stadium	144	144		
Other	51	51		
Goods and services received free of charge	55 053	55 192	139	
Gain (+)/loss (-) on disposal of assets	4		- 4	
Other revenue	202		- 202	
Return of unspent grants	202		- 202	
OPERATING REVENUE	261 560	268 954	7 394	
Capital appropriation	144	45	- 99	
CAPITAL RECEIPTS	144	45	- 99	

1 The variation largely reflects additional funding in 2026-27 for community and cultural property and facility management and establishment of a community grant program as well as partial transfer of one-off funding for redevelopment of Woodroffe Oval and Tracy Village sports precinct from 2025-26 to 2026-27.

Part 2

Community service obligation payments
and
output appropriation

Community service obligation payments

This section details community service obligation (CSO) payments to the Territory's government business divisions (GBDs), government owned corporations and private electricity retailers.

CSOs allow government to deliver specific community and social objectives that would not otherwise be undertaken or would only be undertaken at higher prices if left to commercial or market forces. Where government specifically requires a GBD or government owned corporation to carry out such activities, funding is provided in the form of a CSO payment to ensure the entity's financial performance is not adversely affected.

The provision of CSOs is an important feature of the Territory's competitive neutrality policy for government owned businesses. The competitive neutrality framework encourages a commercial culture, provides an opportunity for regular review of activities funded by CSOs, and ensures transparent budgeting and reporting to demonstrate to competitors that CSOs are not being used to support commercial operations.

The following table outlines the Territory Government's CSO payments for 2025-26 and 2026-27 by purchasing agency, with subsequent commentary on each CSO.

Purchasing agency/Provider/Description	2025-26 Revised	2026-27 Budget
	\$000	\$000
Department of Treasury and Finance	166 916	225 116
Electricity retailers (including Jacana Energy)		
Regulated retail electricity tariffs	166 496	224 684
Power and Water Corporation		
Regulated retail water and sewerage tariffs	420	432
Department of People, Sport and Culture	14 358	14 358
Electricity retailers (including Jacana Energy)		
Northern Territory Concession Scheme	9 650	9 650
Power and Water Corporation		
Northern Territory Concession Scheme	4 708	4 708
Department of Housing, Local Government and Community Development	3 657	3 657
NT Home Ownership		
Home ownership incentives	3 657	3 657
Department of Tourism and Hospitality	8 623	8 623
Territory Wildlife Parks		
Territory Wildlife Park	4 897	4 897
Alice Springs Desert Park	3 726	3 726
Total	193 554	251 754

Department of Treasury and Finance

The Department of Treasury and Finance provides CSO funding to electricity retailers for electricity supply to households and small business customers (using below 750 megawatt hours per annum) across the Territory at uniform tariffs.

Funding for regulated electricity tariffs decreased in 2025-26 by \$25.2 million compared to the original 2025-26 budget, primarily reflecting lower than expected network, system control and market operator charges.

Funding for regulated retail electricity tariffs is expected to increase in 2026-27 by \$58.2 million as higher network and generation costs are not expected to be fully offset by tariff increases.

The Department of Treasury and Finance also provides CSO funding to the Power and Water Corporation for the cost of legacy concessional charges for religious and charitable organisations. CSO funding of \$0.43 million in 2026-27 for these costs is broadly consistent with 2025-26.

Department of People, Sport and Culture

Power and Water Corporation and Jacana Energy receive CSO payments from the Department of People, Sport and Culture to fund subsidised electricity, water and sewerage tariffs for eligible pensioners, seniors and carers under the Northern Territory Concession Scheme.

CSO payments related to the Northern Territory Concession Scheme are expected to remain unchanged in 2026-27.

Department of Housing, Local Government and Community Development

The Department of Housing, Local Government and Community Development provides CSO funding to NT Home Ownership, which provides incentives for eligible Territorians to purchase their own home, thereby increasing home ownership in the Territory. CSO payments related to NT Home Ownership are expected to remain unchanged in 2026-27.

Department of Tourism and Hospitality

The Department of Tourism and Hospitality provides CSO funding for four non-commercial functions carried out by Territory Wildlife Parks, including:

- maintaining the parks' assets to a high standard to support growth and development of the Territory's tourism industry
- supporting biodiversity through captive breeding of endangered, rare and threatened species
- enhancing education of school children through teaching the benefits of the natural environment
- managing the botanic garden at the Alice Springs Desert Park.

CSO payments related to Territory Wildlife Parks are expected to remain unchanged in 2026-27.

Output appropriation

Output appropriation is Territory Government funding provided to agencies to deliver outputs. It excludes capital appropriation (provided to deliver major and minor capital works), Commonwealth appropriation (provided under various agreements) and non-cash accrual costs, such as depreciation.

The following table details total output appropriation by agency over five years from 2025-26. Variations over the budget and forward estimates period reflect parameter indexation, budget repair measures, finalisation of time-limited funding and, where applicable, new funding.

	2025-26	2026-27	2027-28	2028-29	2029-30
	Revised	Budget	Forward estimate		
	\$000	\$000	\$000	\$000	\$000
Department of the Chief Minister and Cabinet	131 142	72 798	71 492	72 924	74 322
Department of the Legislative Assembly	30 227	32 204	33 041	33 904	34 443
Auditor-General's Office	3 214	3 281	3 339	3 394	3 452
Northern Territory Electoral Commission	1 699	1 809	1 847	1 884	1 916
Office of the Integrity and Ethics Commissioner ¹	9 607	9 867	10 046	10 223	10 422
Northern Territory Police Force	497 667	542 853	573 990	592 824	606 261
Northern Territory Fire and Emergency Service	67 312	69 500	71 298	73 122	74 916
Department of Agriculture and Fisheries	43 947	49 877	48 918	46 073	46 265
Department of Mining and Energy	35 450	38 738	35 626	30 854	31 222
Department of Corrections	488 375	472 269	485 589	510 045	520 890
Department of Treasury and Finance	216 485	306 802	293 381	293 697	298 877
Department of Logistics and Infrastructure	381 724	407 341	378 550	375 743	383 455
Attorney-General's Department ²	130 613	133 773	132 684	134 083	136 798
Department of Tourism and Hospitality	173 185	180 415	179 562	183 134	183 731
Department of Health	1 393 346	1 372 427	1 426 818	1 483 512	1 536 318
Department of Housing, Local Government and Community Development	290 153	335 212	306 875	312 978	321 509
Department of Lands, Planning and Environment	86 030	87 555	87 263	86 801	88 370
Aboriginal Areas Protection Authority	3 323	3 445	3 507	3 568	3 632
Department of Corporate and Digital Development	337 136	360 589	355 745	360 968	369 090
Department of Education and Training	711 938	766 546	782 463	803 395	823 683
Department of Trade, Business and Asian Relations	59 027	59 716	56 415	48 257	47 715
Department of Children and Families	293 657	295 081	293 387	295 731	301 745
Department of People, Sport and Culture	204 030	211 759	207 707	206 168	208 231
Total	5 589 287	5 813 857	5 839 543	5 963 282	6 107 263

1 Agency to be established as a result of the enactment of the *Integrity and Ethics Commissioner Act 2025* on 27 November 2025 and is anticipated to be operational from 1 July 2026. Amounts reflect the consolidation of the Office of the Independent Commissioner Against Corruption and Ombudsman's Office, as well as the Health and Community Services Complaints Commission function from the Attorney-General's Department.

2 The 2025-26 budget has been backcast to reflect the transfer of the Health and Community Services Complaints Commission to the Office of the Integrity and Ethics Commissioner.

Abbreviations and acronyms

CHA	Central Holding Authority
CPI	consumer price index
CSO	community service obligation
DFSV	domestic family and sexual violence
FITA	<i>Fiscal Integrity and Transparency Act 2001</i>
FMA	<i>Financial Management Act 1995</i>
FOI	freedom of information
FTE	full-time equivalent
GBD	government business division
GST	goods and services tax
ICT	information and communications technology
LAN	local area network
MLA	Member of the Legislative Assembly
NAPLAN	National Assessment Program – Literacy and Numeracy
NDIS	National Disability Insurance Scheme
NGO	non-government organisation
NTCET	Northern Territory Certificate of Education and Training
NTPS	Northern Territory Public Sector
ppt	percentage point
PSEMA	<i>Public Sector Employment and Management Act 1993</i>
RAMP	Road Asset Modernisation Program
RBA	Reserve Bank of Australia
TAFE	technical and further education
VET	vocational education and training

Explanation of terms

Accrual accounting

An accounting basis where assets, liabilities, equity, income and expenses are recognised in the reporting periods to which they relate, regardless of when cash is received or paid.

Activities

Goods and services produced by government business divisions that are sold to the community and agencies on a fee-for-service basis, similar to a commercial enterprise, to achieve objectives.

Agency

A unit of government administration, office or statutory corporation, nominated in an administrative arrangements order for the purposes of the *Financial Management Act 1995*.

Appropriation

An authority given by the Legislative Assembly to make payments, now or at some future time, for the purposes stated, up to the limit of the amount in the particular Act.

Australian Accounting Standards Board

Develops, issues and maintains Australian accounting standards and related pronouncements.

Budget repair measure

An annual deflator applied to the output appropriation-funded portion of agency expenditure budgets to encourage more efficient service delivery and achieve budget savings. Previously known as the efficiency dividend.

Business line

Government business division activities that are intended to contribute to the same objective.

Capital appropriation

Government's investment in an agency for asset purchases and capital works projects.

Capital grants

Transfers of assets from one unit to another, for which no economic benefit of equal value are receivable or payable in return. Includes transfers of ownership of assets (other than cash and inventories), transfers of cash to enable recipients to acquire another asset, and transfers of funds realised from the disposal of assets.

Capital works

Infrastructure projects involving building and engineering works that create or improve government owned assets, as well as constructing or installing facilities and fixtures associated with and forming an integral part of those works.

Capital works projects are generally delivered by the Department of Logistics and Infrastructure on behalf of client agencies, and typically include constructing buildings, roads and bridges, installing large airconditioning plants or lifts, upgrading or extending existing buildings, and major roadworks that upgrade existing roads.

Budget Paper No. 4 provides information on major and minor works.

Central Holding Authority

The parent financial entity of government. It receives all Territory own-source revenue collected by other agencies on behalf of the Territory, except revenue permitted by legislation to be retained by the agency. It also receives most Commonwealth income, including GST revenue, national partnership and specific purpose payments, and then distributes this funding to agencies in the form of appropriations.

Commonwealth appropriation

Specific purpose and national partnership funding arrangements with the Commonwealth. Payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority, and are then on-passed to the relevant agencies. Also includes any other appropriation related to funding from external sources.

Community service obligation

Arises when government requires a government business division or government owned corporation to carry out activities it would not choose to undertake on a commercial basis or would only do so at higher commercial prices. Community service obligation funding allows the government to achieve identifiable community or social objectives that would not be achieved if left solely to commercial considerations.

Consumer price index

A general indicator of the prices paid by household consumers for a specific basket of goods and services in one period, relative to the cost of the same basket in a base period.

Federation funding agreement schedules

Fixed term agreements between the Commonwealth and states and territories, with defined objectives, outcomes, outputs and performance measures for the delivery of specific projects, services or to facilitate reforms arranged under five sectoral federation funding agreements covering health, education and skills, infrastructure, environment, affordable housing, community services and other.

General government agency

An entity or group of entities mainly engaged in providing services or producing goods for the general public, such as education, health and policing services, which are provided free of charge or at nominal charge.

Goods and services received free of charge

Resources received by an agency from another entity without charge. Revenue and a corresponding expense are recorded when the goods and services can be reliably measured, and the goods and services would have been purchased if they had not been provided free of charge.

Government business division

A Territory Government-controlled trading entity that follows commercial practices and is required to comply with competitive neutrality principles.

Government owned corporation

An entity governed by the *Government Owned Corporations Act 2001*. Operating under a shareholder model of corporate government, its objectives are to function as effectively as any corporate business and maximise sustainable returns to government. The Territory has three government owned corporations: Power and Water Corporation, Territory Generation and Jacana Energy.

Key performance indicator

Key performance indicators are used to measure the achievement of objectives and the quality, timeliness, accuracy and efficiency of service delivery. Performance indicators, including targets and variance commentary, are publicly reported in Budget Paper No. 3 (this publication) and agency annual reports.

National partnership agreements

Fixed term agreements between the Commonwealth and states and territories, with defined objectives, outcomes and outputs and performance measures for the delivery of specific projects, services or reforms. National partnerships are being replaced with federation funding agreement schedules.

Non-cash

Transactions that do not involve the inflow or outflow of cash. Non-cash transactions include depreciation, amortisation, assets gifted (or granted) for nil consideration and unrealised gains or losses.

Objective

Clear, measurable statements of what an agency or government business division aims to achieve through the delivery of relevant goods and services.

Output

Goods and services provided by an agency to external users to achieve objectives.

Output appropriation

Territory Government funding to deliver outputs, after taking into account funding from other revenue sources, and determined at the whole of agency level. Although output appropriation is based on accrual costs, it does not encompass non-cash items, such as depreciation. This will generally result in operating deficits being reported by agencies.

Output group

An aggregate of agency outputs that contribute to achieving the same objective. Used primarily for reporting purposes.

Parameters

Used to adjust agency budgets. Also referred to as inflators and deflators.

Purpose

The *Appropriation (2026-2027) Act 2026* provides the Central Holding Authority with the authority to pay appropriations for a purpose. In accordance with the *Financial Management Act 1995*, purposes are output, capital, Commonwealth, employee entitlements, interest, taxes, other administrative payments, and Treasurer's Advance.

Repairs and maintenance

Expenses incurred to maintain existing government owned assets in working condition or keep an asset functioning at its required capacity. Excludes works that enhance an asset significantly or extend its useful life.

Specific purpose payments

Tied payments from Commonwealth Treasury to state and territory treasuries, and appropriated to government agencies, to support service delivery in specific sectors.

Tax equivalent regime

Mechanism used to ensure government business divisions and government owned corporations incur similar tax liabilities to private enterprises. The regime supports competitive neutrality by achieving a greater degree of parity between the cost structures of government-controlled trading entities and the private sector.

Treasurer's Advance

An appropriation purpose specified in the *Appropriation Act*, providing a pool of funds specifically set aside in each budget to meet one-off unexpected costs that arise during the year and are substantial enough to warrant additional appropriation. Treasurer's Advance is also the legal mechanism used to fund all new government decisions affecting the current financial year that require additional appropriation to be paid to agencies.

User charge

A charge applied to end users of a service provided by a government agency or business division, calculated on a cost-recovery basis.



NORTHERN TERRITORY

2026-27 Budget



Budget Paper No. 4

The Infrastructure Program

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Overview

Budget Paper No. 4 details the Northern Territory's infrastructure program for 2026-27. It includes information on major and minor capital works, capital grants, repairs and maintenance, and infrastructure-related expenses for Territory general government agencies.

The infrastructure program represents the total value of major and minor projects government has approved to proceed to construction in the financial year, as well as repairs and maintenance, capital grants and infrastructure-related allocations.

Infrastructure payments (cash) represent the expenditure budget allocated to the delivery of the infrastructure program in the financial year and are generally a lower value than the infrastructure program due to the multi-year delivery timeframes for many major works projects.

Total infrastructure program and payments

The 2026-27 infrastructure program totals \$4.25 billion and includes projects to increase public order and community safety, develop the economy, improve transport links, and support the delivery of health, education, housing and other frontline government services across the Territory.

Total infrastructure payments in 2026-27 are expected to be \$2.74 billion, comprising \$2.03 billion in general government expenditure and \$706 million in expenditure by public non financial corporations, including the Power and Water Corporation, Territory Generation, Land Development Corporation and Indigenous Essential Services Pty Ltd. This represents an increase of \$340 million compared to the revised 2025-26 budget for total infrastructure payments.

In 2026-27, infrastructure payments for major projects in the general government sector are projected to be \$1.45 billion, an increase of \$281 million compared to the revised 2025-26 budget. This includes significant funding allocations across new and upgraded correctional facilities, remote policing infrastructure, housing, road and transport projects, new and upgraded schools, and economic projects such as the Northern Marine Complex.

Infrastructure payments for projects in the public non financial corporations sector are budgeted to increase to \$547 million in 2026-27 and include increased investment in water security and energy generation to deliver increased capacity, and improve security and reliability of the water supply and power system.

The revised 2025-26 total infrastructure payments budget, at \$2.4 billion, is \$341 million lower than the original published 2025-26 Budget but remains high by historical standards. The decrease primarily reflects revised timing of Commonwealth and Territory-funded projects, including delays due to the significant impact of flooding and other severe weather events across the Territory.

Table 1 details the infrastructure program and payments by component and budget sector.

Table 1: Total infrastructure payments

	2025-26 Budget		2025-26 Revised		2026-27 Budget	
	Program	Cash	Program	Cash	Program	Cash
	\$M	\$M	\$M	\$M	\$M	\$M
GENERAL GOVERNMENT						
Capital works	4 336	1 451	4 691	1 173	4 254	1 454
Northern Territory funded		910		668		932
Externally funded		541		505		521
Capital grants ^{1,2}		196		254		228
Repairs and maintenance		320		307		331
Infrastructure-related expenses		20		15		18
TOTAL GENERAL GOVERNMENT³		1 986		1 749		2 030
PUBLIC NON FINANCIAL CORPORATIONS						
Capital works		602		490		547
Capital grants						
Repairs and maintenance		149		157		159
TOTAL PUBLIC NON FINANCIAL CORPORATIONS³		751		646		706
TOTAL INFRASTRUCTURE PAYMENTS³		2 737		2 396		2 736

1 Excludes payments between Territory-controlled entities.

2 Includes non-cash transfers to local government and non-government entities.

3 Totals may not add due to rounding.

Capital works for the general government sector

The capital works program in 2026-27 includes over \$4.25 billion for new and continuing major and minor capital works projects. Table 2 disaggregates the general government sector major and minor works programs into revote and new projects. It provides an estimate of the value of capital projects that are expected to revote or carry over into 2026-27, and identifies new major and minor works programs for 2026-27.

Table 2: Capital works and estimated expenditure – general government

	Revote in	New major works	New minor works	Other adjustments ¹	Total capital works	Cash	Revote out
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
2025-26 Revised	3 706.1	934.2	128.4	-78.2	4 690.5	1 173.5	3 517.0
2026-27 Budget	3 517.0	612.2	124.4	0.0	4 253.6	1 453.7	2 799.9

1 Includes lapsing minor works allocations, completions and write backs, transfers to capital grants or other operating expenses and lapsing rolling program amounts.

Capital works by function

At more than \$2 billion, transport infrastructure projects comprise nearly half of the total infrastructure program, reflecting significant allocations from both the Territory and Commonwealth governments. Housing and community amenities projects, at \$782.1 million, are the second largest allocation, comprising about 18% of the total program.

The 2026-27 program includes \$496.3 million for economic development projects, which primarily relates to the Northern Marine Complex including the Darwin ship lift project.

A total of \$426.3 million is allocated to public order and safety projects, including the new Darwin and Katherine work camps, corrections infrastructure masterplan, and remote police infrastructure and housing upgrades. Of the total program, around 59% is allocated to new and upgraded infrastructure in remote and regional communities across the Territory.

Table 3 summarises the capital works program by Classification of the Functions of Government – Australia (COFOG-A) categories, which is an Australian Bureau of Statistics (ABS) framework for classifying government expenditure reported by all Australian jurisdictions.

Table 3: Capital works by COFOG-A category 2026-27

	Capital works	
	\$M	%
Transport	2 041.1	48.0
Housing and community amenities	782.1	18.4
Economic affairs	496.3	11.7
Public order and safety	426.3	10.0
Education	158.0	3.7
Social protection	112.1	2.7
Health	102.5	2.4
Recreation, culture and religion	99.3	2.3
Environmental protection	26.3	0.6
General public services	9.6	0.2
TOTAL GENERAL GOVERNMENT	4 253.6	100.0

Transport

The 2026-27 program continues to invest heavily in transport infrastructure, with over \$2 billion for roads, aerodromes and jetties.

A large proportion of the road and transport infrastructure projects is jointly funded by the Territory and Commonwealth governments under the Federation Funding Agreement on Land Transport Infrastructure Projects.

Key road and transport projects include:

- \$278.4 million for upgrades to the Tanami Road corridor
- \$239.8 million for Northern Territory national network highway upgrades
- \$201 million for the Central Arnhem Road upgrade program

- \$166 million for the Northern Territory Strategic Roads Package – upgrade and sealing of remote and regional roads
- \$133.3 million for the Outback Way corridor upgrades
- \$114 million for Buntine Highway upgrades and rest areas
- \$107.9 million for Northern Territory gas industry roads
- \$89.5 million for upgrades on Port Keats Road between Wadeye and Palumpa
- \$79.7 million for the Arnhem Highway duplication between the Stuart Highway and Kostka Road
- \$62.5 million to upgrade roads within Kakadu National Park to support tourism growth
- \$60 million in Territory Government funding for road asset upgrades under the Road Asset Modernisation Program, including \$30.5 million for the Roads Repair Package to rebuild key infrastructure damaged by flooding
- \$57 million for Tennant Creek to Townsville corridor priority projects
- \$49.8 million for remote community access road upgrades
- \$41.5 million for Newman to Katherine corridor priority projects
- \$41.1 million to upgrade roads on the Tiwi Islands to support economic and social development
- \$27.3 million for Sandover Highway upgrades.

Other major Territory Government-funded transport projects in 2026-27 include road upgrades in Coolalinga (\$26.5 million) to improve safety and connectivity, the new roundabout at Kirkland Road and Woodlake Boulevard to improve safety and traffic flow (\$7 million); and aerodrome and airstrip upgrades at Ali Curung (\$3.8 million), Ampilatwatja (\$3.5 million), Hughes Airfield (\$2 million), and Elcho Island (\$1.2 million).

Housing and community amenities

The 2026-27 infrastructure program provides more than \$782 million for new and upgraded remote and urban housing, infrastructure to support land release and improved community amenity.

Commitments include \$608.3 million for remote housing, land servicing and essential services across the Territory, with significant investment by the Territory and Commonwealth governments, comprising:

- \$399.7 million under the 10-year remote housing agreement
- \$200.5 million for Remote Housing Investment Package works, including land servicing, construction of new remote housing and government employee housing, and improvements and upgrades to existing housing
- \$6.2 million for water quality and security projects in remote communities
- \$1.9 million in other works for new and improved housing.

There is also continued investment in headworks and land release across the Territory, including:

- \$48.1 million for infrastructure to support the development of Holtze and Kowandi, including land for a residential aged care facility
- \$11 million for land development and community facilities at Kilgariff
- \$10.5 million for infrastructure to support the development of Farrar West.

Economic affairs

The 2026-27 infrastructure program invests \$496.3 million for infrastructure to enable development of the Territory economy. The most significant economic development project is the Northern Marine Complex, including the Darwin ship lift project, with \$401.2 million included on the 2026-27 capital works program.

The 2026-27 capital works program also provides \$76.5 million for the Middle Arm water supply stage 1 project, as well as other works including continuing headworks infrastructure to support mixed-use developments, and commercial and industrial land release across the Territory.

Public order and safety

The 2026-27 infrastructure program invests \$426.3 million in community safety infrastructure to construct, expand and upgrade correctional and police facilities.

Significant projects related to correctional facilities include:

- \$192.2 million to construct a work camp in Darwin
- \$41.8 million to construct a work camp in Katherine
- \$12 million for critical infrastructure upgrades at the Alice Springs Correctional Centre.

The allocations for police infrastructure include:

- \$131.9 million for the remote police infrastructure and housing upgrade program
- \$21.8 million to construct a new multipurpose police complex in Maningrida
- \$6.3 million for upgrades to the Joint Emergency Services Communication Centre.

Education

The 2026-27 infrastructure program invests \$158 million to upgrade schools and education facilities to support improved student outcomes.

Major education projects in 2026-27 include:

- \$112.6 million for design and construction of the new Palmerston Secondary Special Education School
- \$9.5 million for Driver and Rosebery secondary school upgrades
- \$8.3 million to construct a student boarding facility in Tennant Creek
- \$3.5 million for upgrades at Ali Curung School.

Social protection

The 2026-27 infrastructure program includes \$112.1 million for social protection and disaster relief, primarily related to the new \$100 million Flood Recovery Fund.

Other major works include \$4.6 million for the new northern suburbs youth hub.

Health

The 2026-27 infrastructure program commits \$102.5 million to construct and upgrade hospital and health facilities to support improved health outcomes for Territorians.

Significant health infrastructure projects in 2026-27 include:

- \$29.3 million to upgrade central sterilisation service departments across Territory hospitals
- \$19.5 million to construct a new primary healthcare centre in Borroloola to improve primary care delivery across the Roper Gulf region
- \$5.5 million for works at Royal Darwin Hospital including the new mental health inpatient unit and replacement of fire indicator panels
- \$4 million for the installation of a new CT scanner at Tennant Creek Hospital
- \$3.1 million for the National Critical Care and Trauma Response Centre new warehouse and road upgrades project
- \$3 million to upgrade the existing morgue facilities at Royal Darwin Hospital and design a new morgue and bereavement centre
- \$1 million to design a new theatre suite and emergency department facilities at Tennant Creek Hospital.

Recreation, culture and religion

The 2026-27 infrastructure program includes \$99.3 million to construct new and upgrade existing arts, recreation and park facilities.

A total of \$65.8 million is provided for Alice Springs infrastructure priorities, including a multi-sports precinct at Gillen Oval, an upgraded visitor information centre, and funding for the Alice Springs library and a multicultural centre.

Other major projects in 2026-27 include:

- \$10 million for upgrades to national parks and reserves across the Territory
- \$5.5 million to establish a multi-day hike in Watarrka National Park
- \$4.5 million to continue enhancing recreational fishing across the Territory
- \$4 million for art gallery expansions in Arnhem Land
- \$1.5 million for a multipurpose multicultural facility in Katherine.

Environmental protection

The 2026-27 infrastructure program includes \$26.3 million for environmental protection works, including remediation of Crown land.

General public services

The 2026-27 infrastructure program provides \$9.6 million to support the general functions of government.

Minor works and capital grants

Minor works are projects up to \$1 million in value that provide agencies with the flexibility to undertake small construction projects to improve the serviceability of assets. The 2026-27 infrastructure program includes \$124.4 million for minor works.

Capital grants are provided to fund the construction or upgrade of significant assets owned by entities outside the budget sector. Capital grants are expected to be \$228 million in 2026-27.

Repairs and maintenance

The 2026-27 infrastructure program provides \$331 million for general government repairs and maintenance, remaining above long-term average levels with a focus on maintaining assets for frontline service delivery agencies.

Repairs and maintenance funding is indexed in line with agency grant budget parameters to provide a sustainable approach to maintenance funding that aims to keep pace with service delivery costs.

Significant allocations in 2026-27 include:

- \$121.3 million for urban and remote housing
- \$84.7 million for Territory and national network roads
- \$35.3 million for hospital and health facilities
- \$35 million for schools and education facilities
- \$14.2 million for police, fire and emergency services facilities
- \$6.5 million for sporting, recreation and cultural facilities.

Repairs and maintenance funding is held centrally by the Department of Logistics and Infrastructure, and notionally allocated by agency, apart from repairs and maintenance for urban and remote housing, which is managed by the Department of Housing, Local Government and Community Development. Adjustments occur throughout the year as needed.

General government infrastructure commitments

Tables 4 and 5 summarise the general government sector major works, minor works, capital grants, and repairs and maintenance programs in 2025-26 and 2026-27 by agency. Further detail on capital grants is provided at Table 6.

Table 4: General government infrastructure program summary

	2025-26 Revised			
	Major works	Minor works	Capital grants ¹	Repairs and maintenance ^{1,2}
	\$000	\$000	\$000	\$000
Department of the Chief Minister and Cabinet		1 070		385
Department of the Legislative Assembly	4 198	1 000		2 220
Auditor-General's Office				2
Northern Territory Electoral Commission				6
Office of the Integrity and Ethics Commissioner				9
Northern Territory Police Force	186 171	4 725		11 720
Northern Territory Fire and Emergency Service		1 925	535	2 220
Department of Agriculture and Fisheries	5 339	2 010		4 115
Department of Mining and Energy	2 443	930	975	200
Department of Corrections	326 335	5 400		4 100
Department of Treasury and Finance		100	17 111	19
Department of Logistics and Infrastructure			83 336	
Across government works		2 000		
Infrastructure development	1 003 781	10 525		5 989
National network	345 393	4 300		23 948
Territory roads	1 691 503	10 000		59 106
Attorney-General's Department		2 350		1 770
Department Tourism and Hospitality	7 721	5 760	12 156	5 155
Territory Wildlife Parks		1 350		597
Department of Health	146 582	10 380		34 645
Department of Housing, Local Government and Community Development	725 493	19 955	125 158	101 705
Department of Lands, Planning and Environment	128 100	6 960		6 220
Aboriginal Areas Protection Authority				8
Department of Corporate and Digital Development		300	364	325
Department of Education and Training	34 566	29 953	4 092	34 350
Department of Trade, Business and Asian Relations		250	2 082	205
Department of Children and Families	20 436	1 880	1 180	1 590
Department of People, Sport and Culture	12 253	5 250	5 569	6 400
TOTAL GENERAL GOVERNMENT	4 640 314	128 373	252 558	307 009

¹ Excludes payments between Territory-controlled entities.

² Figures reflect notional allocations that are primarily held centrally by the Department of Logistics and Infrastructure. Excludes government-controlled entities not subject to the *Financial Management Act 1995*.

Table 5: General government infrastructure program summary

	2026-27 Budget			
	Major works	Minor works	Capital grants ¹	Repairs and maintenance ^{1,2}
	\$000	\$000	\$000	\$000
Department of the Chief Minister and Cabinet		1 070		391
Department of the Legislative Assembly	3 523	1 500		2 259
Auditor-General's Office				2
Northern Territory Electoral Commission				6
Office of the Integrity and Ethics Commissioner				9
Northern Territory Police Force	159 969	4 725		11 926
Northern Territory Fire and Emergency Service		1 925		2 259
Department of Agriculture and Fisheries	4 539	1 660		4 089
Department of Mining and Energy	1 008	930	2 350	203
Department of Corrections	252 864	5 400		4 173
Department of Treasury and Finance		100	17 116	19
Department of Logistics and Infrastructure			36 046	
Across government works		10 000		
Infrastructure development	714 132	11 525		6 522
National network	288 177	4 300		24 536
Territory roads	1 699 655	10 000		60 148
Attorney-General's Department		2 350		1 801
Department Tourism and Hospitality	15 712	5 760	12 759	5 246
Territory Wildlife Parks		1 350		597
Department of Health	88 789	11 380		35 255
Department of Housing, Local Government and Community Development	641 115	19 955	137 313	121 340
Department of Lands, Planning and Environment	89 912	6 760		6 329
Aboriginal Areas Protection Authority				8
Department of Corporate and Digital Development		300	8 400	330
Department of Education and Training	139 383	14 700	3 896	34 955
Department of Trade, Business and Asian Relations		750	6	208
Department of Children and Families	20 287	1 880	2 179	1 618
Department of People, Sport and Culture	10 207	6 054	8 181	6 512
TOTAL GENERAL GOVERNMENT	4 129 272	124 374	228 246	330 741

1 Excludes payments between Territory-controlled entities.

2 Figures reflect notional allocations that are primarily held centrally by the Department of Logistics and Infrastructure. Excludes government-controlled entities not subject to the *Financial Management Act 1995*.

Table 6: Capital grants

	2025-26 Revised	2026-27 Budget
	\$000	\$000
Northern Territory Fire and Emergency Service		
Disaster ready funding for Central Desert Regional Council	535	
Department of Mining and Energy		
Solar for Multi-Dwelling Grant scheme	975	2 350
Department of Treasury and Finance		
First Home Owner Grant	6 297	6 410
HomeGrown and FreshStart	10 814	10 706
Department of Logistics and Infrastructure		
Active Transport Fund program	378	378
Alice Springs Tourism Central Australia headquarters and visitor information centre	960	3 560
Alice Springs Town Council library	2 244	6 732
Alice Springs Town Council skate park	720	
Asset transfers to local government and non-government entities	69 140	
Black Spot program	485	1 591
Growing regions program		
Ngurratjuta Service Hub Expansion	2 000	2 805
Urapuntja Community Splash Park	1 091	
Regional precincts and partnership program		
Big Rivers Region Bush Foods, Botanicals, Community Precinct	613	1 838
Gapuwiyak Industrial and Commercial Precinct	470	300
Katherine and Big Rivers Multipurpose Sport and Recreation Precinct	348	1 260
Nitmiluk Tourism Services Precinct	2 618	1 382
Remote housing investment package	1 502	15 048
Safer local roads and infrastructure program	767	1 152
Department of Tourism and Hospitality		
Community Benefit Fund infrastructure grants	9 000	9 493
NT Experience Fund	3 156	3 266
Department of Housing, Local Government and Community Development		
Central Australia infrastructure plan	7 278	40 022
Community development hubs	600	8 510
Community development infrastructure plan – Darwin and Palmerston	20 000	
Community Housing Strategy	1 430	
Homelands capital grants program	6 291	6 482
Homelands emergency project funds	872	900

continued

The Infrastructure Program

	2025-26 Revised	2026-27 Budget
	\$000	\$000
Homelands housing and infrastructure upgrade program	80 101	53 086
Housing Australia Future Fund		
St. Mary's development project	92	11 858
Tennant Creek project		5 000
Alice Springs project		800
Berrimah development project		5 000
Jabiru Social Infrastructure Fund	1 320	
Ozanam House relocation	150	1 080
Regional Precincts and Partnership program	150	4 575
Social Housing Accelerator Payment	5 549	
Tennant Creek public housing	825	
Tennant Creek government employee housing dwellings	500	
Department of Corporate and Digital Development		
Aboriginal community Wi-Fi program	364	
Jabiru and Kakadu Futures – mobile connectivity		2 700
Northern Territory Regional Roads Australia Mobile Program		5 700
Department of Education and Training		
Capital Subsidy Scheme – non-government schools	1 238	985
Charles Darwin University	2 854	2 911
Department of Trade, Business and Asian Relations		
Business Growth, Resilience and Security Package	1 644	6
Circular Economy Strategy – Recycling Modernisation Fund	308	
Electric vehicle charger scheme	130	
Department of Children and Families		
Darwin Aboriginal and Islander Women's Shelter upgrades	1 180	
Women's safe houses		2 179
Department of People, Sport and Culture		
Community infrastructure grant program		1 031
Darwin Men's Shed	50	
Multicultural community facilities grants	399	
NT Cricket – DXC Arena upgrades	1 320	
Tracy Village sports precinct redevelopment	1 400	1 600
Wanguri Oval upgrades	1 500	
Woodroffe Oval redevelopment	900	5 550
TOTAL CAPITAL GRANTS	252 558	228 246

Public non financial corporations

The Power and Water Corporation, Territory Generation and Indigenous Essential Services Pty Ltd, as government owned corporations, determine their own capital investment programs to ensure service standards for supply reliability are met. The remaining government owned corporation, Jacana Energy, does not have a major capital investment program as its primary business is electricity retailing to customers.

The Land Development Corporation is a government business division that determines its own capital investment program to provide strategic industrial land and marine infrastructure, and also facilitates the delivery of residential and mixed-use developments.

The public non financial corporations' combined projected capital investment for 2026-27 is \$547 million, with a further \$159 million committed for repairs and maintenance.

Information presented in this budget paper

Where appropriate, summary tables have been rounded to one decimal place and as a result totals may not add due to rounding. Projects and figures are correct as at time of publishing. Program amounts shown are exclusive of GST.

Program details by agency

Department of the Chief Minister and Cabinet

	Program \$000
MINOR WORKS	1 070
REPAIRS AND MAINTENANCE	391
TOTAL INFRASTRUCTURE PROGRAM	1 461

Department of the Legislative Assembly

	Program \$000
MAJOR WORKS	3 523
MINOR WORKS	1 500
REPAIRS AND MAINTENANCE	2 259
TOTAL INFRASTRUCTURE PROGRAM	7 282
Revoted works from 2025-26	3 523
Greater Darwin	
Parliament House	
Lift modernisation and upgrades	1 863
Mechanical and air conditioning upgrades	896
Security infrastructure upgrades to Parliament House and members' electorate offices	764
Total major works	3 523

Auditor-General's Office

	Program \$000
REPAIRS AND MAINTENANCE	2
TOTAL INFRASTRUCTURE PROGRAM	2

Northern Territory Electoral Commission

	Program \$000
REPAIRS AND MAINTENANCE	6
TOTAL INFRASTRUCTURE PROGRAM	6

Office of the Integrity and Ethics Commissioner

	Program \$000
REPAIRS AND MAINTENANCE	9
TOTAL INFRASTRUCTURE PROGRAM	9

Northern Territory Police Force

	Program \$000
MAJOR WORKS	159 969
MINOR WORKS	4 725
REPAIRS AND MAINTENANCE	11 926
TOTAL INFRASTRUCTURE PROGRAM	176 620
Revoted works from 2025-26	159 969
Top End	
Maningrida police complex and additional housing ¹	21 787
Across regions	
Remote police infrastructure and housing upgrades	131 872
Greater Darwin	
Joint Emergency Services Communication Centre	6 310
Total major works	159 969

¹ Joint funding by the Territory and Commonwealth governments.

Northern Territory Fire and Emergency Service

	Program \$000
MINOR WORKS	1 925
REPAIRS AND MAINTENANCE	2 259
TOTAL INFRASTRUCTURE PROGRAM	4 184

Department of Agriculture and Fisheries

	Program \$000
MAJOR WORKS	4 539
MINOR WORKS	1 660
REPAIRS AND MAINTENANCE	4 089
TOTAL INFRASTRUCTURE PROGRAM	10 288
Revoted works from 2025-26	4 539
Across regions	
Restoring our lifestyle – fishing infrastructure	4 539
Total major works	4 539

Department of Mining and Energy

	Program \$000
MAJOR WORKS	1 008
MINOR WORKS	930
CAPITAL GRANTS	2 350
REPAIRS AND MAINTENANCE	203
TOTAL INFRASTRUCTURE PROGRAM	4 491
Revoted works from 2025-26	1 008
Top End	
Rum Jungle rehabilitation project stage 3 – road upgrade ¹	1 008
Total major works	1 008

¹ Commonwealth funded.

Department of Corrections

	Program \$000
MAJOR WORKS	252 864
MINOR WORKS	5 400
REPAIRS AND MAINTENANCE	4 173
TOTAL INFRASTRUCTURE PROGRAM	262 437
Revoted works from 2025-26	252 864
Central Australia	
Alice Springs Correctional Centre	
Critical infrastructure upgrades	12 000
Ductwork replacement	190
Big Rivers	
Katherine work camp	41 800
Greater Darwin	
Darwin work camp	192 190
Across regions	
Corrections infrastructure masterplan	6 684
Total major works	252 864

Department of Treasury and Finance

	Program \$000
MINOR WORKS	100
CAPITAL GRANTS	17 116
REPAIRS AND MAINTENANCE	19
TOTAL INFRASTRUCTURE PROGRAM	17 235

Department of Logistics and Infrastructure

	Program \$000
MAJOR WORKS	2 701 964
MINOR WORKS	35 825
CAPITAL GRANTS	36 046
REPAIRS AND MAINTENANCE	91 206
INFRASTRUCTURE-RELATED	18
TOTAL INFRASTRUCTURE PROGRAM	2 865 059
Revoted works from 2025-26	2 517 683
Infrastructure development – revoted works	711 132
Central Australia	
Alice Springs infrastructure priorities	65 814
Barkly	
Ali Curung aerodrome upgrades ¹	3 842
Ampilatwatja aerodrome upgrades ¹	3 500
Big Rivers	
Katherine heavy vehicle facility – construct compliance inspections shed	139
East Arnhem	
Elcho Island aerodrome upgrades ¹	1 220
Nhulunbuy cyclone shelter – Territory contribution	15 200
Top End	
Mandorah marine facilities (transition old facilities)	4 595
Greater Darwin	
East Arm utilities upgrades	12 888
Hughes Airfield – reconstruct runway pavement ¹	2 003
Northern Marine Complex including the Darwin ship lift facility	401 169
Middle Arm – design, business case and preliminary works	1 062
Middle Arm water supply stage 1 ²	76 500
State Square building	1 013
Stokes Hill Wharf upgrades	2 000
Across regions	
Building compliance works to existing government infrastructure	2 652
Flood Recovery Fund	100 000
Protecting Our Communities (Disaster Resilience) program ²	9 734
Replacement of critical infrastructure in hospitals, health clinics, schools and police stations	7 801

continued

	Program \$000
National network – revoted works	278 177
Central Australia	
National network corridor – Schwarz Crescent and Stuart Highway intersection ¹	8 193
Greater Darwin	
Tiger Brennan Drive and Berrimah Road interchange ¹	12 032
Across regions	
Major Project Business Case Fund ¹	4 332
National network corridor – targeted road safety projects on the Stuart Highway ¹	4 274
National network highway flood resilience upgrades ¹	14 877
Northern Territory national network highway upgrades – phase 1 ²	4 063
Northern Territory national network highway upgrades – phase 2 ²	68 446
Northern Territory national network highway upgrades – phase 3 ¹	144 871
Road safety program ¹	17 089
Territory roads – revoted works	1 528 374
Central Australia	
Outback Way corridor ¹	133 348
Roads of Strategic Importance – selected upgrades of Maryvale Road ¹	1 008
Tanami Road – progressive sealing and upgrades ¹	278 383
Barkly	
Sandover Highway upgrade ¹	27 306
Tennant Creek to Townsville corridor – priority projects ¹	56 956
Big Rivers	
Buntine Highway – upgrade five heavy vehicle rest areas ¹	4 755
Buntine Highway upgrade program ¹	109 249
Carpentaria Highway upgrades ¹	15 357
Newman to Katherine corridor – priority projects ¹	41 473
East Arnhem	
Central Arnhem Road upgrade program ¹	201 058
Top End	
Arnhem Highway – floodplain upgrades ²	10 426
Jabiru road upgrades (Kakadu National Park) to support tourism growth ²	62 548
Port Keats Road upgrades between Wadeye and Palumpa ¹	89 538
Tiwi Islands road upgrades ¹	41 135
Greater Darwin	
Arnhem Highway duplication – Stuart Highway to Kostka Road ¹	79 672
Roystonea Avenue duplication – Terry Drive to Lambrick Avenue ¹	12 500

continued

	Program \$000
Across regions	
Alice Springs to Darwin corridor – priority projects ¹	17 090
Black Spot program – road safety projects at targeted locations on Territory and local government roads ²	4 007
Culvert replacement program	348
Local roads and community infrastructure program ²	1 165
Northern Territory gas industry roads ¹	107 875
Northern Territory Strategic Roads Package – upgrade and sealing of remote and regional roads ¹	120 510
Rebuilding our economy – road upgrades	5 243
Regional level crossing upgrade ¹	11 969
Remote community access roads upgrades ¹	29 778
Road safety program ¹	20 424
Roads to recovery program on targeted local roads ²	20 139
Shovel-ready projects ¹	216
Tanami Road and Central Arnhem Road future priorities program ¹	24 898
New works in 2026-27	184 281
Infrastructure development – new works	3 000
Across regions	
Building compliance works to existing government infrastructure	3 000
National network – new works	10 000
Across regions	
Major project business case fund ¹	2 500
National network highway flood resilience upgrades ¹	7 500
Territory roads – new works	171 281
Greater Darwin	
Kirkland Road/Woodlake Boulevard roundabout	7 000
Across regions	
Northern Territory Strategic Roads Package – upgrade and sealing of remote and regional roads ¹	45 500
Rebuilding our economy – road upgrades	5 000
Remote community access roads upgrades ¹	20 000
Roads to recovery program on targeted local roads ²	12 483
Road Asset Modernisation Program (RAMP)	
RAMP – balance	24 326
RAMP – Coolalinga road safety upgrades - stages 1 and 2 ¹	26 472
RAMP – Roads Repair Package	30 500
Total major works	2 701 964

¹ Joint funding by the Territory and Commonwealth governments.

² Commonwealth funded.

Attorney-General's Department

	Program \$000
MINOR WORKS	2 350
REPAIRS AND MAINTENANCE	1 801
TOTAL INFRASTRUCTURE PROGRAM	4 151

Department of Tourism and Hospitality

	Program \$000
MAJOR WORKS	15 712
MINOR WORKS	5 760
CAPITAL GRANTS	12 759
REPAIRS AND MAINTENANCE	5 246
TOTAL INFRASTRUCTURE PROGRAM	39 477
Revoted works from 2025-26	5 712
Central Australia	
Watarrka National Park – new multi-day walking track	5 462
Big Rivers	
Nitmiluk National Park – public art installations	250
New works in 2026-27	10 000
Top End	
Northern Territory parks and reserves upgrades	10 000
Total major works	15 712

Territory Wildlife Parks

	Program \$000
MINOR WORKS	1 350
REPAIRS AND MAINTENANCE	597
TOTAL INFRASTRUCTURE PROGRAM	1 947

Department of Health

	Program \$000
MAJOR WORKS	88 789
MINOR WORKS	11 380
REPAIRS AND MAINTENANCE	35 255
TOTAL INFRASTRUCTURE PROGRAM	135 424
Revoted works from 2025-26	80 789
Central Australia	
Alice Springs ambulatory care centre – design ¹	2 350
Big Rivers	
Borroloola health centre and morgue	19 456
East Arnhem	
Gove District Hospital – fire remediation works	19 829
Greater Darwin	
National critical care and trauma response centre warehouse and road upgrades project ¹	3 118
Royal Darwin Hospital	
Central sterilisation services department trolley washer and reverse osmosis system	598
Mental health inpatient unit, and stabilisation assessment and referral area facility ²	2 328
Replace fire indicator panel	2 570
Across regions	
Territory hospitals – upgrade central sterilisation service departments	29 257
Other ³	1 283
New works in 2026-27	8 000
Barkly	
Tennant Creek Hospital	
Installation of CT scanner	4 000
Theatre suite and emergency department – design	1 000
Greater Darwin	
Royal Darwin Hospital	
Forensic morgue and bereavement centre – design	1 000
Morgue upgrades	2 000
Total major works	88 789

¹ Commonwealth funded.

² Joint funding by the Territory and Commonwealth governments.

³ Includes projects expected to be completed or reach practical completion by 30 June 2026 or with immaterial program remaining.

Department of Housing, Local Government and Community Development

	Program \$000
MAJOR WORKS	641 115
MINOR WORKS	19 955
CAPITAL GRANTS	137 313
REPAIRS AND MAINTENANCE	121 340
TOTAL INFRASTRUCTURE PROGRAM	919 723
Revoted works from 2025-26	356 171
Central Australia	
St Mary's land development (Alice Springs) ¹	13 589
Top End	
Infrastructure to reposition Jabiru post-mining as a tourism and regional services hub	338
Wurankuwu (Ranku) infrastructure housing upgrades ¹	817
Across regions	
10-year remote housing agreement 2024–2035 ²	161 281
Government employee housing	
Children and schooling ¹	1 804
New teacher housing ¹	219
Remote Aboriginal housing	
Federal funding agreement – Northern Territory Remote Housing ¹	171
National Partnership on Remote Housing ¹	934
National Partnership for Remote Housing Northern Territory ¹	792
Remote Housing Investment Package	
Government employee housing	42 246
HomeBuild NT	4 887
Land servicing	102 035
Improvement and upgrades	9 819
Urban public housing – Social housing accelerator payment ¹	11 025
Rolling capital program to provide water quality and security in remote communities	6 214
New works in 2026-27	284 944
Across regions	
10-year remote housing agreement 2024–2035 ²	238 444
Remote Housing Investment Package	
Government employee housing	25 500
Improvement and upgrades	16 000
Urban public housing – rolling program to refresh the Territory's public housing stock	5 000
Total major works	641 115

¹ Commonwealth funded.

² Joint funding by the Territory and Commonwealth governments.

Department of Lands, Planning and Environment

	Program \$000
MAJOR WORKS	89 912
MINOR WORKS	6 760
REPAIRS AND MAINTENANCE	6 329
TOTAL INFRASTRUCTURE PROGRAM	103 001
Revoted works from 2025-26	87 912
Central Australia	
Alice Springs flood mitigation	9 000
Headworks infrastructure to support Southern Kilgariff residential land	11 000
Remediation Alice Springs lots 274 and 7913	1 095
Barkly	
Tennant Creek – Parnttali Road industrial subdivision design	1 000
Greater Darwin	
Crown land remediation	2 765
Headworks infrastructure to support the development of Farrar West ¹	10 450
Headworks infrastructure to support the development of Holtze and Kowandi including land servicing for a residential aged care site	48 067
Headworks infrastructure to support the development of the Berrimah North area plan	1 108
Infrastructure to mitigate flooding in Kulaluk ²	3 274
Across regions	
Other ³	153
New works in 2026-27	2 000
Across regions	
Infrastructure for Growth – headworks infrastructure and subdivision designs to support the development of land	2 000
Total major works	89 912

1 Commonwealth funded.

2 Joint funding by the Territory and Commonwealth governments.

3 Includes projects expected to be completed or reach practical completion by 30 June 2026 or with immaterial program remaining.

Aboriginal Areas Protection Authority

	Program \$000
REPAIRS AND MAINTENANCE	8
TOTAL INFRASTRUCTURE PROGRAM	8

Department of Corporate and Digital Development

	Program \$000
MINOR WORKS	300
CAPITAL GRANTS	8 400
REPAIRS AND MAINTENANCE	330
TOTAL INFRASTRUCTURE PROGRAM	9 030

Department of Education and Training

	Program \$000
MAJOR WORKS	139 383
MINOR WORKS	14 700
CAPITAL GRANTS	3 896
REPAIRS AND MAINTENANCE	34 955
TOTAL INFRASTRUCTURE PROGRAM	192 934
Revoted works from 2025-26	16 383
Central Australia	
Yuendumu School upgrades ¹	3 084
Barkly	
Barkly Regional Deal – new student boarding accommodation in Tennant Creek ¹	8 337
Greater Darwin	
Palmerston Secondary Special Education School design	2 594
Across regions	
Other ²	2 368
New works in 2026-27	123 000
Barkly	
Ali Curung School upgrades	3 500
Greater Darwin	
Palmerston secondary reform school capacity upgrades – Rosebery and Driver	9 500
Palmerston Secondary Special Education School	110 000
Total major works	139 383

1 Funded by the Commonwealth and or an external source.

2 Includes projects expected to be completed or reach practical completion by 30 June 2026 or with immaterial program remaining.

Department of Trade, Business and Asian Relations

	Program \$000
MINOR WORKS	750
CAPITAL GRANTS	6
REPAIRS AND MAINTENANCE	208
TOTAL INFRASTRUCTURE PROGRAM	964

Department of Children and Families

	Program \$000
MAJOR WORKS	20 287
MINOR WORKS	1 880
CAPITAL GRANTS	2 179
REPAIRS AND MAINTENANCE	1 618
TOTAL INFRASTRUCTURE PROGRAM	25 964
Revoted works from 2025-26	20 287
Barkly	
Barkly Regional Deal – Tennant Creek visitor park ¹	10 100
Greater Darwin	
Darwin visitor accommodation precinct ²	10 000
Across regions	
Women’s safe house upgrades	187
Total major works	20 287

1 Joint funding by the Territory and Commonwealth governments.

2 Commonwealth funded.

Department of People, Sport and Culture

	Program \$000
MAJOR WORKS	10 207
MINOR WORKS	6 054
CAPITAL GRANTS	8 181
REPAIRS AND MAINTENANCE	6 512
TOTAL INFRASTRUCTURE PROGRAM	30 954
Revoted works from 2025-26	10 207
East Arnhem	
Arts Trail – Arnhem Land art gallery extensions	4 000
Greater Darwin	
Katherine multipurpose multicultural facility	1 500
New northern suburbs youth hub ¹	4 613
Across regions	
Other ²	94
Total major works	10 207

1 Commonwealth funded.

2 Includes projects expected to be completed or reach practical completion by 30 June 2026 or with immaterial program remaining.

Explanation of terms

Capital grants

Grants provided to fund the construction or upgrade of significant assets owned by entities outside the budget sector (grant recipients). Works may be managed by either the grant recipient, to which the grant is provided directly, or the Department of Logistics and Infrastructure, in which case grant funds are held by the agency during construction.

Capital works

Building and engineering works that create an asset, as well as constructing or installing facilities and fixtures associated with and forming an integral part of those works. Capital works projects would typically include constructing buildings, roads and bridges, installing large airconditioning plants or lifts, upgrading or extending existing buildings, and major roadworks that upgrade existing roads. Capital works can consist of major and minor works (see definitions below).

Excludes capital items, which are capital purchases where limited construction or fabrication is required, such as equipment and vehicles. Repairs and maintenance works are also excluded as these works relate to maintaining an existing asset in a workable condition, not constructing or upgrading an asset.

Capital works cash

The funding expected to be spent on a project or projects in a financial year.

Capital works program

The total amount approved to deliver a project or projects.

Classification of Functions of Government – Australia (COFOG-A)

A framework to classify government outlays or expenditure by the purpose served, for example, health or education, which is based on Australian Bureau of Statistics classifications used as part of the government finance statistics manual.

General government sector

Agencies and other entities controlled by government mainly engaged in the production of goods and or services outside the normal market mechanism, where goods and services are provided free of charge or at nominal charges well below cost of production. This sector is generally funded by taxation (directly or indirectly) and Commonwealth grants.

Government owned corporation

A corporatised commercial entity within the terms of the *Government Owned Corporations Act 2001* and not included in the general government sector due to its commercial nature. Territory government owned corporations are the Power and Water Corporation, Territory Generation and Jacana Energy.

Infrastructure program

Combines capital works, capital grants, repairs and maintenance, and infrastructure-related expenses. It represents the Territory Government's total commitments to the construction and maintenance of assets across the Territory, including both government and non-government-owned assets.

Infrastructure-related expenses

Operational costs that directly relate to the infrastructure program, including strategic infrastructure-related studies, investigations, master planning, project development and consultancy costs not specific to an asset.

Major works

Construction projects with an estimated value greater than \$1 million that relate to improvements to or construction of a new Territory Government asset.

Minor works

Construction projects with an estimated value of up to \$1 million that relate to improvements to or construction of a new Territory Government asset. In this budget paper, only the total program level per agency is identified for minor works projects.

New works

Projects approved to start in the 2026-27 financial year. Individual new works projects are recorded in this budget paper for projects over \$1 million (major new works), with projects of \$1 million or less (minor new works) recorded in aggregate for each agency.

Public non financial corporations

Public enterprises primarily engaged in the production of goods or services of a non financial nature for sale in the market place at prices that aim to recover most of the costs involved. In this budget paper, public non financial corporations include Land Development Corporation, Indigenous Essential Services Pty Ltd and government owned corporations.

Repairs and maintenance

Works undertaken to maintain existing assets in working condition. Repairs and maintenance keep an asset functioning at its current capacity and do not enhance the asset significantly or extend its useful life. This is in contrast to capital works on existing assets, which will substantially change or improve the asset through expansion or upgrade.

Repairs and maintenance funding is appropriated to the Department of Logistics and Infrastructure, which manages works on behalf of client agencies. The Department of Housing, Local Government and Community Development also receives its own repairs and maintenance funding to manage works for its assets.

Revoted works

Capital works initiated in previous years carried forward into the budget year.

As construction of larger projects will often span more than one financial year, the works not completed at the end of the financial year are revoted into the new financial year. These incomplete portions of projects are referred to as revoted works and are distinct from new works.

Total infrastructure payments

A summary of payments for infrastructure projects and grants at the total public sector. The total infrastructure payments table is the primary infrastructure budget table that identifies the total approved program for the general government sector, including subcomponents and budgeted payments (cash).

Total public sector

A consolidation of all sectors of government. This process eliminates transactions and balances between sectors.

