

## MEDIA RELEASE

27 November 2024

### **Auditor-General's Report to the Legislative Assembly (November 2024)**

Auditor-General, Mr Jara Dean, tabled late yesterday his Report to the Legislative Assembly.

The Report covers financial statements audits and other audit work completed during the period from 1 May 2024 to 31 October 2024, including:

- an analysis of the Treasurer's Annual Financial Statements for 2023-24;
- the results of audits, key findings and financial performance of various entities;
- controls and compliance audits and reviews;
- information technology audits;
- performance management systems audits; and
- the findings relating to matters referred under the *Public Information Act 2010*.

---

The Auditor-General's Report provides an analysis of aspects of the Treasurer's Annual Financial Report, which the Treasurer tabled in October 2024, with the focus on the general government sector.

'Each year, the Treasurer prepares the consolidated financial report of the Territory which discharges the Government's accountability for the Territory's finances to Parliament. My role is to audit the report and provide an independent analysis of it,' Mr Dean explained.

The general government sector reported a net operating deficit of \$638.4 million in 2023-24, the seventh deficit in the past ten years. Combined deficits over the ten-year period totalled \$2.0 billion. The government has forecast another operating deficit in 2024-25.

Mr Dean made the following observations:

- The 2023-24 deficit was largely due to a significant increase in employee expenses, driven by back payments of pay increases under renegotiated enterprise agreements.
- The government borrowed an additional \$1.2 billion to fund the cash deficit. Loans increased to \$9.0 billion as at 30 June 2024.
- Superannuation liabilities represented the second major category of liabilities after borrowings at \$2.9 billion as at 30 June 2024.
- Interest on loans, which increased by \$38.2 million to \$328.5 million in 2023-24 and superannuation payments, which are projected to average \$226.9 million over the next years will put a significant pressure on future budgets.

Mr Dean said, 'It should come as no surprise that funding from the Australian Government represented the majority of government revenue.' The Report notes that the Territory's reliance on GST and other funding from the Australian Government for more than three quarters of its revenue and the proposed changes to payroll tax, which is the highest revenue-raising tax without changes to other Territory based taxes to at least ensure revenue neutrality, represent a significant fiscal risk for the Territory.

Mr Dean added that, 'Returning the budget to surplus or at least a break-even position will require careful management of employee costs, given the Government's role as the major employer in the Territory and that employee-related expenses have historically represented around 40% of total expenses.'

The Report also included the results of audits of financial statements for those entities with a financial year ended 31 December 2023 and 30 June 2024 where the audits were completed prior to 31 October 2024. It highlighted:

- Northern Territory Treasury Corporation increased its net borrowings by \$1.51 billion to \$10.97 billion as at 30 June 2024.
- Power and Water Corporation's result worsened by \$48.3 million in 2023-24 to a loss of \$7.8 million predominantly due an increased cost of emergency gas following the curtailment of supply from its main provider.
- Territory Generation and Jacana Energy both generated profits after tax.
- Charles Darwin University's income increased by \$17.0 million but despite this increase, the University incurred a net deficit of \$20.6 million in 2023.

As noted in the analysis of the Treasurer's Annual Financial Report, the Northern Territory Treasury Corporation provided the highest returns to the Government at \$55.8 million in 2023-24, followed by energy and utilities businesses, which paid a combined \$10.3 million in dividends and income tax equivalents.

Reviews of two separate referrals under the *Public Information Act 2010* found that the Act was not breached as the referred material was not public information as no money or other property of the Territory was used.

Two performance management system audits were completed during the period, including the management of grants and grant programs by the former Department of Industry, Tourism and Trade.

The complete Report is available at: <https://ago.nt.gov.au/publications.php>

The Auditor-General is a statutory position established under the *Audit Act 1995*. The Auditor-General and the Northern Territory Auditor-General's Office assist Parliament in the oversight of the performance of the Northern Territory Government by providing independent analysis through the conduct of audits and reviews.

*Ends*

For further information contact:

Jara Dean  
Auditor-General  
Phone (08) 8999 7155  
Email: [nt.audit@nt.gov.au](mailto:nt.audit@nt.gov.au)