

Auditor-General for the Northern Territory

MEDIA STATEMENT

27 November 2025

Audit of the Treasurer's Annual Financial Report

Auditor-General's Report to the Legislative Assembly No 4: 2025-26

The Auditor-General, Mr Jara Dean, tabled his report yesterday to the Legislative Assembly on the audit of the Treasurer's Annual Financial Report for the year ended 30 June 2025, which the Treasurer tabled in the Legislative Assembly on 23 October 2025.

This report includes an analysis of the General Government Sector's overall financial performance and position for the year ended 30 June 2025. The report also outlines assurance activities in government departments and agencies the outcomes of a performance management system audit of manual payroll calculations.

'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 which is funded largely through appropriation and is responsible for the provision of those services that the community commonly associates with the role of government reported a net operating deficit of \$886 million in 2024-25. This was the eighth deficit in the past ten years. Combined deficits over the ten-year period totalled \$3.8 billion.

This year's result included \$212 million for the ship lift project recognised as a capital grant. Excluding this expense, the deficit would have been \$674 million, approximately \$35 million or 5.6% higher than last year's deficit. Employee costs were the main contributing factor and returning the budget to surplus or at least a break-even position will require careful management of employee costs. "This is especially important with enterprise bargaining negotiations underway" Mr Dean said.

The Auditor-General made the following further observations:

- The Territory received \$6 billion or 76% of total revenue from the Commonwealth and its own-source revenue from taxes, fees and royalties increased by 10% to \$1.2 billion during the year.
- The Territory borrowed an additional \$1.4 billion during the year, bringing its debt to \$12 billion. The majority of the new borrowings was to fund this year's cash deficit in the General Government Sector. Interest expense increased to \$398 million in 2024-25 due to the new loans and their rising cost.
- Superannuation liabilities are the other major category of liabilities after borrowings at \$2.7 billion and the projected annual cash outflows \$221 million to cover the cost of benefits.

Assurance activities in government departments and agencies were to mainly support the audit of the consolidated Treasurer's Annual Financial Report because their financial statements are not required to be audited. "I noted a significant increase in the number of findings, which was largely attributed to the machinery of government changes resulting in changes in personnel and shortages of qualified staff to take up positions in newly created departments," Mr Dean said, highlighting 214 findings reported during the year.

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 to hold Government accountable for its use of public resources by providing independent audits.

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