ACT Government

2023-24 FINANCIAL YEAR

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Chief Minister, Treasury and Economic Development Directorate

September 2024

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the Australian Capital Territory Government Consolidated Annual Financial Statements (Territory's financial statements) for the year ended 30 June 2024 which comprise the:

- General Government Sector and Total Territory financial statements – operating statement, balance sheet, statement of changes in equity and statement of cash flows;
- Public Non-Financial Corporations Sector financial statements – operating statement, balance sheet, statement of changes in equity and statement of cash flows;
- statement of appropriation; and
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the Territory's financial statements:

(i) present fairly, in all material respects, the Territory's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and

(ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards and other mandatory financial reporting requirements in Australia.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the Territory's financial statements' section of this report.

I am independent of the Territory in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Treasurer and Under Treasurer for the Territory's financial statements

The Treasurer and Under Treasurer are responsible for:

- preparing and fairly presenting the Territory's financial statements in accordance with the *Financial Management Act 1996* and complying with relevant Australian Accounting Standards and other mandatory financial reporting requirements in Australia;
- determining the internal controls necessary for the preparation and fair presentation of the Territory's financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Territory to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the Territory's financial statements.

Auditor's responsibilities for the audit of the Territory's financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent audit opinion on the Territory's financial statements.

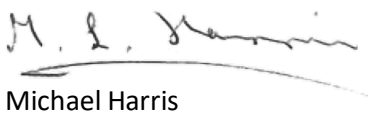
My objective is to obtain reasonable assurance about whether the Territory's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the Territory's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Territory;
- conclude on the appropriateness of the Territory's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Territory's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Territory's financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Territory to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the Territory's financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Treasurer and Under Treasurer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General
30 September 2024

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF RESPONSIBILITY BY THE TREASURER
AND THE UNDER TREASURER

Statement of responsibility by the Treasurer

The Treasurer is responsible for administering the *Financial Management Act 1996* (FMA) and related guidelines governing the financial affairs of the Australian Capital Territory Government (the Territory). Accordingly, the FMA requires the Treasurer to prepare and certify the Consolidated Annual Financial Statements of the Territory each year.

It is my opinion that the attached financial statements for the year ended 30 June 2024 fairly reflect the financial operations of the Territory during the financial year and the financial position of the Territory at the end of the financial year.

Andrew Barr MLA
Treasurer

Date: 30.9.24

Statement of responsibility by the Under Treasurer

It is my opinion that the attached financial statements for the year ended 30 June 2024 have been prepared in accordance with Australian Accounting Standards and the requirements of the FMA. These accounts fairly reflect the financial operations of the Territory during the financial year and the financial position of the Territory at the end of the financial year.

Stuart Hocking
Under Treasurer
Chief Minister, Treasury and Economic Development
Directorate

Date: 27 September 2024

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

	Note No.	General Government Sector 2023-24 Actual $'000	General Government Sector 2023-24 Budget $'000	General Government Sector 2022-23 Actual $'000	Total Territory 2023-24 Actual $'000	Total Territory 2023-24 Budget $'000	Total Territory 2022-23 Actual $'000
Revenue							
Taxation revenue[a]	8	2,572,029	2,636,971	2,537,795	2,517,661	2,583,419	2,486,373
Commonwealth grants revenue	9	3,376,065	3,366,142	3,166,597	3,378,103	3,366,142	3,168,161
Sales of goods and services							
Revenue from associates and joint ventures[b]		0	0	0	46,593	64,630	157,234
Other sales of goods and services from contracts with customers	10	680,835	640,959	601,671	1,044,605	1,043,845	936,769
Investment revenue[c]		126,143	181,564	157,211	126,143	181,564	157,211
Interest revenue		291,277	232,880	283,960	218,357	157,569	186,451
Dividend and income tax equivalents income	11	130,969	168,814	54,868	0	0	0
Other revenue							
Land revenue (value add component)[d]		0	0	0	237,687	302,432	96,694
Other revenue[e]		239,544	248,945	207,266	234,759	236,371	196,132
Gains from contributed assets[f]		181,161	215,107	227,657	160,237	177,484	194,739
Total revenue		**7,598,023**	**7,691,382**	**7,237,025**	**7,964,145**	**8,113,456**	**7,579,764**
Expenses							
Employee expenses	12	3,239,809	3,051,008	2,777,716	3,472,611	3,288,366	3,006,005
Superannuation expenses							
Superannuation interest cost	13	464,705	470,440	425,834	464,705	470,440	425,834
Other superannuation expenses	13	503,346	454,623	486,857	526,556	482,633	508,662
Depreciation and amortisation	22	604,853	600,843	543,503	801,381	775,231	727,842
Interest expenses		379,588	380,809	315,391	402,594	399,730	334,164
Other operating expenses							
Supplies and services	14	1,509,225	1,518,704	1,327,829	1,802,232	1,822,349	1,603,113
Other operating expenses[g]		482,949	343,651	451,032	547,898	421,313	455,247
Grants and purchased services	15	1,473,281	1,533,076	1,705,877	1,165,772	1,247,634	1,435,649
Total expenses	**40**	**8,657,756**	**8,353,154**	**8,034,039**	**9,183,749**	**8,907,696**	**8,496,516**
UPF[h] net operating balance		**(1,059,733)**	**(661,772)**	**(797,014)**	**(1,219,604)**	**(794,240)**	**(916,752)**
Other economic flows - included in the Operating Statement							
Dividends (market gains on land sales)		48,934	10,978	42,638	0	0	0
Land revenue (market gains on land sales)		0	0	0	71,724	16,164	62,744
Net land revenue (undeveloped land value)		4,577	5,274	1,427	5,313	5,553	2,254
Net gain/(loss) on sale/(disposal) of non-financial assets[i]		13,228	(10,970)	(7,227)	6,963	(24,055)	(21,989)
Net gain/(loss) on financial assets or liabilities at fair value[j]		500,661	229,279	418,956	500,661	229,379	419,034
Doubtful debts		(18,231)	(10,758)	(19,741)	(24,547)	(14,301)	(23,172)
Operating result		**(510,564)**	**(437,969)**	**(360,961)**	**(659,490)**	**(581,500)**	**(477,881)**
Other economic flows - other comprehensive income							
Items that will not be subsequently reclassified to the operating result							
Payments to ACT Government agencies		(210,524)	(221,658)	(105,231)	0	0	0
Transfer of assets to the Public Non-Financial Corporations (PNFC) sector		(16,524)	(11,938)	0	0	0	0
Superannuation actuarial gain		327,003	0	616,502	327,003	0	616,502
Other movements		(78,578)	(1,604)	(3,515)	(78,323)	(1,801)	(55,926)
Increase/(decrease) in the asset revaluation surplus		1,756,336	(107,791)	646,794	1,855,719	38,283	672,034
Items that may be subsequently reclassified to the operating result							
Increase/(decrease) in net assets of PNFC		64,961	211,060	(23,812)	0	0	0
Total comprehensive result		**1,332,110**	**(569,900)**	**769,777**	**1,444,909**	**(545,018)**	**754,729**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
OPERATING STATEMENT - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2024

	Note No.	General Government Sector 2023-24 Actual $'000	General Government Sector 2023-24 Budget $'000	General Government Sector 2022-23 Actual $'000	Total Territory 2023-24 Actual $'000	Total Territory 2023-24 Budget $'000	Total Territory 2022-23 Actual $'000
Key fiscal aggregates (refer to Appendix A - Glossary)							
UPF net operating balance		**(1,059,733)**	**(661,772)**	**(797,014)**	**(1,219,604)**	**(794,240)**	**(916,752)**
less **net acquisition of non-financial assets**							
Payments for non-financial assets		1,080,910	1,020,254	960,930	1,336,909	1,437,058	1,157,474
Sales of non-financial assets		(30,303)	(37,117)	(63,151)	(120,515)	(149,317)	(177,069)
Change in inventories		111	1,721	(15,144)	94,009	110,132	131,657
Depreciation and amortisation		(604,853)	(600,843)	(543,503)	(801,381)	(775,231)	(727,842)
Other movements in non-financial assets		80,438	75,201	108,347	71,907	44,350	83,507
Total net acquisition of non-financial assets		*526,303*	*459,216*	*447,479*	*580,929*	*666,992*	*467,727*
Net borrowing		**(1,586,036)**	**(1,120,988)**	**(1,244,493)**	**(1,800,533)**	**(1,461,232)**	**(1,384,479)**

Notes: (a) 2022-23 Taxation revenue has been retrospectively updated to correct an overstatement of $24.6 million in Taxation revenue. This overstatement relates to rates and land tax charges raised against historical rates accounts that are no longer active. No current property owners accounts were impacted. Whilst this adjustment has been deemed immaterial, prior year balances have been restated to provide additional transparency to readers of the financial statements, in line with ACT Disclosure Policy.

(b) The decrease compared to the prior year is due to a lower share of results from the ActewAGL joint venture.

(c) The decrease compared to the prior year is largely due to lower distribution income as distributions fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures.

(d) The increase compared to the prior year is mainly due to higher residential land sales in Whitlam, Jacka, Macnamara and Strathnairn, as well as increased West Belconnen Flexi Housing settlements.

(e) The increase compared to the prior year is mainly due to transitioning Calvary Public Hospital Bruce to the Territory, higher income from Lifetime Care and Support levies and an increase in corporate contributions from Housing ACT.

(f) The decrease compared to prior year is mainly due to a lower spot price for Large Scale Generation Certificates of $45.50 per certificate compared to $54.50 in 2022-23.

(g) The increase compared to the prior year is mainly due to the settlement reached with junior doctors, increased costs of providing ongoing treatment and care costs of new participants entering the Lifetime Care and Support Scheme, the recognition of potential civil liabilities associated with Institutional Child Sexual Abuse that fall out of the scope of the National Redress Scheme (occurring between 1989 to 1998), and the expensing of items which were forecast to be capitalised.

(h) Uniform presentation framework (refer to Appendix A - Glossary).

(i) The increase compared to the prior year is largely due to changes in the value of Large Scale Generation Certificates and a loss on revaluation in 2022-23 related to the portion of reclaimed lake that will be retained as a community asset by the City Renewal Authority.

(j) The increase compared to the prior year is mainly due to higher net gains on investments associated with an increase in market valuations mainly due to gains on share markets.

The above Operating Statement is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
BALANCE SHEET
AT 30 JUNE 2024

		General Government Sector			Total Territory		
	Note No.	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Assets							
Financial assets							
Cash and deposits	18(a)	2,507,559	2,839,077	2,374,197	2,881,817	3,013,060	2,731,804
Advances paid	19	2,077,827	2,206,498	2,023,095	130,769	186,850	86,130
Investments and loans	20	6,816,125	6,501,048	6,110,785	6,898,125	6,536,048	6,125,785
Receivables[(a)]	21	949,261	1,103,510	792,973	785,305	1,012,683	638,189
Equity investments							
Investments in other public non-financial corporations		10,991,382	11,267,170	10,926,421	0	0	0
Investments accounted for using the equity method		20	0	20	1,006,137	1,157,475	1,042,731
Total financial assets		**23,342,174**	**23,917,303**	**22,227,491**	**11,702,153**	**11,906,116**	**10,624,639**
Non-financial assets							
Produced assets							
Property, plant and equipment	22	16,467,923	13,691,936	14,096,509	23,111,273	20,017,430	20,804,353
Investment properties		5,020	5,020	5,020	29,216	31,070	29,265
Intangibles	23	196,535	220,608	254,432	218,958	252,762	281,080
Inventories[(b)]		40,344	57,596	40,233	574,031	533,767	480,022
Assets held for sale		9,981	11,605	17,894	21,391	23,155	45,121
Capital works-in-progress	22	1,473,033	2,027,395	1,211,455	1,836,644	2,348,715	1,440,277
Non-produced assets							
Property, plant and equipment	22	5,214,619	5,116,870	5,276,133	10,928,346	11,358,305	10,978,279
Biological assets		48,830	40,385	41,256	48,830	40,385	41,256
Other non-financial assets		6,140	2,083	9,899	6,140	1,905	9,899
Total non-financial assets		**23,462,425**	**21,173,498**	**20,952,831**	**36,774,829**	**34,607,494**	**34,109,552**
Total assets	**40**	**46,804,599**	**45,090,801**	**43,180,322**	**48,476,982**	**46,513,610**	**44,734,191**
Liabilities							
Advances received	24	40,864	40,864	45,354	73,231	73,231	81,586
Borrowings							
Lease liabilities	25	1,036,615	1,034,653	1,074,570	1,061,557	1,059,645	1,091,195
Other borrowings	26	11,494,165	11,836,184	9,569,521	11,782,723	12,107,592	9,869,416
Superannuation	27	10,499,497	9,685,471	10,565,392	10,499,497	9,685,471	10,565,392
Employee benefits	28	1,160,655	1,113,177	1,035,166	1,247,253	1,200,759	1,120,770
Other provisions[(c)]		1,250,599	994,220	992,698	1,565,096	1,130,036	1,263,654
Payables	29	368,110	372,230	307,262	468,643	483,773	409,265
Contract liabilities[(d)]	29	55,785	23,116	30,392	89,885	80,599	91,638
Other liabilities		21,109	11,931	14,877	27,904	22,428	24,991
Total liabilities		**25,927,399**	**25,111,846**	**23,635,232**	**26,815,789**	**25,843,534**	**24,517,907**
Net assets		**20,877,200**	**19,978,955**	**19,545,090**	**21,661,193**	**20,670,076**	**20,216,284**
Equity in public non-financial corporations		10,991,382	11,267,170	10,926,421	0	0	0
Accumulated funds[(a)]		(551,889)	525,131	(70,281)	3,362,226	4,329,641	3,637,312
Asset revaluation surplus		10,436,477	8,185,424	8,687,720	18,297,737	16,339,205	16,577,742
Other reserves		1,230	1,230	1,230	1,230	1,230	1,230
Net worth		**20,877,200**	**19,978,955**	**19,545,090**	**21,661,193**	**20,670,076**	**20,216,284**
Key fiscal aggregates (refer to Appendix A - Glossary)							
Net financial worth		(2,585,225)	(1,194,543)	(1,407,741)	(15,113,636)	(13,937,418)	(13,893,268)
Net financial liabilities		13,576,607	12,461,713	12,334,162	16,119,773	15,094,893	14,935,999
Net debt (excluding superannuation related investments)		7,293,086	7,252,052	5,690,310	9,129,753	9,391,484	7,607,420

Notes: (a) 2022-23 Receivables and Accumulated funds have been retrospectively updated to correct an overstatement of $24.6 million in Taxation revenue. This overstatement relates to rates and land tax charges raised against historical rates accounts that are no longer active. No current property owners accounts were impacted. Whilst this adjustment has been deemed immaterial, prior year balances have been restated to provide additional transparency to readers of the financial statements, in line with ACT Disclosure Policy.

(b) The increase compared to the prior year is mainly due to developed land becoming settlement ready during the period including blocks in Whitlam, Jacka and Macnamara.

(c) The increase compared to the prior year is largely due to the impact of transitioning Calvary Public Hospital Bruce operations to the Territory Government, increased costs of providing ongoing treatment and care costs of new participants entering the Lifetime Care and Support Scheme, the recognition of potential civil liabilities associated with Institutional Child Sexual Abuse that fall out of the scope of the National Redress Scheme (occurring between 1989 to 1998), and the settlement reached with junior doctors for unpaid and unrostered overtime.

(d) In last year's financial statements Contract Liabilities were included in the Payables line item. However, this year they have been disclosed separately on the face of the balance sheet, to better assist users of the financial statements.

The above Balance Sheet is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	General Government Sector			Total Territory		
	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Opening equity						
Opening equity in Public Non-Financial Corporations (PNFC)	10,926,421	11,056,110	10,950,233	0	0	0
Opening accumulated funds	(70,281)	1,182,426	(251,693)	3,637,312	4,875,068	3,396,145
Opening asset revaluation surplus	8,687,720	8,309,089	8,075,543	16,577,742	16,338,796	16,064,180
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Opening balance	**19,545,090**	**20,548,856**	**18,775,313**	**20,216,284**	**21,215,094**	**19,461,555**
Comprehensive income						
Included in accumulated funds:						
Operating result for the period[(a)]	(510,564)	(437,969)	(360,961)	(659,490)	(581,500)	(477,881)
Payments to ACT Government agencies	(210,524)	(221,658)	(105,231)	0	0	0
Transfer of assets to/(from) the PNFC sector	(16,524)	(11,938)	0	0	0	0
Superannuation actuarial gain	327,003	0	616,502	327,003	0	616,502
Other movements	(78,578)	(1,604)	(3,515)	(78,323)	(1,801)	(55,926)
Included in equity in PNFC:						
Increase/(decrease) in net assets of PNFC entities	64,961	211,060	(23,812)	0	0	0
Included in the asset revaluation surplus:						
Increase/(decrease) in the asset revaluation surplus	1,756,336	(107,791)	646,794	1,855,719	38,283	672,034
Total comprehensive result	**1,332,110**	**(569,900)**	**769,777**	**1,444,909**	**(545,018)**	**754,729**
Other						
Transfer to accumulated funds	7,579	15,874	34,617	135,724	37,874	158,472
Transfer from the asset revaluation surplus	(7,579)	(15,874)	(34,617)	(135,724)	(37,874)	(158,472)
Total other	**0**	**0**	**0**	**0**	**0**	**0**
Closing equity						
Closing equity in PNFC	10,991,382	11,267,170	10,926,421	0	0	0
Closing accumulated funds[(a)]	(551,889)	525,131	(70,281)	3,362,226	4,329,641	3,637,312
Closing asset revaluation surplus	10,436,477	8,185,424	8,687,720	18,297,737	16,339,205	16,577,742
Closing other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Closing balance	**20,877,200**	**19,978,955**	**19,545,090**	**21,661,193**	**20,670,076**	**20,216,284**

Notes: (a) 2022-23 Taxation revenue has been retrospectively updated to correct an overstatement of $24.6 million in Taxation revenue. This overstatement relates to rates and land tax charges raised against historical rates accounts that are no longer active. No current property owners accounts were impacted. Whilst this adjustment has been deemed immaterial, prior year balances have been restated to provide additional transparency to readers of the financial statements, in line with ACT Disclosure Policy.

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note No.	General Government Sector 2023-24 Actual $'000	General Government Sector 2023-24 Budget $'000	General Government Sector 2022-23 Actual $'000	Total Territory 2023-24 Actual $'000	Total Territory 2023-24 Budget $'000	Total Territory 2022-23 Actual $'000
Cash flows from operating activities							
Cash receipts							
Taxes received		2,405,747	2,584,728	2,375,726	2,352,705	2,530,924	2,323,229
Sales of goods and services from contracts with customers		851,475	630,690	847,207	1,517,543	1,340,490	1,362,700
Grants and contributions		3,385,000	3,409,298	3,156,981	3,387,060	3,408,329	3,158,369
Investment receipts		126,967	181,564	156,631	126,967	181,564	156,631
Interest receipts		264,193	208,595	243,945	209,402	147,330	172,681
Dividends and income tax equivalents		33,508	99,996	152,376	0	0	0
Other receipts		657,121	430,144	476,011	764,163	474,051	560,780
Total receipts from operating activities		***7,724,011***	***7,545,015***	***7,408,877***	***8,357,840***	***8,082,688***	***7,734,390***
Cash payments							
Employee payments		(3,864,340)	(3,766,749)	(3,326,309)	(4,121,789)	(4,023,394)	(3,570,626)
Supplies and services		(1,640,410)	(1,583,377)	(1,412,120)	(1,907,864)	(1,855,734)	(1,667,533)
Grants and purchased services		(1,326,836)	(1,398,130)	(1,552,317)	(1,031,389)	(1,112,388)	(1,290,576)
Borrowing costs		(326,728)	(353,905)	(277,173)	(348,009)	(370,178)	(295,224)
Other payments		(683,352)	(449,395)	(556,504)	(939,301)	(801,540)	(756,629)
Total payments from operating activities		***(7,841,666)***	***(7,551,556)***	***(7,124,423)***	***(8,348,352)***	***(8,163,234)***	***(7,580,588)***
Net cash (outflows)/inflows from operating activities	18(b)	**(117,655)**	**(6,541)**	**284,454**	**9,488**	**(80,546)**	**153,802**
Cash flows from investing activities							
Cash flows from investments in non-financial assets							
Proceeds from sales of non-financial assets		30,303	37,117	63,151	120,515	149,317	177,069
Purchase of non-financial assets		(1,080,910)	(1,020,254)	(960,930)	(1,336,909)	(1,437,058)	(1,157,474)
Net cash (outflows) from investments in non-financial assets		***(1,050,607)***	***(983,137)***	***(897,779)***	***(1,216,394)***	***(1,287,741)***	***(980,405)***
Cash flows from investments in financial assets for policy purposes							
Cash receipts							
Repayment of loans		21,068	18,897	8,585	28,378	45,769	8,585
Capital receipts from government agencies		15,033	0	0	15,033	0	0
Dividends (market gains on land sales)		48,934	10,978	0	0	0	0
Total receipts from investments in financial assets for policy purposes		***85,035***	***29,875***	***8,585***	***43,411***	***45,769***	***8,585***
Cash payments							
Issue of loans		(62,689)	(117,000)	(105,037)	(72,857)	(132,593)	(112,163)
Capital payments to government agencies		(210,524)	(221,658)	(105,231)	0	0	0
Total payments from investments in financial assets for policy purposes		***(273,213)***	***(338,658)***	***(210,268)***	***(72,857)***	***(132,593)***	***(112,163)***
Net cash (outflows) from investments in financial assets for policy purposes		***(188,178)***	***(308,783)***	***(201,683)***	***(29,446)***	***(86,824)***	***(103,578)***
Cash flows from investments in financial assets for liquidity purposes							
Proceeds from sales of investments		353	140,849	23,724	3,279	167,609	24,453
Payments for investments		(242,955)	(380,138)	(182,166)	(245,461)	(406,717)	(182,167)
Net cash (outflows) from investments in financial assets for liquidity purposes		***(242,602)***	***(239,289)***	***(158,442)***	***(242,182)***	***(239,108)***	***(157,714)***
Net cash (outflows) from investing activities		**(1,481,387)**	**(1,531,209)**	**(1,257,904)**	**(1,488,022)**	**(1,613,673)**	**(1,241,697)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2024

	Note No.	General Government Sector 2023-24 Actual $'000	General Government Sector 2023-24 Budget $'000	General Government Sector 2022-23 Actual $'000	Total Territory 2023-24 Actual $'000	Total Territory 2023-24 Budget $'000	Total Territory 2022-23 Actual $'000
Cash flows from financing activities							
Cash receipts							
Borrowings		1,892,933	2,264,996	328,064	1,797,147	2,265,791	345,822
Total receipts from financing activities		***1,892,933***	***2,264,996***	***328,064***	***1,797,147***	***2,265,791***	***345,822***
Cash payments							
Borrowings		(102,993)	(90,340)	(60,965)	(39,048)	(32,144)	(20,711)
Repayment of lease liabilities – principal		(57,536)	(51,069)	(54,051)	(62,552)	(67,613)	(58,882)
Total payments from financing activities		***(160,529)***	***(141,409)***	***(115,016)***	***(101,600)***	***(99,757)***	***(79,593)***
Net cash inflows from financing activities		**1,732,404**	**2,123,587**	**213,048**	**1,695,547**	**2,166,034**	**266,229**
Net increase/(decrease) in cash and cash equivalents		**133,362**	**585,837**	**(760,402)**	**217,013**	**471,815**	**(821,666)**
Cash and cash equivalents at the beginning of the reporting period		**2,374,360**	**2,239,908**	**3,134,762**	**2,746,965**	**2,562,911**	**3,568,631**
Cash and cash equivalents at the end of the reporting period	18(a)	**2,507,722**	**2,825,745**	**2,374,360**	**2,963,978**	**3,034,726**	**2,746,965**
Key fiscal aggregates (refer to Appendix A - Glossary)							
Net cash from operating activities		(117,655)	(6,541)	284,454	9,488	(80,546)	153,802
Investments in non-financial assets		(1,050,607)	(983,137)	(897,779)	(1,216,394)	(1,287,741)	(980,405)
Cash (deficit)[(a)]		**(1,168,262)**	**(989,678)**	**(613,325)**	**(1,206,906)**	**(1,368,287)**	**(826,603)**

Note: (a) Net cash (deficit) refers to the net cash received from operating activities less net sales and purchases of non-financial assets.
The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Revenue			
Controlled recurrent payments	331,121	331,187	301,625
Commonwealth grants	9,398	9,538	7,790
Sales of goods and services			
from associates and joint ventures	46,593	64,630	157,234
Other sales of goods and services from contracts with customers	456,710	475,575	414,671
Interest revenue	17,531	8,717	11,225
Other revenue			
Land revenue (value add component)	256,126	335,232	117,230
Other revenue	42,270	15,986	28,098
Gains from contributed assets	53,922	18,966	21,533
Total revenue	**1,213,671**	**1,259,831**	**1,059,406**
Expenses			
Employee expenses	237,884	242,440	232,251
Superannuation expenses	35,238	39,202	34,848
Depreciation and amortisation	196,528	174,388	184,339
Interest expenses	113,457	102,949	127,507
Other property expenses (income tax equivalents)	68,318	53,358	46,256
Other operating expenses			
Supplies and services	368,406	356,441	328,986
Other operating expenses	180,854	206,897	118,775
Grants and purchased services expenses	88,125	81,901	81,027
Total expenses	**1,288,810**	**1,257,576**	**1,153,989**
UPF[(a)] net operating balance	**(75,139)**	**2,255**	**(94,583)**
Other economic flows - included in the Operating Statement			
Land revenue (market gains on land sales)	71,724	16,164	62,744
Net gain/(loss) on sale/(disposal) of non-financial assets	(6,265)	(13,085)	(14,762)
Net gain on financial assets or liabilities at fair value	0	100	78
Doubtful debts	(6,316)	(3,543)	(3,431)
Operating result	**(15,996)**	**1,891**	**(49,954)**
Other economic flows - other comprehensive income			
Items that will not be subsequently reclassified to the operating result			
Other movements	255	(259)	(52,411)
Increase/(decrease) in the asset revaluation surplus	(20,644)	131,586	27,210
Total comprehensive result	**(36,385)**	**133,218**	**(75,155)**
Key fiscal aggregates (refer to Appendix A - Glossary)			
UPF net operating balance	**(75,139)**	**2,255**	**(94,583)**
less **net acquisition of non-financial assets**			
Payments for non-financial assets	277,496	443,402	248,506
Sales of non-financial assets	(90,212)	(112,200)	(113,918)
Change in inventories	93,898	108,411	146,801
Depreciation and amortisation	(196,528)	(174,388)	(184,339)
Other movements in non-financial assets	(8,531)	(37,623)	(35,820)
Total net acquisition of non-financial assets	*76,123*	*227,602*	*61,230*
Net borrowing	**(151,262)**	**(225,347)**	**(155,813)**

Notes: (a) Uniform presentation framework (refer to Appendix A - Glossary).

The above Operating Statement is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
BALANCE SHEET
AT 30 JUNE 2024

	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Assets			
Financial assets			
Cash and deposits	374,258	173,983	357,607
Advances paid	10,903	2,740	0
Investments and loans	82,000	35,000	15,000
Receivables	80,891	124,381	81,243
Equity investments	1,006,137	1,157,475	1,042,731
Total financial assets	**1,554,189**	**1,493,579**	**1,496,581**
Non-financial assets			
Produced assets			
Property, plant and equipment	6,643,350	6,325,494	6,707,844
Investment properties	24,196	26,050	24,245
Intangibles	22,423	32,154	26,648
Inventories	533,687	476,171	439,789
Assets held for sale	11,410	11,550	27,227
Capital works-in-progress	363,611	321,320	228,822
Non produced assets			
Property, plant and equipment	5,713,727	6,241,434	5,702,146
Other non-financial assets			
Deferred tax assets	25,799	23,643	24,162
Total non-financial assets	**13,338,203**	**13,457,816**	**13,180,883**
Total assets	**14,892,392**	**14,951,395**	**14,677,464**
Liabilities			
Advances received	1,990,328	2,054,755	1,973,197
Borrowings			
Lease liabilities	24,942	24,992	16,625
Other borrowings	288,558	271,408	299,895
Employee benefits	86,670	87,582	85,604
Other provisions	335,718	173,971	298,324
Payables	158,064	149,484	141,915
Contract liabilities	50,895	57,931	61,979
Current tax liability	27,789	(7,835)	6,088
Deferred tax liability	758,298	696,727	759,474
Other liabilities	179,748	175,210	107,942
Total liabilities	**3,901,010**	**3,684,225**	**3,751,043**
Net assets	**10,991,382**	**11,267,170**	**10,926,421**
Accumulated funds	3,873,063	3,718,143	3,659,313
Asset revaluation surplus	7,118,319	7,549,027	7,267,108
Net worth	**10,991,382**	**11,267,170**	**10,926,421**
Key fiscal aggregates (refer to Appendix A - Glossary)			
Net financial worth	(2,346,821)	(2,190,646)	(2,254,462)
Net debt	1,836,667	1,868,024	1,917,110

Note: The above Balance Sheet is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Opening equity			
Opening accumulated funds	3,659,313	3,616,669	3,586,480
Opening asset revaluation surplus	7,267,108	7,439,441	7,363,753
Opening balance	**10,926,421**	**11,056,110**	**10,950,233**
Comprehensive income			
Included in accumulated funds:			
Operating result for the period	(15,996)	1,891	(49,954)
Other movements	255	(259)	(52,411)
Included in the asset revaluation surplus:			
Increase/(decrease) in the asset revaluation surplus	(20,644)	131,586	27,210
Total comprehensive result	**(36,385)**	**133,218**	**(75,155)**
Other			
Transfer to accumulated funds	128,145	22,000	123,855
Transfer from the asset revaluation surplus	(128,145)	(22,000)	(123,855)
Total other	**0**	**0**	**0**
Transactions involving owners' affecting accumulated funds			
Capital injections[(a)]	210,524	221,658	105,231
Transfer of assets from the General Government Sector	16,524	12,000	0
Dividends approved	(125,702)	(155,816)	(53,888)
Total transactions involving owners' affecting accumulated funds	**101,346**	**77,842**	**51,343**
Closing equity			
Closing accumulated funds	3,873,063	3,718,143	3,659,313
Closing asset revaluation surplus	7,118,319	7,549,027	7,267,108
Closing balance	**10,991,382**	**11,267,170**	**10,926,421**

Notes: The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

(a) Further information can be found in the Statement of Appropriation note.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Cash flows from operating activities			
Cash receipts			
Sales of goods and services from contracts with customers	777,483	797,990	618,150
Grants and contributions	333,150	340,791	302,955
Interest receipts	16,267	7,757	11,085
Other receipts	161,350	79,712	149,001
Total receipts from operating activities	***1,288,250***	***1,226,250***	***1,081,191***
Cash payments			
Employee payments	(274,559)	(273,021)	(261,261)
Supplies and services	(330,877)	(366,631)	(313,712)
Grants and purchased services	(36,861)	(36,798)	(35,677)
Borrowing costs	(92,385)	(85,295)	(100,400)
Other payments	(369,317)	(428,419)	(296,456)
Total payments from operating activities	***(1,103,999)***	***(1,190,164)***	***(1,007,506)***
Net cash inflows from operating activities	**184,251**	**36,086**	**73,685**
Cash flows from investing activities			
Cash flows from investments in non-financial assets			
Proceeds from sales of non-financial assets	90,212	112,200	113,918
Purchase of non-financial assets	(277,496)	(443,402)	(248,506)
Net cash (outflows) from investments in non-financial assets	***(187,284)***	***(331,202)***	***(134,588)***
Cash flows from investments in financial assets for policy purposes			
Cash receipts			
Repayment of loans	7,310	26,872	0
Capital receipts from government agencies	210,524	221,658	105,231
Total receipts from investments in financial assets for policy purposes	***217,834***	***248,530***	***105,231***
Cash payments			
Repayment of borrowings	(10,168)	(15,593)	(7,126)
Dividends (market gains on land sales)	(48,934)	(10,978)	0
Total payments from investments in financial assets for policy purposes	***(59,102)***	***(26,571)***	***(7,126)***
Net cash inflows from investments in financial assets for policy purposes	***158,732***	***221,959***	***98,105***
Cash flows from investments in financial assets for liquidity purposes			
Proceeds from sales of investments	1,673	16,684	728
Payments for investments	(2,506)	0	0
Net cash (outflows)/ inflows from investments in financial assets for liquidity purposes	***(833)***	***16,684***	***728***
Net cash (outflows) from investing activities	**(29,385)**	**(92,559)**	**(35,754)**

Note: The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2024

	2023-24 Actual $'000	2023-24 Budget $'000	2022-23 Actual $'000
Cash flows from financing activities			
Cash receipts			
Advances received	100,236	170,795	99,595
Total receipts from financing activities	***100,236***	***170,795***	***99,595***
Cash payments			
Advances paid	(132,077)	(111,804)	(41,583)
Dividends paid	(1,857)	(62,847)	(20,990)
Repayment of lease liabilities - principal	(5,016)	(16,544)	(4,831)
Other financing	(32,501)	(37,149)	(131,386)
Total payments from financing activities	***(171,451)***	***(228,344)***	***(198,790)***
Net cash (outflows) from financing activities	**(71,215)**	**(57,549)**	**(99,195)**
Net increase/(decrease) in cash and cash equivalents	**83,651**	**(114,022)**	**(61,264)**
Cash and cash equivalents at the beginning of the reporting period	**372,605**	**323,003**	**433,869**
Cash and cash equivalents at the end of the reporting period	**456,256**	**208,981**	**372,605**
Key fiscal aggregates (refer to Appendix A - Glossary)			
Net cash from operating activities	184,251	36,086	73,685
Investments in non-financial assets	(187,284)	(331,202)	(134,588)
Distributions paid	(34,358)	(99,996)	(152,376)
Cash (deficit)[(a)]	**(37,391)**	**(395,112)**	**(213,279)**

Notes: The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

(a) Net cash (deficit) refers to the net cash received from operating activities less net sales and purchases of non-financial assets.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2024

For disclosure purposes, one Statement of Appropriation is presented inclusive of all ACT Government controlled entities which have received appropriations during the reporting period.

Entity	Appropriation Act 2023-2024	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ACT Executive							
Capital injection	217	0	0	0	0	217	217
Payments on behalf of the Territory	15,526	0	0	0	226	15,752	15,080
ACT Gambling and Racing Commission							
Controlled recurrent payments	6,390	0	0	0	0	6,390	6,190
Capital injection	77	0	0	0	0	77	77
ACT Health Directorate							
Controlled recurrent payments	296,101	0	0	0	74,630	370,731	344,867
Capital injection	95,620	16,623	0	0	20,349	132,592	64,346
Payments on behalf of the Territory	13,799	(16,623)	0	0	3,677	853	200
ACT Integrity Commission							
Controlled recurrent payments	7,577	0	0	0	0	7,577	7,377
Capital injection	1,033	0	0	0	0	1,033	118
ACT Local Hospital Network							
Controlled recurrent payments	1,051,992	0	245	47,098	75,187	1,174,522	1,162,877
Capital injection	3,588	0	0	0	0	3,588	3,588
Auditor-General							
Controlled recurrent payments	4,170	0	0	0	0	4,170	4,133
Capital injection	166	0	0	0	0	166	166
Canberra Health Services							
Capital injection	77,682	0	0	0	47,026	124,708	67,792
Canberra Institute of Technology							
Controlled recurrent payments	75,613	3,713	0	0	1,801	81,127	77,409
Capital injection	17,394	(3,713)	0	0	2,496	16,177	9,084

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2023-2024 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2023-2024 (No 2);* Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; and Section 16B transfer of undispersed 2022-23 appropriation from 2022-23 to 2023-24 under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2024

Entity	Appropriation Act 2023-2024	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Chief Minister, Treasury and Economic Development Directorate							
Controlled recurrent payments	645,559	0	0	0	8,330	653,889	600,274
Capital injection	235,153	0	0	0	(15,813)	219,340	108,713
Payments on behalf of the Territory	120,019	0	0	0	3,040	123,059	88,565
City Renewal Authority							
Controlled recurrent payments	23,875	(6,918)	0	0	0	16,957	14,241
Capital injection	13,974	6,918	0	0	175	21,067	6,659
Community Services Directorate							
Controlled recurrent payments	270,339	0	0	7,420	5,192	282,951	272,497
Capital injection	24,319	0	0	0	65	24,384	11,419
Payments on behalf of the Territory	192,670	0	0	0	0	192,670	191,449
Cultural Facilities Corporation							
Controlled recurrent payments	10,400	0	0	0	0	10,400	10,393
Capital injection	6,133	0	0	0	534	6,667	3,758
Education Directorate							
Controlled recurrent payments	968,986	(725)	754	0	28,562	997,577	986,494
Capital injection	224,601	0	0	0	23,889	248,490	186,982
Payments on behalf of the Territory	353,191	725	7,964	0	1,224	363,104	363,104
Electoral Commissioner							
Controlled recurrent payments	6,431	0	0	0	0	6,431	5,762
Capital injection	255	0	0	0	0	255	111
Environment, Planning and Sustainable Development Directorate							
Controlled recurrent payments	173,927	0	0	0	7,796	181,723	170,264
Capital injection	30,334	0	0	0	6,005	36,339	22,718
Payments on behalf of the Territory	2,544	0	0	0	0	2,544	2,212

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2023-2024 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2023-2024 (No 2);* Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; and Section 16B transfer of undispersed 2022-23 appropriation from 2022-23 to 2023-24 under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2024

Entity	Appropriation Act 2023-2024	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Housing ACT							
Controlled recurrent payments	61,258	0	2,310	0	0	63,568	62,436
Capital injection	153,034	0	0	0	1,090	154,124	117,685
Icon Water Limited							
Controlled recurrent payments	13,830	0	0	0	0	13,830	13,830
Independent Competition and Regulatory Commission							
Controlled recurrent payments	468	0	0	0	0	468	468
Justice and Community Safety Directorate							
Controlled recurrent payments	454,193	(366)	7,830	0	11,720	473,377	448,274
Capital injection	67,907	366	0	0	10,825	79,098	40,037
Payments on behalf of the Territory	251,674	0	0	2,873	13,130	267,677	257,233
Legal Aid Commission (ACT)							
Controlled recurrent payments	17,947	0	1,630	0	0	19,577	19,514
Major Projects Canberra							
Controlled recurrent payments	43,331	(2,457)	0	0	18,996	59,870	52,422
Capital injection	501,609	2,457	0	0	108,971	613,037	445,620
Office of the Legislative Assembly							
Controlled recurrent payments	10,708	0	0	0	0	10,708	10,708
Capital injection	797	0	0	0	0	797	715
Payments on behalf of the Territory	10,040	0	0	0	94	10,134	9,611
Office of the Work Health and Safety Commissioner							
Controlled recurrent payments	14,306	(407)	0	0	0	13,899	13,899
Capital injection	788	407	0	0	0	1,195	1,053

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2023-2024 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2023-2024 (No 2);* Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; and Section 16B transfer of undispersed 2022-23 appropriation from 2022-23 to 2023-24 under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2024

Entity	Appropriation Act 2023-2024	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Public Trustee and Guardian							
Controlled recurrent payments	2,609	0	0	0	0	2,609	2,609
Capital injection	70	0	0	0	0	70	70
Suburban Land Agency							
Capital injection					50,000	50,000	50,000
Superannuation Provision Account							
Capital injection	382,097	0	0	0	0	382,097	382,097
Transport Canberra and City Services Directorate							
Controlled recurrent payments	517,223	0	0	10,000	22,303	549,526	538,212
Capital injection	302,096	0	637	0	65,837	368,570	228,354
Sub totals for appropriation classes							
Controlled recurrent payments	4,677,233	(7,160)	12,769	64,518	254,517	5,001,877	4,825,150
Capital injection	2,138,944	23,058	637	0	321,449	2,484,088	1,751,379
Payments on behalf of the Territory	959,463	(15,898)	7,964	2,873	21,391	975,793	927,454
Treasurer's advance	77,756	0	0	0	4,486	82,242	0
Total appropriations	**7,853,396**	**0**	**21,370**	**67,391**	**601,843**	**8,544,000**	**7,503,982**

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2023-2024 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2023-2024 (No 2);* Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; and Section 16B transfer of undispersed 2022-23 appropriation from 2022-23 to 2023-24 under the *Financial Management Act 1996* .

The variances between the total appropriated and final appropriation drawn columns for 2023-24 are largely due to the following:

Controlled recurrent payments: The variation is largely due to undrawn appropriation in relation to the deferral of expenditure from 2023-24 to future years. These deferrals largely resulted from delays in progressing of projects and programs such as skill development grant programs, affordable housing projects, delivery of the MyWay+ ticketing system, as well as savings in the continuing delivery of the Digital Health Strategy and the North Canberra Hospital transition. The variation was also attributed to the timing of payments associated with the Preschool Reform Agreement and Meals in Schools, with payments now expected to be made in 2024-25 for the commencement of the program in term three 2024.

Capital injection: The variation is largely due to the deferral of expenditure from 2023-24 to future years, the most significant of which related to capital works projects including the concessional loan scheme to remediate cladding on private buildings, Monaro Highway Upgrade, Strategic Road Maintenance and Renewal, Ticketing System for Canberra's public transport system, William Hovell Drive duplication, Improving the bus network, Road Safety Program, Molonglo Enabling Works, and the new Northside Hospital redevelopment. The details of these deferrals are also discussed in the agencies' financial statements (Statement of Appropriation). The variance also resulted from the underutilisation of additional funding provided for the Sustainable Household Scheme, nil take up of land rent blocks under the Land Rent Scheme, and the deferral of funding associated with the ACT Venture Capital Fund to 2024-25.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1 THE AUSTRALIAN CAPITAL TERRITORY GOVERNMENT

The Australian Capital Territory (the Territory) is a body politic established under th*e Australian Capital Territory (Self-Government) Act 1988 (Cwlth)* . The Legislative Assembly for the ACT is elected on fixed four year terms with the next election due to be held in 2024. The Executive powers of the Territory are exercised by the Chief Minister and Ministers of the ACT Government appointed in accordance with that Act and drawn from the Members of the Legislative Assembly.

The ACT Government is responsible for administering both territorial and municipal powers and functions in accordance with the Australian model of Government.

Financial administration and preparation of consolidated financial statements

The ACT Government owns or controls a diverse range of administrative entities, Territory authorities and corporations (refer Note 3: 'Australian Capital Territory Government controlled entities') to deliver services funded by the Government or the community directly. The *Financial Management Act 1996* (FMA) sets the legislative framework for the administration of financial affairs of the ACT Government and its agencies.

2 DISAGGREGATED INFORMATION

The Territory Government's financial statements show the assets, liabilities and equity (reflected in the Balance Sheet), revenue and expenses (reflected in the Operating Statement) and receipts and payments (reflected in the Statement of Cash Flows) that are reliably attributable to the General Government Sector (GGS) and Public Non-Financial Corporations (PNFC) sector activities of the Government. These have been determined in accordance with the principles used in the Government Finance Statistics conventions of the Australian Bureau of Statistics (ABS). This disaggregated information includes transactions and balances between sectors (but excludes transactions between entities within each of these). The aggregate of the GGS and PNFC amounts may therefore vary from the consolidated total for the Territory due to consolidation eliminations. A list of entities in the GGS and PNFC sectors can be found at Note 3: 'Australian Capital Territory Government controlled entities'.

General Government Sector (GGS)

GGS entities include Government directorates and other administrative units, statutory authorities and other entities for the purposes of the *Financial Management Act 1996* which predominantly receive funding directly or indirectly from Government sources. It covers those agencies that provide non-market goods or services (such as police or consumer protection) or are responsible for the transfer of income for public policy purposes (such as by way of income support). The Government funds the provision of the above services by compulsory levies (such as taxes) on the household and business sectors, and from general revenue, such as Commonwealth grants.

Public Non-Financial Corporations (PNFC)

PNFC include those agencies that largely provide services direct to the community on a commercial fee for service basis, with the aim of recovering all, or a significant proportion, of their operating costs.

3 AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES

General Government Sector

ACT Audit Office
ACT Electoral Commission
ACT Executive
ACT Gambling and Racing Commission
ACT Health Directorate
ACT Insurance Authority
ACT Integrity Commission
ACT Local Hospital Network
Cemeteries and Crematoria Authority
Canberra Health Services
Canberra Institute of Technology
Chief Minister, Treasury and Economic Development Directorate
Community Services Directorate
Cultural Facilities Corporation
Education Directorate
Environment, Planning and Sustainable Development Directorate
Independent Competition and Regulatory Commission
Justice and Community Safety Directorate
Legal Aid Commission (ACT)
Lifetime Care and Support Fund
Major Projects Canberra
Motor Accident Injuries Commission
Office of the Legislative Assembly
Office of the Work Health and Safety Commissioner
Public Sector Workers Compensation Fund
Public Trustee and Guardian
Superannuation Provision Account
Territory Banking Account
Transport Canberra and City Services Directorate

Public Non-Financial Corporations

CIT Solutions Pty Limited
City Renewal Authority
Housing ACT
Icon Water Limited
Suburban Land Agency
Transport Canberra Operations

All Public Non-Financial Corporations are 100 per cent owned by the Territory Government.

4 BASIS OF PREPARATION

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for the Territory Government.

The FMA, and the *Financial Management Guidelines* issued under the Act, requires that the financial statements for each sector include:

(i) an Operating Statement for the year;

(ii) a Balance Sheet at the end of the year;

(iii) a Statement of Changes in Equity for the year;

(iv) a Statement of Cash Flows for the year;

(v) a Statement of Appropriation for the year;

(vi) the material accounting policies adopted for the year; and

(vii) other statements as necessary to fairly reflect the financial operations of the Territory Government during the year and its financial position at the end of the year.

As required by the FMA, these general purpose financial statements have been prepared in accordance with:

(i) Australian Accounting Standards; and

(ii) ACT Government accounting and disclosure policies.

The Territory Government's financial statements have been prepared using the accrual basis of accounting. The Territory's financial statements have also been prepared in accordance with the historical cost convention, except for assets such as those included in property, plant and equipment and financial instruments which were valued at fair value in accordance with the valuation policies of the Territory during the reporting period.

The Territory Government's financial statements are presented in Australian dollars.

Where considered material, differing accounting treatments between agencies have been amended to ensure the consolidated financial statements are prepared on a consistent basis in accordance with the Territory Government's accounting policies and provide a fair and accurate financial depiction of the Territory Government's activities and position.

a) Compliance framework

The financial statements for the Territory Government have been prepared in accordance with Australian Accounting Standard AASB 1049: 'Whole of Government and General Government Sector Financial Reporting' (AASB 1049), which requires compliance with all Australian Accounting Standards except those identified.

Compliance with AASB 1049 means that these statements are also consistent with the reporting requirements of the Uniform Presentation Framework (UPF) (refer to Appendix A - Glossary).

The financial statements for the Territory Government have also been prepared in accordance with the principles and rules of the Australian Bureau of Statistics Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015 (ABS GFS manual).

The whole of government reporting entity includes government directorates, government statutory authorities and Public Non–financial Corporations. Specific details about the entities consolidated by the Territory Government are shown at Note 3: 'Australian Capital Territory Government controlled entities'.

The General Government Sector (GGS) (refer to Appendix A - Glossary) financial statements, contained within the Territory Government's financial statements, are prepared in accordance with AASB 1049 except for AASB 10: 'Consolidated Financial Statements' (AASB 10) and AASB 9: 'Financial Instruments' (AASB 9), where full application is not required. Assets, liabilities, income, expenses and cash flows of government controlled entities that are in the PNFC sector (refer to Appendix A - Glossary) are not separately recognised in the GGS financial statements. Instead, the GGS financial statements recognise an asset, being the controlling equity investment in those entities, and recognise a gain or loss relating to changes in the carrying amount of that asset, measured in accordance with AASB 1049. A separate set of financial statements for the PNFC is presented within the Territory Government's financial statements.

The ABS GFS Manual also provides the basis upon which GFS information that is contained in the Territory's financial statements is prepared. In particular, notes disclosing the key fiscal aggregates of net worth, net operating balance, total change in net worth, net lending/(borrowing) and cash surplus/(deficit) determined using the principles and rules in the ABS GFS Manual together with a narrative of differences in those key fiscal aggregates to the corresponding key fiscal aggregates recognised in the Territory Government's financial statements refer to Note 42: 'Reconciliations to ABS GFS measures' for further information.

4 BASIS OF PREPARATION - CONTINUED

b) The reporting period

These consolidated financial statements present the financial performance, changes in equity and cash flows of the Territory Government for the financial year ended 30 June 2024 together with the financial position of the Territory Government as at 30 June 2024.

c) Budget figures

To facilitate a comparison with the budget papers, as required by the FMA, budget information for 2023-24 has been presented in the financial statements. Budget numbers in the financial statements are the annual budget numbers that appear in the 2023-24 Budget papers.

The 2023-24 Budget papers were prepared in accordance with the requirements of AASB 1049 except for calculation of the 'Headline Net Operating Balance' in the budget papers which is not shown in the Operating Statement of this report as this calculation is not required under AASB 1049.

The 'Headline Net Operating Balance' or HNOB is the ACT Government's key measure of the public finances, calculated as the difference between revenue and expenses resulting from transactions, plus long-term superannuation investment earnings.

d) Prior year comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the Territory Government's financial statements, except where an Australian accounting standard does not require comparative information to be disclosed.

The Territory has restated figures for 2022-23 Taxation revenue, Receivables and Accumulated Funds. Refer to Note 8: 'Taxation revenue', Note 18: 'Reconciliation of cash flows', Note 21: 'Receivables', Note 40: 'Expenses and assets by function' and Note 41: 'Disaggregated sector information' for further information on these restatements.

Where the presentation or classification of items in the Territory Government's financial statements are amended, the comparative amounts have been reclassified where material. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

e) Rounding

Certain columns may not add due to the use of rounded numbers as all amounts in the Territory Government's financial statements have been rounded to the nearest thousand dollars ($'000).

Use of a zero (“0”) represents zero amounts or amounts rounded down to zero.

f) Basis of consolidation

In accordance with AASB 10 the Territory Government's financial statements include the values of all assets, liabilities, equities, revenues and expenses controlled by the Territory.

The financial results of all Territory Government controlled entities have been included in the Territory Government's financial statements. Where control of an entity is obtained during the financial year, its results are included in the Territory Government's financial statements from the date control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

Transactions between Territory-controlled entities are eliminated in preparing the Territory Government's financial statements.

The consolidated entity includes GGS entities and PNFC entities as set out at Note 3: 'Australian Capital Territory Government controlled entities'.

5 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date.

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to the Territory or will have an immaterial financial impact on the Territory. However, the Territory is currently assessing whether AASB 2022–10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will have a material financial impact. AASB 2022-10 amends AASB 13 by adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of the not-for-profit public sector which are not held primarily for their ability to generate net cash inflows.

In December 2022, the Australian Accounting Standards Board (AASB) released AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.

AASB 2022-8 applies to annual periods beginning on or after 1 January 2023. AASB 2022-8 defers the mandatory application date of AASB 17 Insurance Contracts for public sector entities to annual periods beginning on or after 1 July 2026. AASB 17 contains some specific considerations for not-for-profit public sector entities in relation to pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of the standard.

AASB 2022-9 amends AASB 17 to include modifications that apply to not-for-profit public sector entities. AASB 2022-9 also amends AASB 1050 Administered Items to provide an accounting policy choice for government agencies to apply either AASB 17 or AASB 137 Provisions, Contingent Liabilities and Contingent Assets in determining the information to be disclosed about administered captive insurer activities. AASB 2022-9 applies to annual reporting periods beginning on or after 1 July 2026 with earlier application permitted. The Territory will not adopt AASB 2022-9 earlier than its application. The Territory initiated an independent assessment of the scope of application of AASB 17 in August 2024 and expect the assessment to be completed at the end of October 2024. At the time of producing these statements, the potential impact of application of AASB 17 is not reasonably estimable.

6 CORRECTION OF A PRIOR PERIOD ERROR

Correction of a Prior Period Error

The Territory has adjusted the 2022-23 comparative figures in Taxation revenue and Receivables to correct an overstatement of $24.6 million in relation to rates and land tax charges raised against historical rates accounts that are no longer active. Whilst this adjustment has been deemed immaterial, prior year balances have been restated to provide additional transparency to readers of the financial statements in line with ACT Disclosure Policy.

7 NORTH CANBERRA HOSPITAL ACQUISITION

By operation of the *Health Infrastructure Enabling Act 2023* (the Act), on 3 July 2023, the Calvary Public Hospital Bruce (CPHB) operations and net assets transitioned to the Territory Government. CPHB was renamed the North Canberra Hospital (NCH).

Although the 'business' of CPHB was not acquired, for financial reporting purposes, the acquisition of CPHB's operations and net assets through legislation resulted in gaining control over an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income, or generating other income from ordinary activities, hence AASB 3 Business Combinations is applicable in this event.

The AASB 3 acquisition method used to recognise a business combination involves:

- identifying the acquirer;
- determining the acquisition date;
- recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquirer; and
- recognising and measuring goodwill or a gain from a bargain purchase.

Business combinations involve the acquisition of an integrated set of activities rather than the transfer/acquisition of individual assets or liabilities.

Whether a business combination is recorded by the acquirer as a purchase or an adjustment to owners' equity depends on the circumstances leading to the business combination and agreements made between the impacted parties.

The *Act and Health Infrastructure Enabling Regulation 2023* (the Regulation) provides a mechanism for transition of the operations of the public hospital from Calvary Health Care ACT Limited to the Territory. That mechanism included the Territory acquiring the public hospital land, assets, and liabilities to achieve the transition of operations. The Act also requires the provision of compensation on a just term's basis to persons from whom an interest is acquired, including the public hospital land and public hospital assets, any mortgage or other interest in the land or other assets, and other matters including termination of the network agreement, termination of contracts, any redundancies payable to employees and anything else prescribed by regulation.

7 NORTH CANBERRA HOSPITAL ACQUISITION - CONTINUED

Income and Expenses

The following table shows the income and expenses associated with the North Canberra Hospital recognised by the Territory for the year ended 30 June 2024.

	Amounts Relating to when NCH was held by the Territory 3 July 2023 to 30 June 2024 $'000
Income	
Other sales of goods and services from contracts with customers	17,866
Grants and contributions revenue	15,894
Other revenue	1,404
Total Income	**35,165**
Expenses	
Employee expenses	207,022
Supplies and services	123,380
Depreciation and amortisation	9,954
Grants and purchased services	9
Other operating expenses	887
Total expenses	**341,252**
Operating result	**(306,087)**

Assets and Liabilities

The assets and liabilities transferred to the Territory on 3 July 2023 due to the acquisition of Calvary Public Hospital Bruce net assets were as follows:

	Transferred 3 July 2023 $'000
Assets	
Cash and deposits	2
Receivables	1,539
Inventories	939
Property, plant and equipment	101,202
Capital works in progress	8,668
Other assets	431
Total assets transferred	**112,781**
Liabilities	
Payables	2
Employee benefits	45,001
Other liabilities	1,539
Total liabilities transferred	**46,542**
Total net assets transferred	**66,239**

The equivalent of this disclosure in the financial statements of Canberra Health Services will contain values which are higher. This is due to the elimination of internal trade in the Territory's Consolidated Financial Statement presentation.

In accordance with AASB 3, the identifiable assets acquired and liabilities assumed have been measured at their fair values as at the acquisition day (3 July 2023). The fair values were obtained based on information available in 2022-23 CPHB financial statements and supporting information, adjusted for acquisition arrangements, valuation impacts, and differences in accounting practices between Calvary Health Care ACT Limited and the Territory.

As a result of ongoing processes about just terms compensation associated with the transition of CPHB to CHS, at the time of finalising the 2023-24 financial statements, the complete accounting impacts associated with the acquisition and/or transfer of net assets are yet to be finalised, hence the fair values above are provisional in nature.

On 3 July 2023, a Provision for Net Assets Acquired of $66.239 million was also recorded, which will remain in place until the amount of compensation is confirmed for the 'purchase' of net assets. This includes a provision of $1.892 million for plant and equipment assets acquired below the capitalisation threshold, which has subsequently been recorded as an expense.

REVENUE

DESCRIPTION AND MATERIAL ACCOUNTING POLICIES

Revenue is recognised in accordance with AASB 15: 'Revenue from Contracts with Customers' (AASB 15) where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058: 'Income of Not-for-Profit Entities' (AASB 1058).

AASB 15

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

(1) identify the contract with the customer;

(2) identify the performance obligations;

(3) determine the transaction price;

(4) allocate the transaction price; and

(5) recognise revenue as or when control of the performance obligation is transferred to the customer.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Territory have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

AASB 1058

Where revenue streams are in the scope of AASB 1058, the Territory recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following specific recognition criteria must also be met before revenue is recognised:

Land revenue

Land sales revenue is recognised when the significant risks and rewards of the sale of land are transferred to the purchaser. While the point of recognition for one sale may differ from another depending on the individual terms of each contract of sale, in the majority of cases, sales completed via auction, direct grant, ballot or over the counter will be recognised on settlement, in accordance with AASB 15.

Sales under the land rent scheme are recognised in the PNFC sector on settlement at an amount that would have been received if the sale had been a capital sum sale rather than a not for capital sum (rent lease) sale.

Some sales contracts include the requirement of purchasers to construct and return specific infrastructure assets to the Territory, at their own cost. The estimated cost of the infrastructure is contained within the Deed of Agreement or Prescribed Conditions within the sales contract, and this becomes the agreed infrastructure asset value that will be transferred to the Territory upon practical completion. The infrastructure revenue is recognised upon settlement of the contract, as non-cash consideration in line with land sales revenue.

The Territory uses significant judgment to determine the value of revenue attributable to the 'value add component' and 'market gains' of land sales, in accordance with the ABS GFS Manual definition of transactions and other economic flows. Land revenue (undeveloped land value) is determined by independent valuation (through a panel of valuers) prior to the land sales transaction.

DESCRIPTION AND MATERIAL ACCOUNTING POLICIES - CONTINUED

Land revenue - continued

Where the Territory sells a parcel of undeveloped land and has undertaken 'value add' work representing 50 per cent or greater of the undeveloped land value, the Territory is considered to be a developer and the total amount of the sale is recognised as land revenue (value add component). For most sales of developed land, the Territory's value add expenses are considerably less than 50 per cent of the undeveloped land value. In these instances, apart from 'agent' revenue, the remaining portion of land sales revenue is recorded as Land revenue (market gains on land sales), as this reflects the part of land revenue related to the growth in value of land sold that is attributed to prevailing market conditions.

For the sale of undeveloped land either directly or by auction, where the Territory has undertaken minimal value add in relation to the land sold, the amount of 'value add' recorded by the Territory as Land revenue (value add component) is the value the Territory would be deemed to have added through a range of activities, such as packaging, promotion and marketing. The 'value add component' is calculated as between 2.75 and 4.5 per cent, depending on the value of the sale, of the total revenue earned on applicable undeveloped land sales. This is a conservative measure of value add, as it implies that the value add from activities of the seller would be equivalent to the cost of those activities.

The remaining portion of land sales revenue is recorded as Land revenue (market gains on land sales), as this reflects the part of land revenue related to the growth in value of land sold that is attributed to prevailing market conditions.

8 TAXATION REVENUE

Taxes

The table below categorises the taxes collected by the Territory Government. General rates, land tax and fire and emergency services levies are yearly amounts payable by property owners in the Territory.

Ambulance levy is payable monthly by private health insurance companies carrying out business in the ACT.

Duties relate mainly to residential and commercial conveyance duty payable on property acquisitions.

Payroll tax is required to be paid monthly or annually by employers that exceed thresholds beyond which tax is payable.

Taxes (excluding payroll tax) are recognised as revenue when an assessment is raised. Payroll tax revenue is recognised in the period the return relates to.

Licences

Licence revenue apart from short-term licenses (12 months or less) and low value licenses ($10,000 or less) are recognised consistent with the licence's performance obligations and is either recognised when the licence is issued or amortised over the licence term.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Taxation Revenue				
Duties[(a)]	373,040	433,980	372,998	433,863
Payroll tax	737,404	732,689	720,444	717,014
General rates[(b)(c)]	759,532	718,835	737,775	697,966
Motor vehicle registration fees	177,342	170,069	177,342	170,069
Land tax[(b)(c)]	205,563	177,464	205,563	177,464
Gambling taxes	87,802	87,937	87,802	87,937
Fire and emergency services levy	106,459	104,259	103,470	101,305
Utilities (network facilities) tax	48,959	48,720	36,566	37,116
Lease variation charge	33,678	24,052	33,678	24,052
Ambulance levy	29,729	27,744	29,729	27,744
Energy industry levy	4,081	4,597	4,081	4,597
Safer families levy	8,440	7,449	8,213	7,246
Total taxation revenue	**2,572,029**	**2,537,795**	**2,517,661**	**2,486,373**

Notes: (a) There were fewer conveyance duty transactions in 2023-24 compared to 2022-23 reflecting more difficult borrowing conditions such as higher interest rates.

(b) The 2022-23 comparative figures have been adjusted to correct an overstatement of $24.6 million in land taxes and general rates raised against historical rates accounts that are no longer active. Adjustments were made in early 2023-24 to correct the revenue and receivables recorded.

(c) The increase in general rates and land taxes are largely due to new residential leases which were brought into the general rates system in 2023-24.

9 COMMONWEALTH GRANTS REVENUE

Commonwealth Government grants are recognised as revenue when the Territory gains control over the grant received or receivable. In most cases this occurs when cash is received.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Commonwealth Grants				
GST revenue grant[(a)]	1,894,432	1,748,875	1,894,432	1,748,875
ACT Municipal Services	43,937	42,451	43,937	42,451
National specific purpose and reform grants	1,019,233	1,054,894	1,019,233	1,054,894
National partnership payments[(b)]	321,075	199,166	323,113	200,730
Other grants:				
Financial assistance grants for Local Government[(c)]	64,103	87,797	64,103	87,797
Other grants	33,285	33,414	33,285	33,414
Total grants revenue	**3,376,065**	**3,166,597**	**3,378,103**	**3,168,161**

Notes: (a) GST revenue grants represent the distribution of Goods and Services tax revenue collected by the Commonwealth Government and transferred to State and Territory Governments. The increase is primarily due to growth in the national GST pool and the Territory's updated population share.

(b) National partnership payments are received to support the delivery of specified projects, to facilitate reforms or to reward jurisdictions that deliver on national reforms or achieve service delivery improvements. The increase is mainly due to new Commonwealth funding for various programs, including Sustainable Rural Water Use and Infrastructure, ACT Sustainable Household Scheme, Disaster Ready Fund, Energy Bill Relief and Primary Care Pilots. There has also been an increase in Infrastructure Investment Road funding based on milestone completion for the Molonglo River Bridge and Monaro Highway Upgrade.

(c) Financial assistance grants for Local Government are received for the purpose of local government activities. As the Territory Government has responsibility for both state and municipal functions, these grants are paid directly to the Territory Government. The decrease is largely due to the early payment of the 2023-24 Commonwealth Financial Assistance Grant in 2022-23.

10 OTHER SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue from sales of goods and services is derived by providing goods and services to entities outside the ACT Government and to the public. For the General Government Sector, this revenue also includes transactions with the Public Non-Financial Corporations Sector. This revenue is paid by the users of goods and services and as such, it is driven by consumer demand and is commercial in nature.

Revenue is recognised when the Territory Government satisfies the performance obligations, where the contracts are enforceable and contain sufficiently specific performance obligations, which can be at a point in time or as it fulfils performance obligations over time. The performance obligation is satisfied when the good or service is physically transferred to the customer and control is transferred. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

A receivable in relation to these services is recognised when invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Water, sewerage and other related services	0	0	305,719	275,079
Residential housing tenants and rental income	14,375	18,586	108,454	105,809
Health cross-border revenue[(a)]	169,227	126,537	169,227	126,537
Hospital and other health services[(b)]	114,634	93,084	114,634	93,084
Regulatory services[(c)]	182,923	180,439	146,298	148,128
Service receipts and fees[(d)]	199,676	183,025	200,273	188,132
Total other sales of goods and services from contracts with customers	**680,835**	**601,671**	**1,044,605**	**936,769**

Notes: (a) Health cross-border revenue relates to revenue for health services provided to patients from other jurisdictions, mainly New South Wales. The increase is due to more interstate residents treated in ACT public hospitals and the final back-adjustment payments following the completion of prior years activity reconciliations.

(b) Hospital and other health services revenue relates to fees and charges for public hospital services, including patients who elect to be treated as private patients, and for community health services provided at community facilities such as health centres. The increase is primarily due to the transitioning of Calvary Public Hospital Bruce (CPHB) operations into Canberra's public hospital system, and increased Department of Veterans' Affairs revenue.

(c) Regulatory services represent fees such as transport regulation, waste acceptance, road safety, building levies, development applications and water abstraction charge.

(d) Service receipts and fees include items such as venue and equipment hire, event management, sports match receipts, extension of time to build fees, capital linen revenue, merchandise sales, bus fares, fire safety certifier fees, parking fees and drivers' licences. The increase mainly relates to higher international student numbers following the easing of COVID-19 restrictions, and increased recoveries for work safety services.

11 DIVIDEND AND INCOME TAX EQUIVALENTS INCOME

Dividend revenue is recognised when the Territory Government's right to receive payment is established.

For the GGS, the component of dividends from the PNFC sector is classified according to the underlying nature of the sales transactions. As a result, the total value of dividends recognised by the GGS is classified as either 'dividend income', included in 'Dividend and income tax equivalents income' in 'Revenue' on the Operating Statement, or 'Dividends (market gains on land sales)' in 'Other economic flows' on the Operating Statement.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Dividends from public non-financial corporations	76,768	11,250	0	0
Income tax equivalents from public non-financial corporations	54,201	43,618	0	0
Total dividend and income tax equivalents income[(a)]	**130,969**	**54,868**	**0**	**0**

Note: (a) The increase is primarily attributable to increased residential land sales in Whitlam, Jacka, Macnamara and Strathnairn which led to higher profits in the Suburban Land Agency.

EXPENSES

		General Government Sector		Total Territory	
		2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
12	**EMPLOYEE EXPENSES**				
	Wages and salaries	3,025,474	2,629,298	3,249,666	2,849,988
	Long service leave and annual leave	214,335	148,418	222,945	156,017
	Total employee expenses[(a)]	**3,239,809**	**2,777,716**	**3,472,611**	**3,006,005**

Note: (a) The increase in employee expenses is mainly related to the impact of transitioning Calvary Public Hospital Bruce to the Territory, Enterprise Bargaining outcomes and increased staff numbers to address service delivery growth.

13 SUPERANNUATION EXPENSES

Superannuation expenses are primarily managed by the General Government Sector on behalf of the Territory Government and comprised of:

* the present value of interest and service costs paid to the Commonwealth Superannuation Corporation (CSC) to cover the Territory Government's defined benefit obligation in relation to employee membership in the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS);
* payments made directly to CSC on behalf of employees who are members of the Public Sector Superannuation Scheme accumulation plan (PSSap);
* employer productivity payments made directly to CSC on behalf of members of the CSS and PSS; and
* payments made to other superannuation funds external to the ACT Government.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Superannuation interest cost [(a)]	464,705	425,834	464,705	425,834
Other superannuation expenses	503,346	486,857	526,556	508,662
Total superannuation expenses[(b)]	**968,051**	**912,691**	**991,261**	**934,496**
Represented by:				
Superannuation expenses (CSS and PSS)	656,892	648,667	656,892	648,667
Superannuation payment to CSC (for the PSSap)	16,085	14,810	16,831	15,531
Productivity benefit	16,526	14,057	17,354	14,994
Superannuation to other external providers, including fund of choice	278,548	235,157	300,184	255,304
Total superannuation expenses[(b)]	**968,051**	**912,691**	**991,261**	**934,496**

Notes: (a) Superannuation interest cost is a component of total superannuation expense to the extent the liability is unfunded. 'Superannuation interest cost' does not represent an actual borrowing from employees and the breakdown of total superannuation expenses into 'superannuation interest cost' and 'other superannuation expenses' is simply for presentational and reporting purposes.

(b) The increase in superannuation expenses is mainly related to the impact of transitioning Calvary Public Hospital Bruce to the Territory, Enterprise Bargaining outcomes and increased staff numbers to address service delivery growth.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
14 SUPPLIES AND SERVICES				
Communication, travel and staff development	209,221	176,906	230,699	199,076
Materials, equipment and supplies	317,496	334,084	427,558	435,573
Property rental and occupancy expenses (including utilities)	48,909	42,629	40,486	36,346
Repairs and maintenance	211,852	209,505	296,181	284,036
Consultant fees, contractor payments and professional services[(a)]	427,052	321,065	476,797	371,562
Community policing	219,280	204,857	219,280	204,857
Service concession arrangements - service expenses	0	0	30,977	27,942
Legal expenses[(b)]	47,057	17,579	47,065	18,281
GST administration costs	10,927	12,048	10,927	12,048
Other supplies and services	17,431	9,156	22,262	13,392
Total supplies and services	**1,509,225**	**1,327,829**	**1,802,232**	**1,603,113**

Notes: (a) The increase is mainly related to higher usage of agency staff and Visiting Medical Officers to accommodate stronger health service demand, and higher transporting and processing costs of recycling due to the need to process this interstate following the fire at the Materials Recoveries Facilities in Hume in December 2022. This increase is also attributed to higher indexation and fuel costs for household kerbside and green waste collections.

(b) The increase mainly relates to the Calvary Public Hospital Bruce acquisition.

15 GRANTS AND PURCHASED SERVICES

Under the *Financial Management Act 1996,* appropriations may be made to directorates and a limited number of territory authorities. Appropriation made to these territory authorities are recorded as 'Appropriation payments to agencies and asset transfers to another entity'.

Concessional loan discount expense represents the difference between the present value of concessional loan interest rates and the market value of these rates.

Government grants and purchased services expense comprised amounts relating to:

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Grants to non-government schools	362,638	349,451	362,638	349,451
Grant payment (education and community services)	19,074	6,166	54,233	40,730
First home owners' grant	7	182	7	182
Capital grants	0	73,365	0	73,365
Appropriation payments to agencies	90,507	91,480	0	0
Asset transfers to another entity	99,952	117,082	87,559	109,004
Skills Canberra	31,229	29,154	31,229	29,154
Sport, recreation and VisitCanberra	24,571	22,523	24,571	22,523
Concessional loan discount expense	18,628	21,164	18,628	21,164
Other current grants	65,173	56,614	65,805	56,648
Total grants	**711,779**	**767,181**	**644,670**	**702,221**
Purchase of transport services from Transport Canberra Operations	234,025	204,767	0	0
Purchase of health services from Calvary Hospital[(a)]	1,826	287,880	1,826	287,880
Purchase of health services from other jurisdictions	2	14,167	2	14,167
Payments to non-government organisations (health and disability)	517,076	421,214	517,076	421,214
Other purchased services	8,573	10,668	2,198	10,167
Total purchased services	**761,502**	**938,696**	**521,102**	**733,428**
Total grants and purchased services[(a)]	**1,473,281**	**1,705,877**	**1,165,772**	**1,435,649**

Note: (a) The decrease is mainly due to the acquisition of Calvary Public Hospital Bruce by the Territory Government on 3 July 2023. The Territory Government no longer pays for purchased public health services from Calvary Hospital as the hospital is now internal to the Territory Government.

16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Waivers

Under Section 131 of the *Financial Management Act 1996* , the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory Government.

A waiver is the relinquishment of a legal claim to a debt. Waivers are expensed during the year in which the right to payment was waived.

Write-Offs

The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Agency to recover the amount.

Inventories held for sale are valued at the lower of cost and net realisable value. The difference between the cost and net realisable value is recorded as inventory write down. This includes the write-off of inventory following the transfer of land at no cost from government entities to the Suburban Land Agency.

Write-offs also include the expensing of components of projects that are unable to be capitalised.

Impairment of assets

An impairment loss is the amount by which the carrying amount of an asset (or a cash-generating unit) exceeds its recoverable amount. The recoverable amount is the higher of 'fair value less the cost to sell' and its 'value in use'.

At each reporting date, the Territory Government assesses whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Any resulting impairment losses for land, buildings, infrastructure, leasehold improvements and community and heritage assets, are recognised as a decrease to the available balance in the asset revaluation surplus. Where the impairment loss is greater than the balance in the asset revaluation surplus for each relevant class of asset, the difference is expensed in the Operating Statement. When an asset is assessed as being impaired, the carrying amount of the asset is reduced to its recoverable amount.

Impairment losses for plant and equipment, leasehold improvements and intangible assets are recognised in the Operating Statement, as plant and equipment and intangibles are carried at cost, and leasehold improvements are carried at fair value, but do not have an Asset Revaluation Surplus attached to them. The carrying amount of the asset is reduced to its recoverable amount. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

For more information about allowances for the impairment and write-off of receivables, see Note 21, 'Receivables' and Note 22, 'Property, Plant and Equipment' .

16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS - CONTINUED

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Waivers				
Other waivers	488	1,425	488	1,425
Total waivers[(a)]	**488**	**1,425**	**488**	**1,425**
Write-offs				
Inventory write downs[(b)]	503	11,769	12,598	17,800
Receivables write-offs	2,491	2,161	3,773	5,187
Other write-offs[(c)]	4,081	47,903	4,086	48,306
Total write-offs	**7,075**	**61,833**	**20,457**	**71,293**
Impairment of assets				
Impairment loss from receivables				
Expected credit loss expense	15,484	17,676	20,329	18,081
Total impairment loss from receivables	***15,484***	***17,676***	***20,329***	***18,081***
Impairment loss from property, plant and equipment				
Plant and equipment	535	722	4,133	726
Total impairment loss from property, plant and equipment	***535***	***722***	***4,133***	***726***
Impairment loss from intangibles				
Intangibles	918	3,591	918	3,591
Total impairment loss from intangibles	***918***	***3,591***	***918***	***3,591***
Total impairment losses	**16,937**	**21,989**	**25,380**	**22,398**
Total waivers, impairment losses and write-offs	**24,500**	**85,247**	**46,325**	**95,116**

Notes: (a) There were 104 waivers approved in 2023-24 for both the General Government Sector (GGS) and the Territory (2022-23: 135).

(b) The decrease is mainly due to the write down of large amounts of COVID-19 Rapid Antigen Tests kits in 2022-23.

(c) The decrease is largely due to the impairment of capital works in progress relating to the Human Resource and Information Management System (HRIMS) project in 2022-23. The 2022-23 comparative for the Total Territory has been updated to reflect write-offs related to changes to the ACT Betting Operations Tax.

17 ACT OF GRACE PAYMENTS

Act of grace payments are a method of providing equitable remedies to entities or individuals that may have been unfairly disadvantaged by the Government, but have no legal claim to seek compensation.

There were 33 act of grace payments made by the General Government Sector (GGS) and the Territory (2022-23: 19) during the reporting period pursuant to Section 130 of the *Financial Management Act 1996* (FMA), totalling $214,000 (2022-23: $42,000).

Details of act of grace payments made can be found in the financial statements of the Chief Minister, Treasury and Economic Development Directorate, Community Services Directorate, Canberra Health Services and the Environment, Planning and Sustainable Development Directorate.

ASSETS

FINANCIAL AND NON-FINANCIAL ASSETS

Assets are classified as either 'financial' or 'non-financial' in nature. Financial assets are those that derive value because of a contractual claim. Non-financial assets primarily include property, plant and equipment such as roads, schools, hospitals, land, inventories, other infrastructure and intangible assets.

18 RECONCILIATION OF CASH FLOWS

Cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. A number of short term securities are classified as Investments and loans and are considered to be a cash equivalents. This represents the main difference between Cash and cash equivalents at the end of the reporting period on the Statement of cash flows and Cash and deposits on the Balance sheet.

(a) Reconciliation of cash and cash equivalents at the end of the reporting period in the Balance Sheet to the Statement of Cash Flows.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Cash and cash equivalents in the Balance Sheet				
Cash and deposits	2,507,559	2,374,197	2,881,817	2,731,804
Short-term securities and other cash equivalents	163	163	82,161	15,161
Cash and cash equivalents as recorded in the Statement of cash flows	**2,507,722**	**2,374,360**	**2,963,978**	**2,746,965**

(b) Reconciliation of the operating result to net cash flows from operating activities.

Operating result	**(510,564)**	**(360,961)**	**(659,490)**	**(477,881)**
Add/(less) non-cash movements:				
Depreciation and amortisation	604,853	543,503	801,381	727,842
Revaluation of non-financial assets	(21,974)	2,993	(21,844)	12,276
Bad debts	18,231	19,741	24,547	23,172
Net concessional loan interest	12,294	18,475	12,294	18,475
Accrued other interest	52,860	38,218	54,585	38,940
Capitalised distributions from associates and joint ventures	0	0	9,849	(122,360)
Waivers	488	1,425	488	1,425
Gains from contributed assets	(181,161)	(227,657)	(160,237)	(194,739)
Asset transfer to another entity	99,952	117,082	87,559	109,004
Assets required to be expensed	33,555	61,647	43,883	75,834
Transfers of inventory to property, plant and equipment	0	0	0	(5,091)
Other non-cash movements	(4,142)	(186)	78,470	(28,722)
Add/(less) items classified as investing or financing:				
Issue of Sustainable Household Scheme loans	63,873	105,037	63,873	105,037
Repayment of Sustainable Household Scheme Loans	(41,009)	(91,306)	(41,009)	(91,306)
(Gains) on loose-fill asbestos insulation eradication scheme	(6,792)	(2,795)	(6,792)	(2,795)
Market gains on dividends and land sales	(48,934)	(42,638)	(71,724)	(62,744)
Net (gains) on investments	(500,661)	(418,956)	(500,661)	(419,034)
Net (gains) on disposal of non-current assets	8,746	4,234	14,881	9,713
Impact of Transition of Calvary Public Hospital Bruce to the Territory	(107,978)	0	(107,978)	0
Cash before changes in operating assets and liabilities	**(528,363)**	**(232,144)**	**(377,925)**	**(282,954)**

18 RECONCILIATION OF CASH FLOWS - CONTINUED

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Change in operating assets and liabilities:				
(Increase)/decrease in receivables[(a)]	(156,288)	81,595	(147,116)	98,013
Increase/(decrease) in non-cash receivables	(28,762)	0	57,039	0
(Increase)/decrease in inventories	(111)	15,144	(111,280)	(131,657)
Increase/(decrease) in payables and contract liabilities	86,241	(7,952)	57,625	(2,145)
(Increase) in non-cash payables and non-cash contract liabilities	(22,015)	0	1,011	0
Increase/(decrease) in employee benefits and provisions	656,485	430,695	701,020	580,143
(Increase)/decrease in non-cash provisions - landfill remediation	0	0	1,739	(76,881)
(Increase)/decrease in non-cash provisions - SLA project completions	0	0	(44,464)	(26,803)
(Increase)/decrease in non-cash provisions - civil claims	(78,902)	0	(78,902)	0
(Increase)/decrease in non-cash provisions - provision for cemeteries future maintenance	(52,172)	0	(52,172)	0
Increase/(decrease) in other liabilities	6,232	(2,884)	2,913	(3,914)
Net cash flows from operating activities	**(117,655)**	**284,454**	**9,488**	**153,802**

Note: (a) 2022-23 Receivables and Accumulated funds have been retrospectively updated to correct an overstatement of $24.6 million in Taxation revenue. This overstatement relates to rates and land tax charges raised against historical rates accounts that are no longer active. No current property owners accounts were impacted. Whilst this adjustment has been deemed immaterial, prior year balances have been restated to provide additional transparency to readers of the financial statements, in line with ACT Disclosure Policy.

19 ADVANCES PAID

Advances paid include loans made by the Territory Government (through the General Government Sector) to Icon Water Limited and loans issued under the Sustainable Household Scheme.

Loans to Icon Water Limited are not quoted in an active market and are not entered into with the intention of immediate or short-term resale. This class of asset is held to collect cash flows until maturity. The loans are measured initially at fair value and subsequently amortised using the effective interest rate method, less impairment losses if any.

Other loans receivable include the interest and principal owed from participants in the Sustainable Household Scheme, recipients of Special Disaster Loans, and for loan facilities provided for the Home Loan Portfolio, which the Territory Government is the first mortgagee for all of the related properties.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Current loans receivable	21,610	105,901	32,513	6,322
Non-current loans receivable	2,056,217	1,917,194	98,256	79,808
Total advances paid	**2,077,827**	**2,023,095**	**130,769**	**86,130**

20 INVESTMENTS AND LOANS

Initial recognition

Current investments are comprised of securities and standard market instruments which must conform to applicable standard market conventions and requirements. The bulk of these investments represent superannuation related investments, which are managed by external professional funds managers in accordance with the *Territory Superannuation Provision Protection Act 2000* and the Superannuation Management Guidelines 2015.

The Territory Government's investment assets are designated at fair value through the Operating Statement at initial recognition.

Subsequent measurement

Subsequent to initial measurement, investment assets are re-measured to fair value with changes in their fair value (gains/loss) recognised in the Territory Government's Operating Statement as 'Net gain/(loss) on financial assets at fair value'. Interest, dividends and distributions on these investments are separately recorded in the Territory's Operating Statement as 'Interest and Investment revenue'.

Derecognition

Investments are derecognised when the obligation specified in the contract is discharged or cancelled, transferred, or expired. Transaction costs for such investments are recognised directly in the Operating Statement.

Determination of fair value

For the Territory Government's investments, fair value represents the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

Financial investments are exposed to a range of underlying asset class sectors in accordance with the strategic asset allocation structured to achieve the Territory Government's long-term investment objective.

Underlying investment exposures include cash, money market securities, fixed rate bonds (domestic and international), equities (domestic and international), private equity, property and infrastructure. Investment exposures are maintained in line with the strategic asset allocation considered to represent an efficient portfolio (acceptable risk return outcome) to achieve the Territory Government's long-term investment objective. Under the investment structure, investments are diversified by geography, sector and financial instrument type to manage the risks associated with changing financial and economic conditions.

20 INVESTMENTS AND LOANS - CONTINUED

Financial derivative instruments

The investments held in discrete mandate strategies and pooled unit trusts include exposure to futures, options, forward rate agreements and swaps, where the derivatives are held to gain underlying market exposure or to manage financial risks.

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	**2022-23 Actual $'000**	**2023-24 Actual $'000**	**2022-23 Actual $'000**
Current investments				
Short-term securities	0	0	82,000	10,000
Government fixed interest bonds	1,908,313	1,671,880	1,908,313	1,671,880
Shares and equities	4,046,597	3,636,647	4,046,597	3,636,647
Investment in property and infrastructure trusts	858,691	796,365	858,691	796,365
Other current investments	999	1,999	999	6,999
Total current investments	***6,814,600***	***6,106,891***	***6,896,600***	***6,121,891***
Non-current investments				
Other non-current investments	1,525	3,894	1,525	3,894
Total non-current investments	***1,525***	***3,894***	***1,525***	***3,894***
Total investments and loans[(a)]	**6,816,125**	**6,110,785**	**6,898,125**	**6,125,785**

Note: (a) The fair value of investments fluctuates year on year depending on the performance of the underlying financial investment exposures. The increase in investments levels reflects a combination of increased unit holder investment applications and market gains for the year.

21 RECEIVABLES

Receivables (including trade and other receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. Receivables relating to the sale of goods and services from contracts with customers are recognised when invoices, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment.

The 'Right to receive infrastructure from land developers' is also recognised as a receivable based on the prescribed conditions for associated works. The sale of land by the Territory Government can involve the receipt of cash as well as the value of infrastructure assets (such as roads, services and landscaping) required to be constructed by the purchaser as part of the sale conditions. Upon its completion and handover to the Territory by the purchaser, the receivables relating to infrastructure works are classified as infrastructure assets.

The collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off.

The allowance for expected credit losses represents the amount of trade receivables and other receivables the Territory Government estimates will not be repaid. The Territory Government measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amount of the expected credit loss is recognised in the Operating Statement.

The Territory Government applied AASB 9: 'Financial Instruments', based on information collected from each agency's financial statements and by assigning a weight to each agency to ensure that the final average credit loss estimation reflects the relative importance of each agency’s credit loss value.

Where the Territory Government has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by reducing the receivable against the expected credit loss allowance.

21 RECEIVABLES - CONTINUED

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Current receivables				
Current receivables				
Trade receivables[(a)]	419,636	430,098	470,136	393,374
Right to receive infrastructure from land developers	0	0	15,420	8,013
Prepayments	54,633	35,273	64,492	46,707
Less: Expected credit loss allowance	(74,215)	(63,624)	(92,353)	(88,219)
Net current trade receivables	***400,054***	***401,747***	***457,695***	***359,875***
Accrued revenue[(b)]	155,954	126,810	106,813	110,307
Other current receivables	287,591	179,519	119,525	72,181
Total current receivables	***843,599***	***708,076***	***684,033***	***542,363***
Non-current trade receivables				
Trade receivables	48,774	42,706	60,232	42,711
Prepayments	7,996	0	7,996	0
Less: Expected credit loss allowance	0	0	(11,455)	0
Net non-current trade receivables	***56,770***	***42,706***	***56,773***	***42,711***
Other receivables	48,892	42,191	44,499	53,115
Total non-current receivables	***105,662***	***84,897***	***101,272***	***95,826***
Total receivables	**949,261**	**792,973**	**785,305**	**638,189**

Notes: (a) 2022-23 Receivables and Accumulated funds have been retrospectively updated to correct an overstatement of $24.6 million in Taxation revenue. This overstatement relates to rates and land tax charges raised against historical rates accounts that are no longer active. No current property owners accounts were impacted. Whilst this adjustment has been deemed immaterial, prior year balances have been restated to provide additional transparency to readers of the financial statements, in line with ACT Disclosure Policy.

(b) The increase is mainly due to a change in dividend payment timing by the Suburban Land Agency, instead of paying an interim dividend equal to 80 per cent of the estimated net operating result in the current year, full dividends will be paid in the following financial year, resulting in a higher receivable at the end of the reporting period. The increase is also attributed to higher outstanding Cross Border Health receipts resulting from an increase in the estimated number of interstate residents being treated in ACT public hospitals.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Reconciliation of the loss allowance for receivables				
Expected credit loss allowance at the beginning of the reporting period	63,624	49,003	88,219	72,660
Less: Reduction in allowance from amounts recovered during the reporting period	224	(1,273)	368	(1,280)
Less: Reduction in allowance from amounts written-off during the reporting period	(1,977)	(1,667)	(2,964)	(3,893)
Expected credit loss expense	12,343	17,562	18,184	20,735
Expected credit loss allowance at the end of the reporting period	**74,215**	**63,624**	**103,808**	**88,219**

21 RECEIVABLES - CONTINUED

Expected credit loss allowance - General Government Sector

		Overdue				
	Not Overdue	1-30 Days	31 to 60 Days	61 to 90 Days	> 91 Days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2024						
Expected credit loss rate (%)	1%	7%	13%	20%	30%	**11%**
Estimated total gross carrying amount at default	396,817	31,602	24,048	16,558	212,637	**681,662**
Expected credit loss allowance	**3,760**	**2,278**	**3,081**	**3,364**	**63,145**	**75,627**
30 June 2023						
Expected credit loss rate (%)	1%	5%	9%	16%	26%	**9%**
Estimated total gross carrying amount at default	405,833	33,267	26,855	17,940	196,349	**680,244**
Expected credit loss allowance	**3,829**	**1,527**	**2,470**	**2,896**	**51,832**	**62,554**

Expected credit loss allowance - Total Territory

		Overdue				
	Not Overdue	1-30 Days	31 to 60 Days	61 to 90 Days	> 91 Days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2024						
Expected credit loss rate (%)	1%	8%	11%	20%	37%	**14%**
Estimated total gross carrying amount at default	439,510	40,184	30,340	17,007	242,537	**769,578**
Expected credit loss allowance	**4,929**	**3,054**	**3,468**	**3,366**	**89,113**	**103,929**
30 June 2023						
Expected credit loss rate (%)	1%	5%	10%	43%	31%	**13%**
Estimated total gross carrying amount at default	357,202	39,326	29,380	35,232	211,787	**672,927**
Expected credit loss allowance	**3,829**	**1,812**	**2,907**	**15,285**	**65,201**	**89,034**

22 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets: land and buildings; leasehold improvements; plant and equipment; infrastructure assets; heritage and community assets and capital works in progress. Property, plant and equipment does not include assets held for sale or investment property.

Presentational and classification changes have been made to this note in accordance with the Territory's property, plant and equipment accounting policy, AAPP 117 - 'ACT Accounting Policy on property, plant and equipment'.

Land is defined as the ground, including the soil covering, land under roads and railway lines, and any associated surface waters. Land incorporates the vegetation on the land and earthworks associated with that vegetation. Land includes leasehold land held by the Territory Government and other land such as that associated with the Territory Government's educational and health facilities. It excludes land held as heritage and community assets (e.g. public nature reserves and National Parks) and land held as inventory.

Buildings are structures that have a roof and walls which stand permanently in one place. These structures are separately identifiable from the land they are constructed upon and as such do not include this land. Buildings include office buildings, warehouses, hospitals, school buildings, community health centres, other clinical and corporate facilities, emergency service facilities, courts, light rail and bus depots, and land improvements that are adjoining a building. Land improvements are long–life items erected on land that increase the land's usefulness or value. Land improvements include parking lots, retaining walls, tennis courts, basketball courts, purpose built children's playground structures and landscaping adjoining a building as well as fences around a building. Service concession building assets are included within the building asset class. This includes the Public Private Partnership arrangement for the Light Rail building being included as a service concession asset. Right–of–use building assets including office buildings, the court-house and adjacent parking lot that are part of a Public–Private Partnership arrangement, and the specialised depot building are not included in the building asset class.

Right-of-Use Buildings are leased structures and land improvements that are separately identifiable from the land they are constructed upon. Right-of-use buildings include the court-house and adjacent parking lot that are part of a Public-Private Partnership arrangement represented by the Justice and Community Safety Directorate, and the specialised depot building.

Leasehold Improvements are capital expenditure items incurred in relation to leased assets. Leasehold improvements represent fitouts in leased buildings.

Plant and Equipment are tangible assets like machinery, apparatus, appliances, containers, implements or tools that are used to produce goods or assist in providing services to the community. Plant and equipment are assets that are used directly by the Territory Government rather than directly by the general community. Plant and equipment tend to be smaller and more mobile in nature than other types of property, plant and equipment like buildings, roads and land. Plant and Equipment includes mobile plant, water tanks, air conditioning and heating systems, office and computer equipment, furniture and fittings, motor vehicles, earth moving machinery, light rail vehicles (rolling stock), light rail maintenance equipment, and other mechanical and electronic equipment. Service concession plant and equipment assets are included in the plant and equipment asset class. Right-of-use plant and equipment are not included in the plant and equipment asset class.

Right-of-Use Plant and Equipment has the same definition as plant and equipment, with the exception that they are held under a lease. Right-of-use plant and equipment held by the Territory Government includes leases for motor vehicles, ICT and office equipment.

Infrastructure Assets Infrastructure assets are physical assets that typically have a long useful life and consist of a complex interconnected network of individual components, which enhance the productive capacity of the economy and supports Government services. Buildings do not meet the definition of infrastructure assets unless they are an ancillary part of an infrastructure system. Infrastructure assets held by the Territory Government include roads (including earthworks), bridges, stormwater drains, footpaths, street lighting, signs, barriers, bollards, traffic lights, fences, car parks on community land (but excludes car parks attached to buildings) and light rail infrastructure assets (including tracks, overhead wiring and poles, signalling and traffic control systems, electricity substations and light rail stops). Service concession infrastructure assets are included within the infrastructure asset class. Land under infrastructure is not included in the infrastructure asset class, this land is included in the land class.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Heritage and Community Assets Heritage assets refer to assets that have unique cultural, historical, geographical, scientific, and/or environmental attributes and that the Government, by including the asset on the ACT Heritage Register, intends to preserve indefinitely because of those attributes. In addition, all Aboriginal places and objects are considered to be heritage assets regardless of whether they are on the ACT Heritage Register. Therefore, where an asset is included on the Register or it is an Aboriginal place and object, it will be disclosed as a heritage asset, unless the asset also has a functional use. Where the asset has a functional use, the Territory government can choose to include that asset in the heritage and community asset class or in the asset's functional asset class. A common feature of heritage assets is that they cannot be replaced, have long and sometimes unlimited useful lives, and they are not usually available for sale or for redeployment. Heritage assets held include artwork, museums and some library collections, historical buildings, and memorials (including the land under the memorials as this land is also listed on the Heritage Register).

Community assets are those assets that are provided primarily to general community use or services for recreational purposes. Community assets held include public parks and gardens, public sporting reserves, public nature reserves, shelters, playgrounds not adjoining a building, tables, seats, benches, barbecues, open space bins and outdoor public toilet blocks. In the 2023-24 financial statements, playgrounds not adjoining a building will be included in the Heritage and Community Asset class along with comparatives, a change from the 2022-23 financial statements.

Capital Works in Progress (CWIP) CWIP is property, plant and equipment that is in the process of being constructed and as such is not yet in use or available for use. That is, CWIP is property, plant and equipment which is not in a location and condition necessary for it to be capable of operating in a manner intended by management. CWIP held by the Territory Government include infrastructure assets, buildings and leasehold improvements under construction. Works in Progress relating to intangible assets are included in intangible assets.

Acquisition and recognition of property, plant and equipment

Property, plant and equipment is initially recorded at cost. Right-of-use assets are also measured at cost on initial recognition, where cost comprises the initial amount of the lease liability, initial direct costs, prepaid lease payments less any lease incentives received. However, the Territory Government initially recognises service concession assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement* .

Capital works in progress are recognised at the time the construction activity occurs. The cost includes direct construction costs (eg. direct materials and direct labour), and 'directly attributable' costs in bringing the asset to a location and condition ready for use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However, property, plant and equipment acquired at no cost, or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

Where the payment for property, plant and equipment is deferred beyond normal credit terms, the Territory Government measures the difference between its cash price equivalent and the total payment as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

The Territory Government has changed its capitalisation threshold in 2023-24 from a single threshold of $5,000 for all property, plant and equipment to the following minimum capitalisation thresholds for each asset class. The comparative figures have not been adjusted for this change. Property, Plant and Equipment with a value equal to or higher than the relevant threshold are capitalised.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Asset Class	Minimum Capitalisation Threshold
Land	$1
Buildings	$2,000
Right-of-use buildings	$5,000
Leasehold improvements	$2,000
Plant and equipment	$5,000
Right-of-use plant and equipment	$5,000
Infrastructure assets	$5,000
Heritage and community assets	
- non-land assets	$5,000
- land assets	$5,000
CWIP	$1

Measurement of Property, Plant and Equipment after Initial Recognition

Property, plant and equipment is valued using the cost or revaluation model of valuation. Land (which also includes land under roads), buildings, infrastructure assets and heritage and community assets are measured at fair value. Plant and equipment and leasehold improvements are measured at cost or fair value. Service concession assets included in each of these asset classes are measured on the same basis as the rest of that asset class.

After the commencement date, all right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are presented in property, plant and equipment in their own separate asset class.

The fair value of service concession assets measured using the revaluation model is determined based on current replacement cost.

Major cyclical maintenance - infrastructure assets

The Territory Government undertakes major cyclical maintenance on its infrastructure assets. Where the maintenance leads to an upgrade increasing the service potential of the existing infrastructure asset, the cost is capitalised.

Valuation of non-current assets

The majority of the Territory Government's assets are valued either by an independent and qualified valuer, or internally by Officers of Directorates using ACT policy. The Territory Government's assets are valued on a three year rolling basis. Assets which are subject to significant changes in fair value (for example, social housing) are revalued on a more frequent basis.

The Territory Government has made a significant estimate regarding the fair value of its assets. Most land and buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose-built may in fact realise more or less in the market.

Infrastructure assets, service concession assets and some heritage and community assets have been recorded at fair value based on current replacement cost as determined by an independent valuer or officer. The valuation uses significant judgement and estimates to determine fair value, including the appropriate indexation figure and the amount of assets held. The fair value of assets is subject to management assessment between formal valuations.

Revaluation

Land, buildings, infrastructure assets, leasehold improvements and community and heritage assets are revalued every three years. This also includes service concession assets within all asset classes. Towards the end of each financial year, the Territory Government assesses whether there are any 'indicators' that the carrying amount of their PPE is materially different to fair value. Where these indicators exist, the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, leasehold improvements and heritage and community assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any accumulated depreciation relating to infrastructure assets is restated proportionally with the change in the gross carrying amount so that the net carrying amount of those assets after revaluation equals its revalued amount.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Impairment of assets

The Territory Government assesses at each reporting date whether there is any indication that property, plant, and equipment may be impaired. Property, plant, and equipment is also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any resulting impairment losses, for land, buildings, infrastructure, and heritage and community assets, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance of the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Impairment losses for plant and equipment and leasehold improvements are recognised in the Operating Statement (see Note 16 'Waivers, impairment losses and write-offs') as plant and equipment is carried at cost and leasehold improvements are carried at fair value, but do not have an Asset Revaluation Surplus attached to them. The carrying amount of the asset being impaired is also reduced to its recoverable amount. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Depreciation and useful life

Depreciation is the systematic allocation of the cost of an asset less its residual value over its useful life. Depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment. The estimation of useful lives of PPE has been based on historical experience of similar assets and in some cases on valuations provided by independent valuers. The useful lives are reassessed on an annual basis and any adjustments are made when considered necessary.

Land, and some heritage and community assets have an unlimited useful life and are therefore not depreciated.

Right-of-use buildings, plant and equipment, and infrastructure assets as well as leasehold improvements are depreciated over the estimated useful life of each asset or the unexpired period of the lease, whichever is shorter.

All depreciation and amortisation are calculated after first deducting any residual values which remain for each asset.

Depreciation/amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/ Amortisation	Useful Life (years)
Buildings[(a)]	Straight-line	2-100
Leasehold improvements	Straight-line	1-40
Plant and equipment	Straight-line	1-126
Infrastructure	Straight-line	3-150
Heritage and community assets[(b)]	Straight-line	1-126

Notes: (a) Land improvements are included with buildings.

(b) The following heritage assets held by Cemeteries and Crematoria Authority have an indefinite useful life - Woden Caretakers Cottage and Offices/Visitors Rooms in Woden Cemetery.

The useful lives of all major assets held by the Territory Government are reassessed on an annual basis.

Land under roads

Significant judgement has been made in determining the fair value of land under roads. The Valuer General has issued a guidance note on the valuation method applicable for land under roads. This guidance states that 'Statutory Land Value' is the most feasible and efficient base for valuing land under roads.

In applying this statutory land value method, the fair value for land under roads is measured on an unimproved rateable land valuation basis. A value per square metre of land is estimated by dividing the total unimproved value of rateable land in the Territory by the total area of the Territory.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of property, plant and equipment - General Government Sector

The following table shows the movement in each class of Property, Plant and Equipment during 2023-24.

	Land $'000	Buildings $'000	Right of use buildings $'000	Plant and equipment $'000	Right of use plant and equipment $'000	Leasehold improvements $'000	Infrastructure assets $'000	Heritage and community assets $'000	Total $'000
Balance at 1 July 2023	**5,276,132**	**4,513,792**	**790,951**	**315,950**	**27,663**	**177,050**	**8,065,242**	**205,861**	**19,372,642**
Additions	40,445	819,660	14,406	75,808	16,077	11,765	130,507	13,330	**1,121,998**
Assets classified as held for sale	(809)	0	0	0	0	0	0	0	**(809)**
Revaluation adjustments	(153,585)	10,577	0	2,087	0	83	1,844,858	58,862	**1,762,882**
Depreciation	(1,135)	(192,413)	(55,752)	(68,973)	(11,718)	(16,758)	(180,385)	(32,075)	**(559,211)**
Assets transferred	0	0	0	0	0	0	3,221	520	**3,741**
Disposals	(19,344)	(515)	(6,136)	(2,154)	(2,989)	(1,679)	(1,095)	(1,824)	**(35,736)**
Impairment gains/(losses) recognised in the Operating statement	0	1,701	0	(427)	0	0	(533)	0	**741**
Other movements/reclassifications	72,915	(17,366)	(763)	(49,786)	1	1,456	(141,407)	151,242	**16,292**
Balance at 30 June 2024[(a)]	**5,214,619**	**5,135,436**	**742,706**	**272,505**	**29,034**	**171,917**	**9,720,408**	**395,916**	**21,682,542**
Carrying amount at the end of the reporting period is represented by:									
Gross book value	5,253,550	5,605,767	1,164,562	806,201	87,384	238,872	9,829,712	453,260	**23,439,309**
Accumulated depreciation	(38,931)	(469,347)	(421,856)	(533,632)	(58,350)	(66,955)	(103,513)	(57,317)	**(1,749,901)**
Accumulated impairment losses	0	(984)	0	(64)	0	0	(5,791)	(27)	**(6,866)**

Note: (a) The increase is largely due to a revaluation of the Territory's infrastructure assets like stormwater, roads, bridges and streetlights, driven by increases in material and labour costs across Australia and completion of the Critical Services Building.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of property, plant and equipment - General Government Sector - Continued

The following table shows the movement in each class of property, plant and equipment during 2022-23.

	Land $'000	Buildings $'000	Right of use buildings $'000	Plant and equipment $'000	Right of use plant and equipment $'000	Leasehold improvements $'000	Infrastructure assets $'000	Heritage and community assets $'000	Total $'000
Balance at 1 July 2022	**5,029,726**	**4,133,690**	**802,665**	**287,891**	**28,016**	**146,353**	**8,130,254**	**201,046**	**18,759,641**
Additions	46,654	186,585	45,085	102,934	13,260	37,653	85,741	6,302	**524,214**
Assets classified as held for sale	(1,354)	0	0	0	0	0	0	0	**(1,354)**
Revaluation adjustments	281,872	343,569	0	3,711	173	4,321	21,640	(4,428)	**650,858**
Depreciation	(826)	(147,146)	(53,479)	(62,856)	(12,175)	(12,901)	(202,371)	(2,963)	**(494,717)**
Assets transferred	(4,861)	4,674	(3,308)	213	0	0	18,009	(751)	**13,976**
Disposals	(67,330)	(4,828)	0	(2,384)	(365)	(253)	(7,551)	(500)	**(83,211)**
Impairment gains/(losses) recognised in the Operating statement	0	(1,816)	0	(12)	0	0	12	0	**(1,816)**
Other movements/reclassifications	(7,749)	(936)	(12)	(13,546)	(1,246)	1,877	19,508	7,155	**5,051**
Balance at 30 June 2023	**5,276,132**	**4,513,792**	**790,951**	**315,950**	**27,663**	**177,050**	**8,065,242**	**205,861**	**19,372,642**
Carrying amount at the end of the reporting period is represented by:									
Gross book value	5,313,928	4,571,792	0	798,588	0	217,457	8,371,781	207,742	**19,481,288**
Accumulated depreciation	(37,796)	(56,109)	0	(482,546)	0	(40,406)	(301,254)	(1,881)	**(919,992)**
Accumulated impairment losses	0	(1,891)	0	(92)	0	0	(5,285)	0	**(7,268)**
Carrying amount of right of use assets	0	0	790,951	0	27,663	0	0	0	**818,614**

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of property, plant and equipment - Total Territory

The following table shows the movement in each class of Property, Plant and Equipment during 2023-24.

	Land	Service Concession Land Assets	Buildings	Service Concession Building Assets	Right of Use Buildings	Plant and Equipment	Service Concession Plant and Equipment Assets	Right of use Plant and Equipment	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	**10,644,014**	**381,264**	**6,742,952**	**324,072**	**792,042**	**443,478**	**219,000**	**43,318**	**178,251**	**11,262,871**	**533,472**	**217,898**	**31,782,632**
Additions	81,036	1,133	948,832	10,632	16,572	78,997	0	26,425	11,992	159,082	12,985	13,345	**1,361,031**
Assets Classified as Held for Sale	(60,516)	(4,248)	(9,785)	(790)	0	0	0	0	0	0	0	0	**(75,339)**
Revaluation Adjustments	(163,487)	(3,190)	8,926	(467)	0	3,235	0	0	83	1,844,858	0	58,862	**1,748,820**
Depreciation	(1,135)	0	(255,044)	(9,436)	(56,748)	(84,701)	(8,206)	(15,860)	(17,090)	(256,359)	(11,746)	(32,521)	**(748,849)**
Disposals	(19,478)	0	(9,326)	(1,069)	(6,136)	(2,314)	0	(3,033)	(1,679)	(1,095)	0	(1,824)	**(45,954)**
Impairment losses recognised in the Operating statement	0	0	(1,897)	0	0	(427)	0	0	0	(533)	0	0	**(2,857)**
Other movements/reclassifications	67,419	5,534	(22,619)	3,819	(763)	(49,740)	0	1,671	1,456	(138,618)	0	151,973	**20,132**
Balance at 30 June 2024[(a)]	**10,547,853**	**380,493**	**7,402,039**	**326,761**	**744,967**	**388,528**	**210,794**	**52,521**	**173,013**	**12,870,206**	**534,711**	**407,733**	**34,039,619**
Carrying amount at the end of the reporting period is represented by:													
Gross book value	10,586,784	380,493	7,954,886	338,018	1,167,819	953,184	219,000	122,044	241,820	13,106,603	546,457	465,718	**36,082,826**
Accumulated depreciation	(38,931)	0	(546,022)	(11,257)	(422,852)	(564,592)	(8,206)	(69,523)	(68,807)	(230,606)	(11,746)	(57,958)	**(2,030,500)**
Accumulated impairment losses	0	0	(6,825)	0	0	(64)	0	0	0	(5,791)	0	(27)	**(12,707)**

Note: (a) The increase is largely due to a revaluation of the Territory's infrastructure assets like stormwater, roads, bridges and streetlights, driven by increases in material and labour costs across Australia and completion of the Critical Services Building.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of property, plant and equipment - Total Territory - Continued

The following table shows the movement in each class of property, plant and equipment during 2022-23.

	Land	Service Concession Land Assets	Buildings	Service Concession Building Assets	Right of Use Buildings	Plant and Equipment	Service Concession Plant and Equipment Assets	Right of use Plant and Equipment	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	**10,710,103**	**389,443**	**6,305,727**	**272,785**	**804,847**	**419,847**	**164,149**	**34,186**	**147,773**	**11,128,981**	**467,544**	**207,998**	**31,053,383**
Additions	61,132	10,567	301,572	33,238	45,085	106,480	0	25,824	37,693	148,250	0	18,795	**788,636**
Assets classified as held for sale	(84,168)	(6,017)	(15,983)	(1,038)	0	0	0	0	0	0	0	0	**(107,206)**
Revaluation adjustments	29,222	(27,996)	375,546	19,045	0	10,403	60,967	173	4,358	228,434	75,900	(10,737)	**765,315**
Depreciation	(826)	0	(207,832)	(9,033)	(54,570)	(77,379)	(6,116)	(15,254)	(13,228)	(272,520)	(9,972)	(3,347)	**(670,077)**
Assets transferred	(4,971)	0	4,499	0	(3,308)	213	0	0	0	18,009	0	(751)	**13,691**
Disposals	(67,726)	0	(14,260)	(172)	0	(2,446)	0	(365)	(253)	(7,551)	0	(500)	**(93,273)**
Impairment losses recognised in the Operating statement	0	0	3,672	0	0	(16)	0	0	0	12	0	0	**3,668**
Other movements/reclassifications	1,248	15,267	(9,989)	9,247	(12)	(13,622)	1	(1,246)	1,907	19,256	0	6,440	**28,497**
Balance at 30 June 2023	**10,644,014**	**381,264**	**6,742,952**	**324,072**	**792,042**	**443,478**	**219,000**	**43,318**	**178,251**	**11,262,871**	**533,472**	**217,898**	**31,782,632**
Carrying amount at the end of the reporting period is represented by:													
Gross book value	10,681,810	381,264	6,819,121	325,921	0	944,609	219,000	0	220,177	11,689,788	533,472	0	**31,815,162**
Accumulated depreciation	(37,796)	0	(72,035)	(1,849)	0	(501,039)	0	0	(41,926)	(426,917)	0	0	**(1,081,562)**
Accumulated impairment losses	0	0	(4,134)	0	0	(92)	0	0	0	0	0	0	**(4,226)**
Carrying amount of right of use assets	0	0	0	0	792,042	0	0	43,318	0	0	0	217,898	**1,053,258**

Reconciliation of depreciation and amortisation amounts from the notes to the amount on the face of the Operating statement

	General Government Sector		Total Territory	
	2023-24 $'000	2022-23 $'000	2023-24 $'000	2022-23 $'000
Depreciation expense (from Note 22 *Property, plant and equipment* above)	559,211	500,506	748,849	676,437
Amortisation expense (from Note 23 *Intangible assets*)	45,639	42,997	52,531	51,405
Total depreciation and amortisation expense on the Operating statement	**604,853**	**543,503**	**801,381**	**727,842**

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of capital works in progress - General Government Sector 2023-24

	Infrastructure Works in Progress	Building Works in Progress	Leasehold Improvement Works in Progress	Other Works in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**469,153**	**651,842**	**9,353**	**19,762**	**1,150,110**
Additions	419,342	569,874	10,939	134,043	**1,134,198**
Capital works in progress completed and transferred to another class of property, plant and equipment	(102,273)	(746,941)	(10,333)	(24,540)	**(884,087)**
Other[(a)]	(13,408)	(1,108)	(24)	11,017	**(3,523)**
Carrying amount at the end of the reporting period	**772,814**	**473,667**	**9,935**	**140,282**	**1,396,698**

Reconciliation of capital works in progress - General Government Sector 2022-23

	Infrastructure Works in Progress	Building Works in Progress	Leasehold Improvement Works in Progress	Other Works in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**291,376**	**305,570**	**33,900**	**18,045**	**648,891**
Additions	282,212	507,317	17,953	18,556	**826,038**
Capital works in progress completed and transferred to another class of property, plant and equipment	(117,256)	(158,974)	(35,254)	(31,517)	**(343,001)**
Other[(a)]	12,821	(2,071)	(7,246)	14,678	**18,182**
Carrying amount at the end of the reporting period	**469,153**	**651,842**	**9,353**	**19,762**	**1,150,110**

Reconciliation of capital works in progress - Total Territory 2023-24

	Infrastructure Works in Progress	Building Works in Progress	Leasehold Improvement Works in Progress	Other Works in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**614,654**	**717,598**	**9,353**	**29,713**	**1,371,318**
Additions	515,348	691,597	10,939	234,445	**1,452,329**
Capital works in progress completed and transferred to another class of property, plant and equipment	(115,654)	(858,030)	(10,333)	(91,008)	**(1,075,025)**
Other[(a)]	(16,971)	(1,108)	(24)	9,491	**(8,612)**
Carrying amount at the end of the reporting period	**997,377**	**550,057**	**9,935**	**182,641**	**1,740,010**

Reconciliation of capital works in progress - Total Territory 2022-23

	Infrastructure Works in Progress	Building Works in Progress	Leasehold Improvement Works in Progress	Other Works in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**416,194**	**387,977**	**33,900**	**37,103**	**875,174**
Additions	345,149	611,837	17,953	71,009	**1,045,948**
Capital works in progress completed and transferred to another class of property, plant and equipment	(152,300)	(279,617)	(35,254)	(89,400)	**(556,571)**
Other[(a)]	5,611	(2,599)	(7,246)	11,001	**6,767**
Carrying amount at the end of the reporting period	**614,654**	**717,598**	**9,353**	**29,713**	**1,371,318**

Note: (a) Other largely represents the expensing of capital works in progress, and correction of asset classes within Property, plant and equipment and from Intangible assets.

Reconciliation of capital works in progress amount from the notes to the amount on the face of the Balance sheet

	General Government Sector		Total Territory	
	2023-24 $'000	2022-23 $'000	2023-24 $'000	2022-23 $'000
Capital works in progress (from Note 22 *Property, plant and equipment* directly above)	1,396,698	1,150,110	1,740,010	1,371,318
Software works in progress(from Note 23 *Intangible assets*)	76,335	61,345	96,634	68,959
Total capital works in progress on the Balance sheet	**1,473,033**	**1,211,455**	**1,836,644**	**1,440,277**

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY

The Territory Government is required to classify property, plant and equipment into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. The fair value hierarchy is made up of the following three levels:

* Level 1 - quoted prices (unadjusted) in active markets for identical assets that the Territory Government can access at the measurement date;
* Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and
* Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Territory Government's property, plant and equipment at fair value and information about the fair value hierarchy at 30 June 2024 and for the prior reporting period is provided below.

	Classification according to the fair value hierarchy			
General Government Sector - 2023-24	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Property, plant and equipment at fair value				
Land	0	1,836,058	3,377,495	**5,213,553**
Buildings[(a)]	0	95,651	5,039,785	**5,135,436**
Plant and Equipment	0	3,368	32,193	**35,561**
Leasehold Improvements	0	339	144,337	**144,676**
Infrastructure Assets	0	235	9,708,645	**9,708,880**
Heritage and Community Assets	7	201,507	194,402	**395,916**
Total property, plant and equipment at fair value	**7**	**2,137,158**	**18,496,857**	**20,634,022**

	Classification according to the fair value hierarchy			
General Government Sector - 2022-23	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Property, plant and equipment at fair value				
Land	0	4,703,911	570,346	**5,274,257**
Buildings[(a)]	0	270,966	4,242,826	**4,513,792**
Plant and Equipment	0	4,993	83,257	**88,250**
Leasehold Improvements	0	0	172,875	**172,875**
Infrastructure Assets	0	4,599	8,060,643	**8,065,242**
Heritage and Community Assets	0	42,576	163,278	**205,854**
Total property, plant and equipment at fair value	**0**	**5,027,045**	**13,293,225**	**18,320,270**

Note: (a) The value of buildings in this table excludes Right of Use Assets recorded under AASB 16, 'Leases', as these assets are recorded at cost.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Total Territory - 2023-24	Classification according to the fair value hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Property, plant and equipment at fair value				
Land	0	7,169,255	3,377,532	**10,546,787**
Service Concession Land Assets	0	380,493	0	**380,493**
Buildings[(a)]	0	2,342,370	5,059,669	**7,402,039**
Service Concession Building Assets	0	236,695	90,066	**326,761**
Plant and Equipment	49	4,112	147,148	**151,309**
Service Concession Plant and Equipment Assets	0	0	210,794	**210,794**
Leasehold Improvements	0	339	144,543	**144,882**
Infrastructure Assets	0	901	12,857,777	**12,858,678**
Service Concession Infrastructure Assets	0	0	534,711	**534,711**
Heritage and Community Assets	7	206,927	200,357	**407,291**
Total property, plant and equipment at fair value	**56**	**10,341,092**	**22,622,597**	**32,963,745**

Total Territory - 2022-23	Classification according to the fair value hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Property, plant and equipment at fair value				
Land	0	10,038,699	603,440	**10,642,139**
Service Concession Land Assets	0	381,264	0	**381,264**
Buildings[(a)]	0	2,456,655	4,286,297	**6,742,952**
Service Concession Building Assets	0	231,997	92,075	**324,072**
Plant and Equipment	0	5,134	209,487	**214,621**
Service Concession Plant and Equipment Assets	0	0	219,000	**219,000**
Leasehold Improvements	0	0	173,120	**173,120**
Infrastructure Assets	0	1,160	11,257,029	**11,258,189**
Service Concession Infrastructure Assets	0	0	533,472	**533,472**
Heritage and Community Assets	0	47,755	169,694	**217,449**
Total property, plant and equipment at fair value	**0**	**13,162,664**	**17,543,614**	**30,706,278**

Note: (a) The value of buildings in this table excludes Right of Use Assets recorded under AASB 16, 'Leases', as these assets are recorded at cost.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Valuation techniques, inputs and processes

Level 2 valuation techniques and inputs

Valuation technique: The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).

Inputs: Prices and other relevant information generated by market transactions involving comparable land and buildings were considered. Regard was taken of the Crown Lease terms and tenure, the Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning.

Level 3 valuation techniques and inputs

Valuation technique: Land is valued using the market approach adjusted to reflect the specialised nature of the land being valued, where applicable.

Significant unobservable inputs: Selecting land with similar approximate utility. In determining the value of land with similar approximate utility significant adjustment to market based data was required.

Valuation technique: Buildings, leasehold improvements, infrastructure assets and heritage and community assets were considered specialised assets by the valuers and measured using the cost approach.

Significant unobservable inputs: Estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For buildings, historical cost per square metre of floor area was also used in measuring fair value. For infrastructure assets the historical costs per cubic metre was also used in measuring fair value. In determining the value of buildings, leasehold improvements, infrastructure assets and heritage and community assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the relevant agency.

There has been no change to the above valuation techniques during the year.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Fair value measurements using significant unobservable inputs (level 3) - General Government Sector

2023-24	Land $'000	Buildings $'000	Plant and Equipment $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**570,346**	**4,242,826**	**83,257**	**172,875**	**8,060,643**	**163,278**	**13,293,225**
Additions	29,876	1,132,056	7,204	119,703	103,393	46,351	**1,438,583**
Revaluation increments recognised in the Operating Statement	80	10,579	0	0	31	1,940	**12,630**
Revaluation increments recognised in other comprehensive income	(149,135)	0	2,087	83	1,844,827	11,207	**1,709,069**
Transfers from/(to) level 2	2,548,719	0	1,798	(4,021)	0	2,467	**2,548,963**
Reversal of Impairment Losses Recognised in the Operating Statement	0	1,701	25	0	(464)	0	**1,262**
Impairment losses recognised in other comprehensive income	0	0	0	0	(69)	0	**(69)**
Depreciation	(1,135)	(189,643)	(9,413)	(15,595)	(182,960)	(32,034)	**(430,780)**
Acquisition/(disposal) of assets	(5,400)	(144,360)	(379)	(128,410)	18,782	(37,973)	**(297,740)**
Other movements/reclassifications	384,144	(13,374)	(52,386)	(298)	(135,538)	39,166	**221,714**
Fair value at the end of the reporting period	**3,377,495**	**5,039,785**	**32,193**	**144,337**	**9,708,645**	**194,402**	**18,496,857**

2022-23	Land $'000	Buildings $'000	Plant and Equipment $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**541,640**	**3,835,533**	**96,250**	**143,160**	**8,127,784**	**158,991**	**12,903,358**
Additions	17,018	185,904	12,692	36,285	85,741	6,122	**343,762**
Revaluation increments/(decrements) recognised in the Operating Statement	0	13,744	0	(109)	(6,118)	(6,287)	**1,230**
Revaluation increments recognised in other comprehensive income	55,397	254,447	3,255	4,486	27,756	4,085	**349,426**
Transfers from/(to) level 2	(43,363)	28,445	(1,798)	0	0	1,153	**(15,563)**
Impairment losses recognised in the Operating Statement	0	(1,700)	(12)	0	0	0	**(1,712)**
Reversal of Impairment Losses Recognised in the Operating Statement	0	0	0	0	12	0	**12**
Impairment losses recognised in other comprehensive income	0	(116)	0	0	0	0	**(116)**
Depreciation	(826)	(145,882)	(12,004)	(11,562)	(202,297)	(2,964)	**(375,535)**
Acquisition/(disposal) of assets	480	(207)	(546)	(112)	10,460	(2,967)	**7,108**
Other movements/reclassifications	0	72,657	(14,580)	726	17,305	5,144	**81,252**
Fair value at the end of the reporting period	**570,346**	**4,242,826**	**83,257**	**172,875**	**8,060,643**	**163,278**	**13,293,225**

22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED
FAIR VALUE HIERARCHY - CONTINUED
Fair value measurements using significant unobservable inputs (level 3) - Total Territory

2023-24	Land $'000	Buildings $'000	Service Concession Building Assets $'000	Plant and Equipment $'000	Service Concession Plant and Equipment Assets $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Service Concession Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**603,440**	**4,286,296**	**92,075**	**209,487**	**219,000**	**173,120**	**11,257,029**	**533,472**	**169,694**	**17,543,614**
Additions	29,876	1,132,098	0	10,320	0	119,703	131,929	0	46,351	**1,470,277**
Revaluation increments recognised in the Operating Statement	80	10,579	0	0	0	0	31	0	1,940	**12,630**
Revaluation increments recognised in other comprehensive income	(149,135)	0	0	3,153	0	83	1,844,827	0	11,207	**1,710,135**
Transfers from/(to) level 2	2,515,625	(25,068)	0	1,798	0	(4,021)	0	0	2,467	**2,490,801**
Reversal of impairment losses recognised in the Operating Statement	0	1,701	0	25	0	0	(464)	0	0	**1,262**
Impairment losses recognised in other comprehensive income	0	0	0	0	0	0	(69)	0	0	**(69)**
Depreciation	(1,135)	(191,743)	(2,009)	(24,739)	(8,206)	(15,634)	(258,750)	(11,746)	(32,458)	**(546,420)**
Acquisition/(disposal) of assets	(5,400)	(140,821)	0	(379)	0	(128,410)	18,782	12,985	(37,973)	**(281,216)**
Other movements/reclassifications	384,181	(13,374)	0	(52,517)	0	(298)	(135,538)	0	39,129	**221,583**
Fair value at the end of the reporting period	**3,377,532**	**5,059,669**	**90,066**	**147,148**	**210,794**	**144,543**	**12,857,777**	**534,711**	**200,357**	**22,622,597**

2022-23	Land $'000	Buildings $'000	Service Concession Building Assets $'000	Plant and Equipment $'000	Service Concession Plant and Equipment Assets $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Service Concession Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**574,734**	**3,877,369**	**80,598**	**226,926**	**164,149**	**143,371**	**11,127,255**	**467,544**	**165,481**	**16,827,427**
Additions	17,018	188,553	0	15,705	0	36,285	143,565	0	7,885	**409,011**
Revaluation increments recognised in the Operating Statement	0	13,744	0	0	0	(109)	(7,607)	0	(6,372)	**(344)**
Revaluation increments recognised in other comprehensive income	55,397	255,541	13,198	9,946	60,968	4,523	236,039	75,900	4,282	**715,794**
Transfers from/(to) level 2	(43,363)	28,445	0	(1,798)	0	0	878	0	1,153	**(14,685)**
Impairment losses recognised in other comprehensive income	0	(1,700)	0	(12)	0	0	0	0	0	**(1,712)**
Reversal of impairment losses recognised in the Operating Statement	0	0	0	0	0	0	12	0	0	**12**
Impairment losses recognised in other comprehensive income	0	(116)	0	0	0	0	0	0	0	**(116)**
Depreciation	(826)	(147,990)	(1,721)	(26,092)	(6,117)	(11,595)	(272,443)	(9,972)	(3,348)	**(480,104)**
Acquisition/(disposal) of assets	480	(207)	0	(608)	0	(82)	10,460	0	(2,967)	**7,076**
Other movements/reclassifications	0	72,657	0	(14,580)	0	726	18,870	0	3,579	**81,252**
Fair value at the end of the reporting period	**603,440**	**4,286,296**	**92,075**	**209,487**	**219,000**	**173,120**	**11,257,029**	**533,472**	**169,694**	**17,543,614**

23 INTANGIBLES

The Territory Government has internally generated, externally purchased software and software works in progress. The internally generated software includes the patient administration system, and finance system software, while externally purchased software includes human resource management and communications software. Other intangibles include large-scale generation certificates held by the Environment, Planning and Sustainable Development Directorate. Software Works in Progress is software that is in the process of being developed and as such is not yet in use or available for use. That is, software which is not in a location and condition necessary for it to be capable of operating in a manner intended by management. Software Works in Progress does not include Property, Plant and Equipment Capital Works in Progress.

Recognition

Externally acquired software is recognised and capitalised when:

(i) it is probable that the expected future economic benefits that are attributable to the software will flow to the Territory Government;

(ii) the cost of the software can be measured reliably; and

(iii) the acquisition cost is equal to or exceeds $50,000.

Internally generated software is recognised when it meets the general recognition criteria outlined above and where it also meets the specific recognition criteria relating to intangible assets arising from the development phase of an internal project.

Software Works in Progress is recognised at the time the software is being built.

Software Works in Progress is measured at the cost of constructing the asset. The cost includes direct construction costs (e.g. direct materials and direct labour), and 'directly attributable' costs in bringing the asset to a location and condition ready for use.

Where intangible assets are acquired at no cost, or minimal cost, its cost is its fair value as at the date of acquisition.

Amortisation

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding ten years. Amortisation commences when intangible assets are ready for their intended use.

Amortisation for intangible assets is determined as follows:

Class of Intangible Asset	Amortisation Method	Useful Life (Years)
Externally Purchased Software	Straight-line	2-10
Internal Generated Software	Straight-line	2-10
Externally Purchased Other Intangibles	Straight-line	3

Impairment

The Territory Government assesses, at each reporting date, whether there is any indication that an intangible asset may be impaired. Intangible assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Impairment losses for intangible assets are recognised in the Operating Statement (see Note 16 '*Waivers, impairment losses and write-offs*'), as intangibles are carried at cost. The carrying amount of the intangible asset is reduced to its recoverable amount.

The Territory receives Large-scale Generation Certificates (Certificates) from Large-scale Renewable Energy Generators (LREG's) as part of the LREG's obligations under a deed of entitlement. These Certificates are created through the generation of renewable energy (electricity) by an LREG. The rights to the Certificates are required to be surrendered to the Territory when the LREG feeds the renewable energy generated into the ACT Electricity Network through the ACT's licensed electricity distributor, Evoenergy.

Large-Scale Generation Certificates

Large-Scale Generation Certificates are initially recognised at fair value. After the initial recognition, both the right to receive certificates and certificates received, are revalued each year. The valuation is done internally and is based on the market rate at 30 June each year. Revaluation increments and decrements are recorded in the Operating Statement. The Territory uses the spot price per certificate as quoted by Green Energy Markets to revalue the intangible assets. The Territory Government has determined the certificates have an indeterminate useful life and therefore no amortisation expense is recorded in the financial statements.

The Territory holds Large-Scale Generation Certificates with the intention they be surrendered for no consideration to assist in meeting the Governments renewable energy targets.

In 2023-24, the Territory surrendered 2,218,905 certificates (2022-23: 2,200,993).

23 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - General Government Sector (GGS)

The following table shows the movement of each class of intangible assets held by the GGS during 2023-24.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software Works in Progress $'000	Total intangible assets $'000
Balance at 1 July 2023	**141,567**	**44,948**	**67,917**	**61,345**	**315,777**
Additions	32	3,646	88,260	47,330	139,268
Disposals	(123)	(14,706)	(100,960)	0	(115,789)
Amortisation	(28,281)	(17,358)	0	0	(45,639)
Impairment losses recognised in the Operating statement	0	(917)	0	0	(917)
Revaluation increments	0	0	(15,930)	0	(15,930)
Amortisation write back for asset disposals	0	14,631	0	0	14,631
Capital works in progress completed and transferred to another class of intangible assets	10,953	2,866	0	(14,963)	(1,144)
Other changes[(a)]	(11)	(2,759)	2,760	(17,372)	(17,382)
Balance at 30 June 2024[(b)]	**124,138**	**30,353**	**42,044**	**76,335**	**272,870**

Notes: (a) Other changes include correction of asset classes to Property, Plant and Equipment and reclassification of items that are expense in nature.

(b) The decrease is mainly due to changes in the volume and price of Large-Scale Generation Certificates being surrendered to meet the Territory Government's renewable energy targets.

Carrying amount at the end of the reporting period is represented by:					
Gross book value	283,355	152,203	42,044	76,335	**553,937**
Accumulated amortisation	(159,217)	(121,610)	0	0	**(280,827)**
Accumulated impairment losses	0	(240)	0	0	**(240)**

23 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - General Government Sector (GGS) - Continued

The following table shows the movement of each class of intangible assets held by the GGS during 2022-23.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software Works in Progress $'000	Total intangible assets $'000
Balance at 1 July 2022	**51,922**	**61,213**	**74,935**	**150,931**	**339,001**
Additions	1,016	1,666	109,004	90,424	202,110
Disposals	(11,656)	(31,477)	(121,055)	0	(164,188)
Amortisation	(21,263)	(21,657)	0	0	(42,920)
Impairment losses recognised in the Operating statement	(102)	(856)	0	(42,814)	(43,772)
Revaluation increments	0	0	5,033	0	5,033
Amortisation write back for asset disposals	11,514	30,624	0	0	42,138
Capital works in progress completed and transferred to another class of intangible assets	109,520	8,895	0	(121,423)	(3,008)
Other changes	619	(3,463)	0	(15,771)	(18,615)
Balance at 30 June 2023	**141,567**	**44,948**	**67,917**	**61,345**	**315,777**
Carrying amount at the end of the reporting period is represented by:					
Gross book value	278,938	163,447	67,917	61,345	**571,647**
Accumulated amortisation	(137,371)	(118,309)	0	0	**(255,680)**
Accumulated impairment losses	0	(190)	0	0	**(190)**

	General Government Sector	
	2023-24	**2022-23**
Reconciliation of intangible assets from the notes to the amount on the face of the Balance sheet	**$'000**	**$'000**
Total intangible assets included in this note	272,870	315,777
Less: software works in progress	76,335	61,345
Total intangible assets on the Balance sheet	**196,535**	**254,432**

23 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - Total Territory

The following table shows the movement of each class of intangible assets held by the Territory Government during 2023-24.

	Internally generated software	Externally purchased software	Other intangibles	Software Works in Progress	Total intangible assets
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	**141,766**	**70,250**	**69,064**	**68,959**	**350,039**
Additions	326	5,136	88,260	63,262	156,984
Disposals	(123)	(14,762)	(100,960)	0	(115,845)
Amortisation	(28,350)	(24,181)	0	0	(52,531)
Impairment losses recognised in the Operating statement	0	(917)	0	0	(918)
Revaluation increments	0	0	(14,990)	0	(14,990)
Amortisation write back for asset disposals	0	14,631	0	0	14,631
Capital works in progress completed and transferred to another class of intangible assets	10,953	2,866	0	(18,210)	(4,391)
Other changes	(11)	(2,760)	2,760	(17,372)	(17,383)
Balance at 30 June 2024[(a)]	**124,562**	**50,265**	**44,131**	**96,634**	**315,591**

Note: (a) The decrease is mainly due to changes in the volume and price of Large-Scale Generation Certificates being surrendered to meet the Territory Government's renewable energy

Carrying amount at the end of the reporting period

Represented by:

Gross book value	283,951	217,573	44,131	96,634	642,288
Accumulated amortisation	(159,389)	(167,068)	0	0	(326,457)
Accumulated impairment losses	0	(240)	0	0	(240)

23 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - Total Territory - Continued

The following table shows the movement of each class of intangible assets held by the Territory Government during 2022-23.

	Internally generated software	Externally purchased software	Other intangibles	Software Works in Progress	Total intangible assets
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	**51,962**	**95,289**	**75,940**	**154,532**	**377,723**
Additions	1,202	1,666	109,146	95,115	207,129
Disposals	(11,656)	(31,870)	(121,055)	0	(164,581)
Amortisation	(21,290)	(30,038)	0	0	(51,328)
Impairment losses recognised in the Operating statement	(102)	(856)	0	(42,814)	(43,772)
Revaluation increments	0	0	5,033	0	5,033
Amortisation write back for asset disposals	11,514	30,624	0	0	42,138
Capital works in progress completed and transferred to another class of intangible assets	109,520	8,895	0	(122,037)	(3,622)
Other changes	619	(3,463)	0	(15,836)	(18,680)
Balance at 30 June 2023	**141,766**	**70,250**	**69,064**	**68,959**	**350,039**
Carrying amount at the end of the reporting period					
Represented by:					
Gross book value	279,164	227,441	69,064	68,959	644,628
Accumulated amortisation	(137,398)	(157,001)	0	0	(294,399)
Accumulated impairment losses	0	(190)	0	0	(190)

	Total Territory	
	2023-24	2022-23
Reconciliation of intangible assets from the notes to the amount on the face of the Balance sheet	$'000	$'000
Total intangible assets included in this note	315,592	350,039
Less: software works in progress	96,634	68,959
Total intangible assets on the Balance sheet	**218,958**	**281,080**

LIABILITIES

24 ADVANCES RECEIVED

Advances received are loans issued to the Territory Government by the Commonwealth Government for policy purposes, which includes the provision of housing to the community under the Commonwealth State Housing Agreement and the provision of home loans to low income members of the public to assist with home ownership.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Current advances from the Commonwealth Government	4,692	4,490	8,285	8,355
Non-current advances from the Commonwealth Government	36,172	40,864	64,946	73,231
Total advances received	**40,864**	**45,354**	**73,231**	**81,586**

25 LEASE LIABILITIES

Lease liabilities include the net present value of the following lease payments:

* fixed payments (including in-substance fixed payments), less any lease incentive receivables;
* variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
* amounts expected to be payable by the lessee under residual value guarantees;
* the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
* payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination option.

Territory Government as a lessee

The Territory Government has leases over a range of assets including land and buildings and IT equipment and has elected not to adopt AASB 16 for leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

At inception of a contract, the Territory Government assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

* the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
* the Territory Government has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
* the Territory Government has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The Territory Government has elected not to separate non-lease components from lease components for leases.

Lease accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Territory Government uses the incremental borrowing rate published by the Territory which most closely matches the remaining lease term.

25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSEE - CONTINUED

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Territory Government's assessment of lease term.

Where the lease liability is remeasured, the right of use asset is adjusted to reflect the remeasurement or is recorded in the Operating statement if the carrying amount of the right of use asset has been reduced to zero.

Exemptions to lease accounting

The Territory Government has elected to apply the exemptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. A threshold of $10,000 has been applied to determine if an underlying asset is a low value asset.

The Territory Government recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Extension options

Where a lease contains extension options, at commencement date and at each subsequent reporting date, the Territory Government assesses where it is reasonably certain that the extension options will be exercised.

There are no potential future lease payments which are not included in lease liabilities as the Territory Government has assessed that the exercise of future options is reasonably certain.

Right of use assets

The right of use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right of use asset is depreciated over the lease term on a straight line basis and assessed for impairment.

Details on right of use assets are shown at Note 22: 'Property, plant and equipment'.

Terms and conditions of leases

Building leases	The Territory Government has 34 non-cancellable leases for office buildings with lease terms of up to 30 years (33 as at 30 June 2023).
Motor vehicles	The Territory Government has numerous motor vehicle leases with lease terms of two to twelve years.
ICT and office equipment	The Territory Government has numerous ICT and office equipment leases with lease terms of three to ten years with no renewal options. Lease payments are fixed and not subject to increases throughout the lease term. Where the value of leased assets is low the exemption has been used to account for the expense through the Operating Statement as incurred.

25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSEE - CONTINUED

Lease liabilities - General Government Sector

The maturity analysis of lease liabilities at 30 June 2024 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet $'000
	74,909	187,934	775,195	**1,038,038**	1,036,615

The maturity analysis of lease liabilities at 30 June 2023 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet
	73,501	254,812	945,286	**1,273,599**	1,074,570

Lease liabilities - Total Territory

The maturity analysis of lease liabilities at 30 June 2024 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet $'000
	79,388	206,828	778,586	**1,064,802**	1,061,557

The maturity analysis of lease liabilities at 30 June 2023 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet
	77,087	266,331	947,001	**1,290,419**	1,091,195

25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSEE - CONTINUED

Operating Statement - General Government Sector

The amounts recognised in the Operating Statement relating to leases where the GGS is a lessee are shown below.

	2023-24 Actual $'000	2022-23 Actual $'000
Depreciation on right of use assets	66,245	63,193
Interest on lease liabilities	17,676	17,589
Variable lease payments based on usage not included in the lease liability	0	1,261
Expenses relating to short term leases	719	4,889
Expenses relating to low value leases	12,092	5,062

Operating Statement - Total Territory

The amounts recognised in the Operating Statement relating to leases where the Territory Government is a lessee are shown below.

	2023-24 Actual $'000	2022-23 Actual $'000
Depreciation on right of use assets	69,684	67,303
Interest on lease liabilities	18,609	17,827
Variable lease payments based on usage not included in the lease liability	0	1,261
Expenses relating to short term leases	763	4,889
Expenses relating to low value leases	12,092	5,062

Statement of Cash Flows - General Government Sector

The amounts recognised in the statement of cash flows relating to leases where the GGS is a lessee are shown below.

	2023-24 Actual $'000	2022-23 Actual $'000
Total cash outflow of leases	57,536	54,051

Statement of Cash Flows - Total Territory

The amounts recognised in the statement of cash flows relating to leases where the Territory Government is a lessee are shown below.

	2023-24 Actual $'000	2022-23 Actual $'000
Total cash outflow of leases	62,552	58,882

25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSOR

For arrangements where the Territory Government is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When the Territory Government has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right of use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 16.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recognised on a basis to reflect a constant periodic rate of return on the Territory Government's net investment in the lease.

Description	Type	Lease type
The GGS leases office accommodation to other public trading enterprise government agencies and commercial and community organisations. These leases have been classified as operating leases as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	Office accommodation	Operating
The GGS leases ICT equipment to other public non-financial corporation government agencies. These leases have been classified as operating leases as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	ICT equipment	Operating
Commercial property owned by the Territory Government and leased to ActewAGL with a non cancellable period of 15 years. This lease has been classified as a operating lease as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	Investment property	Operating

25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSOR - CONTINUED

Operating leases

Where leases have been classified as operating leases, the underlying assets are included as property, plant and equipment in the Balance Sheet (refer Note 22).

The amounts recognised in the Operating Statement as Other sales of goods and services relating to operating leases where the Territory Government is a lessor are shown below.

Operating leases - General Government Sector

	2023-24 Actual $'000	2022-23 Actual $'000
Lease income (excluding variable lease payments not dependent on an index or rate)	15,598	12,577
Lease income relating to variable lease payments not dependent on an index or a rate	185	143
Total income relating to operating leases	**15,783**	**12,720**

Maturity analysis of the undiscounted lease payments to be received after reporting date for operating leases:

	2023-24 Actual $'000	2022-23 Actual $'000
>1 year	11,262	11,333
Between 1 -5 years	14,684	12,646
Greater than 5 years	39,384	19,005
Total	**65,330**	**42,984**

Operating leases - Total Territory

	2023-24 Actual $'000	2022-23 Actual $'000
Lease income (excluding variable lease payments not dependent on an index or rate)	10,760	10,071
Lease income relating to variable lease payments not dependent on an index or a rate	185	143
Total income relating to operating leases	**10,945**	**10,214**

Maturity analysis of the undiscounted lease payments to be received after reporting date for operating leases:

	2023-24 Actual $'000	2022-23 Actual $'000
>1 year	6,783	7,958
Between 1 -5 years	9,414	8,515
Greater than 5 years	36,449	18,916
Total	**52,646**	**35,389**

26 OTHER BORROWINGS

Interest-bearing liabilities

Interest-bearing liabilities are financial liabilities, which are measured at fair value when initially recognised and at amortised cost subsequent to initial recognition. Any adjustments to the carrying amount are recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs.

Borrowings also include financial derivatives. For more information on derivatives, refer to Note 20: 'Investments and loans'.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred at the effective interest rate.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Current borrowings				
Bonds and bills	1,000,036	683,527	1,000,036	683,527
Service concession arrangements financial liability	0	0	12,511	11,736
Total current borrowings	***1,000,036***	***683,527***	***1,012,547***	***695,263***
Non-current borrowings				
Bonds and bills	10,392,094	8,885,994	10,409,245	8,902,746
Service concession arrangements financial liability	102,035	0	360,931	271,407
Total non-current borrowings	***10,494,129***	***8,885,994***	***10,770,176***	***9,174,153***
Total other borrowings[(a)]	**11,494,165**	**9,569,521**	**11,782,723**	**9,869,416**

Note: (a) The increase is reflective of a higher level of borrowings to support the Territory's prevailing cash flow requirements. This includes borrowings to support the Territory Government's Infrastructure Program including projects such as Raising London Circuit, John Gorton Drive and Molonglo River Bridge Crossing, Better Connecting Belconnen and Gungahlin - Gundaroo Drive, Canberra Hospital Expansion and Well-Prepared Emergency Services - Gungahlin Joint Emergency Service Centre.

27 SUPERANNUATION

Superannuation

The Territory Government recognises its superannuation liability in respect of current and former employees who are members of Commonwealth Government defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). The total superannuation liability represents the estimated financial obligation of the Territory to make payments to the Commonwealth Government in respect of superannuation arising from Territory Government employment. Membership of the CSS closed to new Territory Government employees from 1 July 1990 with new employees assuming membership of the PSS until 30 June 2005.

The administration of the CSS and PSS is undertaken by the Commonwealth Government agency, Commonwealth Superannuation Corporation, with all benefits paid to entitled CSS and PSS members by the Commonwealth Superannuation Corporation. The Territory Government reimburses the Commonwealth Superannuation Corporation annually for the Territory Government's share of employer superannuation benefits paid to entitled Territory Government employees who are members of the CSS or PSS.

The CSS and PSS are types of defined benefit superannuation schemes, in which some or all of the benefits payable to members are defined in advance according to a set of formulas which are linked to factors such as years of service, final average salary and level of individual member contribution over time. The defined benefit liability is determined on an annual basis. The annual liability determination incorporates updates to salary and membership data as at the reporting date, financial and demographic assumptions, and the relevant discount rate as required. A more comprehensive triennial actuarial review, which incorporates a full assessment of all the financial and demographic assumptions, is conducted every three years. The employer financed component of entitlements is unfunded and is not required to be paid until a member receives their benefit entitlement. As the employer financial obligations may be settled many years in the future, the estimated financial obligation is measured on a discounted basis. The ultimate cost of the financial obligation will be influenced by many factors and actuarial assumptions of future events are required to measure the liability and expense.

The Territory Government recognises actuarial gains and losses by applying the direct to equity method under Australian Accounting Standard AASB 119: 'Employee Benefits'.

27 SUPERANNUATION - CONTINUED

The Territory has applied significant judgments based on information provided by Willis Towers Watson (appointed actuary) in estimating the CSS/PSS defined benefit employer superannuation liability as at 30 June 2024. The estimated liability for these benefits requires consideration of both financial assumptions including salary inflation, CPI and discount rate as well as demographic assumptions including the number of active contributors, deferred beneficiaries and pensioners, experience of employee resignations, retrenchment and retirement, experience of employee death and invalidity, longevity, and final retirement benefit stream election (lump sum, pension or both).

The carrying amount of the estimated superannuation liability is based on estimates and assumptions of future events. The actuarial assumptions are unbiased, being neither imprudent nor excessively conservative, and are the best estimates of the variables that will determine the ultimate cost of providing post-employment benefits.

Data

The estimate of the superannuation liability incorporates Territory Government employee CSS/PSS membership data at 30 June 2024. Commonwealth Superannuation Corporation supplied at 30 June 2023 those members who are currently employed by the Territory Government (Group A) and those members who are not currently employed by the Territory Government (Group B).

As the Commonwealth Superannuation Corporation is unable to provide membership data at 30 June 2024 in time for the valuation of the estimated superannuation liability at 30 June 2024, the valuation estimate incorporates membership data at 30 June 2023, but projected forward to 30 June 2024. This allows for projected service and salaries at 30 June 2024, expected exits over the 2023-24 financial year, actual crediting rates on member and productivity accounts to 30 June 2024, as well as actual pension indexation rates.

Method

The estimated superannuation liabilities of the ACT Government relate to the value of the employer-financed portion of superannuation benefits provided to existing employees of the ACT Government who are members of the CSS or PSS. The employer-financed component excludes the productivity component and is based on the service with the ACT Government from the later of 1 July 1989, the date at which the ACT agency started, or the date the member's employment commenced.

The employer-financed component is the total benefit payable (excluding the productivity component) less the accumulated member contributions with interest.

Limitations in salary and membership data

Detailed checks are carried out by the actuary to test the integrity of the salary and membership data, including a detailed reconciliation of the current data with the data used for the previous valuation.

This process results in some data queries being resolved with CSC. In the small number of cases where issues may not be resolved, or in the case of limited data availability, conservative judgments are made by the actuary to complete the valuation exercise.

The value of accrued defined benefit employer superannuation liabilities is calculated as the present value of the future payment of retirement benefits that have accrued in respect of service as at the calculation date. This approach is in accordance with AASB 119 and the requirement to use a projected unit credit valuation approach.

Demographic assumptions

The key demographic assumptions that are incorporated by the actuary and that impact on the estimated superannuation liability include increases in salary through promotion, increasing levels of PSS member contributions over time, death and invalidity, retirement, resignation and retrenchment, pensioner mortality, improvements in pensioner mortality, benefit retention, benefit stream choice and spouse assumptions.

Financial assumptions	2024	2023
Discount rate	4.72%	4.40%
Salary increase	3.00%	3.00%
CPI	2.50%	2.50%

27 SUPERANNUATION - CONTINUED

The key financial assumptions above are part of the actuarial assumptions used to value the superannuation liability. These assumptions reflect the best estimate of the variables that will determine the ultimate cost of providing retirement benefits. These assumptions are reviewed every three years and are unbiased as they are neither imprudent nor excessively conservative.

Sensitivity:
The following sensitivity analysis is based off the liability valuation at 30 June 2024, which incorporated a discount rate of 4.72 per cent, and the liability valuation at 30 June 2023, which incorporated a discount rate of 4.40 per cent.

The liability valuation impacts have been estimated by changing each individual assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the superannuation liability to significant actuarial assumptions the same method (determining the present value of the future payments of benefits accrued to the calculation date) has been applied when calculating the superannuation liability recognised in the Balance Sheet.

Liability valuation sensitivity analysis as at 30 June 2024

	Increase in assumption $'000	Decrease in assumption $'000
Financial assumptions		
Discount rate (+/- 1 per cent)	(1,404,000)	1,769,000
CPI (+/- 1 per cent)	1,391,000	(1,159,000)
Salary inflation (+/- 1 per cent)	317,000	(288,000)
Demographic assumptions		
PSS pensioner election rate (+/- 5 per cent)	138,000	(138,000)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Superannuation liability at the beginning of the reporting period	**10,565,392**	**10,872,463**	**10,565,392**	**10,872,463**
Expense accrued during the period for CSS/PSS superannuation expense	656,631	648,422	656,631	648,422
Other superannuation expenses	311,420	264,269	334,630	286,074
Superannuation expense	**968,051**	**912,691**	**991,261**	**934,496**
Less: actuarial gain from actuarial review	327,003	616,502	327,003	616,502
Less: payments during the reporting period for superannuation	713,769	603,260	736,751	625,065
Plus: amounts recognised as employee benefits	6,826	0	6,598	0
Superannuation liability at the end of the reporting period	**10,499,497**	**10,565,392**	**10,499,497**	**10,565,392**
Represented by:				
Current estimated employee superannuation liability	421,947	382,097	421,947	382,097
Non-current estimated employee superannuation liability	10,077,550	10,183,295	10,077,550	10,183,295
Total superannuation liabilities	**10,499,497**	**10,565,392**	**10,499,497**	**10,565,392**

28 EMPLOYEE BENEFITS

Employee benefits

Employee benefits include short-term employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. This includes wages and salaries, annual leave loading and applicable on-costs. Other long-term benefits are also included such as long service leave, annual leave, and termination benefits.

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period, when the employees render the service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual and long service leave are estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. Annual leave liabilities are estimated on the assumption that they will be wholly settled within three years. At 30 June 2024, the rate used to estimate the value of future payments for long service leave is 91.2 per cent for not-for-profit agencies (93.0 per cent at 30 June 2023). The amount used to estimate the future payments of annual leave is 98.2 per cent for not-for-profit agencies at 30 June 2024 (98.2 per cent at 30 June 2023).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Territory Government has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The Territory Government has made a significant judgment in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required for long service leave and that on-costs will become payable.

Significant judgments have been applied in estimating the annual and long service leave liabilities given the Territory uses a present value factor, a probability factor and an on-cost factor in measuring these liabilities. These factors are based on an actuarial review which is undertaken once every three by the Australian Government Actuary. The latest assessment was undertaken in December 2021, with the next review expected to be undertaken by late 2024.

28 EMPLOYEE BENEFITS - CONTINUED

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Employee benefits				
Current employee benefits				
Accrued wages and salaries[(a)]	152,704	112,948	161,417	122,255
Annual leave[(a)]	431,759	374,146	459,972	401,750
Long service leave	481,621	442,487	523,497	484,053
Other employee benefits[(b)]	30,307	53,160	32,025	56,275
Total current employee benefits	***1,096,391***	***982,741***	***1,176,911***	***1,064,333***
Non-current employee benefits				
Long service leave	64,219	52,401	67,836	56,413
Other employee benefits	45	24	2,506	24
Total non-current employee benefits	***64,264***	***52,425***	***70,342***	***56,437***
Total employee benefits	**1,160,655**	**1,035,166**	**1,247,253**	**1,120,770**
Estimated amount payable within 12 months				
Accrued wages and salaries	150,212	112,948	158,847	122,255
Annual leave	250,907	214,646	269,477	231,863
Sick leave	0	0	1,256	1,227
Long service leave	45,643	39,607	65,460	58,707
Other employee benefits	32,868	53,184	33,322	55,138
Total employee benefits payable within 12 months	**479,630**	**420,385**	**528,362**	**469,190**
Estimated amount payable after 12 months				
Annual leave	180,833	159,500	192,997	169,822
Long service leave	500,192	455,281	525,894	481,759
Total employee benefits payable after 12 months	**681,025**	**614,781**	**718,891**	**651,581**
Total employee benefits	**1,160,655**	**1,035,166**	**1,247,253**	**1,120,770**

Notes: (a) The increase is mainly due to the impact of back payment of salaries based on new Enterprise Agreements (EA) and the impact of transitioning Calvary Public Hospital Bruce (CPHB) to the Territory.

(b) The decrease is mainly due to the impact of the one-off Cost of Living payment made in 2023-24 under current Enterprise Agreements.

The General Government Sector had approximately 27,356 full time equivalent employees (FTEs) as at 30 June 2024 (24,457 FTEs as at 30 June 2023). The Territory had approximately 29,365 FTEs as at 30 June 2024 (26,448 FTEs as at 30 June 2023). The increase is largely due to the transition of Calvary Public Hospital Bruce to the Territory Government on 3 July 2023 and growth in Education FTE.

29 PAYABLES AND CONTRACT LIABILITIES

Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include trade creditors, GST payable, accrued expenses and other payables.

Contract liabilities

When an amount of consideration is received from a customer prior to the Territory Government transferring a good or service to the customer, the balance of the consideration which has not been transferred is presented as a contract liability.

Contract liabilities arising from contracts with customers

Contract liabilities relate to consideration received in advance from customers mainly in respect of land sales contracts exchanged but not yet settled, burial fees, water and sewerage contracts and public transport fees.

Contract liabilities arising from assets being constructed or acquired which will be controlled by the Territory Government

Contract liabilities relate to funds received in advance in relation to water and sewerage capital contributions.

	General Government Sector		Total Territory	
	2023-2024 Actual $'000	2022-2023 Actual $'000	2023-2024 Actual $'000	2022-2023 Actual $'000
Current Payables and Contract Liabilities				
Current payables				
Trade payables	98,079	73,776	116,524	90,020
Accrued expenses	222,233	209,373	272,156	254,201
GST liability	594	(48)	641	(9)
Revenue received in advance	3,795	6,668	3,795	8,694
Other payables	43,409	17,493	74,657	56,359
Total current payables	**368,110**	**307,262**	**467,773**	**409,265**
Current contract liabilities				
Amounts received related to contracts with customers where the performance obligations has not yet been satisfied	55,289	30,392	73,007	81,536
Amounts received in relation to acquisition or construction of an asset to be controlled by the Territory Government which is not complete	365	0	365	10,102
Rent received in advance	131	0	82	0
Total current contract liabilities	**55,785**	**30,392**	**73,454**	**91,638**
Total current payables and contract liabilities	***423,895***	***337,654***	***541,227***	***500,903***
Non-current payables				
Other payables	0	0	870	0
Total non-current payables	**0**	**0**	**870**	**0**
Non-current contract liabilities				
Amounts received related to contracts with customers where the performance obligations has not yet been satisfied	0	0	16,431	0
Total non-current contract liabilities	**0**	**0**	**16,431**	**0**
Total non-current payables and contract liabilities	***0***	***0***	***17,301***	***0***
Total payables and contract liabilities	**423,895**	**337,654**	**558,528**	**500,903**

29 PAYABLES AND CONTRACT LIABILITIES - CONTINUED

	General Government Sector		Total Territory	
	2023-2024 Actual $'000	2022-2023 Actual $'000	2023-2024 Actual $'000	2022-2023 Actual $'000
Payables are aged as follows:				
Not overdue	360,049	294,119	458,271	396,117
Overdue for less than 30 days	7,132	7,794	7,815	7,794
Overdue for 30 to 60 days	489	2,301	424	2,297
Overdue for more than 60 days	440	3,048	2,133	3,057
Total payables[(a)]	**368,110**	**307,262**	**468,643**	**409,265**

Note: (a) The increase is associated with higher outstanding cross border health payments due to an increase in the estimated number of ACT residents being treated in interstate public hospitals and a higher balance of outstanding fixed rate nominal bond borrowings.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Reconciliation of contract liabilities				
Contract liabilities at the beginning of the reporting period	**30,392**	**22,041**	**91,638**	**66,975**
Add: Payments received for performance obligations which have not yet been completed at the end of the reporting period	96,381	73,249	90,954	89,450
Less: Revenue recognised that was Included in the contract liability balance at the beginning of the reporting period	(70,988)	(64,898)	(92,707)	(64,787)
Contract liabilities at the end of the reporting period	**55,785**	**30,392**	**89,885**	**91,638**

30 COMMITMENTS

Commitments are a firm intention, but not a present obligation, at the end of the reporting period to incur future expenditure. As such, commitments do not constitute a liability. Commitments usually arise from contracts but can arise from other things like placing an order.

Commitments are measured at their nominal value and are inclusive of GST.

CAPITAL COMMITMENTS

Capital commitments largely relate to project management and works contracts for the construction of new buildings, civil works and other land development activities. Capital commitments also relate to intangible assets.

Capital commitments contracted at reporting date that have not been recognised as liabilities are as follows:

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Payable:				
Within one year	820,737	775,915	1,046,732	950,348
Later than one year but not later than five years	232,857	400,329	286,386	514,151
Later than five years	1,204	0	1,204	0
Total property, plant and equipment capital commitments	**1,054,798**	**1,176,244**	**1,334,322**	**1,464,499**

PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS

The Territory has Public Private Partnership (PPP) Commitments that relate to both Service Concession Arrangements and Non–Service Concession Arrangements. Both these types of PPP Commitments are outlined below.

PPP Commitments Relating to Non-Service Concession Arrangement

During 2015, the Territory entered into a PPP arrangement which will run for 25 years and therefore expires in August 2043. The arrangement involves a private sector consortium financing, constructing, maintaining and operating the ACT Law Court facilities. The Territory will make service payments over the life of the arrangement, intended to cover the costs incurred by the consortium. There are no extension rights included under the arrangement. At the end of the arrangement, the buildings will become Territory assets. Further details on the commitments associated with the ACT Law Court facilities can be found in Note 20 'Capital and Other Expenditure Commitments' of the Justice and Community Safety Directorate financial statements.

PPP Commitments Relating to Service Concession Arrangement

On 25 May 2016 the Territory (grantor) entered into a 20-year PPP arrangement with Canberra Metro (CM) (operator) to construct, deliver, maintain and operate light rail infrastructure assets, light rail plant and equipment, and light rail building assets over the term of the contract. This PPP is a Service Concession Arrangement. These assets have been constructed on Territory land and are made up of a 12km light rail track from Canberra City to Gungahlin, comprising 13 stops, 14 Light Rail Vehicles and one maintenance depot.

On 14 December 2023, the Territory (grantor) entered into a contract with Canberra Metro 2A Pty Ltd (Canberra Metro 2A) and Canberra Metro Pty Limited (Canberra Metro) for the delivery of Light Rail Stage 2A as an augmentation to the existing Light Rail Stage 1 Project Agreement. Canberra Metro 2A will finance, design, build, test and commission the Light Rail Stage 2A project as an extension to the existing light rail network from Canberra's central business district at Alinga Street to Commonwealth Park.

PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS - CONTINUED

Service Concession Arrangement Commitments relate to the operational and capital expenditure the Territory is required to make to Canberra Metro over the remaining term of the service concession arrangements relating to the Canberra Light Rail Projects.

At the reporting date, the Territory had the following PPP Commitments (including both Service Concession and Non-Service Concession Arrangements):

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Payable:				
Within one year	26,686	24,314	62,077	58,405
Later than one year but not later than five years	598,669	120,930	759,179	265,563
Later than five years	675,043	454,553	1,148,242	924,278
Total public private partnership commitments[(a)]	**1,300,398**	**599,797**	**1,969,498**	**1,248,246**

Note: (a) The increase largely reflects the detailed design and construction of Light Rail Stage 2A.

OTHER COMMITMENTS

These commitments include contracts for the ACT Policing agreement, National Disability Insurance Scheme contribution, investment capital subscription agreements, superannuation investments, economic development grant programs, repairs and maintenance, grants and purchased services to Non-Government Organisations and, software licences and ICT support and maintenance. Other commitments also include non-cancellable operating lease commitments relating to lease arrangements for government office buildings.

Other commitments contracted at reporting date but not recognised as liabilities, are payable as follows:

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Payable:				
Within one year	1,199,943	977,624	1,343,962	1,082,481
Later than one year but not later than five years	2,450,162	1,482,481	2,492,710	1,542,376
Later than five years	350,262	466,642	387,400	491,910
Total other commitments[(a)]	**4,000,367**	**2,926,747**	**4,224,072**	**3,116,767**

Note: (a) The increase largely reflects new contracts with a new supplier for Red and Yellow Bin Collection Services (general waste and recycling) and payments to the National Disability Insurance Agency in accordance with the National Disability Insurance Scheme Bilateral Agreement with the Commonwealth.

31 CONTINGENCIES, GUARANTEES AND INDEMNITIES

A contingent liability is a present obligation that arises from past events but is not recognised because:

* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
* the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Territory Government.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Contingent liabilities				
Land restoration	66,834	72,483	66,834	72,483
Personal injury claims	49,475	35,124	49,475	35,124
Taxation related claims	451	451	451	451
Public liability claims	19,431	21,503	20,121	21,573
Economic loss claims	7,830	6,556	8,055	6,906
Professional development training funds	877	8,295	877	8,295
Total contingent liabilities	**144,898**	**144,412**	**145,813**	**144,832**

Contingent liabilities of the GGS and the Total Territory as at 30 June 2024 include:

Land restoration : the Territory Government manages 179 sites that contain contaminated materials. The contamination includes fuel tanks, sheep dips, chemical contaminations, asbestos and other hazardous materials. Remediation of these sites is contingent on various factors.

Personal injury claims : the Territory Government has contingent liabilities in relation to personal injury legal action largely related to health and education claims.

Taxation related claims : the Territory has a number of claims related to outstanding objections associated with payroll tax and duties and unclaimed lottery prize monies relating to winning prizes which remain unclaimed.

Public liability claims : the Territory Government has a range of contingent liabilities in relation to public liability claims largely related to the Justice and Community Safety and Community Services Directorates.

Economic loss claims: the Territory has contingent liabilities in relation to matters associated with contractual disputes and economic loss. Amounts are contingent due to the protected nature of legal proceedings and discoveries that may be made over the foreseeable future.

Professional development training funds: the Territory has reviewed the CIT Teaching Staff Enterprise Agreement regarding a contingent obligation to set aside funds for staff professional development activities.

Calvary acquisition just terms compensation: as a result of the enactment of the *Health Infrastructure Enabling Act 2023* on 2 June 2023, the Territory has contingent liabilities associated with the payment of compensation relating to the acquisition of the Calvary Public Hospital Bruce, which may include payments associated to the public hospital land and other assets, any mortgage or other interest in the land or other assets, and other matters including termination of the network agreement, termination of contracts, any redundancies payable to employees and anything else prescribed by regulation.

A reliable estimate of the value of the possible compensable just terms items mentioned above could not be made at 30 June 2024 given commercial negotiations were still underway at the time of finalising these financial statements.

32 THIRD PARTY MONIES

Third party monies held in trust are not incorporated into the financial statements of either the General Government Sector or the Territory.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Third party monies held in trust by the Territory				
ACT Long Service Leave Authority	67,156	56,367	67,156	56,367
Rental Bonds Board	109,805	106,402	109,805	106,402
Default Insurance Fund	52,363	46,269	52,363	46,269
Nominal Defendant Insurance Fund	44,445	39,245	44,445	39,245
Road User Services Trust	5,544	4,942	5,544	4,942
Health Professional Registration	0	0	0	0
Health Private Practice Fund	80,858	70,226	80,858	70,226
Public Trustee Common Fund	478,468	490,066	478,468	490,066
Unconditional Undertakings held from Contractors[(a)]	176,347	76,131	176,347	76,131
Other third party monies	20,679	21,847	20,679	21,847
Total monies held in trust	**1,035,665**	**911,495**	**1,035,665**	**911,495**

Note: (a) The increase mainly relates to higher value unconditional undertakings received in 2024 on major construction contracts of Woden Bus Depot Electric Bus Fleet, CIT Campus - Woden Development, Canberra Hospital Expansion Project, John Gorton Drive and Molonglo River Bridge Crossing and Construction of North Gungahlin High School. This is partially offset by the release of unconditional undertakings on completed contracts.

33 RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the Territory Government, or is a member of the Key Management Personnel (KMP), where individually or jointly they have controlling interests.

The related parties of the Territory are the Cabinet Ministers compensated by the ACT Executive; and the Head of Service compensated by the Chief Minister, Treasury and Economic Development Directorate. The Territory had 12 KMP in 2023-24 (2022-23: 12). Compensation is set out below.

	2023-24 $'000	2022-23 $'000
Cabinet Ministers and Head of Service	3,996	3,875
Total compensation	**3,996**	**3,875**

34 INTEREST IN JOINT ARRANGEMENTS

A joint arrangement is an arrangement that the Territory Government controls jointly with another investor(s) and has rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities requires unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the rights and obligations of the parties to the arrangement, rather than the legal structure of the joint arrangement.

Joint ventures

The Territory Government uses the equity method to account for its interest in its joint ventures. Under the equity method, on initial recognition, the investment in a joint venture is recognised at cost and the carrying amount is increased or decreased to recognise the Territory Government's share of the profit or loss of the joint venture after the date of acquisition. The Territory Government's share of the joint venture's profit or loss is recognised in the Operating Statement. Distributions received from a joint venture reduce the carrying amount of the investment.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Territory Government consolidates joint operations proportionally as required by AASB 11: 'Joint Arrangements'. That is, the Territory recognises its interest in the joint operation's assets, including any assets held jointly, its liabilities, including its share of any liabilities incurred jointly, its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation, and its expenses including its share of any expenses incurred jointly.

General Government Sector (GGS)

The GGS has entered into a joint venture with the Catholic Education Office for the management of shared educational facilities at the Gold Creek and Holy Spirit Primary Schools. All assets and liabilities relating to the shared facilities are jointly owned by the Territory Government, (through the GGS) and the Catholic Education Office in accordance with the participating share of each party, which is 53 per cent for the Territory and 47 per cent for the Catholic Education Office.

34 INTEREST IN JOINT ARRANGEMENTS - CONTINUED

Total Territory

Icon Retail Investments Limited has entered into a joint venture partnership with AGL ACT Retail Investments Pty Ltd to manage the retail operations of the ACT electricity and gas networks. Icon Distribution Investments Limited has entered into a joint venture partnership with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the ACT, Queanbeyan and Nowra gas networks.

The Suburban Land Agency represents the Territory Government in the West Belconnen Joint Venture with:
a) Reid & Stevens Pty Limited;
b) Corkhill Bros Pty Limited; and
c) Riverview Developments (ACT) Pty Ltd.

The Territory Government has a 60 per cent participating interest in the West Belconnen Joint Venture which is recorded as a joint operation.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Share of joint operation profit:				
Revenue	84	97	480,262	529,708
Expenses	158	177	424,710	376,298
Operating profit / (Loss)	**(74)**	**(80)**	**55,552**	**153,410**
Summarised Balance Sheet				
Current assets	27	26	240,639	283,661
Non-current assets	3,954	4,040	918,575	865,849
Total assets	**3,981**	**4,066**	**1,159,214**	**1,149,510**
Current liabilities	3	11	159,197	153,913
Non-current liabilities	0	0	53,650	50,771
Total liabilities	**3**	**11**	**212,847**	**204,684**
Total net assets	**3,978**	**4,055**	**946,367**	**944,826**
Share of joint operation commitments				
Capital and other commitments	0	0	18,040	12,157
Total share of joint venture commitments	**0**	**0**	**18,040**	**12,157**

35 ECONOMIC DEPENDENCY

The Australian Capital Territory is a body politic established under the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)* and the ACT Executive (the Government) was vested with financial independence under that Act. Commonwealth Government funding accounts for approximately 42 per cent of the Territory's revenue (refer to Note 9: 'Commonwealth Grants revenue').

Commonwealth funding includes 'National Specific Purpose Payments' that provide services to the community on behalf of the Commonwealth Government, and the ACT Government's share of GST, which is distributed in accordance with the Principle of Fiscal Equalisation exercised by the Commonwealth Grants Commission.

The Territory has no economic dependency on any other party.

36 THE TERRITORY GOVERNMENT'S CREDIT RATING

The Territory has a long-term issuer credit rating of AA+ and short-term issuer credit rating of A-1+. The outlook on the long-term rating is negative. The issuer credit rating is assigned by S&P Global Ratings.

	Local Currency		Foreign Currency	
	Long-Term	Short-Term	Long-Term	Short-Term
S&P Global Ratings	AA+	A-1+	AA+	A-1+

37 AUDITOR'S REMUNERATION

The ACT Audit Office is required by the *Financial Management Act 1996* to audit ACT Government Agencies. Auditor's Remuneration includes financial audit services (including reviews of Statements of Performance) provided to the Territory by the ACT Auditor-General. Financial statements audits of agencies are conducted on a fee for service basis. Performance audits and investigations are funded through direct appropriation.

The amounts included in the table below represent the full amounts paid by the General Government Sector (GGS) and the Territory for audits undertaken during 2023-24. The specific amounts below are not consolidated into expenses of the GGS or the Territory as they are internal transactions between Government agencies and the ACT Audit Office.

	General Government Sector		Total Territory	
	2023-24 Actual $'000	**2022-23 Actual $'000**	**2023-24 Actual $'000**	**2022-23 Actual $'000**
Audit services paid or payable				
Financial audits (fees for service)	4,539	3,885	5,487	4,756
Other services (direct appropriation funded)	1,275	1,032	1,275	1,032
Total Auditor's remuneration	**5,814**	**4,917**	**6,762**	**5,788**

The ACT Audit Office paid $16,500 including GST for the independent audit of its own 2023-24 financial statements (2022-23: $13,725 including GST).

No other services were provided by the ACT Audit Office.

38 EVENTS AFTER THE REPORTING PERIOD

There were three potential participants who had not yet been accepted into the Lifetime Care and Support (LTCS) Scheme as at 30 June 2024. At the date of signing of the financial statements two potential participants had been accepted into the LTCS Scheme. An estimated average cost for the relevant injury and age of the three potential participants has been included (on a partial basis to allow for the probability of their acceptance into the scheme) as a provision.

One of the participants in the LTCS Scheme whose estimated costs were included in the Other provisions at 30 June 2024 subsequently passed away in August 2024. No adjustment was made as the death occurred after the end of the reporting period.

In September 2024, the Suburban Land Agency Board and the Treasurer approved the execution of a facility agreement with Australian and New Zealand Banking Group Limited for a $100 million working capital loan facility. This facility is available for a period of three years and provides access to working capital at short notice to support operational requirements.

39 FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in the relevant notes in these financial statements.

Financial assets are those that derive value because of a contractual claim. The Territory Government's financial assets comprise of cash and deposits, advances paid, receivables and financial investments.

Cash includes cash at bank, cash on hand, short-term deposits and overnight cash. Cash equivalents are short-term (maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Statement of Cash Flows but not in cash and deposits in the Balance Sheet where they are included as other borrowings.

The inclusion of movements in short-term securities in 'cash' for the purpose of the Statement of Cash Flows is the principal difference between 'Cash and deposits' and 'Cash and cash equivalents'. The fair value of cash and cash equivalents is the carrying value recorded in the accounts of the General Government Sector (GGS) and the Total Territory.

The most significant investments and cash and deposits of the GGS and Territory are the investments and cash held by the Territory Banking Account. A significant portion of these investments are maintained for the purpose of managing the Territory's employee superannuation liability. For further information on investments and loans, refer to Note 20 'Investments and Loans'.

The Territory's financial investments are valued daily based on best available prices and values of the underlying investments.

The following represents the classification of the Territory Government's financial assets under AASB 9 *Financial Instruments* :

Items	**Business model held to collect principal and interest/sell**	**Solely for payment of principal and interest SPPI test (basic lending characteristics)**	**Classification**
Cash and deposits	Held to collect	Yes	Amortised cost
Loans	Held to collect	Yes	Amortised cost
Investment	Held to collect /& sell	No	Fair value through profit and loss

The Territory's financial liabilities comprise borrowings funded by issued debt securities in the debt capital markets in accordance with the domestic debt issuance program and Commonwealth Government loans. Financial liabilities such as payables and interest bearing liabilities are measured at amortised cost.

The main risks resulting from the financial instruments used in the management of the Territory's assets and liabilities are set out below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial market instrument will fluctuate because of changes in prevailing levels of market interest rates. The financial instruments of the Territory are exposed to interest rate risk on its variable and fixed interest rate financial instruments which are remeasured to fair value.

Sensitivity analysis is performed on cash at bank and directly held debt securities of investments.

39 FINANCIAL INSTRUMENTS - CONTINUED

The table below summarises the Territory Government's main exposure to interest rate risk:

	Fixed rate instruments		Variable rate instruments	
	2023-24 $'000	**2022-23 $'000**	**2023-24 $'000**	**2022-23 $'000**
Investments	893,871	704,250	2,707,918	2,557,142
Total exposure	**893,871**	**704,250**	**2,707,918**	**2,557,142**

Interest rate risk is measured by the duration of the investment portfolios which approximates the change in portfolio valuation from a percentage change in market interest rates. The Territory has positions in interest rate derivatives contracts to manage exposure of interest rate risk. Exposures to interest rate risk is limited to acceptable duration thresholds as set out in relevant investment management agreements and strategies.

The table below demonstrates 'reasonably possible' sensitivity to a 0.5 per cent (2022-23: 0.5 per cent) on cash at bank and directly held debt securities of investments and the impact on profit or loss and equity. Had interest rates been lower or higher at reporting date, and all other variables were held constant, the results would have improved/(deteriorated) as follows:

2023-24	Fixed rate instruments		Variable rate instruments	
	+0.5 per cent Profit/(Loss) and Equity Impact $'000	**-0.5 per cent Profit/(Loss) and Equity Impact $'000**	**+0.5 per cent Profit/(Loss) and Equity Impact $'000**	**-0.5 per cent Profit/(Loss) and Equity Impact $'000**
Financial assets	(4,469)	4,469	13,540	(13,540)
Net (decrease)/increase	**(4,469)**	**4,469**	**13,540**	**(13,540)**

2022-23	Fixed rate instruments		Variable rate instruments	
	+0.5 per cent Profit/(Loss) and Equity Impact $'000	**-0.5 per cent Profit/(Loss) and Equity Impact $'000**	**+0.5 per cent Profit/(Loss) and Equity Impact $'000**	**-0.5 per cent Profit/(Loss) and Equity Impact $'000**
Financial assets	(3,521)	3,521	12,786	(12,786)
Net (decrease)/increase	**(3,521)**	**3,521**	**12,786**	**(12,786)**

Price risk and inflation risk

Financial instrument investments held by the GGS and the Territory are also exposed to price and inflation risk. Price risk is the risk that the fair value of a financial instrument will change as a result of changes in the market prices (other than those arising from interest rate risk) in the relevant indices levels and the prices of individual holdings. The Territory is exposed to price risk from exposure to equities and unit trusts.

Exposures to asset classes sectors comprising cash, money market securities, fixed rate bonds (domestic and international), equities (domestic and international), private equity, property and infrastructure are maintained in line with the strategic asset allocation representing acceptable risk and return tolerances. Under the investment structure, investments are diversified by geography, sector and financial instrument type to manage the risks associated with changing financial and economic conditions.

The investment management agreements and the relevant pooled trust product disclosure statement set out the maximum allowable limits by issuer, ratings, duration and asset class to provide diversification across the asset class sectors.

Inflation risk is the risk that future cash flows on an inflation linked instrument may fluctuate due to changes in inflation rates. Inflation risk arises from inflation indexed bonds which are exposed to inflation rates.

39 FINANCIAL INSTRUMENTS - CONTINUED

The below table summarises the main exposure to price risk and inflation risk at 30 June.

	2023-24 $'000	2022-23 $'000
Price risk		
Investment assets		
Fixed income	343,929	313,732
Equities	4,031,204	3,586,377
Property	333,847	401,418
Infrastructure	521,233	395,415
Total exposure	**5,230,213**	**4,696,942**
Inflation risk		
Financial assets (inflation linked bonds)	791,793	772,001
Financial liabilities (inflation linked bonds)	791,310	771,554
Net exposure	**483**	**447**

Taking into account past performance, future expectations and economic forecasts, the estimated impact on profit or loss and the impact on equity in the table below are considered reasonably possible over the next 12 months if price and inflation risk changes by the following volatility factors from the target benchmarks with all other variables held constant[(a)].

General Government Sector and Total Territory				
30 June 2024	**% increase in index**		**% decrease in index**	
	Profit/(Loss) impact	**Equity impact**	**Profit/(Loss) impact**	**Equity impact**
	$'000	**$'000**	**$'000**	**$'000**
Investment assets				
Fixed income (+/-6%)	20,636	20,636	(20,636)	(20,636)
Equities (+/-14-20%)	617,358	617,358	(617,358)	(617,358)
Property (+/-8%)	26,708	26,708	(26,708)	(26,708)
Infrastructure (+/-10%)	52,123	52,123	(52,123)	(52,123)
Inflation Rate (+/-1%)	192	192	(192)	(192)

General Government Sector and Total Territory				
30 June 2023	**% increase in index**		**% decrease in index**	
	Profit/(Loss) impact	**Equity impact**	**Profit/(Loss) impact**	**Equity impact**
	$'000	**$'000**	**$'000**	**$'000**
Investment assets				
Fixed income (+/- 6%)	18,824	18,824	(18,824)	(18,824)
Equities (+/-14-20%)	546,888	546,888	(546,888)	(546,888)
Property (+/-8%)	32,113	32,113	(32,113)	(32,113)
Infrastructure (+/-10%)	39,542	39,542	(39,542)	(39,542)
Inflation Rate (+/-1%)	186	186	(186)	(186)

Note: (a) The volatility of returns reflects the inherent risk in the investments. The reasonably possible movements in risk variables are continually assessed and have been determined based on best estimates, having regard to a number of factors including historical correlation of the asset classes with relevant benchmarks and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the underlying investments are invested.

39 FINANCIAL INSTRUMENTS - CONTINUED

Currency risk

The Territory holds monetary and non-monetary assets that are denominated in currencies other than the Australian dollar. The Territory is exposed to risk that the exchange rate of the Australian dollar relative to other foreign currencies will change in a manner that has an adverse effect on the fair value or future cash flows of investments denominated in currencies other than the Australian dollar.

A significant allocation of the Territory's investment portfolio is denominated in foreign currency through the purchase and holding of international equity and fixed interest securities. Currency forward rate agreements are used by the relevant investment managers to manage foreign currency risks within approved limits. All international fixed interest investment exposures are fully hedged to Australian dollars, with the international equity exposure being 35 per cent hedged to Australian dollars.

The below table summarises the main exposure to foreign currency risk at 30 June.

Currency as at 30 June 2024 General Government Sector and Total Territory	Cash	Assets at fair value through profit or loss	Other assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AUD	55,452	4,032,246	32,093	4,119,791	18,825	317,245	336,070	3,783,721
USD	22,858	2,101,193	5,494	2,129,545	1,002	8,047	9,049	2,120,496
JPY	3,325	326,632	3,702	333,659	138	2,484	2,622	331,037
EUR	2,220	231,549	1,398	235,167	463	1,071	1,534	233,633
GBP	817	105,420	1,358	107,595	51	754	805	106,790
Other	2,592	231,846	3,846	238,284	39	304	343	237,941
Total A$'000	**87,264**	**7,028,886**	**47,891**	**7,164,041**	**20,518**	**329,905**	**350,423**	**6,813,618**

Currency as at 30 June 2023 General Government Sector and Total Territory	Cash	Assets at fair value through profit or loss	Other assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AUD	57,542	3,615,836	31,141	3,704,519	23,903	291,185	315,088	3,389,431
USD	14,486	1,819,772	2,897	1,837,155	961	3,447	4,408	1,832,747
JPY	2,987	305,377	3,385	311,749	444	2,738	3,182	308,567
EUR	2,676	228,394	2,257	233,327	354	1,885	2,239	231,088
GBP	841	101,757	479	103,077	6	331	337	102,740
Other	2,021	235,450	3,636	241,107	56	106	162	240,945
Total A$'000	**80,553**	**6,306,586**	**43,795**	**6,430,934**	**25,724**	**299,692**	**325,416**	**6,105,518**

39 FINANCIAL INSTRUMENTS - CONTINUED

Sensitivity disclosure analysis

The table below summarises the reasonably possible impact for 2024 of +/-12 per cent strengthening or weakening of the Australian dollar against foreign currency cash balances on the Territory's operating deficit for the year and on equity after hedging. Foreign exchange risk relating to non-monetary investments is considered a component of price risk (2023: +/- 12 per cent).

30 June 2024	**(+/- impact) 12%**	
General Government Sector and Total Territory	**Profit/(Loss) impact**	**Equity impact**
	$'000	**$'000**
Currency		
USD	22,196	22,196
EUR	13,372	13,372
JPY	9,916	9,916
GBP	3,217	3,217
Other	2,348	2,348
Total increase/(decrease)	**51,049**	**51,049**

30 June 2023	**(+/- impact) 12%**	
General Government Sector and Total Territory	**Profit/ (loss) impact**	**Equity impact**
	$'000	**$'000**
Currency		
USD	16,578	16,578
EUR	10,254	10,254
JPY	9,252	9,252
GBP	2,410	2,410
Other	1,826	1,826
Total increase/(decrease)	**40,320**	**40,320**

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligation or from losses arising from the change in the value of a traded instrument as a result of changes in the credit risk on that instrument. The Territory's financial arrangements, in respect of the business conducted is such that the most significant risk will arise with those financial assets and liabilities involving external parties.

The maximum exposure to credit risk is limited to the carrying amount of the cash and cash equivalents and investments of the Territory. The main concentration of credit risk arises from the Territory's direct exposure to directly held debt securities of investments. For the purposes of sensitivity analysis, exposure to credit risk is performed on debt securities directly held by the Territory at reporting date.

In relation to investments of the Territory, financial dealings are only undertaken with appropriately rated counterparties. The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the Territory's financial investment assets. No investment assets were impaired at 30 June 2024 (30 June 2023: nil).

The Territory also has an exposure to credit risk in relation to concessional loans issued under the Sustainable Household Scheme (SHS). Under the SHS, zero-interest loans of up to $15,000 are issued, with repayment terms of up to 10 years, to households and not-for-profit community organisations to assist with the upfront costs of investing in energy efficient building upgrades and zero emissions vehicles. This is limited to one loan product per borrower.

Credit risk in relation to SHS loans receivable is limited to the total value of loans issued, less repayments made to date. As at 30 June 2024, the balance of SHS loans issued since the beginning of the scheme was $179.8 million ($116.5 million as at 30 June 2023), with an associated receivable of $119.3 million ($86.8 million as at 30 June 2023).

39 FINANCIAL INSTRUMENTS - CONTINUED

The below table summarises the credit risk exposure at 30 June.

General Government Sector and Total Territory	Credit quality				
	AAA	AA	A	BBB	Total
	$'000	$'000	$'000	$'000	$'000
30 June 2024					
Directly held					
Investments	857,193	380,170	407,973	113,812	**1,759,148**
Total	**857,193**	**380,170**	**407,973**	**113,812**	1,759,148
30 June 2023					
Directly held					
Investments	715,310	318,481	400,351	123,741	**1,557,883**
Total	**715,310**	**318,481**	**400,351**	**123,741**	1,557,883

Note:

AAA - The issuer has extremely strong capacity to meet its financial commitments.

AA - The issuer has very strong capacity to meet its financial commitments.

A - The issuer has strong capacity to meet its financial commitments.

BBB - The issuer has adequate capacity to meet its financial commitments, but is more subject to adverse economic conditions.

Liquidity risk

Liquidity risk is the risk that the Territory Government is unable to meet its financial obligations as they fall due.

One of the Territory's key objectives is to maintain a high liquidity balance. This enables the Territory to maintain sufficient liquidity to meet budget appropriation payment requirements and debt servicing obligations, including interest and principal repayments. It is also a key factor in the credit rating assessment undertaken by the international ratings agencies and a high liquidity provision assists the Territory in meeting cash payment obligations on an ongoing basis.

Liquidity risk is managed by maintaining a high cash balance and investing in a diversified pool of high-grade investment assets. Projected cash flows and borrowing maturities are maintained to ensure sufficient funding is available for any debt servicing obligations and required settlements.

The Territory borrowing program is available to source both short and longer term funding as required. Sufficient liquidity is maintained to meet expenditure allocations as set out in the Territory Budget.

Analysis of the Territory Government's financial liabilities based on management expectation

The risk implied from the values shown in the table on the following page shows contracted cash outflows from payables and other financial liabilities and is a reflection of ongoing business operations of the Territory. The following table reflects all contractual repayments of principal and interest resulting from recognised financial liabilities and expected settlement of financial liabilities. The amounts disclosed represent undiscounted cash flows for the respective obligations and expectations in respect of upcoming fiscal years.

The tables below provides an analysis of financial liability cash flow estimates.

30 June 2024 General Government Sector	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Non-Derivatives					
Payables	184,055	184,055	0	0	**368,110**
Interest-bearing liabilities (current/non-current)	9,448	1,372,374	4,083,035	9,408,895	**14,873,752**
Estimated superannuation liabilities	105,487	316,460	2,476,873	25,916,761	**28,815,581**
Total non-derivatives	**298,990**	**1,872,889**	**6,559,908**	**35,325,656**	**44,057,443**
Derivatives					
Net settled derivatives (interest rate swaps and futures)	(1,551)	(817)	(2,916)	(15,234)	**(20,518)**
Total derivatives	**(1,551)**	**(817)**	**(2,916)**	**(15,234)**	**(20,518)**

39 FINANCIAL INSTRUMENTS - CONTINUED

Liquidity risk - continued

30 June 2023 General Government Sector	**Less than 3 months $'000**	**3-12 months $'000**	**1-5 years $'000**	**> 5 years $'000**	**Total $'000**
Non-derivatives					
Payables	153,631	153,631	0	0	**307,262**
Interest-bearing liabilities (current/non-current)	195,611	803,555	3,979,273	6,271,588	**11,250,027**
Estimated superannuation liabilities	95,524	286,572	2,264,388	25,759,239	**28,405,723**
Total non-derivatives	**444,766**	**1,243,758**	**6,243,661**	**32,030,827**	**39,963,012**
Derivatives					
Net settled derivatives (interest rate swaps and futures)	(2,268)	(847)	(7,904)	(14,705)	**(25,724)**
Derivatives held for trading	26,098	0	0	0	**26,098**
Total derivatives	**23,830**	**(847)**	**(7,904)**	**(14,705)**	**374**

30 June 2024 Total Territory	**Less than 3 months $'000**	**3-12 months $'000**	**1-5 years $'000**	**> 5 years $'000**	**Total $'000**
Non-derivatives					
Payables	234,322	234,322	0	0	**468,643**
Interest-bearing liabilities (current/non-current)	9,448	1,372,374	4,083,035	9,408,895	**14,873,752**
Estimated superannuation liabilities	105,487	316,460	2,476,873	25,916,761	**28,815,581**
Total non-derivatives	**349,257**	**1,923,156**	**6,559,908**	**35,325,656**	**44,157,976**
Derivatives					
Net settled derivatives (interest rate swaps and futures)	(1,551)	(817)	(2,916)	(15,234)	**(20,518)**
Total derivatives	**(1,551)**	**(817)**	**(2,916)**	**(15,234)**	**(20,518)**

30 June 2023 Total Territory	**Less than 3 months $'000**	**3-12 months $'000**	**1-5 years $'000**	**> 5 years $'000**	**Total $'000**
Non-Derivatives					
Payables	204,633	204,633	0	0	**409,265**
Interest-bearing liabilities (current/non-current)	195,611	803,555	3,979,273	6,271,588	**11,250,027**
Estimated superannuation liabilities	95,524	286,572	2,264,388	25,759,239	**28,405,723**
Total non-derivatives	**495,768**	**1,294,760**	**6,243,661**	**32,030,827**	**40,065,015**
Derivatives					
Net settled derivatives (interest rate swaps and futures)	(2,268)	(847)	(7,904)	(14,705)	**(25,724)**
Derivatives held for trading	26,098	0	0	0	**26,098**
Total derivatives	**23,830**	**(847)**	**(7,904)**	**(14,705)**	**374**

39 FINANCIAL INSTRUMENTS - CONTINUED

Categorisation of financial assets and liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

General Government Sector	2023-24 Carrying amount $'000	2023-24 Net fair value $'000	2022-23 Carrying amount $'000	2022-23 Net fair value $'000
Financial assets				
Cash and deposits[(a)]	2,507,559	2,507,559	2,374,197	2,374,197
Advances paid	2,077,827	2,025,791	2,023,095	1,980,530
Investments and loans[(b)]	6,816,125	6,816,125	6,110,785	6,110,785
Receivables[(c)]	886,632	886,632	757,700	757,700
Equity investments in other public sector entities	10,991,382	10,991,382	10,926,421	10,926,421
Total financial assets	**23,279,525**	**23,227,489**	**22,192,198**	**22,149,633**
Financial liabilities				
Advances received	40,864	40,864	45,354	45,354
Borrowings	11,494,165	10,864,353	9,569,521	8,880,494
Payables	368,110	368,110	307,262	307,262
Other liabilities	21,109	21,109	14,877	14,877
Total financial liabilities	**11,924,248**	**11,294,436**	**9,937,014**	**9,247,987**
Net financial assets	**11,355,277**	**11,933,053**	**12,255,184**	**12,901,646**

Total Territory	2023-24 Carrying amount $'000	2023-24 Net fair value $'000	2022-23 Carrying amount $'000	2022-23 Net fair value $'000
Financial assets				
Cash and deposits[(a)]	2,881,817	2,881,817	2,731,804	2,731,804
Advances paid	130,769	130,769	86,130	86,130
Investments and loans[(b)]	6,898,125	6,898,125	6,125,785	6,125,785
Receivables[(c)]	697,397	697,397	583,469	583,469
Investments accounted for using the equity method	1,006,137	1,006,137	1,042,731	1,042,731
Total financial assets	**11,614,245**	**11,614,245**	**10,569,919**	**10,569,919**
Financial liabilities				
Advances received	73,231	73,231	81,586	81,586
Borrowings	11,782,723	11,152,911	9,869,416	9,180,389
Payables	468,643	468,643	409,265	409,265
Other liabilities	27,904	27,904	24,991	24,991
Total financial liabilities	**12,352,501**	**11,722,689**	**10,385,258**	**9,696,231**
Net financial (liabilities)/assets	**(738,256)**	**(108,444)**	**184,661**	**873,688**

Notes: (a) The fair value of cash and deposits is the carrying value recorded in the accounts of the GGS and the Total Territory.

(b) Superannuation investments, which account for a significant portion of the GGS and the Territory Government's investment portfolio, and are maintained for the purpose of managing the Territory Government's employee superannuation liability, are held at market value.

(c) Receivables has been adjusted to remove right to receive infrastructure and prepayments.

39 FINANCIAL INSTRUMENTS - CONTINUED

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable considering the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets and liabilities at fair value				
Financial assets				
Investment assets	3,901,505	2,564,971	340,939	**6,807,415**
Financial liabilities				
Agencies investment deposits	0	6,813,618	0	**6,813,618**
Assets and liabilities for which fair values are disclosed				
Financial assets				
Loans and receivables	0	2,600,015	0	**2,600,015**
Financial liabilities				
Borrowings	0	10,803,922	0	**10,803,922**
Net assets/(liabilities)	**3,901,505**	**(12,452,554)**	**340,939**	**(8,210,110)**

30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets and liabilities at fair value				
Financial assets				
Investment assets	3,531,680	2,225,640	288,146	**6,045,466**
Financial liabilities				
Agencies investment deposits	0	6,104,894	0	**6,104,894**
Assets and liabilities for which fair values are disclosed				
Financial assets				
Loans and receivables	0	2,461,999	0	**2,461,999**
Financial liabilities				
Interest bearing liabilities	0	8,926,679	**0**	**8,926,679**
Net assets/(liabilities)	**3,531,680**	**(10,343,934)**	**288,146**	**(6,524,108)**

Fair value measurement

Quoted market price represents the fair value determined based on quoted prices in active markets for identical assets at the reporting date excluding transaction costs. Listed equity investments valued based on quoted market prices are included within level 1 of the fair value hierarchy.

Fixed income securities are priced daily with reference to the quoted bid price for the securities in the relevant active market. Investments in this asset class are made through unlisted unit trusts that are priced daily with distributions received quarterly. The fair values of fixed interest security units are classified as Level 2.

For unlisted private equity unit trusts, the fair value of the underlying equity investments is determined by each underlying investment manager using a valuation methodology that is most appropriate for each particular investment. The fair value methodologies adopted include discounted cash flow, price of recent investment, earnings multiples, net assets, industry valuation benchmarks and available market prices. Adjusted net asset value of these units are used as an input in measuring their fair value. The fair value of unlisted private equity units is included within level 3.

39 FINANCIAL INSTRUMENTS - CONTINUED

Fair value measurement - continued

For unlisted infrastructure unit trusts, the fair value of the underlying investments is determined at least annually or more frequently as required by an external valuer using the most appropriate valuation approach for each investment. The fair value methodologies adopted include discounted cash flow and comparative analysis. The fair values of unlisted infrastructure units are included within level 2.
The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. Derivatives are classified as either Level 1 or Level 2.

Fair value for loans and receivables and interest bearing liabilities has been determined by reference to published price quotations in active markets and applying the appropriate revaluation technique for the instrument including observable market pricing and discounted cashflow methodology.

Valuation process for level 3 valuations

Investments of unlisted trust and limited partnerships are recorded at redemption value per unit as reported by their respective investment managers. In the absence of quoted values, securities are valued using appropriate valuation techniques as reasonably determined by the investment manager. The investment manager performs monthly, quarterly and annual valuations.

The investment manager of the unlisted unit trusts has a valuation committee comprising a Finance Director, Chief Finance Officer, Chief Operating Officer and where necessary a panel of external service providers. The valuation committee determines that the valuation of assets is fair, equitable and reasonable based on the relevant information available.

Level 3 reconciliations

30 June 2024	**Listed securities $'000**	**Unit trusts $'000**
Balance at 1 July 2023	**16**	**288,128**
Settlements during the year	0	48,668
Total gains	0	4,126
Balance at 30 June 2024	**16**	**340,921**

30 June 2023	**Listed securities $'000**	**Unit trusts $'000**
Balance at 1 July 2022	**15**	**293,403**
Settlements during the year	0	16,450
Total gains/(losses)	1	(21,724)
Balance at 30 June 2023	**16**	**288,128**

Gains and losses are disclosed in the line net gains/(losses) on financial assets or liabilities at fair value in the Territory Government's Operating Statement.

40 EXPENSES AND ASSETS BY FUNCTION

The General Government Sector (GGS) and the Total Territory's total expenses and assets are classified in terms of the purposes for which the transactions are made, based on the Australian Bureau of Statistics Government Finance Statistics Framework. A description of the major groups of the Classification of Functions of Government (COFOG) are listed below.

The numbering of categories of expenses and assets below are consistent with the Australian System of Government Finance Statistics: Concepts, Sources and Methods Australia 2015 manual. Categories for which there are no expenses or assets are not shown.

General public services (01) : includes transactions from executive and legislative organs; financial and fiscal affairs (including superannuation interest cost); external affairs; foreign economic aid; general services; basic research; research and development on general public services; general public services not elsewhere classified, public debt transactions; and transfers of a general character between different levels of government.

Public order and safety (03): includes transactions from police services; fire protection services; law courts; prisons; research and development on public order and safety; and public order and safety not elsewhere classified.

Economic affairs (04): includes transactions from general and economic affairs, commercial, and labour affairs; agriculture, forestry, fishing and hunting; fuel and energy; mining, manufacturing and construction; communication; other industries; research and development on economic affairs; and economic affairs not elsewhere classified.

Environmental protection (05): includes transactions from waste management; waste water management; pollution abatement; protection of biodiversity and landscape; research and development on environmental protection; and environmental protection not elsewhere classified.

Housing and community amenities (06): includes transactions from housing development; community development; water supply; street lighting; research and development on housing and community amenities; and housing and community amenities not elsewhere classified.

Health (07) includes transactions from medical products, appliances and equipment; outpatient services; hospital services; mental health institutions; community health services; public health services; research and development on health; and health not elsewhere classified.

Recreation, culture and religion (08): includes transactions from recreational and sporting services; cultural services; broadcasting, publishing and film production services; religious and other community services; research and development on recreation, culture and religion; and recreation, culture and religion not elsewhere classified.

Education (09): includes transactions from pre-primary and primary education; secondary education; tertiary education; education not definable by level; subsidiary services to education; research and development on education; and education not elsewhere classified.

Social protection (10): includes transactions from sickness and disability; old age; survivors; family and children; unemployment; housing; social exclusion not elsewhere classified; research and development on social protection; and social protection not elsewhere classified.

Transport (11): includes transactions from road transport; bus transport; water transport; railway transport; air transport; multi-mode urban transport; pipeline and other transport; research and development on transport and transport not elsewhere classified.

40 EXPENSES AND ASSETS BY FUNCTION - CONTINUED

The following table provides a disaggregation of General Government Sector (GGS) and Total Territory total expenses by function.

		General Government Sector		Total Territory	
COFOG	Description	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
01	General public services[(a)]	1,745,577	1,567,945	1,717,250	1,559,219
03	Public order and safety	722,620	664,451	720,709	664,128
04	Economic affairs[(b)]	128,621	204,009	126,745	196,806
05	Environmental protection	321,626	306,646	445,479	421,991
06	Housing and community amenities	67,702	82,955	312,267	272,910
07	Health	2,459,402	2,226,972	2,454,212	2,225,052
08	Recreation, culture and religion	240,204	260,150	255,099	269,344
09	Education	1,800,147	1,742,230	1,822,868	1,739,897
10	Social protection[(c)]	621,886	515,963	756,308	630,090
11	Transport	549,971	462,718	572,812	517,079
Total expenses		**8,657,756**	**8,034,039**	**9,183,749**	**8,496,516**

The following table provides a disaggregation of GGS and Total Territory total assets by function:

		General Government Sector		Total Territory	
COFOG	Description	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
01	General public services	22,437,725	21,640,069	11,220,765	10,559,865
03	Public order and safety	718,383	704,961	714,093	696,222
04	Economic affairs	2,383,586	2,192,922	419,840	253,542
05	Environmental protection	431,574	418,676	2,413,793	2,359,616
06	Housing and community amenities	108,404	102,858	3,717,286	3,527,861
07	Health[(d)]	2,572,354	2,088,940	2,557,183	2,051,756
08	Recreation, culture and religion	1,781,792	1,751,872	1,779,786	1,746,247
09	Education	3,220,597	2,985,711	3,465,223	3,208,651
10	Social protection	491,840	469,417	8,686,009	8,678,461
11	Transport[(e)]	12,658,344	10,824,896	13,503,004	11,651,970
Total assets		**46,804,599**	**43,180,322**	**48,476,982**	**44,734,191**

Notes: (a) The increase largely reflects higher superannuation interest cost due to updated financial assumptions in estimating the defined benefit employer superannuation liability and higher interest on borrowings.

(b) The decrease is associated with fewer Home Builder assistance grants payments and submissions in 2023-24 following an extension of the application deadline to 30 June 2025.

(c) The increase mainly reflects the Sustainable Household Scheme and affordable housing projects.

(d) The increase largely reflects the impact of the Calvary Public Hospital Bruce transition.

(e) The increase largely reflects revaluations of the Territory's assets.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED OPERATING STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Revenue								
Controlled recurrent payments	0	0	331,121	301,625	(331,121)	(301,625)	0	0
Taxation revenue	2,572,029	2,537,795	0	0	(54,368)	(51,422)	2,517,661	2,486,373
Commonwealth grants	3,376,065	3,166,597	9,398	7,790	(7,360)	(6,226)	3,378,103	3,168,161
Sales of goods and services								
Revenue from associates and joint ventures	0	0	46,593	157,234	0	0	46,593	157,234
Other sales of goods and services from contracts with customers	680,835	601,671	456,710	414,671	(92,940)	(79,573)	1,044,605	936,769
Investment revenue	126,143	157,211	0	0	0	0	126,143	157,211
Interest revenue	291,277	283,960	17,531	11,225	(90,451)	(108,734)	218,357	186,451
Dividend and income tax equivalents income	130,969	54,868	0	0	(130,969)	(54,868)	0	0
Other revenue								
Land revenue (value-add component)	0	0	256,126	117,230	(18,439)	(20,536)	237,687	96,694
Other revenue	239,544	207,266	42,270	28,098	(47,055)	(39,232)	234,759	196,132
Gains from contributed assets	181,161	227,657	53,922	21,533	(74,846)	(54,451)	160,237	194,739
Total revenue	**7,598,023**	**7,237,025**	**1,213,671**	**1,059,406**	**(847,549)**	**(716,667)**	**7,964,145**	**7,579,764**
Expenses								
Employee expenses	3,239,809	2,777,716	237,884	232,251	(5,082)	(3,962)	3,472,611	3,006,005
Superannuation expenses								
Superannuation interest cost	464,705	425,834	0	0	0	0	464,705	425,834
Other superannuation expense	503,346	486,857	35,238	34,848	(12,028)	(13,043)	526,556	508,662
Depreciation and amortisation	604,853	543,503	196,528	184,339	0	0	801,381	727,842
Interest expense	379,588	315,391	113,457	127,507	(90,451)	(108,734)	402,594	334,164
Other property expenses (income tax equivalents)	0	0	68,318	46,256	(68,318)	(46,256)	0	0
Other operating expenses								
Supplies and services	1,509,225	1,327,829	368,406	328,986	(75,399)	(53,702)	1,802,232	1,603,113
Other operating expenses	482,949	451,032	180,854	118,775	(115,905)	(114,560)	547,898	455,247
Grants and purchased services	1,473,281	1,705,877	88,125	81,027	(395,634)	(351,255)	1,165,772	1,435,649
Total expenses	**8,657,756**	**8,034,039**	**1,288,810**	**1,153,989**	**(762,817)**	**(691,512)**	**9,183,749**	**8,496,516**
UPF net operating balance	**(1,059,733)**	**(797,014)**	**(75,139)**	**(94,583)**	**(84,732)**	**(25,155)**	**(1,219,604)**	**(916,752)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED OPERATING STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Other economic flows - included in the operating result								
Dividends (market gains on land sales)	48,934	42,638	0	0	(48,934)	(42,638)	0	0
Land revenue (market gains on land sales)	0	0	71,724	62,744	0	0	71,724	62,744
Net land revenue (undeveloped land value)	4,577	1,427	0	0	736	827	5,313	2,254
Net gain/(loss) on sale of non-financial assets	13,228	(7,227)	(6,265)	(14,762)	0	0	6,963	(21,989)
Net gain/(loss) on financial assets or liabilities at fair value	500,661	418,956	0	78	0	0	500,661	419,034
Doubtful debts	(18,231)	(19,741)	(6,316)	(3,431)	0	0	(24,547)	(23,172)
Operating result	**(510,564)**	**(360,961)**	**(15,996)**	**(49,954)**	**(132,930)**	**(66,966)**	**(659,490)**	**(477,881)**
Other economic flows - other comprehensive income								
Items that will not be subsequently reclassified to operating statement								
Payments to ACT Government agencies	(210,524)	(105,231)	0	0	210,524	105,231	0	0
Capital distributions	0	0	0	0	0	0	0	0
Transfer of assets to the public non-financial corporations (PNFC) sector	(16,524)	0	0	0	16,524	0	0	0
Superannuation actuarial gain	327,003	616,502	0	0	0	0	327,003	616,502
Other movements	(78,578)	(3,515)	255	(52,411)	0	0	(78,323)	(55,926)
Increase in asset revaluation surplus	1,756,336	646,794	(20,644)	27,210	120,027	(1,970)	1,855,719	672,034
Items that may be subsequently reclassified to operating statement								
Increase/(decrease) in net assets of PNFC	64,961	(23,812)	0	0	(64,961)	23,812	0	0
Total comprehensive result	**1,332,110**	**769,777**	**(36,385)**	**(75,155)**	**149,184**	**60,107**	**1,444,909**	**754,729**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED OPERATING STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Key fiscal aggregates								
UPF net operating balance	**(1,059,733)**	**(797,014)**	**(75,139)**	**(94,583)**	**(84,732)**	**(25,155)**	**(1,219,604)**	**(916,752)**
less **net acquisition of non-financial assets**								
Payments for non-financial assets	1,080,910	960,930	277,496	248,506	(21,497)	(51,962)	1,336,909	1,157,474
Sales of non-financial assets	(30,303)	(63,151)	(90,212)	(113,918)	0	0	(120,515)	(177,069)
Change in inventories	111	(15,144)	93,898	146,801	0	0	94,009	131,657
Depreciation and amortisation	(604,853)	(543,503)	(196,528)	(184,339)	0	0	(801,381)	(727,842)
Other movements in non-financial assets	80,438	108,347	(8,531)	(35,820)	0	10,980	71,907	83,507
Total net acquisition of non-financial assets	*526,303*	*447,479*	*76,123*	*61,230*	*(21,497)*	*(40,982)*	*580,929*	*467,727*
Net (borrowing)/lending	**(1,586,036)**	**(1,244,493)**	**(151,262)**	**(155,813)**	**(63,235)**	**15,827**	**(1,800,533)**	**(1,384,479)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED BALANCE SHEET BY SECTOR
AT 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Financial assets								
Cash and deposits	2,507,559	2,374,197	374,258	357,607	0	0	2,881,817	2,731,804
Advances paid	2,077,827	2,023,095	10,903	0	(1,957,961)	(1,936,965)	130,769	86,130
Investments and loans	6,816,125	6,110,785	82,000	15,000	0	0	6,898,125	6,125,785
Receivables	949,261	792,973	80,891	81,243	(244,847)	(236,027)	785,305	638,189
Equity investments						0		
Investments in other public non-financial corporations	10,991,382	10,926,421	0	0	(10,991,382)	(10,926,421)	0	0
Investments accounted for using the equity method	20	20	1,006,137	1,042,731	(20)	(20)	1,006,137	1,042,731
Total financial assets	**23,342,174**	**22,227,491**	**1,554,189**	**1,496,581**	**(13,194,210)**	**(13,099,433)**	**11,702,153**	**10,624,639**
Non-financial assets								
Produced assets								
Property, plant and equipment	16,467,923	14,096,509	6,643,350	6,707,844	0	0	23,111,273	20,804,353
Investment properties	5,020	5,020	24,196	24,245	0	0	29,216	29,265
Intangibles	196,535	254,432	22,423	26,648	0	0	218,958	281,080
Inventories	40,344	40,233	533,687	439,789	0	0	574,031	480,022
Assets held for sale	9,981	17,894	11,410	27,227	0	0	21,391	45,121
Capital works-in-progress	1,473,033	1,211,455	363,611	228,822	0	0	1,836,644	1,440,277
Non produced assets								
Property, plant and equipment	5,214,619	5,276,133	5,713,727	5,702,146	0	0	10,928,346	10,978,279
Biological assets	48,830	41,256	0	0	0	0	48,830	41,256
Other non-financial assets					0	0		
Deferred tax assets	0	0	25,799	24,162	(25,799)	(24,162)	0	0
Other non-financial assets	6,140	9,899	0	0	0	0	6,140	9,899
Total non-financial assets	**23,462,425**	**20,952,831**	**13,338,203**	**13,180,883**	**(25,799)**	**(24,162)**	**36,774,829**	**34,109,552**
Total assets	**46,804,599**	**43,180,322**	**14,892,392**	**14,677,464**	**(13,220,009)**	**(13,123,595)**	**48,476,982**	**44,734,191**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED BALANCE SHEET BY SECTOR
AT 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Liabilities								
Advances received	40,864	45,354	1,990,328	1,973,197	(1,957,961)	(1,936,965)	73,231	81,586
Borrowings								
Lease liabilities	1,036,615	1,074,570	24,942	16,625	0	0	1,061,557	1,091,195
Other borrowings	11,494,165	9,569,521	288,558	299,895	0	0	11,782,723	9,869,416
Superannuation	10,499,497	10,565,392	0	0	0	0	10,499,497	10,565,392
Employee benefits	1,160,655	1,035,166	86,670	85,604	(72)	0	1,247,253	1,120,770
Other provisions	1,250,599	992,698	335,718	298,324	(21,221)	(27,368)	1,565,096	1,263,654
Payables	368,110	307,262	158,064	141,915	(57,531)	(39,912)	468,643	409,265
Contract Liabilities	55,785	30,392	50,895	61,979	(16,795)	(733)	89,885	91,638
Other liabilities								
Current tax liability	0	0	27,789	6,088	(27,789)	(6,088)	0	0
Deferred tax liability	0	0	758,298	759,474	(758,298)	(759,474)	0	0
Other liabilities	21,109	14,877	179,748	107,942	(172,953)	(97,828)	27,904	24,991
Total liabilities	**25,927,399**	**23,635,232**	**3,901,010**	**3,751,043**	**(3,012,620)**	**(2,868,368)**	**26,815,789**	**24,517,907**
Net assets	**20,877,200**	**19,545,090**	**10,991,382**	**10,926,421**	**(10,207,389)**	**(10,255,227)**	**21,661,193**	**20,216,284**
Equity in public non-financial corporations	10,991,382	10,926,421	0	0	(10,991,382)	(10,926,421)	0	0
Accumulated funds	(551,889)	(70,281)	3,873,063	3,659,313	41,052	48,280	3,362,226	3,637,312
Asset revaluation surplus	10,436,477	8,687,720	7,118,319	7,267,108	742,941	622,914	18,297,737	16,577,742
Other reserves	1,230	1,230	0	0	0	0	1,230	1,230
Net worth	**20,877,200**	**19,545,090**	**10,991,382**	**10,926,421**	**(10,207,389)**	**(10,255,227)**	**21,661,193**	**20,216,284**
Key fiscal aggregates								
Net financial worth	(2,585,225)	(1,407,741)	(2,346,821)	(2,254,462)	(10,181,590)	(10,231,065)	(15,113,636)	(13,893,268)
Net financial liabilities	13,576,607	12,334,162	0	0	2,543,166	2,601,837	16,119,773	14,935,999
Net debt (excluding superannuation related investments)	7,293,086	5,690,310	1,836,667	1,917,110	0	0	9,129,753	7,607,420

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Opening equity								
Opening equity in public non-financial corporations (PNFC)	10,926,421	10,950,233	0	0	(10,926,421)	(10,950,233)	0	0
Opening accumulated funds	(70,281)	(251,693)	3,659,313	3,586,480	48,280	61,358	3,637,312	3,396,145
Opening asset revaluation surplus	8,687,720	8,075,543	7,267,108	7,363,753	622,914	624,884	16,577,742	16,064,180
Opening other reserves	1,230	1,230	0	0	0	0	1,230	1,230
Opening balance	**19,545,090**	**18,775,313**	**10,926,421**	**10,950,233**	**(10,255,227)**	**(10,263,991)**	**20,216,284**	**19,461,555**
Comprehensive income								
Included in accumulated funds:								
Operating result for the period	(510,564)	(360,961)	(15,996)	(49,954)	(132,930)	(66,966)	(659,490)	(477,881)
Payments to ACT government agencies	(210,524)	(105,231)	0	0	210,524	105,231	0	0
Transfer of assets to the PNFC sector	(16,524)	0	0	0	16,524	0	0	0
Superannuation actuarial gain	327,003	616,502	0	0	0	0	327,003	616,502
Other movements	(78,578)	(3,515)	255	(52,411)	0	0	(78,323)	(55,926)
Included in equity in PNFC:					0	0		
Increase/(decrease) in net assets of PNFC	64,961	(23,812)	0	0	(64,961)	23,812	0	0
Included in the asset revaluation surplus:					0	0		
Increase in the asset revaluation surplus	1,756,336	646,794	(20,644)	27,210	120,027	(1,970)	1,855,719	672,034
Total comprehensive income/(deficit)	**1,332,110**	**769,777**	**(36,385)**	**(75,155)**	**149,184**	**60,107**	**1,444,909**	**754,729**
Other								
Transfer to accumulated funds	7,579	34,617	128,145	123,855	0	0	135,724	158,472
Transfer from the asset revaluation surplus	(7,579)	(34,617)	(128,145)	(123,855)	0	0	(135,724)	(158,472)
Total other	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Transactions involving owners' affecting accumulated funds								
Capital injections	0	0	210,524	105,231	(210,524)	(105,231)	0	0
Capital distributions	0	0	0	0	0	0	0	0
Transfer of assets from the General Government Sector	0	0	16,524	0	(16,524)	0	0	0
Dividends approved	0	0	(125,702)	(53,888)	125,702	53,888	0	0
Total transactions involving owners' affecting accumulated funds	**0**	**0**	**101,346**	**51,343**	**(101,346)**	**(51,343)**	**0**	**0**
Closing equity								
Closing equity in PNFC	10,991,382	10,926,421	0	0	(10,991,382)	(10,926,421)	0	0
Closing accumulated funds	(551,889)	(70,281)	3,873,063	3,659,313	41,052	48,280	3,362,226	3,637,312
Closing asset revaluation surplus	10,436,477	8,687,720	7,118,319	7,267,108	742,941	622,914	18,297,737	16,577,742
Closing other reserves	1,230	1,230	0	0	0	0	1,230	1,230
Closing balance	**20,877,200**	**19,545,090**	**10,991,382**	**10,926,421**	**(10,207,389)**	**(10,255,227)**	**21,661,193**	**20,216,284**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CASH FLOWS BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Cash flows from operating activities								
Cash receipts								
Taxes received	2,405,747	2,375,726	0	0	(53,042)	(52,497)	2,352,705	2,323,229
Sales of goods and services from contracts with customers	851,475	847,207	777,483	618,150	(111,415)	(102,657)	1,517,543	1,362,700
Grants and contributions	3,385,000	3,156,981	333,150	302,955	(331,090)	(301,567)	3,387,060	3,158,369
Investment receipts	126,967	156,631	0	0	0	0	126,967	156,631
Interest receipts	264,193	243,945	16,267	11,085	(71,058)	(82,349)	209,402	172,681
Dividends and income tax equivalents	33,508	152,376	0	0	(33,508)	(152,376)	0	0
Other receipts	657,121	476,011	161,350	149,001	(54,308)	(64,232)	764,163	560,780
Total receipts from operating activities	***7,724,011***	***7,408,877***	***1,288,250***	***1,081,191***	***(654,421)***	***(755,678)***	***8,357,840***	***7,734,390***
Cash payments								
Employee payments	(3,864,340)	(3,326,309)	(274,559)	(261,261)	17,110	16,944	(4,121,789)	(3,570,626)
Supplies and services	(1,640,410)	(1,412,120)	(330,877)	(313,712)	63,423	58,299	(1,907,864)	(1,667,533)
Grants and purchased services	(1,326,836)	(1,552,317)	(36,861)	(35,677)	332,308	297,418	(1,031,389)	(1,290,576)
Borrowing costs	(326,728)	(277,173)	(92,385)	(100,400)	71,104	82,349	(348,009)	(295,224)
Other payments	(683,352)	(556,504)	(369,317)	(296,456)	113,368	96,331	(939,301)	(756,629)
Total payments from operating activities	***(7,841,666)***	***(7,124,423)***	***(1,103,999)***	***(1,007,506)***	***597,313***	***551,341***	***(8,348,352)***	***(7,580,588)***
Net cash (outflows)/inflows from operating activities	**(117,655)**	**284,454**	**184,251**	**73,685**	**(57,108)**	**(204,337)**	**9,488**	**153,802**
Cash flows from investing activities								
Cash flows from investments in non-financial assets								
Proceeds from sales of non-financial assets	30,303	63,151	90,212	113,918	0	0	120,515	177,069
Purchase of non-financial assets	(1,080,910)	(960,930)	(277,496)	(248,506)	21,497	51,962	(1,336,909)	(1,157,474)
Net cash (outflows) from investments in non-financial assets	***(1,050,607)***	***(897,779)***	***(187,284)***	***(134,588)***	***21,497***	***51,962***	***(1,216,394)***	***(980,405)***

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CASH FLOWS BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Cash flows from investments in financial assets for policy purposes								
Cash receipts								
Repayment of loans	21,068	8,585	7,310	0	0	0	28,378	8,585
Capital receipts from government agencies	15,033	0	210,524	105,231	(210,524)	(105,231)	15,033	0
Dividends (market gains on land sales)	48,934	0	0	0	(48,934)	0	0	0
Total receipts from investment in financial assets for policy purposes	***85,035***	***8,585***	***217,834***	***105,231***	***(259,458)***	***(105,231)***	***43,411***	***8,585***
Cash payments								
Issue of loans	(62,689)	(105,037)	(10,168)	(7,126)	0	0	(72,857)	(112,163)
Capital payments to government agencies	(210,524)	(105,231)	0	0	210,524	105,231	0	0
Dividends (market gains on land sales)	0	0	(48,934)	0	48,934	0	0	0
Total payments from investment in financial assets for policy purposes	***(273,213)***	***(210,268)***	***(59,102)***	***(7,126)***	***259,458***	***105,231***	***(72,857)***	***(112,163)***
Net cash (outflows)/inflows from investments in financial assets for policy purposes	***(188,178)***	***(201,683)***	***158,732***	***98,105***	***0***	***0***	***(29,446)***	***(103,578)***
Cash flows from investments in financial assets for liquidity purposes								
Proceeds from sales of investments	353	23,724	1,673	728	1,253	1	3,279	24,453
Payments for investments	(242,955)	(182,166)	(2,506)	0	0	(2)	(245,461)	(182,167)
Net cash (outflows)/inflows from investments in financial assets for liquidity purposes	***(242,602)***	***(158,442)***	***(833)***	***728***	***1,253***	***(1)***	***(242,182)***	***(157,714)***
Net cash (outflows) from investing activities	**(1,481,387)**	**(1,257,904)**	**(29,385)**	**(35,754)**	**22,750**	**51,961**	**(1,488,022)**	**(1,241,697)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CASH FLOWS BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2024

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000	2023-24 Actual $'000	2022-23 Actual $'000
Cash flows from financing activities								
Cash receipts								
Borrowings	1,892,933	328,064	100,236	99,595	(196,022)	(81,837)	1,797,147	345,822
Total receipts from financing activities	***1,892,933***	***328,064***	***100,236***	***99,595***	***(196,022)***	***(81,837)***	***1,797,147***	***345,822***
Cash payments								
Borrowings	(102,993)	(60,965)	(132,077)	(41,583)	196,022	81,837	(39,048)	(20,711)
Repayment of lease liabilities - principal	(57,536)	(54,051)	(5,016)	(4,831)	0	0	(62,552)	(58,882)
Dividends paid	0	0	(1,857)	(20,990)	1,857	20,990	0	0
Other financing	0	0	(32,501)	(131,386)	32,501	131,386	0	0
Total payments from financing activities	***(160,529)***	***(115,016)***	***(171,451)***	***(198,790)***	***230,380***	***234,213***	***(101,600)***	***(79,593)***
Net cash inflows/(outflows) from financing activities	**1,732,404**	**213,048**	**(71,215)**	**(99,195)**	**34,358**	**152,376**	**1,695,547**	**266,229**
Net increase/(decrease) in cash and cash equivalents	**133,362**	**(760,402)**	**83,651**	**(61,264)**	**0**	**0**	**217,013**	**(821,666)**
Cash and cash equivalents at the beginning of reporting period	**2,374,360**	**3,134,762**	**372,605**	**433,869**	**0**	**0**	**2,746,965**	**3,568,631**
Cash and cash equivalents at the end of reporting period	**2,507,722**	**2,374,360**	**456,256**	**372,605**	**0**	**0**	**2,963,978**	**2,746,965**
Key fiscal aggregates								
Net cash from operating activities	(117,655)	284,454	184,251	73,685	(57,108)	(204,337)	9,488	153,802
Investments in non-financial assets	(1,050,607)	(897,779)	(187,284)	(134,588)	21,497	51,962	(1,216,394)	(980,405)
Distributions paid	0	0	(34,358)	(152,376)	34,358	152,376	0	0
Cash (deficit)	**(1,168,262)**	**(613,325)**	**(37,391)**	**(213,279)**	**(1,253)**	**1**	**(1,206,906)**	**(826,603)**

A positive number denotes a cash inflow, a bracket denotes a cash outflow.

42 RECONCILIATIONS TO ABS GFS MEASURES

GFS net operating balance:

In the Public Non-Financial Corporations (PNFC) sector, dividend payments are classified as expense in the GFS measure of the net operating balance.

Expenses related to Light Rail Stage 2 are reclassified in the GFS measure from the General Government Sector (GGS) to the PNFC Sector due to the GFS concept of there being a single economic owner for the entire life of a project. On completion, this asset is transferred from the GGS to the PNFC for operations.

GFS net lending/(borrowing):

In the PNFC, dividend payments are classified as expense in the GFS measure of the net operating balance which forms part of net lending/(borrowing).

GFS net worth:

In the General Government Sector and Total Territory the GFS measure excludes provisions relating to remediation of waste sites and the loose-fill asbestos insulation eradication scheme.

In all sectors the GFS measure excludes finance leases recognised under AASB 16 and maintains a distinction between finance and operating leases.

GFS net financial worth:

In the General Government Sector and Total Territory the GFS measure excludes provisions relating to remediation of waste sites and the loose-fill asbestos insulation eradication scheme.

In all sectors the GFS measure excludes finance leases recognised under AASB 16 and maintains a distinction between finance and operating leases.

43 SERVICE CONCESSION ARRANGEMENTS

An arrangement within the scope of AASB 1059: '*Service Concession Arrangements: Grantors'* typically involves an operator constructing the assets used to provide the public service or upgrading the assets (for example, by increasing their capacity), and operating and maintaining the assets for a specified period of time. The Territory currently has three types of arrangements that fall within scope of AASB 1059. Current arrangements that are operational are consolidated as part of the Public Non-Financial Corporations (PNFC) and Total Territory financial statements. Arrangements for Light Rail Stage 2A are recognised in the General Government Sector and will transfer to the PNFC on commencement of operations.

Housing Asset Assistance Program (HAAP)

HAAP arrangements are long term leases entered into between Housing ACT and Community Housing Providers to provide affordable housing solutions and specialist homelessness services over the term of the lease. Housing ACT owns 887 properties with head leases to operators on which services are provided in accordance with the services agreements in place. The service agreements with the Community Housing Providers outline the services that are to be provided and do not limit the services that can be provided by the operators.

These assets are recorded as service concession arrangement assets under the relevant Property, Plant and Equipment asset class, initially recognised at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement* . After initial recognition or reclassification, they are measured at fair value in accordance with AASB 116: *'Property, Plant and Equipment'* . Service concession assets are depreciated over their useful lives.

The Territory will consider a full revaluation when supported by market evidence.

Light Rail Service Concession Arrangement - Light Rail Stage 1

On 25 May 2016 the Territory (grantor) entered into a 20-year Public Private Partnership (PPP) with Canberra Metro (CM) (operator) to construct, deliver, maintain and operate light rail infrastructure assets, light rail plant and equipment, and light rail building assets over the term of the contract. These assets have been constructed on Territory land. The agreement between the two entities specifies the responsibilities of each party and contains termination clauses for both convenience, Force Majeure events and default on the part of the operator. Under the terms of the arrangement the Territory retains the significant residual interest in the assets at the end of the 20-year term.

These assets are allocated to the relevant service concession arrangement categories under Property, Plant and Equipment. Service concession building assets are categorised under the right of use building asset class which includes light rail building while plant and equipment assets are included within the plant and equipment asset class. The Territory holds service concession light rail infrastructure assets that include tracks, overhead wiring and poles, signalling and traffic control systems, electricity substations and light rail stops, that are included within the infrastructure asset class.

These assets are initially recognised at current replacement cost in accordance with the cost approach to fair value in AASB 13 *'Fair Value Measurement'* . After initial recognition, the fair value of service concession assets are measured using the revaluation model determined based on current replacement cost.

43 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Light Rail Service Concession Arrangement - Light Rail Stage 2A

On 14 December 2023, the Territory (grantor) entered into a contract with Canberra Metro 2A Pty Ltd (Canberra Metro 2A) and Canberra Metro Pty Limited (Canberra Metro) for the delivery of Light Rail Stage 2A as an augmentation to the existing Light Rail Stage 1 Project Agreement.

Canberra Metro 2A will finance, design, build, test and commission the Light Rail Stage 2A project as an extension to the existing light rail network from Canberra's central business district at Alinga Street to Commonwealth Park.

The Light Rail Stage 2A project includes the delivery of:

* 1.7km of light rail track (including sections of wire-free running and green track);

* 3 new stops at Edinburgh Avenue, City South and Commonwealth Park; and

* other enhancements to the existing light rail system necessary to incorporate the extension and provide a single fully integrated light rail network from Gungahlin to Commonwealth Park.

Following completion of the delivery phase, the LRS2A operating phase commences on the day after the Light Rail Stage 2A date of services completion and will continue to the expiry date of the existing Light Rail Stage 1 Project Agreement in 2038. During the Light Rail Stage 2A operating phase, the ongoing operation and maintenance of Light Rail Stage 2A will be the responsibility of Canberra Metro as part of the combined light rail system from Gungahlin to Commonwealth Park.

Upon achieving services completion (expected January 2028), the service concession assets and remaining liabilities will be transferred from the GGS to the PNFC.
Under the terms of the arrangement the Territory retains the significant residual interest in the assets at the end of the 20-year term.

The services provided by Canberra Metro 2A during the operating phase of the project include:

* operation of the light rail system;

* light rail vehicle maintenance and whole of life management;

* track and systems (infrastructure) maintenance and whole of life management;

* compliance with utility requirements;

* provision of customer service;

* compliance with relevant work health and safety legislation;

* first line and aesthetic maintenance of electronic ticketing system equipment;

* community engagement and stakeholder management activities;

* adherence to project plans and ongoing reporting requirements; and

*end-of-term handover.

43 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Termination clauses

The Project Agreement (includes the Project Agreement, the Light Rail Stage 2A Head Construction Contract and the ARPA) can be terminated under a number of scenarios. The three types of termination scenarios set out in the agreement are summarised below:

* Termination for convenience – the Territory may terminate the Project Agreement at any time for its convenience and for any reason, by giving 60 business days notice in writing under the relevant contract with the relevant Canberra Metro party. For termination for convenience, the Territory will pay to the relevant Canberra Metro party a termination for convenience payment. This amount is generally calculated as the cost of any remaining debt, the fair market value of the equity as reasonably assessed by an independent expert and other reasonable costs incurred as a result of the termination.

* Force majeure termination event – where the Project Agreement is terminated for a force majeure termination event (e.g an earthquake, bushfire, landslide or the project is wholly or substantially damaged or destroyed upon the occurrence of an uninsurable risk) which prevents either party from carrying out all or substantially all of the project activities for a continuous period exceeding 180 days, the Territory will pay the relevant Canberra Metro party a general termination event payment. This amount is generally calculated as the cost of any remaining debt, and other reasonable costs incurred as a result of the termination, less any insurance proceeds.

* Termination for default – where the Project Agreement is terminated for Canberra Metro 2A's default, the Territory will pay an amount (which may be determined by an independent expert) on account of the fair market value of the Light Rail Stage 2A Project and by reference to delivery activities undertaken up to the termination date that have not already been paid for. The Territory recovers its costs as a deduction from any payment. Where the ARPA is terminated for Canberra Metro's default, the Territory will pay Canberra Metro the fair market value of the project determined by an independent expert or as a result of a re-tender of the contract to the market. In either case, the Territory recovers its costs as a deduction from any payment.

The termination provisions are consistent with the specific guidelines for termination payments by government as set out in the National PPP Guidelines and are consistent with market precedent.

Accounting treatment - Light rail

On initial recognition or reclassification, service concession assets are measured at current replacement cost, including construction and site preparation costs. These costs are capitalised as infrastructure capital works in progress and plant and equipment capital works in progress during the construction period in the GGS.

Following service completion, the capital works in progress will transfer to the PNFC to manage and measure the asset at fair value (current replacement cost) using the revaluation model or at cost using the cost model.

A service concession liability is recognised at the same time as recognising or reclassifying a service concession asset. The service concession liability is initially measured at the same amount as the asset, adjusted for any other consideration exchanged between the Territory and the operator. The service concession liability is initially recognised as a financial liability where the Territory has a contractual obligation to make specified or determinable future payments to the operator for the construction, development, acquisition or upgrade of a service concession asset. However, the service concession liability is initially recognised as a service concession unearned revenue liability where the grantor grants the operator a right to charge third party users or a right to access another revenue-generating asset.

Upon service completion, the Territory is obligated to make a one off, lump sum payment to Canberra Metro 2A to extinguish the debt component of the financing arrangement. In accordance with AASB 9 'Financial Instruments', the liability progressively recognised by the Territory throughout the Delivery Phase will be reduced by the amount of the lump sum payment made to Canberra Metro 2A to extinguish the debt component of the financing arrangement.

Subsequent to initial recognition or reclassification, the service concession financial liability accrues interest and is reduced when capital payments are made.

44 VARIANCE EXPLANATIONS - 2023-24 Actual compared to 2023-24 OrIginal Budget

Variance explanations are included for variances greater than 10 per cent and greater than $25 million of the financial statement line item for the General Government Sector. Variance explanations are also included where they are considered of importance to users of the consolidated annual financial statements.

Note: A '#' in the 'Variance %' column represents a variation that is greater than 999 per cent or less than -999 per cent. Variances may not be exact due to the impact of rounding. All amounts have been rounded to the nearest thousand dollars.

	2023-24 Actual $'000	2023-24 Budget $'000	Variance $'000	Variance %
Investment revenue Lower investment revenue is largely reflective of lower distributions from investments which fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures. The decrease in distribution income reflects the amounts of distributable income available.	126,143	181,564	(55,421)	(31%)
Interest revenue This variance to budget is mainly due to interest earned on cash at bank associated with higher interest rates and market conditions, and higher interest on investments. The variance is also attributed to interest revenue received on the ACT Civil and Administrative Tribunal trust, as well as interest earned on trust accounts.	291,277	232,880	58,397	25%
Dividend and income tax equivalents income Lower dividend and income tax equivalents income is associated with lower returns from Icon Water attributed to lower returns on energy investments as a result of unfavourable feed in tariff fluctuations and higher costs attributed to an extended schedule for implementation of the corporate services sourcing strategy.	130,969	168,814	(37,845)	(22%)
Gains from contributed assets This variance is mainly due to a lower than expected estimated value for large-scale generation certificates, with the spot price for certificates being lower than budgeted ($45.50 at 30 June 2024 compared to the estimate at budget of $51.00). The variance is also attributed to by lower than expected asset contributions from the Suburban Land Agency and private developers.	181,161	215,107	(33,946)	(16%)
Other operating expenses Higher other operating expenses mainly reflect the settlement reached with junior doctors for unpaid and unrostered overtime, increased costs of providing ongoing treatment and care costs of new participants entering the Lifetime Care and Support Scheme, the recognition of potential civil liabilities associated with Institutional Child Sexual Abuse that fall out of the scope of the National Redress Scheme (occurring between 1989 to 1998), and the expensing of items which do not meet the criteria to be capitalised under Australian Accounting Standards.	482,949	343,651	139,298	41%

44 VARIANCE EXPLANATIONS - 2023-24 Actual compared to 2023-24 Original Budget

	2023-24 Actual $'000	2023-24 Budget $'000	Variance $'000	Variance %
Dividends (market gains on land sales)	48,934	10,978	37,956	346%
Higher dividends (market gains on land sales) is largely due to the sale of a high-value City site not previously included in the budget which is recognised as other economic flows as part of the total returns to the General Government Sector.				
Net gain/(loss) on financial assets or liabilities at fair value	500,661	229,279	271,382	118%
This variance is largely due to higher investment gains associated with an increase in market valuations mainly due to gains on share markets.				
Superannuation actuarial gain/(loss)	327,003	0	327,003	#
The variance is due to the latest triennial defined benefit superannuation liability valuation review and changes in the demographic assumptions, as well as changes in the financial assumptions for the 30 June 2024 financial year end superannuation liability valuation with a discount rate of 4.72 per cent compared to the budget estimate of 5 per cent.				
Other movements	(78,578)	(1,604)	(76,974)	#
The variance is mainly due to corrections required to accumulated funds resulting from an over statement of $24.6 million relating to rates and land tax charges against historical rates accounts that are no longer active. The variance is also attributed to corrections to the loss on disposal of land blocks associated with the Land Rent Scheme from prior years, and the transfer of the Perpetual Care Trust assets and liabilities through a designated equity transfer from the Territory to Transport Canberra and City Services Directorate.				
Increase/(decrease) in the asset revaluation reserve surplus	1,756,336	(107,791)	1,864,127	#
This variance is mainly due to revaluations of the Territory's infrastructure assets largely due to a shortage of materials and available labour driving up material costs and surging labour costs.				
Increase/(decrease) in net assets of PNFC	64,961	211,060	(146,099)	(69%)
This variance is primarily due to an increase in liabilities of the PNFC attributed to higher than budgeted development expenditure for the Molonglo Critical Infrastructure Projects and Lathlain Street Precinct.				
Cash and deposits	2,507,559	2,839,077	(331,518)	(12%)
The variance in cash and deposits largely reflects the operational and liquidity needs of the Territory.				
Receivables	949,261	1,103,510	(154,249)	(14%)
This decrease is attributed to lower dividend receivables partially due to the early payment of dividends declared by the City Renewal Authority.				
Property, plant and equipment				
Produced assets	16,467,923	13,691,936	2,775,987	20%
Non-produced assets	5,214,619	5,116,870	97,749	2%
Total	21,682,542	18,808,806	2,873,736	15%
This variance is mainly due to revaluations of the Territory's infrastructure assets largely due to a shortage of materials and available labour driving up material costs and surging labour costs.				

44 VARIANCE EXPLANATIONS - 2023-24 Actual compared to 2023-24 Original Budget

	2023-24 Actual $'000	2023-24 Budget $'000	Variance $'000	Variance %
Capital works-in-progress This variance largely reflects the completion of major projects including the Light Rail Depot Modification and Canberra Hospital Expansion - Critical Services Building.	1,473,033	2,027,395	(554,362)	(27%)
Other provisions This increase is mainly due to recording a provision for the acquisition of net assets transitioning from Calvary Public Hospital Bruce to the Territory, the recognition of potential civil liabilities associated with Institutional Child Sexual Abuse that fall out of the scope of the National Redress Scheme (occurring between 1989 to 1998), the settlement reached with junior doctors for unpaid and unrostered overtime, an increase in outstanding insurance claims liabilities mainly due to large claims for significant fire events in December 2022 at the Hume Material Recovery Facility and North Canberra Hospital (formerly Calvary Public Hospital Bruce), along with deteriorating claims experience in medical malpractice and public liability and the recognition of future maintenance for closed cemeteries.	1,250,599	994,220	256,379	26%
Contract liabilities The variance is mainly due to performance obligations related to the John Gorton Drive Bridge project not been met during the year, increased ticket sales for future performances as well as revenue received in advance for Commonwealth Government funding for programs such as the Wellbeing and Recovery Fund.	55,785	23,116	32,669	141%

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

APPENDIX A – GLOSSARY

KEY FISCAL AGGREGATES

Net Debt

The sum of deposits held, advances received and borrowings minus the sum of cash and deposits, advances paid, investments, loans, and placements. Net debt is a useful measure to assess the overall strength of the Government's fiscal position. A positive position indicates that cash reserves and investments are lower than gross liabilities placing a call on future revenues to service these liabilities. A negative position indicates that cash reserves and investments are greater than gross liabilities. The ACT measure of net debt excludes the impact of superannuation related investments.

Net Financial Liabilities

Net financial liabilities take into account unfunded superannuation liabilities and provides a broader measure of debt than net debt. Net financial liabilities are calculated as total liabilities less financial assets (such as cash reserves and investments). It takes into account all non-equity financial assets but excludes the value of equity held by the General Government Sector (GGS) in public corporations.

Net Financial Worth

The amount by which total financial assets exceed financial liabilities. It is a measure of net holdings of financial assets.

Net Increase/(Decrease) in Cash Held

The sum of the net cash flows from all operating, investing, and financing activities.

Net Lending/(Borrowing)

The financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position, and a negative result reflects a net borrowing position.

Net Operating Balance

This is calculated on the harmonised whole of government operating statement as revenue minus expenses. It is equivalent to the change in net worth arising from transactions.

Net Worth

Defined as total assets less total liabilities. It is an economic measure of wealth and reflects the contribution of jurisdictions to the wealth of Australia.

OTHER DEFINITIONS

Australian Bureau of Statistics (ABS)

The ABS is Australia's national statistical agency, providing official statistics on a wide range of economic, social, population and environmental matters of importance to Australia. In particular, the publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015* is used for the presentation of data on government outlays.

Australian Bureau of Statistics GFS Manual

The Australian Bureau of Statistics publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015*.

APPENDIX A – GLOSSARY – CONTINUED

Capital Injection

An amount provided, or to be provided, to a Territory entity for the purchase of assets, the development of assets, the augmenting of assets or reducing the liabilities of the Territory entity.

Cash Surplus/(Deficit)

The net cash received from operating activities less net sales and purchases of non-financial assets. A cash surplus indicates there was sufficient cash generated from operations to more than cover the net outlay of capital purchases. This measure is located at the bottom of the consolidated harmonised cash flow statement.

Concessional Loan

A concessional loan is a loan provided with more favourable terms and conditions than those offered in the market. It is comprised of two components: a market-based loan and a concessional component. The concessional component may involve discounted (or zero) interest rates, longer repayment periods, or deferred repayment terms (without incurring additional charges).

Contract Asset

A contract asset is recognised if the Territory transfers goods or services to a customer before the customer pays consideration or the payment is due. It is different from a trade receivable which is an unconditional right to receive payment and is presented separately on the balance sheet.

Contract Liability

A contract liability is recognised if a customer pays consideration before the Territory transfers a good or service to the customer.

Controlled Recurrent Payments

An amount provided, or to be provided, to a Territory entity for the delivery of goods and services provided by the Territory entity or a person providing goods and services on behalf of the entity.

Current Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised or is intended for sale or consumption in the Territory entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Territory entity's normal operation cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Territory entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

APPENDIX A – GLOSSARY – CONTINUED

Debt

A legal obligation to make payments of principal and (in some cases) interest according to a predetermined schedule. Debt includes obligations arising from loans (including advances from the Commonwealth Government), bonds, notes and other securities on issue, the capitalised value of outstanding lease commitments under finance lease arrangements (including Public Private Partnerships), supplier/buyer credits, bank overdrafts, and deferred contract payments.

Financial Management Act 1996 (FMA)

The FMA is an Act which sets out the legislative framework for the administration of financial affairs of the ACT Government and its agencies.

General Government Sector (GGS)

This is an Australian Bureau of Statistics (ABS) categorisation of certain public sector agencies. It covers agencies mainly engaged in the production of goods and services outside the normal market mechanism, for consumption by government itself and the general public. The agencies' costs of production are mainly financed from public revenues, and they provide goods and services to the general public, or sections of the general public, free of charge or at nominal charges well below the cost of production.

Government Finance Statistics (GFS)

The framework used by the ABS for presentation of data on government outlays, revenue, and financing transactions through either the General Government Sector or the public component of the business sector (the Public Non-Financial Corporations sector) in accordance with an internationally accepted set of concepts and definitions.

Harmonised Financial Statements

These are consolidated financial statements prepared in accordance with the 'AASB 1049, *Whole of Government and General Government Sector Financial Reporting*', standard to meet the requirements of the GFS, the AASB and the Uniform Presentation Framework.

Headline Net Operating Balance (HNOB)

The HNOB is the ACT Government's key measure of the public finances, calculated as the difference between revenue and expenses resulting from transactions, plus expected long-term superannuation investment earnings.

Lease Liabilities

A lease liability is the obligation to make lease payments, measured at the present value of future lease payments.

Lessee

An entity that obtains the right to use an underlying asset for a period of time in exchange for consideration.

Lessor

An entity that provides the right to use an underlying asset for a period of time in exchange for consideration.

APPENDIX A – GLOSSARY – CONTINUED

Materiality

Materiality is the concept of establishing the importance of financial data. In general, an item of information is material if its omission, non-disclosure or misstatement would cause the financial statements to mislead users when making evaluations or decisions. The size or nature of the item, or a combination of both, could be a determining factor in whether it is material.

National Partnership Payment (NPP)

A NPP is a Commonwealth payment to the States and Territories within the scope of the IGA-FFR, in respect of a National Partnership Agreement, to support the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.

National Specific Purpose Payment (SPP)

A Commonwealth financial contribution to support State and Territory delivery of services in a particular sector within the scope of the IGA-FFR. There is currently only one National SPP which is associated with the National Agreement on Skills and Workforce Development.

Non-Financial Non-Produced Assets

Non-Financial Non-Produced Assets refers to assets held by producers mainly for the purpose of production that have not themselves been produced. They mainly include land and subsoil assets such as mineral deposits; non-cultivated biological resources and water resources such as virgin forests, fishing grounds and natural water resources; and intangible non-produced assets such as patents, copyrights, and goodwill.

Non-Financial Assets

Non-financial assets are all assets other than financial assets – primarily property, plant and equipment, such as roads, schools, hospitals, land, inventories, other infrastructure and intangible assets.

Non-Financial Produced Assets

Non-Financial Produced Assets refers to assets created by a production process and held by producers mainly for the purposes of production; includes produced assets, such as buildings (including dwellings), infrastructure (e.g., railways, roads, tunnels, airports and dams), plant and equipment, cultivated assets (e.g., livestock, vineyards and orchards), intangible assets (e.g., computer software), inventories (including materials, supplies, defence weapon platforms, works in progress, finished goods and goods for resale), and valuables (e.g., precious metals and stones and antiques).

Operating Leases

Operating leases are leasing arrangements where all substantial risks and rewards incidental to ownership of a leased asset effectively remain with the lessor (the owner of the asset) rather than passing to the lessee (which would make it a finance lease).

Other Economic Flows

For the whole of government harmonised operating statement, other economic flows defined as changes in the volume or value of assets and liabilities that do not results from transactions and include changes in the value of assets from revaluations, non-financial asset sales and non-mutual bad debts written off.

APPENDIX A – GLOSSARY – CONTINUED

Public Private Partnerships (PPP)

Public Private Partnerships are a form of infrastructure procurement that involve high levels of risk transfer to the private sector and high levels of integrated delivery including:

- design;
- construction;
- maintenance;
- operations; and
- financing.

PPPs provide the Territory with additional delivery and financing options to support large infrastructure. Under the PPP model, the contractor is incentivised to achieve on-time, on-budget delivery as payments do not commence until the asset is commissioned.

PPPs involve integrated maintenance and operations over extended periods of time resulting in the preservation of an asset's condition throughout its life. Whole-of-life asset costs are improved through integrated service delivery as a design feature. PPPs can offer savings over traditional procurement.

Public Non-Financial Corporations (PNFCs)

This is an ABS categorisation of certain public sector agencies. It comprises government-controlled corporations and quasi-corporations mainly engaged in the production of market goods and/or non-financial services.

Revenue from Contracts with Customers

An entity's revenue recognised by agreeing with a customer to create obligations to transfer goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Right of Use Asset

A right of use asset is the lessee's right to use an asset over the contracted term of a lease. The rights, obligations, risks and benefits of assets under lease contracts may differ substantially from corresponding assets that are owned outright. Lease ROU assets are a distinct grouping of assets.

Service Concession Arrangements

Service Concession Arrangements are typically contracts between a grantor (the ACT Government) and an operator where a private operator provides public services related to a service concession asset on behalf of the public sector grantor for a specified period of time and manages at least some of those services.
The service concession arrangement is effective in the reporting period between a grantor and an operator in which:

- the operator has a right of access to the service concession asset(s) to provide public services on behalf of the grantor for a specified period of time;
- the operator is responsible for at least some of the management of the public services provided through the asset and does not merely act as an agent on behalf of the grantor; and
- the operator is compensated for its services over the period of the service concession arrangement.

A grantor is the ACT Government agency that grants the right to access the service concession asset to the operator. An operator is the entity that has a right of access to the service concession asset to provide public services (AASB 1059 Appendix A).

APPENDIX A – GLOSSARY – CONTINUED

Total Comprehensive Income

A measure of the total change in value of the Territory entity during a financial year arising from revenue, expenses, and both realised and unrealised movements in the valuation of assets and liabilities. Total comprehensive result is equivalent to the increase or decrease in Net Assets during the financial year.

Total Territory

The Total Territory includes transactions with external parties by the General Government Sector and Public Non-Financial Corporations.

Treasurer's Advance

Funds available under section 18 of the *Financial Management Act 1996* for payments where there is an immediate requirement for the payment and the payment is not provided for, or is insufficiently provided for, by an appropriation.

Trust Money

Money that a Territory entity holds in trust on behalf of a third party. Trust money is money deposited with the Territory pending the completion of a transaction or the determination of a dispute and that may become repayable to the depositor or payable to the Territory or anyone else. It can also be money that is paid into a territory court for possible repayment to the payee or a third party because of any Act, order, instruction or authority. Trust money is money that belongs to or is owing to any person and is collected by the Territory because of an agreement between the Territory and that person or unclaimed money that is owing to or belongs to anyone and is deposited with the Territory.

Underlying Asset

An asset that is the subject of a lease, for which the right to use that asset has been provided by a lessor to a lessee.

Uniform Presentation Framework (UPF)

By agreement between the Commonwealth Government and the States and Territories, each jurisdiction presents financial information on a UPF basis in their budget papers, and in mid-year budget updates and in budget outcome reporting. The primary objective of the UPF is to ensure that the Commonwealth, State and Territory governments provide a common 'core' of financial information in their budget papers to enable direct comparisons of each government's budget and financial results. The UPF is based on the harmonised whole of government reporting standard.