



Inquiry into Fiscal Sustainability of the ACT

Answer to question taken on notice

Asked by: Mr Ed Cocks MLA

Addressed to: Minister for City and Government Services

In relation to: Asset Recognition criteria

Hearing: 16 June 2026

Proof Transcript pp 191

Transcript provided: 25 June 2026

Answer Due: 2 July 2026

MR COCKS: Thank you. Also in this report, the Auditor-General identifies \$16 million of capital works in progress in TCCS that had to be expensed because they did not meet the asset recognition criteria. I am wondering if someone can explain to me what that means. Are we talking about things that had planning but did not go anywhere? What sorts of conditions—

Mr Barr: The Australian Accounting Standards can mean that a project, or elements of a project, can change classification between capital and recurrent along the journey. I will not profess to be a technical expert to be able to give you an explanation in plain English. Michelle, are you looking at volunteering?

Ms Dowdell: I was going to say that there is a range of reasons the nature of an expense may change from capital to operating, but that is something I think would be best dealt with by TCCS, who could explain that difference.

Mr Barr: We will take it on notice on their behalf—

MR COCKS: Thank you very much.

Mr Barr: in relation to the explanation under Australian Accounting Standards, as to why a particular element of a program—

Tara Cheyne MLA: The answer to the Member's question is as follows:

The \$16.390 million capital works in progress expensed (TCCS 2024-25 Annual Report – page 215) includes costs associated with demolition, site remediation, utility diversions, studies, plans and design.

In accordance with the Australian Accounting Standards (AASB 116 – Property, Plant and Equipment), these costs are expensed as they will not deliver a future economic benefit (asset recognition requirement).

OFFICIAL

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature: 

Date: 1/7/26

By the Minister for City and Government Services, Tara Cheyne MLA