2025

THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

ELEVENTH ASSEMBLY

2024-25 Consolidated Annual Financial Statements

Presented by
Chris Steel MLA
Treasurer
December 2025

ACT Government

2024-25 FINANCIAL YEAR

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Chief Minister, Treasury and Economic Development Directorate

October 2025

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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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 2025 which comprise the:

- Statement of responsibility by the Treasurer and Under Treasurer;
- 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 material 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 2025, 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 October 2025

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025
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 fairly reflect the financial operations of the Territory for the year ended 30 June 2025 and the financial position on that date.

Chris Steel MLA
Treasurer

Date: 29 October 2025

Statement of responsibility by the Under Treasurer

It is my opinion that the attached financial statements for the year ended 30 June 2025 have been prepared in accordance with Australian Accounting Standards, the ACT Accounting and Disclosure policies and the requirements of the FMA. These accounts fairly reflect the financial operations of the Territory for the year ended 30 June 2025 and the financial position on that date.

Russ Campbell
Under Treasurer
Chief Minister, Treasury and Economic Development Directorate

Date: 28 October 2025

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

		General Government Sector			Total Territory		
	Note No.	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Revenue							
Taxation revenue	7	2,710,709	2,758,831	2,572,029	2,652,484	2,704,061	2,517,661
Commonwealth grants revenue	8	3,483,190	3,641,719	3,376,065	3,485,315	3,641,719	3,378,103
Sales of goods and services							
From associates and joint ventures		0	0	0	91,810	57,699	46,593
Other sales of goods and services	9	762,969	663,042	680,835	1,152,469	1,102,933	1,044,605
Investment revenue		141,502	177,919	126,143	141,502	177,919	126,143
Interest revenue		315,452	280,982	291,277	252,913	206,870	218,357
Dividend and income tax equivalents income	10	157,407	158,394	130,969	0	0	0
Other revenue							
Land revenue (value add component)[(a)]		0	0	0	212,675	294,587	237,687
Other revenue		261,405	291,549	239,544	251,801	277,218	234,759
Gains from contributed assets[(b)]		138,619	173,320	181,161	124,945	138,424	160,237
Total revenue		**7,971,253**	**8,145,756**	**7,598,023**	**8,365,914**	**8,601,430**	**7,964,145**
Expenses							
Employee expenses	11	3,588,384	3,310,888	3,239,809	3,842,731	3,552,490	3,472,611
Superannuation expenses							
Superannuation interest cost	12	493,924	500,435	464,705	493,924	500,435	464,705
Other superannuation expenses	12	524,495	490,783	503,346	550,184	520,017	526,556
Depreciation and amortisation	21,22	657,230	620,785	604,853	856,616	825,958	801,381
Interest expenses[(c)]		493,628	514,000	379,588	518,751	532,871	402,594
Other operating expenses							
Supplies and services[(d)]	13	1,638,650	1,566,955	1,509,225	1,944,164	1,897,320	1,802,232
Other operating expenses		457,442	436,450	482,949	520,478	508,724	547,898
Grants and purchased services	14	1,515,814	1,560,455	1,473,281	1,170,472	1,297,791	1,165,772
Total expenses	**40**	**9,369,567**	**9,000,751**	**8,657,756**	**9,897,320**	**9,635,606**	**9,183,749**
UPF[(e)] net operating balance		**(1,398,314)**	**(854,995)**	**(1,059,733)**	**(1,531,406)**	**(1,034,176)**	**(1,219,604)**
Other economic flows - included in the Operating Statement							
Dividends (market gains on land sales)[(f)]		97	75,798	48,934	0	0	0
Land revenue (market gains on land sales)		0	0	0	141	113,149	71,724
Net land revenue (undeveloped land value)		2,426	6,527	4,577	2,780	6,707	5,313
Net gain/(loss) on sale/(disposal) of non-financial assets[(g)]		(73,577)	(14,228)	13,228	(75,980)	(12,863)	6,963
Net gain on financial assets or liabilities at fair value[(h)]		621,818	237,450	500,661	621,819	237,550	500,661
Doubtful and bad debts		(33,377)	(11,157)	(18,231)	(33,029)	(14,791)	(24,547)
Operating result		**(880,927)**	**(560,605)**	**(510,564)**	**(1,015,675)**	**(704,424)**	**(659,490)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED OPERATING STATEMENT - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

	Note No.	General Government Sector 2024-25 Actual $'000	General Government Sector 2024-25 Budget $'000	General Government Sector 2023-24 Actual $'000	Total Territory 2024-25 Actual $'000	Total Territory 2024-25 Budget $'000	Total Territory 2023-24 Actual $'000
Items that will not be subsequently reclassified to the operating result							
Capital payments to ACT government agencies		(189,667)	(237,464)	(210,524)	0	0	0
Capital distributions		0	(166)	0	0	(166)	0
Transfer of assets to the Public Non-Financial Corporations (PNFC) sector		(57,525)	(13,268)	(16,524)	0	0	0
Superannuation actuarial gain[(i)]		27,388	0	327,003	27,388	0	327,003
Other movements		(6,712)	1	(78,578)	(33,217)	(320)	(78,323)
Increase/(decrease) in the asset revaluation surplus[(j)]		67,427	(54,166)	1,756,336	372,631	(59,194)	1,855,719
(Decrease) in other reserves		(348)	0	0	(348)	0	0
Items that may be subsequently reclassified to the operating result							
Increase in net assets of PNFC sector[(k)]		353,745	98,915	64,961	0	0	0
Total comprehensive result		**(686,619)**	**(766,753)**	**1,332,110**	**(649,221)**	**(764,104)**	**1,444,909**
Key fiscal aggregates (refer to Appendix A - Glossary)							
UPF net operating balance		**(1,398,314)**	**(854,995)**	**(1,059,733)**	**(1,531,406)**	**(1,034,176)**	**(1,219,604)**
***less* net acquisition of non-financial assets**							
Payments for non-financial assets		1,107,468	1,069,344	1,080,910	1,402,588	1,362,362	1,336,909
Sales of non-financial assets		(18,084)	(33,049)	(30,303)	(66,244)	(66,201)	(120,515)
Change in inventories		5,422	(4,077)	111	42,849	68,643	94,009
Depreciation and amortisation		(657,230)	(620,785)	(604,853)	(856,616)	(825,958)	(801,381)
Other movements in non-financial assets		73,301	55,730	80,438	111,995	7,938	71,907
Total net acquisition of non-financial assets		*510,877*	*467,163*	*526,303*	*634,572*	*546,784*	*580,929*
Net (borrowing)		**(1,909,191)**	**(1,322,158)**	**(1,586,036)**	**(2,165,978)**	**(1,580,960)**	**(1,800,533)**

Notes: (a) The decrease compared to prior year mainly reflects decreased land sales in Whitlam and Strathnairn.

(b) The decrease compared to prior year reflects a lower spot price for Large-Scale Generation Certificates which is fully offset by an expense to surrender these certificates to meet the Government's renewable energy targets. This is partially offset by Gains from contributed assets including $66.306 million in 2024-25 as an agreement, in the form of a Deed of Settlement and Release (Deed), was reached on 28 August 2025 for the Territory to provide just terms compensation to Calvary Health Care (Calvary) relating to the Territory's 3 July 2023 acquisition of Calvary Public Hospital Bruce (CPHB). Refer to (d) below and further information can be found in Note 36 'Events after the reporting period'.

(c) The increase in interest expenses compared to the prior year is mainly due to a higher balance of outstanding fixed rate nominal bond borrowings and consequently a higher interest cost. Borrowings increased largely to support the Territory's infrastructure program and significant investment in public health services.

(d) Supplies and services include $65 million in 2024-25 as an agreement, in the form of a Deed of Settlement and Release (Deed), was reached on 28 August 2025 for the Territory to provide just terms compensation to Calvary Health Care (Calvary) relating to the Territory's 3 July 2023 acquisition of Calvary Public Hospital Bruce (CPHB), further information can be found in Note 36 'Events after the reporting period'.

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

(f) The decrease in dividends (market gains on land sales) compared to the prior year is due to the deferral of land settlements to the 2025-26 financial year.

(g) The increased loss compared to the prior year is attributed to a change in the rate used to estimate the present value of long service leave employee benefits from 91.2 per cent in 2023-24 to 100.1 per cent in 2024-25.

(h) The increased gains compared to the prior year are largely due to higher investment gains associated with an increase in market valuations mainly due to gains on share markets.

(i) The decrease in the superannuation actuarial gain is due to the latest annual defined benefit superannuation liability valuation review and changes in the membership experience, as well as transition to a new liability valuation system by the actuary, offset by changes in the financial assumptions for the 30 June 2025 financial year superannuation liability valuation. A discount rate of 4.8 per cent was applied in 2024-25 compared to 4.72 per cent in 30 June 2024.

(j) The decrease compared to the prior year is mainly due to revaluations undertaken in 2023-24 of the Territory's infrastructure assets like stormwater, roads, bridges and streetlights, driven by increases in material and labour costs cross Australia.

(k) The increase compared to the prior year is primarily due to increased valuations of water, sewerage, gas, electricity and light rail assets, along with the addition of newly completed assets such as 4 light trail vehicles, Woden Bus Depot and 52 buses. The increase is also attributed to a decrease in Dividends Payable by the PNFC.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2025

		General Government Sector			Total Territory		
	Note No.	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Assets							
Financial assets							
Cash and deposits	17(a)	2,668,928	2,383,294	2,507,559	2,881,682	2,615,435	2,881,817
Advances paid	18	2,115,584	2,161,944	2,077,827	147,822	191,258	130,769
Investments	19	7,552,342	7,275,917	6,816,125	7,624,342	7,294,515	6,898,125
Receivables	20	966,271	950,957	949,261	848,115	816,687	785,305
Equity investments							
Investments in other public non-financial corporations sector		11,345,127	11,209,719	10,991,382	0	0	0
Investments accounted for using the equity method		20	0	20	1,106,385	1,018,814	1,006,137
Total financial assets		**24,648,272**	**23,981,831**	**23,342,174**	**12,608,346**	**11,936,709**	**11,702,153**
Non-financial assets							
Produced assets							
Property, plant and equipment	21	16,908,675	14,346,169	16,467,923	24,044,522	21,192,287	23,111,273
Investment properties		5,020	5,020	5,020	31,272	28,969	29,216
Intangibles	22	162,359	310,156	196,535	178,926	331,853	218,958
Inventories		45,766	38,618	40,344	616,880	633,961	574,031
Assets held for sale		11,647	10,345	9,981	20,375	17,005	21,391
Capital works-in-progress	21,22	1,614,002	1,936,822	1,473,033	1,935,569	2,277,546	1,836,644
Non-produced assets							
Property, plant and equipment	21	5,183,449	5,262,486	5,214,619	10,879,008	10,995,727	10,928,346
Biological assets		48,649	42,990	48,830	48,649	42,990	48,830
Other non-financial assets		1,765	6,901	6,140	1,765	6,899	6,140
Total non-financial assets		**23,981,332**	**21,959,507**	**23,462,425**	**37,756,966**	**35,527,237**	**36,774,829**
Total assets	**40**	**48,629,604**	**45,941,338**	**46,804,599**	**50,365,312**	**47,463,946**	**48,476,982**
Liabilities							
Advances received	23	36,172	36,173	40,864	64,946	64,947	73,231
Borrowings							
Lease liabilities	24	1,010,684	1,009,626	1,036,615	1,036,621	1,035,733	1,061,557
Other borrowings	25	13,587,149	13,164,589	11,494,165	13,888,353	13,462,485	11,782,723
Superannuation	26	10,699,327	10,295,159	10,499,497	10,699,327	10,295,159	10,499,497
Employee benefits	27	1,329,421	1,120,740	1,160,655	1,423,358	1,207,494	1,247,253
Other provisions[(a)]		1,217,070	1,154,772	1,250,599	1,533,878	1,384,574	1,565,096
Payables	28	414,834	346,846	368,110	511,280	440,415	468,643
Contract liabilities	28	64,448	35,088	55,785	108,355	85,413	89,885
Other liabilities[(a)]		79,918	5,484	21,109	87,222	11,125	27,904
Total liabilities		**28,439,023**	**27,168,477**	**25,927,399**	**29,353,340**	**27,987,345**	**26,815,789**
Net assets		**20,190,581**	**18,772,861**	**20,877,200**	**21,011,972**	**19,476,601**	**21,661,193**
Equity in public non-financial corporations sector		11,345,127	11,209,719	10,991,382	0	0	0
Accumulated funds		(1,596,849)	(902,801)	(551,889)	2,467,000	3,025,020	3,362,226
Asset revaluation surplus		10,441,421	8,464,713	10,436,477	18,544,090	16,450,351	18,297,737
Other reserves		882	1,230	1,230	882	1,230	1,230
Net worth		**20,190,581**	**18,772,861**	**20,877,200**	**21,011,972**	**19,476,601**	**21,661,193**
Key fiscal aggregates (refer to Appendix A - Glossary)							
Net financial worth		(3,790,751)	(3,186,646)	(2,585,225)	(16,744,994)	(16,050,636)	(15,113,636)
Net financial liabilities		15,135,878	14,396,365	13,576,607	17,851,379	17,069,450	16,119,773
Net debt (excluding superannuation related investments)		9,150,694	8,870,001	7,293,086	11,189,617	10,942,725	9,129,753

Notes: (a) The decrease in Other provisions compared to the prior year includes a $66.3 million reduction reflecting conversion of the Provision for Calvary Public Hospital Bruce net assets acquired to a Gain from contributed asset. This is partially offset by a $65 million increase in Other liabilities due to recognition of a $65 million payment in accordance with the Deed of Settlement with Calvary Health Care which settles the outstanding matters between the Territory and Calvary in relation to acquisition of the public hospital lands at Calvary Public Hospital Bruce and termination of the Calvary Network Agreement. Further information can be found in Note 36 'Events after the reporting period'.

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	General Government Sector			Total Territory		
	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Opening equity						
Opening equity in Public Non-Financial Corporations (PNFC) sector	10,991,382	11,110,804	10,926,421	0	0	0
Opening accumulated funds	(551,889)	(101,315)	(70,281)	3,362,226	3,685,018	3,637,312
Opening asset revaluation surplus	10,436,477	8,528,895	8,687,720	18,297,737	16,554,457	16,577,742
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Opening balance	**20,877,200**	**19,539,614**	**19,545,090**	**21,661,193**	**20,240,705**	**20,216,284**
Comprehensive income						
Included in accumulated funds:						
Operating result for the period	(880,927)	(560,605)	(510,564)	(1,015,675)	(704,424)	(659,490)
Capital payments to ACT government agencies	(189,667)	(237,464)	(210,524)	0	0	0
Capital distributions	0	(166)	0	0	(166)	0
Transfer of assets (to) the PNFC sector	(57,525)	(13,268)	(16,524)	0	0	0
Superannuation actuarial gain	27,388	0	327,003	27,388	0	327,003
Other movements	(6,712)	1	(78,578)	(33,217)	(320)	(78,323)
Included in equity in PNFC sector:						
Increase in net assets of PNFC entities	353,745	98,915	64,961	0	0	0
Included in the asset revaluation surplus:						
Increase/(decrease) in the asset revaluation surplus	67,427	(54,166)	1,756,336	372,631	(59,194)	1,855,719
Included in other reserves:						
(Decrease) in other reserves	(348)	0	0	(348)	0	0
Total comprehensive result	**(686,619)**	**(766,753)**	**1,332,110**	**(649,221)**	**(764,104)**	**1,444,909**
Other						
Transfer to accumulated funds	62,483	10,016	7,579	126,278	44,912	135,724
Transfer from the asset revaluation surplus	(62,483)	(10,016)	(7,579)	(126,278)	(44,912)	(135,724)
Total other	**0**	**0**	**0**	**0**	**0**	**0**
Closing equity						
Closing equity in PNFC sector	11,345,127	11,209,719	10,991,382	0	0	0
Closing accumulated funds	(1,596,849)	(902,801)	(551,889)	2,467,000	3,025,020	3,362,226
Closing asset revaluation surplus	10,441,421	8,464,713	10,436,477	18,544,090	16,450,351	18,297,737
Closing other reserves	882	1,230	1,230	882	1,230	1,230
Closing balance	**20,190,581**	**18,772,861**	**20,877,200**	**21,011,972**	**19,476,601**	**21,661,193**

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
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note No.	General Government Sector			Total Territory		
		2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Cash flows from operating activities							
Cash receipts							
Taxes received		2,635,929	2,705,741	2,405,747	2,589,748	2,651,401	2,352,705
Receipts from sales of goods and services		712,815	657,190	851,475	1,323,312	1,463,683	1,517,543
Grants received		3,487,577	3,686,510	3,385,000	3,489,718	3,686,510	3,387,060
Investment receipts		142,278	177,919	126,967	142,278	177,919	126,967
Interest receipts		293,896	252,494	264,193	241,768	191,669	209,402
Dividends and income tax equivalents		248,847	183,476	33,508	0	0	0
Other receipts		448,675	438,604	657,121	564,127	517,859	764,163
Total receipts from operating activities		***7,970,017***	***8,101,934***	***7,724,011***	***8,350,951***	***8,689,041***	***8,357,840***
Cash payments							
Employee payments		(4,297,941)	(4,076,815)	(3,864,340)	(4,575,743)	(4,340,539)	(4,121,789)
Supplies and services		(1,708,204)	(1,664,083)	(1,640,410)	(1,998,304)	(1,916,507)	(1,907,864)
Grants and purchased services		(1,414,716)	(1,434,761)	(1,326,836)	(1,121,255)	(1,158,967)	(1,031,389)
Borrowing costs		(439,768)	(474,322)	(326,728)	(460,635)	(486,455)	(348,009)
Other payments		(539,372)	(427,713)	(683,352)	(746,612)	(713,281)	(939,301)
Total payments from operating activities		***(8,400,001)***	***(8,077,694)***	***(7,841,666)***	***(8,902,549)***	***(8,615,749)***	***(8,348,352)***
Net cash (outflows)/inflows from operating activities	17(b)	**(429,984)**	**24,240**	**(117,655)**	**(551,598)**	**73,292**	**9,488**
Cash flows from investing activities							
Cash flows from investments in non-financial assets							
Proceeds from sales of non-financial assets		18,084	33,049	30,303	66,244	66,201	120,515
Purchase of non-financial assets		(1,107,468)	(1,069,344)	(1,080,910)	(1,402,588)	(1,362,362)	(1,336,909)
Net cash (outflows) from investments in non-financial assets		***(1,089,384)***	***(1,036,295)***	***(1,050,607)***	***(1,336,344)***	***(1,296,161)***	***(1,216,394)***
Cash flows from investments in financial assets for policy purposes							
Cash receipts							
Loans receivable repayment received		34,987	25,004	21,068	45,896	25,004	28,378
Capital receipts from ACT government agencies		0	0	15,033	0	0	15,033
Dividends (market gains on land sales)		97	75,798	48,934	0	0	0
Total receipts from investments in financial assets for policy purposes		***35,084***	***100,802***	***85,035***	***45,896***	***25,004***	***43,411***
Cash payments							
Loans receivable provided		(61,788)	(102,027)	(62,689)	(61,788)	(102,027)	(72,857)
Capital payments to ACT government agencies		(189,668)	(237,464)	(210,524)	0	0	0
Total payments from investments in financial assets for policy purposes		***(251,456)***	***(339,491)***	***(273,213)***	***(61,788)***	***(102,027)***	***(72,857)***
Net cash (outflows) from investments in financial assets for policy purposes		***(216,372)***	***(238,689)***	***(188,178)***	***(15,892)***	***(77,023)***	***(29,446)***

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

	Note No.	General Government Sector 2024-25 Actual $'000	General Government Sector 2024-25 Budget $'000	General Government Sector 2023-24 Actual $'000	Total Territory 2024-25 Actual $'000	Total Territory 2024-25 Budget $'000	Total Territory 2023-24 Actual $'000
Cash flows from investments in financial assets for liquidity purposes							
Proceeds from sales of investments		15,314	29,346	353	15,677	36,821	3,279
Payments for investments		(31)	(338,002)	(242,955)	(31)	(345,284)	(245,461)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes		***15,283***	***(308,656)***	***(242,602)***	***15,646***	***(308,463)***	***(242,182)***
Net cash (outflows) from investing activities		**(1,290,473)**	**(1,583,640)**	**(1,481,387)**	**(1,336,590)**	**(1,681,647)**	**(1,488,022)**
Cash flows from financing activities							
Cash receipts							
Proceeds from borrowings		1,966,909	1,210,023	1,892,933	1,990,513	1,249,838	1,797,147
Total receipts from financing activities		***1,966,909***	***1,210,023***	***1,892,933***	***1,990,513***	***1,249,838***	***1,797,147***
Cash payments							
Repayment of borrowings		(4,871)	(19,764)	(102,993)	(24,692)	(43,019)	(39,048)
Repayment of lease liabilities – principal		(63,634)	(54,278)	(57,536)	(71,190)	(60,585)	(62,552)
Total payments from financing activities		***(68,505)***	***(74,042)***	***(160,529)***	***(95,882)***	***(103,604)***	***(101,600)***
Net cash inflows from financing activities		**1,898,404**	**1,135,981**	**1,732,404**	**1,894,631**	**1,146,234**	**1,695,547**
Net increase/(decrease) in cash and cash equivalents		**177,947**	**(423,419)**	**133,362**	**6,443**	**(462,121)**	**217,013**
Cash and cash equivalents at the beginning of the reporting period		**2,507,722**	**2,804,738**	**2,374,360**	**2,963,978**	**3,094,177**	**2,746,965**
Cash and cash equivalents at the end of the reporting period	17(a)	**2,685,669**	**2,381,319**	**2,507,722**	**2,970,421**	**2,632,056**	**2,963,978**
Key fiscal aggregates (refer to Appendix A - Glossary)							
Net cash from operating activities		(429,984)	24,240	(117,655)	(551,598)	73,292	9,488
Net cash from investments in non-financial assets		(1,089,384)	(1,036,295)	(1,050,607)	(1,336,344)	(1,296,161)	(1,216,394)
Cash (deficit)[(a)]		**(1,519,368)**	**(1,012,055)**	**(1,168,262)**	**(1,887,942)**	**(1,222,869)**	**(1,206,906)**

Note: (a) 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
CONSOLIDATED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Revenue			
Grants and subsidies[(a)]	338,465	325,114	331,121
Commonwealth grants	7,123	10,353	9,398
Sales of goods and services			
From associates and joint ventures	91,810	57,699	46,593
Other sales of goods and services	496,231	514,227	456,710
Interest revenue	17,142	9,882	17,531
Other revenue			
Land revenue (value add component)	212,675	302,387	256,126
Other revenue	26,273	14,967	42,270
Gains from contributed assets	74,635	14,820	53,922
Total revenue	**1,264,354**	**1,249,449**	**1,213,671**
Expenses			
Employee expenses	258,336	245,591	237,884
Superannuation expenses	37,750	40,106	35,238
Depreciation and amortisation	199,386	205,173	196,528
Interest expenses	104,804	102,865	113,457
Other property expenses (income tax equivalents)	38,253	67,976	68,318
Other operating expenses			
Supplies and services	381,768	380,308	368,406
Other operating expenses	176,139	197,179	180,854
Grants and purchased services expenses	64,258	93,140	88,125
Total expenses	**1,260,694**	**1,332,338**	**1,288,810**
UPF[(b)] net operating balance	**3,660**	**(82,889)**	**(75,139)**
Other economic flows - included in the Operating Statement			
Land revenue (market gains on land sales)	141	113,149	71,724
Net land revenue (undeveloped land value)	1,860	0	0
Net (loss)/gain on (disposal)/sale of non-financial assets	(2,403)	1,365	(6,265)
Net gain on financial assets or liabilities at fair value	1	100	0
Doubtful and bad debts	348	(3,634)	(6,316)
Operating result	**3,607**	**28,091**	**(15,996)**
Other economic flows - other comprehensive income			
Items that will not be subsequently reclassified to the operating result			
Other movements	(26,505)	(369)	255
Increase/(decrease) in the asset revaluation surplus	240,773	6,598	(20,644)
Total comprehensive result	**217,875**	**34,320**	**(36,385)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED OPERATING STATEMENT - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
less **net acquisition of non-financial assets**			
Payments for non-financial assets	314,648	295,220	277,496
Sales of non-financial assets	(48,632)	(33,152)	(90,212)
Change in inventories	37,427	72,720	93,898
Depreciation and amortisation	(199,386)	(205,173)	(196,528)
Other movements in non-financial assets	38,694	(47,792)	(8,531)
Total net acquisition of non-financial assets	*142,751*	*81,823*	*76,123*
Net (borrowing)	**(139,091)**	**(164,712)**	**(151,262)**

Notes: (a) Further information can be found in the Statement of Appropriation for those PNFC entities who receive appropriation directly. Subsidies are also on passed from the General Government Sector to the PNFC as part of Controlled recurrent payments including $7.468 million to Icon Water Limited and $236.1 million to Transport Canberra Operations. This line item has been renamed from Controlled recurrent payments to better reflect the nature of appropriation and subsidies reflected.

(b) 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
CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2025

	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Assets			
Financial assets			
Cash and deposits	212,754	232,141	374,258
Advances paid	0	0	10,903
Investments	72,000	18,598	82,000
Receivables	62,802	79,970	80,891
Equity investments	1,106,385	1,018,814	1,006,137
Total financial assets	**1,453,941**	**1,349,523**	**1,554,189**
Non-financial assets			
Produced assets			
Property, plant and equipment	7,135,847	6,846,118	6,643,350
Investment properties	26,252	23,949	24,196
Intangibles	16,567	21,697	22,423
Inventories	571,114	595,343	533,687
Assets held for sale	8,728	6,660	11,410
Capital works-in-progress	321,567	340,724	363,611
Non produced assets			
Property, plant and equipment	5,695,559	5,733,241	5,713,727
Other non-financial assets			
Deferred tax assets	28,689	24,162	25,799
Total non-financial assets	**13,804,323**	**13,591,894**	**13,338,203**
Total assets	**15,258,264**	**14,941,417**	**14,892,392**
Liabilities			
Advances received	1,996,536	1,999,460	1,990,328
Borrowings			
Lease liabilities	25,937	26,107	24,942
Other borrowings	301,204	297,896	288,558
Employee benefits	94,089	86,754	86,670
Other provisions	348,926	260,463	335,718
Payables	151,871	133,036	158,064
Contract liabilities	58,606	51,065	50,895
Current tax liability	19,883	(10,015)	27,789
Deferred tax liability	846,124	795,080	758,298
Other liabilities	69,961	91,852	179,748
Total liabilities	**3,913,137**	**3,731,698**	**3,901,010**
Net assets	**11,345,127**	**11,209,719**	**10,991,382**
Accumulated funds	4,049,830	3,847,924	3,873,063
Asset revaluation surplus	7,295,297	7,361,795	7,118,319
Net worth	**11,345,127**	**11,209,719**	**10,991,382**
Key fiscal aggregates (refer to Appendix A - Glossary)			
Net financial worth	(2,459,196)	(2,382,175)	(2,346,821)
Net debt	2,038,923	2,072,724	1,836,667

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Opening equity			
Opening accumulated funds	3,873,063	3,720,711	3,659,313
Opening asset revaluation surplus	7,118,319	7,390,093	7,267,108
Opening balance	**10,991,382**	**11,110,804**	**10,926,421**
Comprehensive income			
Included in accumulated funds:			
Operating result for the period	3,607	28,091	(15,996)
Other movements	(26,505)	(369)	255
Included in the asset revaluation surplus:			
Increase/(decrease) in the asset revaluation surplus	240,773	6,598	(20,644)
Total comprehensive result	**217,875**	**34,320**	**(36,385)**
Other			
Transfer to accumulated funds	63,795	34,896	128,145
Transfer from the asset revaluation surplus	(63,795)	(34,896)	(128,145)
Total other	**0**	**0**	**0**
Transactions involving owners' affecting accumulated funds			
Capital injections[(a)]	189,667	237,464	210,524
Transfer of assets from the General Government Sector	57,525	13,316	16,524
Dividends approved	(111,322)	(186,185)	(125,702)
Total transactions involving owners' affecting accumulated funds	**135,870**	**64,595**	**101,346**
Closing equity			
Closing accumulated funds	4,049,830	3,847,924	3,873,063
Closing asset revaluation surplus	7,295,297	7,361,795	7,118,319
Closing balance	**11,345,127**	**11,209,719**	**10,991,382**

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. Capital injections are also on passed from the General Government Sector to the PNFC including $93.624 million to Transport Canberra Operations.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Cash flows from operating activities			
Cash receipts			
Receipts from sales of goods and services	729,400	893,848	777,483
Grants received	340,304	335,467	333,150
Interest receipts	15,972	9,882	16,267
Other receipts	150,139	115,837	161,350
Total receipts from operating activities	***1,235,815***	***1,355,034***	***1,288,250***
Cash payments			
Employee payments	(293,787)	(278,585)	(274,559)
Supplies and services	(363,232)	(321,480)	(330,877)
Grants and purchased services	(39,613)	(41,958)	(36,861)
Borrowing costs	(88,801)	(82,840)	(92,385)
Other payments	(304,351)	(395,441)	(369,317)
Total payments from operating activities	***(1,089,784)***	***(1,120,304)***	***(1,103,999)***
Net cash inflows from operating activities	**146,031**	**234,730**	**184,251**
Cash flows from investing activities			
Cash flows from investments in non-financial assets			
Proceeds from sales of non-financial assets	48,632	33,152	90,212
Purchase of non-financial assets	(314,648)	(295,220)	(277,496)
Net cash (outflows) from investments in non-financial assets	***(266,016)***	***(262,068)***	***(187,284)***
Cash flows from investments in financial assets for policy purposes			
Cash receipts			
Loans receivable repayment received	10,983	0	7,310
Capital injections	189,668	237,464	210,524
Total receipts from investments in financial assets for policy purposes	***200,651***	***237,464***	***217,834***
Cash payments			
Loans receivable provided	0	0	(10,168)
Dividends (market gains on land sales)	(97)	(75,798)	(48,934)
Total payments from investments in financial assets for policy purposes	***(97)***	***(75,798)***	***(59,102)***
Net cash inflows from investments in financial assets for policy purposes	***200,554***	***161,666***	***158,732***
Cash flows from investments in financial assets for liquidity purposes			
Proceeds from sales of investments	363	3,839	1,673
Payments for investments	0	(3,646)	(2,506)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes	***363***	***193***	***(833)***
Net cash (outflows) from investing activities	**(65,099)**	**(100,209)**	**(29,385)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

	2024-25 Actual $'000	2024-25 Budget $'000	2023-24 Actual $'000
Cash flows from financing activities			
Cash receipts			
Advances received	30,317	39,815	100,236
Total receipts from financing activities	***30,317***	***39,815***	***100,236***
Cash payments			
Advances repaid	(26,608)	(23,255)	(132,077)
Dividends paid	(194,501)	(125,233)	(1,857)
Repayment of lease liabilities - principal	(7,556)	(6,307)	(5,016)
Other financing payments	(54,088)	(58,243)	(32,501)
Total payments from financing activities	***(282,753)***	***(213,038)***	***(171,451)***
Net cash (outflows) from financing activities	**(252,436)**	**(173,223)**	**(71,215)**
Net (decrease)/increase in cash and cash equivalents	**(171,504)**	**(38,702)**	**83,651**
Cash and cash equivalents at the beginning of the reporting period	**456,256**	**289,439**	**372,605**
Cash and cash equivalents at the end of the reporting period	**284,752**	**250,737**	**456,256**
Key fiscal aggregates (refer to Appendix A - Glossary)			
Net cash from operating activities	146,031	234,730	184,251
Net cash from investments in non-financial assets	(266,016)	(262,068)	(187,284)
Distributions paid	(248,589)	(183,476)	(34,358)
Cash (deficit)[(a)]	**(368,574)**	**(210,814)**	**(37,391)**

Notes: (a) Cash (deficit) refers to the net cash received from operating activities less net sales and purchases of non-financial assets and distributions paid.

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2025

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 2024-2025	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
Auditor-General							
Controlled recurrent payments	4,220	0	0	0	0	4,220	4,220
Electoral Commissioner							
Controlled recurrent payments	13,000	(4)	0	0	0	12,996	12,312
Capital injection	494	0	0	0	0	494	275
ACT Executive							
Capital injection	0	0	0	0	597	597	317
Payments on behalf of the Territory	16,474	0	0	0	0	16,474	16,474
ACT Gambling and Racing Commission							
Controlled recurrent payments	6,763	0	0	0	0	6,763	6,763
ACT Health Directorate							
Controlled recurrent payments	342,884	(1,424)	0	0	80,000	421,460	397,565
Capital injection	64,626	(590)	0	0	3,329	67,365	43,243
Payments on behalf of the Territory	653	0	0	0	0	653	0
ACT Integrity Commission							
Controlled recurrent payments	7,490	0	0	0	0	7,490	6,812
Capital injection	561	0	0	0	0	561	0
ACT Local Hospital Network							
Controlled recurrent payments	1,154,501	(133)	294	0	250,006	1,404,668	1,395,681
Canberra Health Services							
Capital injection	82,800	0	0	0	8,536	91,336	84,432
Canberra Institute of Technology							
Controlled recurrent payments	87,321	(92)	0	5,300	3,713	96,242	91,030
Capital injection	17,498	0	0	0	3,441	20,939	13,544

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2024-25 (No 2)* ; Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; Section 16B transfer of undispersed 2023-24 appropriation from 2023-24 to 2024-25; and Section 18E appropriation for a capital works reserve under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

Entity	Appropriation Act 2024-2025	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	628,241	3,700	1,497	0	31,859	665,297	599,060
Capital injection	120,687	0	0	0	4,582	125,269	100,381
Payments on behalf of the Territory[(a)]	154,450	0	0	0	2,030	156,480	130,874
Community Services Directorate							
Controlled recurrent payments	281,560	2,967	1,752	0	24,277	310,556	308,486
Capital injection	14,610	0	0	0	2,706	17,316	13,604
Payments on behalf of the Territory	200,377	(3,121)	0	0	0	197,256	197,255
Cultural Facilities Corporation							
Controlled recurrent payments	10,458	0	0	0	0	10,458	10,458
Capital injection	2,933	0	0	0	0	2,933	1,948
Education Directorate							
Controlled recurrent payments	1,047,243	(261)	2,489	0	0	1,049,471	1,038,204
Capital injection	202,890	0	0	0	(52,099)	150,791	136,920
Payments on behalf of the Territory	378,958	225	12,190	0	0	391,373	391,373
Environment, Planning and Sustainable Development Directorate							
Controlled recurrent payments	177,936	(391)	2,905	0	234	180,684	175,208
Capital injection	28,702	0	0	0	342	29,044	13,931
Payments on behalf of the Territory	1,968	0	0	0	0	1,968	1,598
Independent Competition and Regulatory Commission							
Controlled recurrent payments	798	0	0	0	0	798	798

Notes: (a) Includes $7.468 million in subsidies on passed to Icon Water Limited for rebates on water and sewerage charges.

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2024-25 (No 2)* ; Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; Section 16B transfer of undispersed 2023-24 appropriation from 2023-24 to 2024-25; and Section 18E appropriation for a capital works reserve under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

Entity	Appropriation Act 2024-2025	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
Infrastructure Canberra							
Controlled recurrent payments	54,264	(2,451)	0	0	4,140	55,953	50,859
Capital injection	432,013	2,451	0	0	191,795	626,259	547,213
Justice and Community Safety Directorate							
Controlled recurrent payments	461,465	2,967	8,023	0	6,550	479,005	459,344
Capital injection	51,867	(989)	0	0	22,916	73,794	64,483
Payments on behalf of the Territory	271,393	(2,299)	369	0	10,059	279,522	269,981
Legal Aid Commission (ACT)							
Controlled recurrent payments	19,808	0	0	0	0	19,808	19,808
Office of the Legislative Assembly							
Controlled recurrent payments	11,362	0	0	0	0	11,362	11,282
Capital injection	401	0	0	0	82	483	480
Payments on behalf of the Territory	11,450	0	0	0	0	11,450	11,051
Office of the Work Health and Safety Commissioner							
Controlled recurrent payments	16,491	0	0	0	0	16,491	16,491
Capital injection	142	0	0	0	0	142	142
Public Trustee and Guardian							
Controlled recurrent payments	2,634	0	0	0	0	2,634	2,634
Superannuation Provision Account							
Capital injection	421,947	0	0	0	0	421,947	421,947

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2024-25 (No 2)* ; Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; Section 16B transfer of undispersed 2023-24 appropriation from 2023-24 to 2024-25; and Section 18E appropriation for a capital works reserve under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2025

Entity	Appropriation Act 2024-2025	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
Transport Canberra and City Services Directorate							
Controlled recurrent payments[(a)]	538,661	(533)	0	34,100	3,517	575,745	559,491
Capital injection[(a)]	351,584	0	1,544	0	(75,968)	277,160	257,598
City Renewal Authority							
Controlled recurrent payments	17,908	0	0	0	250	18,158	18,008
Capital injection	16,346	0	0	0	0	16,346	10,889
Housing ACT							
Controlled recurrent payments	63,021	(22)	0	0	0	62,999	62,699
Capital injection	130,620	0	0	0	4,581	135,201	85,155
Icon Water Limited							
Controlled recurrent payments	14,176	0	0	0	0	14,176	14,176
Sub totals for appropriation classes							
Controlled recurrent payments	4,962,205	4,323	16,960	39,400	404,546	5,427,433	5,261,389
Capital injection	1,940,721	872	1,544	0	114,840	2,057,977	1,796,502
Payments on behalf of the Territory	1,035,723	(5,195)	12,559	0	12,089	1,055,176	1,018,606
Treasurer's advance[(b)]	79,386	0	0	0	3,838	83,224	0
Total appropriations	**8,018,035**	**0**	**31,062**	**39,400**	**535,313**	**8,623,810**	**8,076,496**

Notes: (a) Includes $236.1 million (Controlled recurrent payments) in subsidies on passed to Transport Canberra Operations to operate bus and light rail services and $15.271 million in Capital injection.

(b) $39.4 million was spent from the Treasurer's advance in 2024-25.

* Additional Approved Appropriations relate to (as relevant) *Appropriation Bill 2024-25 (No 2)* ; Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlements; Section 16B transfer of undispersed 2023-24 appropriation from 2023-24 to 2024-25; and Section 18E appropriation for a capital works reserve under the *Financial Management Act 1996* .

The variances between the total appropriated and final appropriation drawn columns for 2024-25 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 2024-25 to future years. These deferrals reflect delays in planned capital expenditure largely related to Commonwealth grants for User choice, job trainer and national skills agreement, Disaster ready fund phase 1 and 2 and Ongoing delivery of the Digital Health Strategy. The details of these deferrals are also discussed in agencies' financial statements (Statement of Appropriation).

Capital injection: The variation is largely due to undrawn appropriation in relation to the deferral of expenditure from 2024-25 to future years. These deferrals reflect delays in planned expenditure for projects such as the Sustainable Household Scheme, venture capital investments, stormwater works and Monaro Highway upgrade. The details of these deferrals are also discussed in agencies' financial statements (Statement of Appropriation).

Payments on behalf of the Territory: The variation is largely due to undrawn appropriation in relation to lower than expected demand for various community service obligation payments.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 2028. 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. The term agencies is used to refer to any of the Territory Government's controlled entities.

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. The aggregated sector information can be found at Note 41: 'Disaggregated Sector Information'. 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) Sector

PNFC sector 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
Infrastructure Canberra
Justice and Community Safety Directorate
Legal Aid Commission (ACT)
Lifetime Care and Support Fund
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 Sector

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

a) Legislative requirements

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, require 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.

b) Accrual accounting

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.

In 2023, the Territory Government entered into a long-term contractual arrangement with Williamsdale BESS Project Co Pty Ltd (as trustee for the Williamsdale BESS Project Trust) for the design, construction, commissioning, financing, operation, and maintenance of a 250MW/500MWh standalone battery energy storage system under the Big Canberra Battery initiative. The contract period for the arrangement is 15 years from the commencement of the Operating Period, anticipated to occur in 2026.

Given the complexity and long-term nature of the arrangement, the Territory will undertake a detailed assessment of the accounting treatment of this arrangement in the next financial year. This will include consideration of recognition, measurement, and disclosure requirements under applicable accounting standards.

c) Currency

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

4 BASIS OF PREPARATION - CONTINUED

d) 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 sector. The names of 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 sector 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 financial worth, net debt, net lending/(borrowing) and cash surplus/(deficit) are 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.

e) 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 2025 together with the financial position of the Territory Government as at 30 June 2025.

f) Budget figures

To facilitate a comparison with the budget papers, as required by the FMA, budget information for 2024-25 has been presented in the financial statements. Budget numbers in the financial statements are the annual budget numbers that appear in the original 2024-25 Budget papers.

The 2024-25 Budget papers were prepared in accordance with the requirements of AASB 1049 except for calculation of the 'Headline Net Operating Balance' (refer to Appendix A - Glossary) in the budget papers which is not shown in the Operating Statement of this report as this calculation is not required under AASB 1049.

4 BASIS OF PREPARATION - CONTINUED

g) 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.

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.

h) 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.

i) 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'.

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.

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, will have an immaterial financial impact on the Territory or the potential impact is unable to be reasonably estimated. AASB 18 Presentation and Disclosure in Financial Statements, applicable to for-profit public sector entities from 1 January 2027 and to not-for-profit public sector entities from 1 January 2028, contains some major presentation/disclosure changes that may impact the Statements. The AASB is currently reviewing the application of the disclosure requirements to not-for-profit public sector entities which may result in the existing disclosure requirements contained in AASB 101 *Presentation of Financial Statements* continuing to apply even after the new AASB 18 is released.

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.

5 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED - CONTINUED

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.

Lifetime Care and Support Fund and ACT Insurance Authority have been assessed as having insurance contracts that will fall under AASB 17. The Public Sector Workers Compensation Fund requires further assessment in 2025-26 to determine the applicability of AASB 17. At the time of producing these statements, the potential impact of application of AASB 17 on the Territory is not reasonably estimable as further assessments are required and key policies associated with the discount rate and risk margin have not yet been developed. The development of key policies will occur during 2025-26.

6 CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

(a) Change in accounting policy

The Territory has adopted the methodology outlined in AAPP 110 ACT Accounting Policy Paper on Employee Benefits for calculating Flextime liabilities which has been changed for the 2024-25 financial year onwards.

Previously, a flextime liability was not recognised when it was deemed immaterial by agencies.

The Territory now recognises flextime liabilities in accordance with the ACT Government's 'Flextime Shorthand Method' where an 'Eligible Flextime Percentage' has been actuarially determined and applied on the basis of a maximum flextime liability of one week.

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).

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.

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. Net land revenue (undeveloped land value) is recorded under 'Other economic flows' in the Operating Statement and comprises land revenue (undeveloped land value) net of land acquisition costs, cost of goods sold, and market gains.

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 ‘Other economic flows’ on the Operating Statement, 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) on the Operating Statement 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.

7 TAXATION REVENUE

Description and Material Accounting Policies relating to 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. Fees for Regulatory Services are included in Other sales of goods and services, fines are included in Other revenue.

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.

Motor vehicle registration fees are defined as the charges payable to the Road Transport Authority for registering a motor vehicle, which vary based on vehicle type, weight, emissions category, registration period, and whether the registration is for private or business use.

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.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Duties	368,913	373,040	368,681	372,998
Payroll tax	798,667	737,404	779,772	720,444
General rates	811,819	759,532	789,075	737,775
Motor vehicle registration fees	191,871	177,342	191,871	177,342
Land tax[(a)]	231,570	205,563	231,570	205,563
Gambling taxes	84,105	87,802	84,105	87,802
Fire and emergency services levy	113,405	106,459	110,231	103,470
Utilities (network facilities) tax	51,129	48,959	38,201	36,566
Lease variation charge	12,914	33,678	12,914	33,678
Ambulance levy	31,881	29,729	31,881	29,729
Energy industry levy	4,987	4,081	4,987	4,081
Safer families levy	9,448	8,440	9,196	8,213
Total taxation revenue	**2,710,709**	**2,572,029**	**2,652,484**	**2,517,661**

Note: (a) The increase is mainly due to growth in the rateable property base and higher property value.

8 COMMONWEALTH GRANTS REVENUE

Description and Material Accounting Policies relating to Commonwealth grants revenue

Commonwealth Government grants are recognised as revenue when the Territory gains control over the grant received or receivable. This is in accordance with the principles outlined in AASB 1058 'Income of Not-for-Profit Entities'.

Commonwealth Grants includes General Revenue Assistance (GRA), National Specific Purpose Payments (SPPs), National Reform Payments (NRPs), National Partnership Payments (NPPs) and grants specific to local government functions.

General Revenue Assistance includes GST and Municipal Services payments. GST payments represent the distribution of GST revenue collected by the Commonwealth Government and on-passed to State and Territory Governments without conditions attached.

Municipal Services payments represent Commonwealth grants for assistance for water and sewerage services and national capital influences, which compensate the Territory for a number of factors, such as 'rating disability', due to the number of national institutions in the ACT that cannot be taxed.

National Specific Purpose Payments and National Reform Payments are Commonwealth contributions to support the delivery of services in a particular sector.

National Partnership Payments are Commonwealth payments in respect of a National Partnership Agreement to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.

Other Commonwealth Grants represent Financial Assistance Grants for Local Governments, which are paid outside of the federal funding framework, for on-passage to local governments. As the ACT Government also has responsibility for municipal functions, the Financial Assistance Grants are paid direct to the Territory to be spent according to the Territory's budget priorities.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Commonwealth Grants				
GST revenue grant[(a)]	1,978,276	1,894,432	1,978,276	1,894,432
ACT Municipal Services	45,387	43,937	45,387	43,937
National specific purpose and reform grants	1,079,708	1,019,233	1,079,708	1,019,233
National partnership payments[(b)]	293,937	321,075	296,062	323,113
Other grants:				
Financial assistance grants for Local Government	48,995	64,103	48,995	64,103
Other grants	36,887	33,285	36,887	33,285
Total grants revenue	**3,483,190**	**3,376,065**	**3,485,315**	**3,378,103**

Notes: (a) The increase is primarily due to growth in the national GST pool and the Territory's updated population share.

(b) The decrease is mainly due to lower capital grants, including rural water infrastructure in line with the multi-year funding profile of programs.

9 OTHER SALES OF GOODS AND SERVICES

Description and Material Accounting Policies relating to Other sales of goods and services

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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Water, sewerage and other related services	0	0	348,666	305,719
Residential housing tenants and rental income	13,396	14,375	114,264	108,454
Health cross-border revenue[(a)]	238,508	169,227	238,508	169,227
Hospital and other health services[(b)]	107,124	114,634	107,124	114,634
Regulatory services[(c)]	182,879	182,923	143,026	146,298
Service receipts and fees[(d)]	221,062	199,676	200,881	200,273
Total Other sales of goods and services	**762,969**	**680,835**	**1,152,469**	**1,044,605**

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 an increase in National Efficient Price (NEP) and higher number of interstate residents treated in ACT public hospitals.

(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.

(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 fee, capital linen and laundry services revenue, merchandise sales, bus fares, fire safety certifier fees, parking fees and driving licences.

10 DIVIDEND AND INCOME TAX EQUIVALENTS INCOME

Description and Material Accounting Policies relating to 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 in relation to land sales 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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Dividends from public non-financial corporations sector[(a)]	111,225	76,768	0	0
Income tax equivalents from public non-financial corporations sector	46,182	54,201	0	0
Total dividend and income tax equivalents income	**157,407**	**130,969**	**0**	**0**

Note: (a) The increase reflects an improved operating result and higher associated dividend distributions from Icon Water Limited.

EXPENSES

11 EMPLOYEE EXPENSES

Description and Material Accounting Policies Relating to Employee expenses

Employee expenses comprise all costs incurred in relation to employing staff including wages and salaries, long service leave and annual leave and flextime expense.

Wages and salaries are recognised in the reporting period when the employee renders services to the agency. They are measured based on the amount paid to employees during the year as well as any wages and salaries due to employees that remain unpaid at the end of the financial period.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Wages and salaries[(a)]	3,339,054	3,024,501	3,583,130	3,248,693
Long service leave and annual leave	220,254	214,335	229,278	222,945
Flextime expense[(b)]	29,076	973	30,323	973
Total employee expenses	**3,588,384**	**3,239,809**	**3,842,731**	**3,472,611**

Notes: (a) The increase is largely due to increased staffing to support the uplift and expansion of service delivery to meet demand for health services and annual wage and salary increases associated with enterprise agreements, higher wages and salaries costs associated with backfilling of frontline education staff and provision of additional education student supports.

(b) Flextime expense reflects the recognition of a liability where up to one ordinary week is payable for eligible employees upon cessation of their employment under the Enterprise Agreement 2023-2026. The provision in 2024-2025 has been calculated in line with the new whole of government policy, resulting in an increase in flextime expenses.

12 SUPERANNUATION EXPENSES

Description and Material Accounting Policies Relating to 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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Superannuation interest cost [(a)]	493,924	464,705	493,924	464,705
Other superannuation expenses	524,495	503,346	550,184	526,556
Total superannuation expenses	**1,018,419**	**968,051**	**1,044,108**	**991,261**
Represented by:				
Superannuation expenses (CSS and PSS)	668,864	656,892	668,864	656,892
Superannuation payment to CSC (for the PSSap)	17,184	16,085	17,971	16,831
Productivity benefit	14,622	16,526	15,386	17,354
Superannuation to other external providers, including fund of choice[(b)]	317,749	278,548	341,887	300,184
Total superannuation expenses	**1,018,419**	**968,051**	**1,044,108**	**991,261**

Notes: (a) Superannuation interest cost represents the change in the present value of the defined benefit obligation arising because past accrued benefits are one period closer to settlement.

(b) The increase is largely due to increased staffing to support frontline service delivery in health and education.

13 SUPPLIES AND SERVICES

Description and Material Accounting Policies Relating to Supplies and services

Supplies and services generally represent the day to day running costs of the Territory Government incurred in normal operations. They are recognised at cost in the reporting period in which they are incurred.

Consultant fees, contractor payments and professional services

Consultant fees, contractor payments and professional services are expenditure on external service providers engaged to deliver specialist advice, expertise or services not currently available within the Territory Government. This includes temporary personnel, technical specialists and project-based support to meet key government business needs.

Communication, travel and staff development

Communication, travel and staff development expenses represent the running costs incurred in normal operations and recognised in the reporting period in which these expenses are incurred. This includes Communication and computer expenses, ICT activities, Staff development and recruitment expenses, Travel, accommodation and transport expenses.

Materials, equipment and supplies

Materials, equipment and supplies expenses generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred. This includes Material and equipment supplies, Printing and stationary and other Supplies and services expenses.

Community policing

Payments made to ACT Policing (the ACT branch of the Australian Federal Police) for the provision of police services to the ACT community. These services include the protection of persons and property, crime prevention and detection, maintaining peace and good order, as well as the enforcement of ACT laws.

Repairs and maintenance

The Territory undertakes major cyclical maintenance on its Property, plant and equipment assets. Where the maintenance leads to an upgrade or increase to the service potential of the existing asset, the cost is capitalised. Maintenance expenses that do not increase the service potential of an asset are expensed.

Property rental and occupancy expenses

Property rental and occupancy expenses covers standard non-specialised office accommodation repairs and maintenance, and associated utilities and operating expenses incurred.

13 SUPPLIES AND SERVICES - CONTINUED

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Communication, travel and staff development	233,539	209,221	256,653	230,699
Materials, equipment and supplies	318,015	317,496	439,962	427,558
Property rental and occupancy expenses (including utilities)	62,929	48,909	50,331	40,486
Repairs and maintenance	200,910	211,852	283,773	296,181
Consultant fees, contractor payments and professional services[(a)]	487,915	427,052	538,172	476,797
Community policing	231,630	219,280	231,630	219,280
Service concession arrangements - service expenses	0	0	34,903	30,977
Legal and compensation expenses[(b)]	83,954	47,057	84,364	47,065
GST administration costs	10,703	10,927	10,703	10,927
Other supplies and services	9,055	17,431	13,673	22,262
Total supplies and services	**1,638,650**	**1,509,225**	**1,944,164**	**1,802,232**

Notes: (a) The increase is largely due to increased usage of agency nursing staff, non-contract services and visiting medical officers to accommodate the uplift of health service demand.

(b) This increase includes $65 million from Calvary Health Care and the Territory reaching agreement on just terms compensation for the acquisition of Calvary Public Hospital Bruce in 2024-25 as an agreement, in the form of a Deed of Settlement and Release (Deed), was reached on 28 August 2025 for the Territory to provide just terms compensation to Calvary Health Care (Calvary) relating to the Territory's 3 July 2023 acquisition of Calvary Public Hospital Bruce (CPHB). Further information can be found in Note 36 'Events after the reporting period'.

14 GRANTS AND PURCHASED SERVICES

Description and Material Accounting Policies relating to 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.

Grants are amounts provided for general assistance or a particular purpose. They can be capital or recurrent in nature and are usually subject to terms and conditions set out in a contract, correspondence or by legislation. Grants are generally provided without receiving approximately equal value in return. They are recognised at cost in the reporting period in which they are incurred.

Purchased services are amounts paid to obtain services that are not typically provided by the General Government Sector and/or Territory Government. Purchased services are also recognised at cost in the reporting period in which they are incurred.

Government grants and purchased services expense comprised amounts relating to:

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Grants to non-government schools	391,734	362,638	391,734	362,638
Grant payment (education and community services)	19,563	19,074	54,701	54,233
First home owners' grant	(154)	7	(154)	7
Appropriation payments to agencies	94,883	90,507	0	0
Asset transfers to another entity[(a)]	63,227	99,952	10,859	87,559
Skills Canberra	19,598	31,229	19,598	31,229
Sport, recreation and VisitCanberra	20,632	24,571	20,632	24,571
Concessional loan discount expense	21,941	18,628	21,941	18,628
Other recurrent grants[(b)]	80,453	65,173	83,366	65,805
Total grants	**711,877**	**711,779**	**602,677**	**644,670**
Purchase of transport services from Transport Canberra Operations	236,142	234,025	0	0
Purchase of health services from Calvary Hospital	0	1,826	0	1,826
Purchases of health, disability and social services from non-government organisations	559,571	517,078	559,571	517,078
Other purchased services	8,224	8,573	8,224	2,198
Total purchased services	**803,937**	**761,504**	**567,795**	**521,104**
Total grants and purchased services	**1,515,814**	**1,473,281**	**1,170,472**	**1,165,772**

Notes: (a) The decrease is largely due to a lower value of Large-Scale Generation Certificates surrendered in 2024-25. The spot price decreased to $16.50 at 30 June 2025 from $45.50 at 30 June 2024.

(b) The increase is attributed to higher payments to the Australian Federal Police relating to ACT Policing new budget initiatives such as Improving pay and conditions for ACT Policing and ACT Policing supplies and services.

15 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Description and Material Accounting Policies Relating to 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 Territory 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.

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 Net gain/(loss) on sale/(disposal) of non-financial assets, 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 20, 'Receivables' and Note 21, 'Property, plant and equipment' .

15 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS - CONTINUED

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Waivers				
Other waivers	1,772	488	1,772	488
Total waivers[(a)]	**1,772**	**488**	**1,772**	**488**
Write-offs				
Obsolete stock	116	503	1,894	12,598
Irrecoverable debts	11,522	2,491	14,802	3,773
Forgiven debts - Calvary Public Hospital Bruce acquisition[(b)]	12,910	0	12,910	0
Other write-offs	1,379	4,081	1,400	4,086
Total write-offs	**25,927**	**7,075**	**31,006**	**20,457**
Impairment of assets				
Impairment loss from receivables				
Expected credit loss expense	9,120	15,484	16,228	20,329
Total impairment loss from receivables	***9,120***	***15,484***	***16,228***	***20,329***
Net impairment (loss)/reversal on property, plant and equipment				
Plant and equipment	333	535	(581)	4,133
Total impairment loss from property, plant and equipment	***333***	***535***	***(581)***	***4,133***
Impairment loss from intangibles				
Intangibles	0	918	0	918
Total impairment loss from intangibles	***0***	***918***	***0***	***918***
Impairment loss from inventory				
Inventory	0	0	98	0
Total impairment loss from inventory	***0***	***0***	***98***	***0***
Total impairment losses	**9,453**	**16,937**	**15,745**	**25,380**
Total waivers, impairment losses and write-offs	**37,152**	**24,500**	**48,523**	**46,325**

Notes: (a) There were 333 waivers approved in 2024-25 for both the General Government Sector (GGS) and the Territory (2023-24: 104).

(b) The 2024-25 balance represents the impact as part of the overall outcome from Calvary Health Care and the Territory reaching agreement on just terms compensation for the acquisition of Calvary Public Hospital Bruce (refer to Note 36 'Events After the Reporting Period').

16 ACT OF GRACE PAYMENTS

Description and Material Accounting Policies Relating to 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.

These payments are recognised as Other operating expenses in the Operating Statement in the reporting period in which they are approved by Government.

There were 76 act of grace payments made by the General Government Sector (GGS) and the Territory (2023-24: 33) during the reporting period pursuant to Section 130 of the *Financial Management Act 1996* (FMA), totalling $1,057,000 (2023-24: $214,000). The increase in 2024-25 largely reflects payments relating to payroll tax refunds and higher payments in relation to claims for conveyance duty relief.

Details of act of grace payments made can be found in the financial statements of Chief Minister, Treasury and Economic Development Directorate, Canberra Health Services, Justice and Community Safety Directorate and ACT Integrity Commission.

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.

17 RECONCILIATION OF CASH FLOWS

Cash is recognised at its nominal amount and 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 (Refer to Note 19: Investments) and are considered to be a cash equivalent. 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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Cash and cash equivalents in the Balance Sheet				
Cash and deposits	2,668,928	2,507,559	2,881,682	2,881,817
Short-term securities and other current investments	16,741	163	88,739	82,161
Cash and cash equivalents as recorded in the Statement of Cash Flows	**2,685,669**	**2,507,722**	**2,970,421**	**2,963,978**

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

Operating result	**(880,927)**	**(510,564)**	**(1,015,675)**	**(659,490)**
Add/(less) non-cash movements:				
Depreciation and amortisation	657,230	604,853	856,616	801,381
Revaluation of non-financial assets	(38)	(21,974)	(986)	(21,844)
Doubtful and bad debts	33,377	18,231	33,029	24,547
Net concessional loan interest	13,965	12,294	13,965	12,294
Accrued other interest	53,860	52,860	58,116	54,585
Capitalised distributions from associates and joint ventures	0	0	(22,327)	9,849
Waivers	1,772	488	1,772	488
Gains from contributed assets	(138,619)	(181,161)	(124,945)	(160,237)
Asset transfer to another entity	63,227	99,952	10,859	87,559
Assets required to be expensed	16,390	33,555	23,758	43,883
Capital Works in Progress Accrued	(11,579)	0	(11,579)	0
Other non-cash movements	(127,163)	(4,142)	(165,308)	78,470
Add/(less) items classified as investing or financing:				
Issue of Sustainable Household Scheme loans	39,832	63,873	39,832	63,873
Repayment of Sustainable Household Scheme Loans	(29,757)	(41,009)	(29,757)	(41,009)
(Gains) on loose-fill asbestos insulation eradication scheme	(972)	(6,792)	(972)	(6,792)
Dividends and land revenue (market gains on land sales)	(97)	(48,934)	(141)	(71,724)
Net (gains) on investments	(621,818)	(500,661)	(621,819)	(500,661)

17 RECONCILIATION OF CASH FLOWS - CONTINUED

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Net loss on disposal of non-current assets	73,615	8,746	76,966	14,881
Impact of Transition of Calvary Public Hospital Bruce	(67)	(107,978)	(67)	(107,978)
Cash before changes in operating assets and liabilities	**(857,769)**	**(528,363)**	**(878,663)**	**(377,925)**
Change in operating assets and liabilities:				
(Increase)/decrease in receivables	(17,010)	(156,288)	(62,810)	(147,116)
Increase/(decrease) in non-cash receivables	14,078	(28,762)	(13,417)	57,039
(Increase)/decrease in inventories	(5,422)	(111)	(38,678)	(111,280)
Increase/(decrease) in payables and contract liabilities	55,387	86,241	61,107	57,625
(Increase) in non-cash payables and non-cash contract liabilities	(1,724)	(22,015)	908	1,011
Increase/(decrease) in employee benefits and provisions	362,455	656,485	372,105	701,020
(Increase)/decrease in non-cash employee benefits - change in present value factor	(69,150)	0	(74,523)	0
(Increase)/decrease in non-cash provisions - landfill remediation	0	0	0	1,739
(Increase)/decrease in non-cash provisions - SLA project completions	0	0	(7,307)	(44,464)
(Increase)/decrease in non-cash provisions - civil claims	31,300	(78,902)	31,300	(78,902)
(Increase)/decrease in non-cash provisions - provision for cemeteries future maintenance	0	(52,172)	0	(52,172)
(Increase)/decrease in non-cash provisions - provision for institutional child sexual abuse	(938)	0	(938)	0
Increase/(decrease) in other liabilities	58,809	6,232	59,318	2,913
Net cash flows from operating activities	**(429,984)**	**(117,655)**	**(551,598)**	**9,488**

18 ADVANCES PAID

Description and Material Accounting Policies Relating to Advances paid

Advances paid include loans made by the Territory Government (through the General Government Sector) to Icon Water Limited and Concessional loans. Loans receivables are reported at their net carrying amount, which reflects the deduction of expected credit losses.

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.

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

The maximum exposure to credit risk at the end of the reporting period for loans receivable is the carrying amount of the asset inclusive of any impairment allowance.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Current loans receivable[(a)]	151,449	21,610	26,545	32,513
Non-current loans receivable	1,964,135	2,056,217	121,277	98,256
Total advances paid	**2,115,584**	**2,077,827**	**147,822**	**130,769**

Note: (a) The variance is mainly due to fixed rate nominal bonds maturing in May 2026. The Territory's borrowings include amounts for the purpose of providing loans to Icon Water Limited. Amounts owing on these loans from Icon Water Limited are recognised as loans receivables in the General Government Sector.

19 INVESTMENTS

Description and Material Accounting Policies relating to Investments

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 or 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.

	General Government Sector		Total Territory	
	2024-25 Actual	2023-24 Actual	2024-25 Actual	2023-24 Actual
Current investments	$'000	$'000	$'000	$'000
Short-term securities	0	0	72,000	82,000
Government fixed interest bonds[(a)]	2,386,822	1,908,313	2,386,822	1,908,313
Shares and equities	4,211,263	4,046,597	4,211,263	4,046,597
Investment in property and infrastructure trusts	936,097	858,691	936,097	858,691
Other current investments	16,741	999	16,739	999
Total current investments	***7,550,923***	***6,814,600***	***7,622,921***	***6,896,600***
Non-current investments				
Other non-current investments	1,419	1,525	1,421	1,525
Total non-current investments	***1,419***	***1,525***	***1,421***	***1,525***
Total investments[(a)]	**7,552,342**	**6,816,125**	**7,624,342**	**6,898,125**

Note: (a) The increase in the levels of investments reflects a combination of increased unit holder investment applications and market gains for the year. Of this increase, $563.7 million is in relation to the Territory's superannuation related investments.

20 RECEIVABLES

Description and Material Accounting Policies Relating to 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 invoiced, 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.

20 RECEIVABLES - CONTINUED

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Current receivables				
Current receivables				
Trade receivables[(a)]	458,826	419,636	471,097	470,136
Right to receive infrastructure from land developers	0	0	2,451	15,420
Prepayments	35,629	54,633	47,744	64,492
Less: Expected credit loss allowance	(82,838)	(74,215)	(108,835)	(92,353)
Net current trade receivables	***411,617***	***400,054***	***412,457***	***457,695***
Accrued revenue	154,505	155,954	121,561	106,813
Other current receivables	290,424	287,591	204,901	119,525
Total current receivables	***856,546***	***843,599***	***738,919***	***684,033***
Non-current trade receivables				
Trade receivables	46,722	48,774	46,723	60,232
Prepayments	6,086	7,996	6,086	7,996
Less: Expected credit loss allowance	0	0	0	(11,455)
Net non-current trade receivables	***52,808***	***56,770***	***52,809***	***56,773***
Other receivables	56,917	48,892	56,387	44,499
Total non-current receivables	***109,725***	***105,662***	***109,196***	***101,272***
Total receivables	**966,271**	**949,261**	**848,115**	**785,305**

Note: (a) The increase is primarily due to the increase in General Rates income due to an increase in the rateable property base and property values, Land Tax income and the Police, Fire and Emergency Services Levy.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Reconciliation of the loss allowance for receivables				
Expected credit loss allowance at the beginning of the reporting period	74,215	63,624	103,808	88,219
Less: Reduction in allowance from amounts recovered during the reporting period	939	224	(6,528)	368
Less: Reduction in allowance from amounts written-off during the reporting period	(1,435)	(1,977)	(4,672)	(2,964)
Expected credit loss expense	9,120	12,343	16,228	18,184
Expected credit loss allowance at the end of the reporting period[(a)]	**82,838**	**74,215**	**108,835**	**103,808**

Note: (a) The Expected credit loss allowance at the end of the reporting period will not align with the Expected credit loss allowance below as the methodology below is based on the weighted average expected credit loss by assigning a weight to each entity's credit loss estimation.

20 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 2025						
Expected credit loss rate (%)	1%	4%	7%	13%	29%	**9%**
Estimated total gross carrying amount at default	624,684	33,668	29,240	15,670	253,612	**956,874**
Expected credit loss allowance	**3,162**	**1,383**	**2,112**	**1,980**	**74,639**	**83,276**
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**

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 2025						
Expected credit loss rate (%)	2%	5%	8%	49%	30%	**13%**
Estimated total gross carrying amount at default	503,226	38,989	30,015	29,933	261,616	**863,779**
Expected credit loss allowance	**9,936**	**2,096**	**2,449**	**14,811**	**79,420**	**108,713**
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**

21 PROPERTY, PLANT AND EQUIPMENT

Description and Material Accounting Policies relating to Property, Plant and Equipment

Property, plant and equipment includes the following classes of assets: land; buildings; right-of-use buildings; leasehold improvements; plant and equipment; right-of-use 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. In addition the Territory holds Service Concession Assets in the following classes; land; buildings; plant and equipment and infrastructure.

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.

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 office buildings, 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.

Service concession land, building and infrastructure assets are land, buildings and infrastructure controlled by the Territory as the grantor to provide public service. This includes the Public Private Partnership arrangement for Light Rail and Housing Assistance Program properties as service concession assets.

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, buses, earth moving machinery, light rail vehicles (rolling stock), light rail maintenance equipment, and other mechanical and electronic equipment.

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.

Service concession plant and equipment includes Plant and equipment controlled by the Territory as the grantor to provide public service including Public Private Partnership arrangement for the Light Rail plant and equipment.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Description and Material Accounting Policies relating to Property, Plant and Equipment - Continued

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). Land under infrastructure is not included in the infrastructure asset class, this land is included in the land class.

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.

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. This includes the Public Private Partnership arrangement for the Light Rail Stage 2A project and the New Recycling Facility. CWIP is recognised as its own line item on the Territory's Balance Sheet. 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 measured 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 costs of construction workers), 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 or nominal 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.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

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.

Property, Plant and Equipment with a value equal to or higher than the relevant threshold are capitalised.

Asset Class	Minimum capitalisation threshold
Land	$1
Buildings	$2,000
Right-of-use buildings	$5,000
Leasehold improvements	$2,000
Plant and equipment	$2,000
Right-of-use plant and equipment	$2,000
Infrastructure assets	$5,000
Heritage and community assets	
- non-land assets	$0
- land assets	$0
Capital works in progress	$1

Measurement of property, plant and equipment after initial recognition

Property, plant and equipment (PPE) is measured 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 classified 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 property, plant and equipment. 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.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Revaluation

Land, buildings, infrastructure assets, plant and equipment, leasehold improvements and heritage and community 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 property, plant and equipment 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.

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 relating to non-specialised 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 15 'Waivers, impairment losses and write-offs') as plant and equipment is carried at cost. 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 commences when property, plant and equipment is ready for its intended use. Depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment. The estimation of useful lives of property, plant and equipment 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, right-of-use plant and equipment, and right-of-use 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.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Depreciation and useful life - continued

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

Depreciation/amortisation for property, plant and equipment is determined as follows:

Class of asset	Depreciation/ Amortisation	Useful life (years)
Buildings[(a)]	Straight-line	2-100
Right-of-use buildings	Straight-line	2-30
Leasehold improvements	Straight-line	1-40
Plant and equipment	Straight-line	1-126
Right-of-use plant and equipment	Straight-line	1-5
Infrastructure	Straight-line	2-150
Heritage and community assets[(b)]	Straight-line	1-126

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

(b) The following heritage assets are considered to have an indefinite useful life: the Woden Caretakers Cottage and Offices/Visitors Rooms at Woden Cemetery held by the Cemeteries and Crematoria Authority; Aboriginal artworks held by WorkSafe ACT; an artwork and a library collection held by the Office of the Legislative Assembly; and CMAG's art and social history collection, public art, and social history collections at historic sites held by the Cultural Facilities Corporation (CFC).

Land under roads

Significant judgement has been made in determining the fair value of land under roads. The Victorian State Government 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.

21 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 2024-25.

	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
Carrying Amount at the Beginning of the Reporting Period	**5,214,619**	**5,135,436**	**742,706**	**272,505**	**29,034**	**171,917**	**9,720,408**	**395,916**	**21,682,542**
Additions	1,364	544,762	46,289	180,493	24,540	20,547	186,161	27,243	**1,031,399**
Assets classified as held for sale	(9,182)	0	0	0	0	0	0	0	**(9,182)**
Revaluation adjustments	(20,892)	34,632	(307)	67	0	0	17,786	15,134	**46,420**
Depreciation	(309)	(206,070)	(55,291)	(74,323)	(16,332)	(17,412)	(213,900)	(28,003)	**(611,640)**
Disposals	(13,151)	(10)	0	(1,600)	(322)	0	0	(236)	**(15,319)**
Impairment gains on reversals/(losses) recognised in the Operating statement	0	(1,155)	0	(35)	0	0	(530)	1,387	**(333)**
Other movements/reclassifications[(a)]	11,000	(19,521)	(26,713)	4,873	278	97	13,583	(15,360)	**(31,763)**
Carrying Amount at the End of the Reporting Period	**5,183,449**	**5,488,074**	**706,684**	**381,980**	**37,198**	**175,150**	**9,723,508**	**396,081**	**22,092,124**
Carrying amount at the end of the reporting period is represented by:									
Gross book value	5,222,689	5,929,784	1,176,322	847,466	96,317	252,462	9,979,920	410,076	**23,915,036**
Accumulated depreciation	(39,240)	(440,111)	(469,638)	(465,422)	(59,119)	(77,312)	(249,986)	(13,995)	**(1,814,823)**
Accumulated impairment losses	0	(1,599)	0	(64)	0	0	(6,426)	0	**(8,089)**
Carrying Amount at the End of the Reporting Period	**5,183,449**	**5,488,074**	**706,684**	**381,980**	**37,198**	**175,150**	**9,723,508**	**396,081**	**22,092,124**

Note: (a) Other movements/reclassifications largely reflects a reduction in right-of-use buildings due to derecognition of subleases at 2 Constitution Avenue, immaterial adjustments to opening balances and reclassifications between classes of property, plant and equipment.

21 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 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
Carrying Amount at the Beginning of the Reporting Period	**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 on reversals/(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**
Carrying Amount at the End of the Reporting Period	**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)**
Carrying Amount at the End of the Reporting Period	**5,214,619**	**5,135,436**	**742,706**	**272,505**	**29,034**	**171,917**	**9,720,408**	**395,916**	**21,682,542**

21 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 2024-25.

	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
Carrying Amount at the Beginning of the Reporting Period	**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**
Additions	15,999	461	722,287	4,048	46,289	298,986	0	30,615	20,588	346,178	0	29,378	**1,514,829**
Assets Classified as Held for Sale	(40,792)	(5,376)	(4,069)	(1,074)	0	0	0	0	0	0	0	0	**(51,311)**
Revaluation Adjustments	(16,096)	(842)	34,919	19,719	(307)	(2,554)	(41,138)	0	0	164,831	111,212	15,134	**284,878**
Depreciation	(309)	0	(268,503)	(9,363)	(56,118)	(90,874)	(6,980)	(21,345)	(17,774)	(293,507)	(11,374)	(28,543)	**(804,690)**
Disposals	(15,598)	0	(8,427)	(1,179)	0	(1,757)	0	(372)	0	(667)	0	(236)	**(28,236)**
Impairment gains on reversals/(losses) recognised in the Operating statement	0	0	(241)	0	0	(35)	0	0	0	(530)	0	1,387	**581**
Other movements/reclassifications[(a)]	32,555	(19,340)	(16,026)	(5,566)	(26,707)	4,553	0	277	96	38,155	(24,777)	(15,360)	**(32,140)**
Carrying Amount at the End of the Reporting Period	**10,523,612**	**355,396**	**7,861,979**	**333,346**	**708,124**	**596,847**	**162,676**	**61,696**	**175,923**	**13,124,666**	**609,772**	**409,493**	**34,923,530**
Carrying amount at the end of the reporting period is represented by:													
Gross book value	10,562,852	355,396	8,445,592	349,226	1,178,814	1,118,191	165,618	127,570	255,451	13,586,800	609,772	424,669	**37,179,951**
Accumulated depreciation	(39,240)	0	(577,086)	(15,880)	(470,690)	(521,280)	(2,942)	(65,874)	(79,528)	(455,708)	0	(15,176)	**(2,243,404)**
Accumulated impairment losses	0	0	(6,527)	0	0	(64)	0	0	0	(6,426)	0	0	**(13,017)**
Carrying Amount at the End of the Reporting Period	**10,523,612**	**355,396**	**7,861,979**	**333,346**	**708,124**	**596,847**	**162,676**	**61,696**	**175,923**	**13,124,666**	**609,772**	**409,493**	**34,923,530**

Note: (a) Other movements/reclassifications largely reflects a reduction in right-of-use buildings due to derecognition of subleases at 2 Constitution Avenue, immaterial adjustments to opening balances and reclassifications between classes of property, plant and equipment.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

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
Carrying Amount at the Beginning of the Reporting Period	**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)	**(748,846)**
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 gains on reversals/(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**
Carrying Amount at the End of the Reporting Period	**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)**
Carrying Amount at the End of the Reporting Period	**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**

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	General Government Sector		Total Territory	
	2024-25 $'000	**2023-24 $'000**	**2024-25 $'000**	**2023-24 $'000**
Depreciation expense (from Note 21 *Property, plant and equipment* above)	611,640	559,211	804,692	748,846
Amortisation expense (from Note 22 *Intangible assets*)	45,589	45,639	51,924	52,531
Total depreciation and amortisation expense on the Operating statement	**657,230**	**604,853**	**856,616**	**801,381**

Reconciliation of property, plant and equipment from the notes to the property, plant and equipment amounts on the face of the Balance Sheet

	General Government Sector		Total Territory	
	2024-25 $'000	**2023-24 $'000**	**2024-25 $'000**	**2023-24 $'000**
Buildings	5,488,074	5,135,436	7,861,979	7,402,039
Service Concession Building Assets	0	0	333,346	326,761
Right of Use Buildings	706,684	742,706	708,124	744,967
Plant and Equipment	381,980	272,505	596,847	388,528
Service Concession Plant and Equipment Assets	0	0	162,676	210,794
Right of Use Plant and Equipment	37,198	29,034	61,696	52,521
Leasehold Improvements	175,150	171,917	175,923	173,013
Infrastructure Assets	9,723,508	9,720,408	13,124,666	12,870,206
Service Concession Infrastructure Assets	0	0	609,772	534,711
Heritage and Community Assets	396,081	395,916	409,493	407,733
Total produced property, plant and equipment on the Balance Sheet	**16,908,675**	**16,467,923**	**24,044,522**	**23,111,273**
Land	5,183,449	5,214,619	10,523,612	10,547,853
Service Concession Land Assets	0	0	355,396	380,493
Total non-produced property, plant and equipment on the Balance Sheet	**5,183,449**	**5,214,619**	**10,879,008**	**10,928,346**
Total property, plant and equipment	**22,092,124**	**21,682,542**	**34,923,530**	**34,039,619**

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of capital works in progress - General Government Sector 2024-25

	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	**772,814**	**473,667**	**9,935**	**140,282**	**1,396,698**
Additions	348,094	640,383	4,723	153,310	**1,146,510**
Capital works in progress completed and transferred to another class of property, plant and equipment	(286,218)	(648,806)	(10,209)	(27,886)	**(973,119)**
Other[(a)]	5,084	(2,432)	(3,613)	(3,739)	**(4,700)**
Carrying amount at the end of the reporting period	**839,774**	**462,812**	**836**	**261,967**	**1,565,389**

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 - Total Territory 2024-25

	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	**997,377**	**550,057**	**9,935**	**182,641**	**1,740,010**
Additions	472,326	718,598	4,723	262,802	**1,458,449**
Capital works in progress completed and transferred to another class of property, plant and equipment	(440,199)	(750,968)	(10,209)	(132,867)	**(1,334,243)**
Other[(a)]	7,490	(2,432)	(3,613)	(6,362)	**(4,917)**
Carrying amount at the end of the reporting period	**1,036,994**	**515,255**	**836**	**306,214**	**1,859,299**

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**

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	
	2024-25	2023-24	2024-25	2023-24
	$'000	$'000	$'000	$'000
Capital works in progress (from Note 21 *Property, plant and equipment* directly above)	1,565,389	1,396,698	1,859,299	1,740,010
Software works in progress (from Note 22 *Intangible assets*)	48,613	76,335	76,270	96,634
Total capital works in progress on the Balance sheet	**1,614,002**	**1,473,033**	**1,935,569**	**1,836,644**

21 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 2025 and for the prior reporting period is provided below.

	Classification according to the fair value hierarchy			
General Government Sector - 2024-25	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Property, plant and equipment at fair value				
Land	0	1,833,183	3,349,888	**5,183,071**
Buildings[(a)]	0	127,063	5,361,011	**5,488,074**
Plant and Equipment[(a)]	0	4,113	60,824	**64,937**
Leasehold Improvements	0	0	146,193	**146,193**
Infrastructure Assets	0	616	9,685,191	**9,685,807**
Heritage and Community Assets	0	223,230	172,851	**396,081**
Total property, plant and equipment at fair value	**0**	**2,188,205**	**18,775,958**	**20,964,163**

	Classification according to the fair value hierarchy			
General Government Sector - 2023-24	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'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[(a)]	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**

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Total Territory - 2024-25	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	7,173,309	3,349,925	**10,523,234**
Service Concession Land Assets	0	355,396	0	**355,396**
Buildings[(a)]	0	2,451,884	5,410,095	**7,861,979**
Service Concession Building Assets	0	225,646	107,700	**333,346**
Plant and Equipment[(a)]	0	4,271	275,041	**279,312**
Service Concession Plant and Equipment Assets	0	0	162,676	**162,676**
Leasehold Improvements	0	0	146,381	**146,381**
Infrastructure Assets	0	616	13,086,349	**13,086,965**
Service Concession Infrastructure Assets	0	0	609,772	**609,772**
Heritage and Community Assets	0	228,409	180,642	**409,051**
Total property, plant and equipment at fair value	**0**	**10,439,531**	**23,328,581**	**33,768,112**

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[(a)]	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**

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

Transfers Between Categories

There have been no transfers between Levels 2 and 3 during the current and previous reporting period.

21 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, heritage and community assets, land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location, type 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 significant unobservable 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, plant and equipment, leasehold improvements, infrastructure assets and heritage and community assets were considered specialised assets by the valuers and measured using the cost approach to fair value.

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.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

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

2024-25	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	**3,377,495**	**5,039,785**	**32,193**	**144,337**	**9,708,645**	**194,402**	**18,496,857**
Additions	0	552,672	38,013	16,354	174,840	27,205	**809,084**
Revaluation increments recognised in the Operating statement	0	5,641	0	0	0	17	**5,658**
Revaluation increments recognised in other comprehensive income	(22,875)	11,566	72	0	17,786	15,451	**22,000**
Transfers from/(to) level 2	(9,572)	(39,913)	(1,520)	0	0	(2,467)	**(53,472)**
Reversal of Impairment losses recognised in the Operating statement/(impairment losses)	0	0	0	0	(465)	27	**(438)**
Impairment losses recognised in other comprehensive income	0	0	0	0	(65)	0	**(65)**
Depreciation	(309)	(200,734)	(5,219)	(12,908)	(215,524)	(26,283)	**(460,977)**
Acquisition/(disposal) of assets	(201)	(2,744)	(885)	0	0	(13,668)	**(17,498)**
Other movements/reclassifications	5,350	(5,262)	(1,830)	(1,590)	(26)	(21,833)	**(25,191)**
Fair value at the end of the reporting period	**3,349,888**	**5,361,011**	**60,824**	**146,193**	**9,685,191**	**172,851**	**18,775,958**

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/(decrements) 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/(impairment losses)	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**

Change in unrealised gains or losses for the period are included in Operating Statement for assets held at the end of the reporting period.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Fair value measurements using significant unobservable inputs (level 3) - Total Territory

2024-25	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	**3,377,532**	**5,059,669**	**90,066**	**147,148**	**210,794**	**144,543**	**12,857,777**	**534,711**	**200,357**	**22,622,597**
Additions	0	585,651	0	142,551	0	16,395	256,844	0	29,340	**1,030,781**
Revaluation increments recognised in the Operating statement	0	5,641	0	0	0	0	145,897	0	17	**151,555**
Revaluation increments recognised in other comprehensive income	(22,875)	11,673	19,643	(2,548)	(41,138)	0	18,934	111,212	15,451	**110,352**
Transfers from/(to) level 2	(9,572)	(39,913)	0	(1,520)	0	0	0	0	(2,467)	**(53,472)**
Reversal of Impairment losses recognised in the Operating statement/(impairment losses)	0	0	0	0	0	0	(465)	0	27	**(438)**
Impairment losses recognised in other comprehensive income	0	0	0	0	0	0	(65)	0	0	**(65)**
Depreciation	(309)	(202,291)	(2,009)	(21,364)	(6,980)	(12,967)	(217,447)	(11,374)	(26,823)	**(501,564)**
Acquisition/(disposal) of assets	(201)	(5,073)	0	(885)	0	0	(667)	0	(13,668)	**(20,494)**
Other movements/reclassifications	5,350	(5,262)	0	11,659	0	(1,590)	25,541	(24,777)	(21,592)	**(10,671)**
Fair value at the end of the reporting period	**3,349,925**	**5,410,095**	**107,700**	**275,041**	**162,676**	**146,381**	**13,086,349**	**609,772**	**180,642**	**23,328,581**

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/(impairment losses)	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**

Change in unrealised gains or losses for the period are included in the Operating Statement for assets held at the end of the reporting period.

22 INTANGIBLES

Description and Material Accounting Policies relating to Intangibles

The Territory Government has internally generated software, externally purchased software and software works in progress. The internally generated software includes the Digital Health Record, and finance system software, while externally purchased software includes Territory Revenue Software (TREV) and the Rego ACT system. 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.

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.

Measurement

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

22 INTANGIBLES - CONTINUED

Description and Material Accounting Policies relating to Intangibles - continued

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 15 '*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.

Large-Scale Generation Certificates

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 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 Government's renewable energy targets.

In 2024-25, the Territory surrendered 1,970,313 certificates (2023-24: 2,218,905).

22 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 2024-25.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**124,138**	**30,353**	**42,044**	**76,335**	**272,870**
Additions	20,477	10,691	63,217	38,200	**132,585**
Disposals	(12,065)	(7,375)	(32,510)	0	**(51,950)**
Amortisation	(31,777)	(13,782)	0	0	**(45,559)**
Revaluation increments/(decrements)	0	0	(50,147)	0	**(50,147)**
Amortisation write back for asset disposals	12,065	7,375	0	0	**19,440**
Capital works in progress completed and transferred to another class of intangible assets or property, plant and equipment	0	0	0	(34,686)	**(34,686)**
Other changes[(a)]	0	(314)	(31)	(31,233)	**(31,578)**
Carrying amount at the end of the reporting period[(b)]	**112,837**	**26,946**	**22,576**	**48,613**	**210,972**

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 compared to prior year is attributed to a lower spot price for Large-Scale Generation Certificates.

Carrying amount at the end of the reporting period is represented by:					
Gross book value	256,904	144,506	22,576	48,613	**472,599**
Accumulated amortisation	(144,067)	(117,560)	0	0	**(261,627)**
Carrying Amount at the End of the Reporting Period	**112,837**	**26,946**	**22,576**	**48,613**	**210,972**

22 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 2023-24.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**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/(decrements)	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 or property, plant and equipment	10,953	2,866	0	(14,963)	**(1,144)**
Other changes	(11)	(2,759)	2,760	(17,372)	**(17,382)**
Carrying amount at the end of the reporting period[(b)]	**124,138**	**30,353**	**42,044**	**76,335**	**272,870**
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)**
Carrying Amount at the End of the Reporting Period	**124,138**	**30,353**	**42,044**	**76,335**	**272,870**

	General Government Sector	
	2024-25	**2023-24**
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	210,972	272,870
Less: software works in progress	48,613	76,335
Total intangible assets on the Balance sheet	**162,359**	**196,535**

22 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 2024-25.

	Internally generated software	Externally purchased software	Other intangibles	Software works in progress	Total intangible assets
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**124,562**	**50,265**	**44,131**	**96,634**	**315,592**
Additions	20,477	13,566	63,217	49,795	**147,055**
Disposals	(12,065)	(7,375)	(32,510)	0	**(51,950)**
Amortisation	(31,873)	(20,021)	0	0	**(51,894)**
Revaluation increments/(decrements)	0	0	(50,147)	0	**(50,147)**
Amortisation write back for asset disposals	12,065	7,375	0	0	**19,440**
Capital works in progress completed and transferred to another class of intangible assets or property, plant and equipment	0	0	0	(38,924)	**(38,924)**
Other changes[(a)]	0	(2,710)	(31)	(31,233)	**(33,974)**
Carrying amount at the end of the reporting period[(b)]	**113,165**	**41,098**	**24,663**	**76,270**	**255,196**

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 compared to prior year is attributed to a lower spot price for Large-Scale Generation Certificates.

Carrying amount at the end of the reporting period is represented by:					
Gross book value	257,622	210,355	24,663	76,270	568,910
Accumulated amortisation	(144,457)	(169,257)	0	0	(313,714)
Carrying Amount at the End of the Reporting Period	**113,165**	**41,098**	**24,663**	**76,270**	**255,196**

22 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 2023-24.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**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/(decrements)	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 or property, plant and equipment	10,953	2,866	0	(18,210)	(4,391)
Other changes	(11)	(2,760)	2,760	(17,372)	(17,383)
Carrying amount at the end of the reporting period	**124,562**	**50,265**	**44,131**	**96,634**	**315,592**
Carrying amount at the end of the reporting period is represented by:					
Gross book value	283,951	217,573	44,131	96,634	642,289
Accumulated amortisation	(159,389)	(167,068)	0	0	(326,457)
Accumulated impairment losses	0	(240)	0	0	(240)
Carrying Amount at the End of the Reporting Period	**124,562**	**50,265**	**44,131**	**96,634**	**315,592**

	Total Territory 2024-25 $'000	2023-24 $'000
Reconciliation of intangible assets from the notes to the amount on the face of the Balance sheet		
Total intangible assets included in this note	255,195	315,592
Less: software works in progress	76,269	96,634
Total intangible assets on the Balance sheet	**178,926**	**218,958**

LIABILITIES

23 ADVANCES RECEIVED

Description and Material Accounting Policies relating to Advances received

Advances received are interest-bearing liabilities comprising loans issued by the Commonwealth Government to the Territory Government at the time of self-government for policy purposes, including the provision of public housing under the Commonwealth State Housing Agreement.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Current advances from the Commonwealth Government	4,903	4,692	8,209	8,285
Non-current advances from the Commonwealth Government	31,269	36,172	56,737	64,946
Total advances received	**36,172**	**40,864**	**64,946**	**73,231**

24 LEASE LIABILITIES

Description and Material Accounting Policies relating to 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 has leases over a range of assets including buildings, motor vehicles, ICT equipment, specialised plant and equipment, concessionary land and public private partnership assets. There are a number of leasing arrangements that have resulted in the recognition of a lease liability while other leasing arrangements have not resulted in a liability being recognised. The below provides information relating to the leases in place and a split between those that have been taken up as a lease liability and those that have not.

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 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.

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - Continued

The lease liability is initially measured at the present value of the remaining lease payments at 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.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether 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 the lease term.

Leases that have resulted in the Territory Government recognising a lease liability are as follows:

Terms and Conditions of leases

Motor vehicles	The Territory Government holds numerous motor vehicle and bus leases whose term duration vary. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses.
Plant and equipment	Leases for plant and equipment have lease terms which vary from 3-10 years and there is generally no extension or renewal options. Where the lease contains a purchase option, the purchase price is included in the lease liability where the Territory believes it is reasonably certain that the purchase option will be exercised.
Public Private Partnership (PPP)	The Territory Government has entered into a PPP agreement with Juris Partnership for the design, construction and financing of the Supreme Court and Magistrates Court buildings as well as the subsequent provision of facilities management and support services. The Territory Government determined that this arrangement was not a service Concession Arrangement under AASSB 1059 *Service Concession Arrangements*: Grantors but instead the arrangement fell within the requirements of the leasing standard (AASB 16 *Leases*). The Commercial Acceptance for Stage 1 occurred on 8 October 2018 and Stage 2 was completed in January 2020. The Territory Government has recognised a lease liability and leased asset since 2018-19 in line with staged completion. The finance lease term will expire in 2043.
Building leases - office buildings	The Territory Government has 31 leases for office buildings with lease terms of up to 30 years. The leases have varying terms, escalation clauses and renewal rights in order to provide flexibility to the Territory Government and the extension options are exercisable only by the Territory Government. There are conditions in the lease agreements requiring the Territory Government to restore the site which the lease building is situated. The leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.
ICT equipment	The Territory Government has ICT equipment leases such as computers and scanners with leases terms ranging between 1-5 years. These leases do not have terms for extension, renewal, purchase options nor escalation clauses.

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - Continued

Extension Options

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

Lease payments to be made under reasonably certain extension options are also included in measurement of the liability.

Exemptions to lease accounting

The Territory has elected to apply the exceptions 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 under $10,000.

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

	2024-25 $'000	2023-24 $'000
Current Lease Liabilities - General Government Sector		
Motor vehicles	14,601	12,387
Plant and equipment	136	142
Building leases - office buildings	56,092	57,928
Public Private Partnership (PPP)	3,954	3,660
ICT equipment	15	106
Total current lease liabilities	**74,798**	**74,223**
Non-Current Lease Liability - General Government Sector		
Motor vehicles	23,811	17,485
Plant and equipment	257	393
Building leases - office buildings	764,889	793,616
Public Private Partnership (PPP)	146,923	150,877
ICT equipment	6	21
Total Non-Current Lease Liabilities	**935,886**	**962,392**
Total Lease Liabilities General Government Sector	**1,010,684**	**1,036,615**
Current Lease Liability - Total Territory		
Motor vehicles	17,074	14,959
Plant and equipment	1,714	1,590
Building leases - office buildings	56,092	57,928
Public Private Partnership (PPP)	3,954	3,660
ICT equipment	15	106
Total Current Lease Liabilities	**78,849**	**78,243**
Non-Current Lease Liability - Total Territory		
Motor vehicles	29,870	20,963
Plant and equipment	14,629	15,881
Building leases - office buildings	766,344	795,572
Public Private Partnership (PPP)	146,923	150,877
ICT equipment	6	21
Total Non-Current Lease Liabilities	**957,772**	**983,314**
Total Lease Liabilities Total Territory	**1,036,621**	**1,061,557**

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - Continued

Reconciliation of Lease Liabilities - General Government Sector

	2024-25 $'000	2023-24 $'000
Opening Balance of Lease Liabilities	1,036,615	1,074,570
Add: Additional Lease Liabilities taken up in the Current Reporting Period	72,354	19,581
Less: Derecognised on Early Termination	34,651	0
Less: Payments to Reduce the Principal of the Liability	63,634	57,536
Closing Balance of Lease Liability	**1,010,684**	**1,036,615**

Reconciliation of Lease Liabilities - Total Territory

Opening Balance of Lease Liabilities	1,061,557	1,091,195
Add: Additional Lease Liabilities taken up in the Current Reporting Period	80,905	32,914
Less: Derecognised on Early Termination	34,651	0
Less: Payments to Reduce the Principal of the Liability	71,190	62,552
Closing Balance of Lease Liability	**1,036,621**	**1,061,557**

Lease liabilities - General Government Sector

The maturity analysis of lease liabilities at 30 June 2025 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
	87,430	281,224	765,907	**1,134,561**	1,010,684

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

Lease liabilities - Total Territory

The maturity analysis of lease liabilities at 30 June 2025 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
	91,963	301,977	769,122	**1,163,062**	1,036,621

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - Continued

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

Operating Statement - General Government Sector

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

	2024-25 Actual $'000	2023-24 Actual $'000
Depreciation on right of use assets	71,623	66,245
Interest on lease liabilities	18,611	17,676
Variable lease payments based on usage not included in the lease liability	972	0
Expenses relating to short term leases	0	719
Expenses relating to low value leases	8,177	12,092

Operating Statement - Total Territory

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

	2024-25 Actual $'000	2023-24 Actual $'000
Depreciation on right of use assets	77,463	69,684
Interest on lease liabilities	19,199	18,609
Variable lease payments based on usage not included in the lease liability	972	0
Expenses relating to short term leases	14	763
Expenses relating to low value leases	8,177	12,092

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.

	2024-25 Actual $'000	2023-24 Actual $'000
Repayment of lease liabilities – principal	63,634	57,536

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessor

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.

	2024-25 Actual $'000	2023-24 Actual $'000
Repayment of lease liabilities – principal	71,190	62,552

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 Non-Financial Corporations Sector 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

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessor - continued

Where leases have been classified as operating leases, the underlying assets are included as property, plant and equipment in the Balance Sheet (refer to Note 21 'Property, plant and equipment').

The amounts recognised in the Operating Statement as Other sales of goods and services relating to operating leases (refer to Note 9 'Other sales of goods and services'), where the Territory Government is a lessor are shown below.

Operating leases - General Government Sector

	2024-25 Actual $'000	2023-24 Actual $'000
Lease income (excluding variable lease payments not dependent on an index or rate)	19,747	15,598
Lease income relating to variable lease payments not dependent on an index or a rate	123	185
Total income relating to operating leases	**19,870**	**15,783**

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

	2024-25 Actual $'000	2023-24 Actual $'000
>1 year	10,343	11,262
Between 1 -5 years	28,827	14,684
Greater than 5 years	11,656	39,384
Total	**50,826**	**65,330**

Operating leases - Total Territory

	2024-25 Actual $'000	2023-24 Actual $'000
Lease income (excluding variable lease payments not dependent on an index or rate)	14,852	10,760
Lease income relating to variable lease payments not dependent on an index or a rate	123	185
Total income relating to operating leases	**14,975**	**10,945**

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

	2024-25 Actual $'000	2023-24 Actual $'000
>1 year	5,969	6,783
Between 1 -5 years	28,220	9,414
Greater than 5 years	11,594	36,449
Total	**45,783**	**52,646**

25 OTHER BORROWINGS

Description and Material Accounting Policies relating to 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.

Borrowing costs

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

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Current borrowings				
Banks and financial institutions[(a)]	0	0	42,308	0
Bonds and bills	1,015,028	1,000,036	1,015,028	1,000,036
Service concession arrangements financial liability	949	0	14,236	12,511
Total current borrowings	***1,015,977***	***1,000,036***	***1,071,572***	***1,012,547***
Non-current borrowings				
Bonds and bills[(b)]	12,356,333	10,392,094	12,356,333	10,409,245
Service concession arrangements financial liability[(c)]	214,839	102,035	460,448	360,931
Total non-current borrowings	***12,571,172***	***10,494,129***	***12,816,781***	***10,770,176***
Total other borrowings	**13,587,149**	**11,494,165**	**13,888,353**	**11,782,723**

Notes: (a) The increase is associated with the Suburban Land Agency entering a loan facility arrangement with ANZ Banking group to provide access to working capital to support operational requirements and the financing component of a contract for the sale of land with the Australian National University (ANU) for which an up-front payment has been made. This land sale includes additional variable consideration payments under the contract, which are triggered based on the timing of contract settlement. The financial liability will be derecognised once all performance obligations are satisfied.

(b) The increase is reflective of higher level of borrowings to support the Territory's prevailing cash flow requirements. This includes borrowings to support the Territory's Infrastructure Program including projects such as Light Rail Stage 2A, Woden Bus Depot, Better connecting Belconnen and Gungahlin – Gundaroo Drive Stage 3, ACT Material Recovery Facility (MRF), upgrading and enhancing Canberra Hospital and North Canberra Hospital.

(c) The increase largely reflects service concession financial liabilities in relation to the Light Rail Stage 2A project and the New Recycling Facility.

26 SUPERANNUATION

Description and Material Accounting Policies Relating to 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 when the PSS closed.

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 (CSC). 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 superannuation liability is valued on an annual basis using the most recent financial and demographic assumptions and membership data. 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 that are required to measure the liability and expense.

The Territory Government recognises actuarial gains and losses in other comprehensive income under Australian Accounting Standard AASB 119: *'Employee Benefits'.*

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 2025. 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 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 2025. Commonwealth Superannuation Corporation supplied at 30 June 2024 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 CSC is unable to provide membership data at 30 June 2025 in time for the valuation of the estimated superannuation liability at 30 June 2025, the valuation estimate incorporates membership data at 30 June 2024, but projected forward to 30 June 2025 using a projected unit credit valuation approach. This allows for projected service and salaries at 30 June 2025, expected exits over the 2024-25 financial year, actual crediting rates on member and productivity accounts to 30 June 2025, as well as actual pension indexation rates.

26 SUPERANNUATION - CONTINUED

Description and Material Accounting Policies Relating to Superannuation - Continued

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 with each period of service giving rise to an additional unit of benefit entitlement.

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	2025	2024
Discount rate	4.80%	4.72%
Salary inflation	3.00%	3.00%
Consumer Price Index (CPI)	2.50%	2.50%

The valuation of the accrued liability and projection of the estimated annual benefit costs requires financial assumptions about the future financial experience of the membership of the CSS and PSS. The key financial assumptions incorporate estimates of future salary inflation and consumer price inflation, as well as the discount rate used to calculate the present value of the superannuation liability.

26 SUPERANNUATION - CONTINUED

Description and Material Accounting Policies relating to Superannuation - Continued

Sensitivity:

The following sensitivity analysis is based off the liability valuation at 30 June 2025, which incorporated a discount rate of 4.80 per cent, and the liability valuation at 30 June 2024, which incorporated a discount rate of 4.72 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 2025

	Increase in Superannuation Liability financial assumption	Decrease in Superannuation Liability financial assumption
Financial assumptions		
Discount rate (+/- 1 per cent)	(1,397,000)	1,756,000
CPI (+/- 1 per cent)	1,358,000	(1,126,000)
Salary inflation (+/- 1 per cent)	302,000	(274,000)
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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Superannuation liability at the beginning of the reporting period	**10,499,497**	**10,565,392**	**10,499,497**	**10,565,392**
Expense accrued during the period for CSS/PSS superannuation expense	668,693	656,631	668,693	656,631
Other superannuation expenses	349,726	311,420	375,415	334,630
Superannuation expense	**1,018,419**	**968,051**	**1,044,108**	**991,261**
Less: actuarial gain from actuarial review	27,388	327,003	27,388	327,003
Less: payments during the reporting period for superannuation	793,006	713,769	822,180	736,751
Plus: amounts recognised as employee benefits	1,805	6,826	5,290	6,598
Superannuation liability at the end of the reporting period	**10,699,327**	**10,499,497**	**10,699,327**	**10,499,497**
Represented by:				
Current estimated employee superannuation liability	451,859	421,947	451,859	421,947
Non-current estimated employee superannuation liability	10,247,468	10,077,550	10,247,468	10,077,550
Total superannuation liabilities	**10,699,327**	**10,499,497**	**10,699,327**	**10,499,497**

27 EMPLOYEE BENEFITS

Description and Material Accounting Policies relating to Employee benefits

Accrued Wages and Salaries

Wages and salaries are recognised in the reporting period when the employee renders services to the Territory Government. They are measured based on the amount paid to employees during the year as well as any wages and salaries due to employees that remain unpaid at the end of the financial year.

Annual and Long Service Leave

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 2025, the rate used to estimate the value of future payments for long service leave is 100.1 per cent for not-for-profit agencies (91.2 per cent at 30 June 2024). The rate used to estimate the future payments of annual leave is 99.5 per cent for not-for-profit agencies at 30 June 2025 (98.2 per cent at 30 June 2024).

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 as presented in the table below 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 years by the Australian Government Actuary. The latest assessment was undertaken in December 2024 and early 2025, with the next review expected to be undertaken by late 2027.

Flextime Liability

The Flextime liability is expected to be wholly settled within twelve months after the end of the reporting period, and as such is measured at nominal value based on the remuneration rates that the Territory expects to pay when the liability is settled. Judgement has been applied in estimating the Flextime liability, using a Whole-of-Government 'Flextime Shorthand Method'. This shorthand method involves taking the total wages and salaries expense for eligible employees, and assumes they have a maximum flextime liability based on an employee's normal weekly hours of duty. The maximum liability is used as flextime credits of up to an employee's normal weekly hours which are required to be paid out upon the cessation of their employment in accordance with the relevant Enterprise Agreements.

The flextime liability is classified as a current liability as presented in the table below as the Territory does not have an unconditional right to defer the settlement of the liability for at least 12 months.

27 EMPLOYEE BENEFITS - CONTINUED

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Employee benefits				
Current employee benefits				
Accrued wages and salaries	153,879	152,704	163,763	161,417
Annual leave[(a)]	476,371	431,759	506,930	459,972
Long service leave[(b)]	570,957	481,621	616,565	523,497
Flextime[(c)]	29,323	972	30,570	972
Other employee benefits	25,866	29,335	27,202	31,053
Total current employee benefits	***1,256,396***	***1,096,391***	***1,345,030***	***1,176,911***
Non-current employee benefits				
Long service leave	73,016	64,219	78,319	67,836
Other employee benefits	9	45	9	2,506
Total non-current employee benefits	***73,025***	***64,264***	***78,328***	***70,342***
Total employee benefits	**1,329,421**	**1,160,655**	**1,423,358**	**1,247,253**
Estimated amount payable within 12 months				
Accrued wages and salaries	155,028	150,212	164,471	158,847
Annual leave	278,105	250,907	298,538	269,477
Sick leave	0	0	1,283	1,256
Long service leave	54,604	45,643	74,843	65,460
Flextime	29,323	1,030	30,570	1,030
Other employee benefits	28,112	31,838	28,165	32,292
Total employee benefits payable within 12 months	**545,172**	**479,630**	**597,870**	**528,362**
Estimated amount payable after 12 months				
Annual leave	195,821	180,833	205,949	192,997
Long service leave	588,428	500,192	619,539	525,894
Total employee benefits payable after 12 months	**784,249**	**681,025**	**825,488**	**718,891**
Total employee benefits	**1,329,421**	**1,160,655**	**1,423,358**	**1,247,253**

Notes: (a) The increase is mainly due to a change in the present value factor used to value the annual leave liability from 98.2 per cent at 30 June 2024 to 99.5 per cent at 30 June 2025.

(b) The increase is mainly due to a change in the present value factor used to value the long service leave from 91.2 per cent at 30 June 2024 to 100.1 per cent at 30 June 2025.

(c) The increase in the Flextime liability is due to a change in accounting policy regarding flextime. Last financial year the General Government Sector and Total Territory did not recognise its Flextime liability as it was assessed as immaterial. However, in this year's financial statements the Territory has recognised a Flextime liability regardless of materiality.

The General Government Sector had approximately 28,180 full time equivalent employees (FTEs) as at 30 June 2025 (27,269 FTEs as at 30 June 2024). The Territory had approximately 30,245 FTEs as at 30 June 2025 (29,275 FTEs as at 30 June 2024).

28 PAYABLES AND CONTRACT LIABILITIES

Description and Material Accounting Policies relating to 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	
	2024-2025 Actual $'000	2023-2024 Actual $'000	2024-2025 Actual $'000	2023-2024 Actual $'000
Current Payables and Contract Liabilities				
Current payables				
Trade payables	155,986	98,079	165,807	116,524
Accrued expenses	209,218	222,233	266,663	272,156
GST liability	2,330	594	3,312	641
Revenue received in advance	1,771	3,795	2,721	3,795
Other payables	45,529	43,409	71,223	74,657
Total current payables	**414,834**	**368,110**	**509,726**	**467,773**
Current contract liabilities				
Amounts received related to contracts with customers where the performance obligations have not yet been satisfied	51,365	55,289	82,342	73,007
Amounts received in relation to acquisition or construction of an asset to be controlled by the Territory Government	0	365	0	365
Rent received in advance	13,083	131	8	82
Total current contract liabilities	**64,448**	**55,785**	**82,350**	**73,454**
Total current payables and contract liabilities	***479,282***	***423,895***	***592,076***	***541,227***
Non-current payables				
Other payables	0	0	1,554	870
Total non-current payables	**0**	**0**	**1,554**	**870**

28 PAYABLES AND CONTRACT LIABILITIES - CONTINUED

	General Government Sector		Total Territory	
	2024-2025 Actual $'000	2023-2024 Actual $'000	2024-2025 Actual $'000	2023-2024 Actual $'000
Non-current contract liabilities				
Amounts received related to contracts with customers where the performance obligations have not yet been satisfied	0	0	26,005	16,431
Total non-current contract liabilities	**0**	**0**	**26,005**	**16,431**
Total non-current payables and contract liabilities	***0***	***0***	***27,559***	***17,301***
Total payables and contract liabilities	**479,282**	**423,895**	**619,635**	**558,528**
Payables are aged as follows:				
Not overdue	403,240	360,049	499,827	458,271
Overdue for less than 30 days	10,485	7,132	10,322	7,815
Overdue for 30 to 60 days	525	489	528	424
Overdue for more than 60 days	584	440	603	2,133
Total payables[(a)]	**414,834**	**368,110**	**511,280**	**468,643**

Note: (a) The increase is reflective of a higher level of interest on borrowings to support prevailing cash flow requirements and finalisation through the Federal Court of a civil dispute concerning unpaid overtime for staff in Canberra Health Services.

	General Government Sector		Total Territory	
	2024-2025 Actual	2023-2024 Actual	2024-2025 Actual	2023-2024 Actual
Reconciliation of contract liabilities	**$'000**	**$'000**	**$'000**	**$'000**
Contract liabilities at the beginning of the reporting period	**55,785**	**30,392**	**89,885**	**91,638**
Add: Payments received for performance obligations which have not yet been completed at the end of the reporting period	100,763	96,381	105,437	90,954
Less: Revenue recognised for performance obligations which had been completed during the year	(92,100)	(70,988)	(86,967)	(92,707)
Contract liabilities at the end of the reporting period	**64,448**	**55,785**	**108,355**	**89,885**

29 COMMITMENTS

Description and Material Accounting Policies Relating to 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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Payable:				
Within one year	720,525	820,737	1,303,221	1,046,732
Later than one year but not later than five years	521,733	232,857	530,060	286,386
Later than five years	81,629	1,204	81,629	1,204
Total property, plant and equipment capital commitments[(a)]	**1,323,887**	**1,054,798**	**1,914,910**	**1,334,322**

Note: (a) The increase is mainly due to commitments associated with Tier 1 and Tier 2 capital works projects including Whitlam and Strathnairn Primary schools, Molonglo Enabling Works and William Hovell Drive Duplication.

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 22 '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. Further details can be found in Note 15 'Service Concession Arrangement' in Transport Canberra Operations financial statement.

29 COMMITMENTS - CONTINUED

PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS - CONTINUED

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. Further details on the commitments associated with the Canberra Metro 2A can be found in Note 21 'Commitments' of the Transport Canberra Operations financial statements.

Service Concession Arrangement Commitments relate to the capital and operational expenditure the Territory is required to make to Canberra Metro 2A and Canberra Metro over the remaining term of the service concession arrangement for Light Rail Stage 2A; and Veolia Environmental Services (Australia) over the remaining term of the service concession arrangement for the New Recycling Facility.

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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Payable:				
Within one year	31,007	26,686	71,252	62,077
Later than one year but not later than five years	582,121	598,669	745,055	759,179
Later than five years	1,099,154	675,043	1,529,684	1,148,242
Total public private partnership commitments[(a)]	**1,712,282**	**1,300,398**	**2,345,991**	**1,969,498**

Note: (a) The increase is primarily due to the service concession arrangement for a New Recycling Facility.

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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Payable:				
Within one year	1,572,583	1,199,943	1,727,528	1,343,962
Later than one year but not later than five years	2,144,348	2,450,162	2,188,498	2,492,710
Later than five years	932,361	350,262	948,973	387,400
Total other commitments[(a)]	**4,649,292**	**4,000,367**	**4,864,999**	**4,224,072**

Note: (a) The increase is mainly due to the support charge payable by the Territory in the Big Canberra Battery project, partially offset by progression in the cladding remediation program.

30 CONTINGENCIES, GUARANTEES AND INDEMNITIES

Description and Material Accounting Policies relating to 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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Contingent liabilities				
Land restoration	59,308	66,834	59,308	66,834
Personal injury claims[(a)]	30,280	49,475	30,280	49,475
Taxation and other related claims	451	451	451	451
Public liability claims	2,365	19,431	2,895	20,121
Economic loss claims	10,152	7,830	10,172	8,055
Professional development training funds	859	877	859	877
Total contingent liabilities	**103,415**	**144,898**	**103,965**	**145,813**
Contingent assets				
Property damage claims	3,559	0	3,559	0
Total contingent assets	**3,559**	**0**	**3,559**	**0**

Note: (a) The decrease reflects a lower level of claims in Canberra Health Services.

Contingent liabilities of the GGS and the Total Territory as at 30 June 2025 include:

Land restoration : the Territory Government manages 167 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 and other 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 Canberra Institute of Technology.

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.

The Territory has not entered into any guarantees during the year.

31 THIRD PARTY MONIES

Description and Material Accounting Policies relating to 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	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Third party monies held in trust by the Territory				
ACT Long Service Leave Authority[(a)]	92,313	67,156	92,313	67,156
Rental Bonds Board	116,064	109,805	116,064	109,805
Default Insurance Fund	58,855	52,363	58,855	52,363
Nominal Defendant Insurance Fund	49,244	44,445	49,244	44,445
Road User Services Trust	6,558	5,544	6,558	5,544
Health Private Practice Fund	94,874	80,858	94,874	80,858
Public Trustee Common Fund	502,067	478,468	502,067	478,468
Unconditional Undertakings held from Contractors	178,158	176,347	178,158	176,347
Other third party monies	17,003	20,679	17,003	20,679
Total monies held in trust	**1,115,136**	**1,035,665**	**1,115,136**	**1,035,665**

Note: (a) The increase largely reflects a positive return on investments and new investments purchased during the year, including reinvestment of distributions and management fee rebates.

32 RELATED PARTY DISCLOSURES

Description and Material Accounting Policies relating to 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) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Territory, directly or indirectly. The KMP of the Territory is the ACT Executive.

The ACT Executive consists of the Chief Minister and other Ministers appointed by the Chief Minister. The ACT Executive has powers under the *Australian Capital Territory (Self-Government) Act 1988* to govern the Territory and execute and maintain enactments and laws.

Key Management Personnel Compensation

KMP compensation is set out below:

	2024-25	2023-24
	$'000	$'000
Short-term employee benefits	2,982	3,152
Post employment benefits	453	478
Other long-term benefits	0	0
Termination benefits	101	0
Total compensation	**3,536**	**3,630**

Note: (a) The number of Territory Key Management Personnel (KMP) reported for 2024-25 is 12, the number of KMP reported for 2023–24 has been restated from 12 to 9 to only include the ACT Cabinet Ministers. The KMP compensation for 2023-24 has also been restated to reflect this.

Related Party Transactions

During the year, there were no material transactions with the ACT Executive, their close family members or entities controlled or jointly controlled thereof.

33 INTEREST IN JOINT ARRANGEMENTS

Description and Material Accounting Policies relating to Interest in joint arrangements

A joint arrangement is an arrangement that the Territory Government controls jointly with another investor(s). 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. In a joint operation, the parties have rights to the net assets of the 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.

33 INTEREST IN JOINT ARRANGEMENTS - CONTINUED

Description and Material Accounting Policies relating to Interest in joint arrangements - Continued

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.

Joint venture – 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.

Joint venture – Total Territory

Icon Water, through its wholly-owned subsidiaries, Icon Distribution Investments Limited and Icon Retail Investments Limited, is a 50 per cent partner in the ActewAGL Joint Venture. 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. 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.

Joint operation – Total Territory

The Suburban Land Agency represents the Territory Government in the West Belconnen Joint Venture with Riverview Developments (ACT) Pty Ltd, Reid & Stevens Pty Ltd and Corkhill Bros Pty Ltd to develop land to the west of Belconnen.

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

33 INTEREST IN JOINT ARRANGEMENTS - CONTINUED

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Share of joint operation profit:				
Revenue	165	84	508,243	480,262
Expenses	179	158	406,352	424,710
Operating profit / (Loss)	**(14)**	**(74)**	**101,891**	**55,552**
Summarised Balance Sheet				
Current assets	113	27	216,061	240,639
Non-current assets	3,855	3,954	975,893	918,575
Total assets	**3,968**	**3,981**	**1,191,954**	**1,159,214**
Current liabilities	3	3	148,981	159,197
Non-current liabilities	0	0	55,054	53,650
Total liabilities	**3**	**3**	**204,035**	**212,847**
Total net assets	**3,965**	**3,978**	**987,919**	**946,367**
Share of joint operation commitments				
Capital and other commitments	0	0	9,032	18,040
Total share of joint venture commitments	**0**	**0**	**9,032**	**18,040**

34 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 8: 'Commonwealth Grants revenue').

Commonwealth funding includes 'National Specific Purpose and Reform Grants' 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.

35 AUDITOR'S REMUNERATION

Description and Material Accounting Policies relating to 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 limited assurance engagements on 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 to GGS sector and Total Territory are funded through direct appropriation.

The amount in financial audit service provided to GGS and Total Territory in the table below represent the full amounts paid by the General Government Sector (GGS) and the Territory for financial audits, which are not consolidated into expenses of the GGS or the Territory as they are internal transactions between Government agencies and the ACT Audit Office.

Other service refers to financial audit services provided to external parties by ACT Audit Office.

	General Government Sector		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Audit services paid or payable				
Financial audit service provided to the General Government Sector and Total Territory	5,008	4,539	5,905	5,487
Other service provided to external parties	1,250	1,275	1,250	1,275
Total Auditor's remuneration	**6,258**	**5,814**	**7,155**	**6,762**

The ACT Audit Office paid $17,600 including GST for the independent audit of its own 2024-25 financial statements (2023-24: $16,500 including GST).

No other services were provided by the ACT Audit Office.

36 EVENTS AFTER THE REPORTING PERIOD

Calvary Health Care Just Terms Compensation

An agreement, in the form of a Deed of Settlement and Release (Deed), was reached on 28 August 2025 for the Territory to provide just terms compensation to Calvary Health Care (Calvary) relating to the Territory's 3 July 2023 acquisition of Calvary Public Hospital Bruce (CPHB). The agreement includes the following:

* a cash settlement of $65 million to be paid by the Health and Community Services Directorate (HCSD) by 15 October 2025, which is in addition to the $23.199 million early compensation payments already paid in cash to Calvary in prior financial years. The amount payable in relation to the acquisition of net assets is not separately identifiable as part of the agreed just terms compensation;

* the Territory forgiving amounts owing from Calvary as at the date of the agreement (estimated to be $12.910 million (GST exclusive) at the date of the agreement), represented by pre-acquisition receivables and Calvary's share of utilities charges at the Bruce hospital precinct;

* the Territory waiving Supreme Court costs (estimated at $0.220 million). The exact costs the Territory was entitled to recover was not formally determined by the preparation of a bill of legal costs and assessment by the Supreme Court given discussions about the settlement continued to be ongoing prior to agreement to the Deed and is now not required; and

* the Territory taking on $47.926 million of accrued employee entitlements and not offsetting this against the final payment to Calvary.

36 EVENTS AFTER THE REPORTING PERIOD - CONTINUED

Calvary Health Care Just Terms Compensation - Continued

The Territory's 2023-24 Financial Statements recorded $45.001 million in employee entitlements liabilities as part of the net assets acquired from Calvary (refer Note 7 'North Canberra Hospital acquisition' in the 2023-24 Consolidated Annual Financial Statements). The difference between the amount recorded in the Deed and the assumed employee entitlements ($2.925 million) primarily relates to personal leave forecast to be consumed over a reasonable period post-acquisition, which is not recorded in financial statements as it is an entitlement that doesn't get paid out when employees exit the workforce.

The entering into the agreement and deed has been assessed as an adjusting event under AASB 110 *Events after the Reporting Period* for the reporting period ending 30 June 2025. Accordingly, the financial effects relating to the 2024-25 financial period have been incorporated into the values and disclosures included in the 2024-25 Consolidated Annual Financial Statements.

The total cost of the compensation package to acquire CPHB was $149.261 million, which includes expenses of $101.335 million and the cost of employee liabilities estimated at $47.926 million. More detailed information on the impact on the financial statements of individual reporting entities is provided in the financial statements of Canberra Health Services at Note 22 'Events After the Reporting Period'.

During the 2024-25 financial year, the Territory's Net Operating Balance has also been increased by $1.306 million reflecting the conversion of the Provision for Calvary Public Hospital Bruce Net Assets Acquired (Liability) to a Gain from Contributed Asset ($66.306 million), partially offset by accrual of the $65 million required cash payment to Calvary. The Operating Result has also been impacted by the forgiveness of receivables owing from Calvary ($12.910 million GST exclusive). In summary, the Operating Result and Net Assets have decreased by $11.604 million, respectively reflecting the accrued cash settlement to Calvary ($65 million) and forgiveness of receivables owing from Calvary ($12.910 million), partially offset by the conversion of the Provision for Calvary Public Hospital Bruce Net Assets Acquired (Liability) to a Gain ($66.306 million).

Lifetime Care and Support Scheme

There were three potential participants who had not yet been assessed as accepted into the Lifetime Care and Support (LTCS) Scheme as at 30 June 2025. At the date of signing the financial statements one potential participant had been accepted into the LTCS Scheme.

An estimated average cost for the relevant injury and age of the two potential participants has been included (on a partial basis to allow for the probability of their acceptance into the scheme) as a provision.

CIT Solutions Pty Limited Company Liquidation

On 13 August 2025 the Canberra Institute of Technology (CIT) Board passed a resolution for CIT Solutions Pty Limited to enter into Members Voluntary Liquidation.

This is a solvent and planned process as part of a broader realignment with CIT that will ensure all financial and contractual obligations are met in full. Selected education and training programs, including accredited courses, professional short courses and the management of international students, will transition to CIT.

36 EVENTS AFTER THE REPORTING PERIOD - CONTINUED

Administrative Arrangements

On 1 July 2025, Administrative Arrangement 2025 (No.1), notifiable instrument NI2025-350, came into effect resulting in the restructure and consolidation of several directorates and functions across the Territory. The changes integrated a number of existing operations into newly established administrative groupings and transferred related assets, liabilities, and appropriations accordingly.

These changes will have consequential financial and annual reporting implications for individual agencies however, there is no material impact at the consolidated Territory level, as the overall remit and delivery of the Territory's responsibilities remain the same.

University of New South Wales (UNSW) Canberra City Campus

On 20 October 2025, construction began on Stage 1 of the UNSW Canberra City campus. The Territory Government is contributing $25 million and providing land and remediation works towards the project. As at 30 June 2025 the provision held for remediation was $26.8 million. Land with an estimated value of $12.9 million is expected to transfer to UNSW in 2025-26. The campus, expected to open in 2028, will accommodate about 6,000 students and staff. This has been assessed as a non-adjusting subsequent event under AASB 110 'Events after the Reporting Period'.

37 FINANCIAL INSTRUMENTS

Description and Material Accounting Policies Relating to 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, refer to Note 19 'Investments'.

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
Advances paid	Held to collect	Yes	Amortised cost
Receivables	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 directly held cash and debt securities of investments.

37 FINANCIAL INSTRUMENTS - CONTINUED

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

	Fixed rate instruments		Variable rate instruments	
	2024-25 $'000	2023-24 $'000	2024-25 $'000	2023-24 $'000
Cash and investments	1,223,754	893,871	2,811,552	2,707,918
Total exposure	**1,223,754**	**893,871**	**2,811,552**	**2,707,918**

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 (2023-24: 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:

2024-25	Fixed rate instruments		Variable rate instruments	
	+0.5 per cent Operating Result and Equity Impact $'000	-0.5 per cent Operating Result and Equity Impact $'000	+0.5 per cent Operating Result and Equity Impact $'000	-0.5 per cent Operating Result and Equity Impact $'000
Cash and investments	(6,119)	6,119	14,058	(14,058)
Net (decrease)/increase	**(6,119)**	**6,119**	**14,058**	**(14,058)**

2023-24	Fixed rate instruments		Variable rate instruments	
	+0.5 per cent Operating Result and Equity Impact $'000	-0.5 per cent Operating Result and Equity Impact $'000	+0.5 per cent Operating Result and Equity Impact $'000	-0.5 per cent Operating Result and Equity Impact $'000
Cash and investments	(4,469)	4,469	13,540	(13,540)
Net (decrease)/increase	**(4,469)**	**4,469**	**13,540**	**(13,540)**

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 or future cash flows 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.

37 FINANCIAL INSTRUMENTS - CONTINUED

The below table summarises General Government Sector and Total Territory's main exposure to price risk and inflation risk at 30 June.

	2024-25 $'000	2023-24 $'000
Price risk		
Investment assets		
Fixed income	344,206	343,929
Equities	4,169,105	4,031,204
Property	338,077	333,847
Infrastructure	594,860	521,233
Total exposure	**5,446,248**	**5,230,213**
Inflation risk		
Financial assets (inflation linked bonds)	799,011	791,793
Financial liabilities (inflation linked bonds)	798,499	791,310
Net exposure	**512**	**483**

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 2025	**% increase in index**		**% decrease in index**	
	Operating Result impact	**Equity impact**	**Operating Result impact**	**Equity impact**
	$'000	**$'000**	**$'000**	**$'000**
Investment assets				
Fixed income (+/-6%)	20,652	20,652	(20,652)	(20,652)
Equities (+/-14-20%)	639,679	639,679	(639,679)	(639,679)
Property (+/-8%)	27,046	27,046	(27,046)	(27,046)
Infrastructure (+/-10%)	59,486	59,486	(59,486)	(59,486)
Inflation Rate (+/-1%)	195	195	(195)	(195)

General Government Sector and Total Territory				
30 June 2024	**% increase in index**		**% decrease in index**	
	Operating Result impact	**Equity impact**	**Operating Result 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)

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.

37 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 (2024: 35%) hedged to Australian dollars.

The below table summarises the main exposure to foreign currency risk at the reporting date.

Currency as at 30 June 2025 General Government Sector and Total Territory	Cash	Assets at fair value through profit or loss	Other financial assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net financial assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AUD	32,360	4,617,523	128,401	4,778,284	11,700	461,088	472,788	4,305,496
USD	24,727	2,203,360	5,912	2,233,999	972	5,109	6,081	2,227,918
JPY	4,042	376,061	4,679	384,782	706	1,580	2,286	382,496
EUR	3,036	247,904	2,042	252,982	272	345	617	252,365
GBP	1,239	115,415	613	117,267	189	545	734	116,533
Other	1,941	242,585	4,909	249,435	45	0	45	249,390
Total A$'000	**67,345**	**7,802,848**	**146,556**	**8,016,749**	**13,884**	**468,667**	**482,551**	**7,534,198**

Currency as at 30 June 2024 General Government Sector and Total Territory	Cash	Assets at fair value through profit or loss	Other financial assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net financial 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**

37 FINANCIAL INSTRUMENTS - CONTINUED

Sensitivity disclosure analysis

The table below summarises the reasonably possible impact for 2024-25 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 (2023-24: +/- 12 per cent).

30 June 2025 **General Government Sector and Total Territory**	**(+/- impact) 12%**	
	Operating Result impact	**Equity impact**
	$'000	**$'000**
Currency		
USD	28,589	28,589
EUR	17,587	17,587
JPY	12,391	12,391
GBP	4,264	4,264
Other	2,856	2,856
Total increase/(decrease)	**65,687**	**65,687**

30 June 2024 **General Government Sector and Total Territory**	**(+/- impact) 12%**	
	Operating Result 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**

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 involving external parties.

The maximum exposure to credit risk is limited to the carrying amount of the cash and cash equivalents, receivables, investments and concessional loans issued 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, the Territory's exposure to credit risk is assessed based on debt securities directly held at the reporting date. This exposure is detailed in the table on the next page, which categorises investments by credit quality ratings (AAA to BBB) and shows the total value of holdings for each rating as at 30 June 2025 and 30 June 2024.

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 2025 (30 June 2024: nil).

37 FINANCIAL INSTRUMENTS - CONTINUED

Credit risk - continued

The Territory also has an exposure to credit risk in relation to concessional loans issued under the Sustainable Household Scheme (SHS) and ACT Private Buildings Cladding Concessional Loan Scheme. 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. Under the ACT Private Buildings Cladding Concessional Loan Scheme concessional loans are provided to eligible ACT Owners Corporations to remediate combustible cladding on private buildings.

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 2025, issued since the beginning of the scheme was $219.6 million ($179.8 million as at 30 June 2024), with an associated receivable of $129.1 million ($119.3 million as at 30 June 2024).

Credit risk in relation to the Private Building Cladding Concessional Loan Scheme is managed by ensuring that these loans are secured by a mortgage over the land and buildings the loans were given for, as some individuals receiving these loans have poor credit history. As at 30 June 2025, the balance of loans issued was $18.7 million.

The below table summarises the credit risk exposure only for debt securities directly held by the General Government Sector and the Total Territory at the reporting date.

General Government Sector and Total Territory	**Credit quality**				
	AAA	**AA**	**A**	**BBB**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
30 June 2025					
Directly held					
Investments	997,705	537,943	513,115	200,530	2,249,293
Total	**997,705**	**537,943**	**513,115**	**200,530**	**2,249,293**
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**

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.

37 FINANCIAL INSTRUMENTS - CONTINUED

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 2025 **General Government Sector**	**Less than 3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Non-Derivatives					
Payables	207,417	207,417	0	0	**414,834**
Interest-bearing liabilities (current/non-current)	9,676	1,497,562	5,393,239	10,497,141	**17,397,618**
Estimated superannuation liabilities	105,487	316,460	2,501,167	26,434,666	**29,357,780**
Total non-derivatives	**322,580**	**2,021,439**	**7,894,406**	**36,931,807**	**47,170,232**
Derivatives					
Net settled derivatives (interest rate swaps and futures)	(7,143)	(265)	(2,395)	(4,081)	**(13,884)**
Total derivatives	**(7,143)**	**(265)**	**(2,395)**	**(4,081)**	**(13,884)**

Liquidity risk - continued

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)**

37 FINANCIAL INSTRUMENTS - CONTINUED

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

30 June 2025 Total Territory	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Non-derivatives					
Payables	255,640	255,640	0	0	**511,280**
Interest-bearing liabilities (current/non-current)	9,676	1,497,562	5,393,239	10,497,141	**17,397,618**
Estimated superannuation liabilities	105,487	316,460	2,501,167	26,434,666	**29,357,780**
Total non-derivatives	**370,803**	**2,069,662**	**7,894,406**	**36,931,807**	**47,266,678**
Derivatives					
Net settled derivatives (interest rate swaps and futures)	(7,143)	(265)	(2,395)	(4,081)	**(13,884)**
Total derivatives	**(7,143)**	**(265)**	**(2,395)**	**(4,081)**	**(13,884)**

30 June 2024 Total Territory	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'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)**

37 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	2024-25		2023-24	
	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000
Financial assets				
Cash and deposits[(a)]	2,668,928	2,668,928	2,507,559	2,507,559
Advances paid	2,115,584	2,101,821	2,077,827	2,025,791
Investments[(b)]	7,552,342	7,552,342	6,816,125	6,816,125
Receivables[(c)]	924,556	924,556	886,632	886,632
Equity investments in other public sector entities	11,345,127	11,345,127	10,991,382	10,991,382
Total financial assets	**24,606,537**	**24,592,774**	**23,279,525**	**23,227,489**
Financial liabilities				
Advances received	36,172	36,172	40,864	40,864
Other borrowings	13,587,149	13,362,915	11,494,165	10,864,353
Payables	414,834	414,834	368,110	368,110
Other liabilities	79,918	79,918	21,109	21,109
Total financial liabilities	**14,118,073**	**13,893,839**	**11,924,248**	**11,294,436**
Net financial assets	**10,488,464**	**10,698,935**	**11,355,277**	**11,933,053**

Total Territory	2024-25		2023-24	
	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000
Financial assets				
Cash and deposits[(a)]	2,881,682	2,881,682	2,881,817	2,881,817
Advances paid	147,822	147,822	130,769	130,769
Investments[(b)]	7,624,342	7,624,342	6,898,125	6,898,125
Receivables[(c)]	791,834	791,834	697,397	697,397
Investments accounted for using the equity method	1,106,385	1,106,385	1,006,137	1,006,137
Total financial assets	**12,552,065**	**12,552,065**	**11,614,245**	**11,614,245**
Financial liabilities				
Advances received	64,946	64,946	73,231	73,231
Other borrowings	13,888,353	13,664,119	11,782,723	11,152,911
Payables	511,280	511,280	468,643	468,643
Other liabilities	87,222	87,222	27,904	27,904
Total financial liabilities	**14,551,801**	**14,327,567**	**12,352,501**	**11,722,689**
Net financial (liabilities)/assets	**(1,999,736)**	**(1,775,502)**	**(738,256)**	**(108,444)**

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.

37 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).

General Government Sector

30 June 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Assets and liabilities at fair value				
Financial assets				
Investment assets	4,050,799	2,974,785	380,534	**7,406,118**
Assets and liabilities for which fair values are disclosed				
Financial assets				
Advances paid and receivables	0	2,581,326	0	**2,581,326**
Financial liabilities				
Borrowings	0	13,183,392	0	**13,183,392**
Net assets/(liabilities)	**4,050,799**	**(7,627,281)**	**380,534**	**(3,195,948)**

General Government Sector

30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Assets and liabilities at fair value				
Financial assets				
Investment assets	3,901,505	2,564,971	340,921	**6,807,397**
Assets and liabilities for which fair values are disclosed				
Financial assets				
Advances paid 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**	**(5,638,936)**	**340,921**	**(1,396,510)**

37 FINANCIAL INSTRUMENTS - CONTINUED

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.

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.

37 FINANCIAL INSTRUMENTS - CONTINUED

Level 3 reconciliations

30 June 2025	Listed securities	Unit trusts
	$'000	$'000
Balance at 1 July 2024	**16**	**340,921**
Settlements during the year	(25)	14,540
Transfers into Level 3	300	0
Total gains/(losses)	(94)	25,070
Balance at 30 June 2025	**197**	**380,534**

30 June 2024	Listed securities	Unit trusts
	$'000	$'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**

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.

The Territory Government's Credit Rating as Updated in September 2025

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 stable. The issuer credit rating is assigned by S&P Global Ratings. The recent change in rating is not expected to have any material impact on the Territory Government's financial statements.

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

38 SECURITISATION ARRANGEMENTS

Description and Material Accounting Policies relating to Securitisation arrangements

In 2024-25, the Territory entered into securitisation arrangements in relation to the Sustainable Household Scheme and ACT Private Buildings Cladding Concessional Loan Scheme.

Sustainable Household Scheme

The Sustainable Household Scheme (the Scheme) provides concessional loans to eligible participants to assist with the costs of energy-efficient upgrades to households. The Scheme is administered through a Loan Administration Agreement with Brighte Capital Pty Limited (Brighte), who facilitates the scheme on behalf of the Territory.

In 2024-25, the Scheme was restructured to include a securitised trust arrangement to mitigate risk and ensure continuity of the Scheme in the event that the loan administrator (Brighte) become insolvent. Under this arrangement, the ACT Sustainable Household Scheme Trust (the SHS Trust) was established, with Perpetual Corporate Trust Limited acting as the trustee and Perpetual Nominees Limited acting as the trust manager. The Territory pays management, accounting, and standby servicer fees to Perpetual Services Pty Ltd for the delivery of these services.

ACT Private Buildings Cladding Concessional Loan Scheme

The ACT Private Buildings Cladding Concessional Loan Scheme provides concessional loans to eligible Owners Corporations to remediate combustible cladding on private buildings. The Scheme commenced in 2022 and is administered by Lannock Strata Finance, appointed as the Contractor on behalf of the Territory.

Since September 2024, the concessional loans are facilitated through a securitised trust arrangement. Lannock Strata Finance has been appointed as the Contractor to administer the loans on behalf of the Territory, with the loan scheme securitised by the Trustee, Perpetual Limited.

The Territory wholly controls the SHS Trust and ACT Private Building Cladding Scheme Loans Trust and consolidates it into its financial statements in accordance with AASB 10 *Consolidated Financial Statements* as the parent entity.

The two trusts are wholly controlled by the Territory and consolidated into the financial statements. The relationship with two Trusts at the end of financial year is outlined below:

Name	Country of Establishment	2025 % Owned
Sustainable Household Scheme Trust	Australia	100%
Private Building Cladding Scheme Loans Trust	Australia	100%

The Territory holds units in the Sustainable Household Scheme Trust and the Private Buildings Cladding Scheme Trust, and purchases notes issued by these trusts, which are used to fund loans under the trusts. Loan repayments received by the trusts from scheme participants are repaid to the Territory via note repayments.

As of 30 June 2025, the Territory held $169.4 million in trust notes under the Sustainable Household Scheme and received $21.6 million in repayments. Under the Private Buildings Cladding Scheme, the Territory held $26 million in trust notes and received $0.5 million in repayments.

38 SECURITISATION ARRANGEMENTS - CONTINUED

The Financial Position of the two trusts as at 30 June 2025 is outlined below:

	2024-25 $'000
Assets	
Cash and cash equivalents	15,209
Loan receivables	187,312
Other assets	168
Total assets	**202,689**
Liabilities	
Fees payable	181
Other payables	103
Capital payable (eliminated)	202,360
Total liabilities	**202,644**

39 SERVICE CONCESSION ARRANGEMENTS

Description and Material Accounting Policies relating to 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) sector and Total Territory financial statements. Arrangements for Light Rail Stage 2A are recognised in the General Government sector and will transfer to the PNFC sector 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 841 properties with head leases to operators on which services are provided in accordance with the services agreements in place (2023-24: 887). 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 except for service concession land assets, which are not depreciated.

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 service concession building asset class which includes light rail building while plant and equipment assets are included within the service concession 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.

39 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 sector to the PNFC sector.

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.

39 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 sector 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.

39 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

New Recycling Facility Service Concession Arrangement

In January 2025, the Territory (grantor) entered into a contract with Veolia Environmental Services (Australia) for the financing, design, construction, commissioning, operation, and maintenance of the New Recycling Facility (NRF). Construction of the NRF will be within the current bounds of the Hume Resource Recovery Estate on Recycling Road in Hume and is expected to begin towards the start of the 2026 calendar year.

The NRF operating phase commences on the day after the NRF date of services completion and will continue until April 2048.

Upon achieving services completion (expected April 2028), the services concession asset and remaining liabilities will be retained within the GGS.

Under the terms of the arrangement the Territory retains the significant residual interest in the assets at the end of the 20-year term.

Termination clauses

The project agreement 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 six months' notice in writing under to Veolia Environmental Services. For termination for convenience, the Territory will pay Veolia Environmental Services a termination for convenience payment. This amount is calculated as the out-of-pocket costs and expenses incurred as a result of the agreement and which Veolia Environmental Services is unable to recover or mitigate.

* Force majeure event - Where the project agreement is terminated for force majeure event (e.g., an earthquake) which prevents Veolia Environmental Services from carrying out all or substantially all of the project activities for a continuous period exceeding 20 business days, the Territory will pay Veolia Environmental Services a force majeure termination 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 - The Territory will pay Veolia Environmental Services 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.

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

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.

Following service completion, the Territory will retain the capital works in progress within the GGS 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.

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

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 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.

Expenses by Function

		General Government Sector		Total Territory	
		2024-25 Actual	2023-24 Actual	2024-25 Actual	2023-24 Actual
COFOG	Description	$'000	$'000	$'000	$'000
01	General public services[(a)]	1,957,944	1,745,577	1,950,178	1,717,250
03	Public order and safety	752,947	722,620	751,575	720,709
04	Economic affairs	169,085	128,621	168,046	126,745
05	Environmental protection	255,376	321,626	391,858	445,479
06	Housing and community amenities	85,038	67,702	340,546	312,267
07	Health[(b)]	2,813,844	2,459,402	2,808,941	2,454,212
08	Recreation, culture and religion	249,493	240,204	261,969	255,099
09	Education	1,896,292	1,800,147	1,920,073	1,822,868
10	Social protection	577,953	621,886	715,458	756,308
11	Transport	611,595	549,971	588,676	572,812
Total expenses		**9,369,567**	**8,657,756**	**9,897,320**	**9,183,749**

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

Assets by Function

		General Government Sector		Total Territory	
		2024-25 Actual	2023-24 Actual	2024-25 Actual	2023-24 Actual
COFOG	Description	$'000	$'000	$'000	$'000
01	General public services[(c)]	23,507,995	22,437,725	12,024,860	11,220,765
03	Public order and safety	739,396	718,383	733,342	714,093
04	Economic affairs	2,461,293	2,383,586	489,141	419,840
05	Environmental protection	442,213	431,574	2,519,069	2,413,793
06	Housing and community amenities	112,990	108,404	3,810,905	3,717,286
07	Health	2,729,458	2,572,354	2,706,218	2,557,183
08	Recreation, culture and religion	1,835,169	1,781,792	1,831,962	1,779,786
09	Education	3,371,403	3,220,597	3,660,379	3,465,223
10	Social protection	503,749	491,840	8,639,097	8,686,009
11	Transport	12,925,939	12,658,344	13,950,339	13,503,004
Total assets		**48,629,605**	**46,804,599**	**50,365,312**	**48,476,982**

Notes: (a) The increase is mainly due to higher interest on borrowings reflecting a higher balance of outstanding fixed rate nominal bond borrowings.

(b) The increase is primarily driven by a larger employed workforce, higher use of agency nursing staff and visiting medical officers to meet significant growth in demand for health services.

(c) The increase is mainly due to higher investment balances and higher investment returns.

41 DISAGGREGATED SECTOR INFORMATION

Disaggregated Sector information includes transactions and balances between sectors but excludes transactions between entities within each of these. Further information can be found in Note 2. Disaggregated information.

Consolidated Operating Statement by Sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Revenue								
Grants and subsidies	0	0	338,465	331,121	(338,465)	(331,121)	0	0
Taxation revenue	2,710,709	2,572,029	0	0	(58,225)	(54,368)	2,652,484	2,517,661
Commonwealth grants revenue	3,483,190	3,376,065	7,123	9,398	(4,998)	(7,360)	3,485,315	3,378,103
Sales of goods and services								
Revenue from associates and joint ventures	0	0	91,810	46,593	0	0	91,810	46,593
Other sales of goods and services	762,969	680,835	496,231	456,710	(106,731)	(92,940)	1,152,469	1,044,605
Investment revenue	141,502	126,143	0	0	0	0	141,502	126,143
Interest revenue	315,452	291,277	17,142	17,531	(79,681)	(90,451)	252,913	218,357
Dividend and income tax equivalents income	157,407	130,969	0	0	(157,407)	(130,969)	0	0
Other revenue								
Land revenue (value-add component)	0	0	212,675	256,126	0	(18,439)	212,675	237,687
Other revenue	261,405	239,544	26,273	42,270	(35,877)	(47,055)	251,801	234,759
Gains from contributed assets	138,619	181,161	74,635	53,922	(88,309)	(74,846)	124,945	160,237
Total revenue	**7,971,253**	**7,598,023**	**1,264,354**	**1,213,671**	**(869,693)**	**(847,549)**	**8,365,914**	**7,964,145**
Expenses								
Employee expenses	3,588,384	3,239,809	258,336	237,884	(3,989)	(5,082)	3,842,731	3,472,611
Superannuation expenses								
Superannuation interest cost	493,924	464,705	0	0	0	0	493,924	464,705
Other superannuation expense	524,495	503,346	37,750	35,238	(12,061)	(12,028)	550,184	526,556
Depreciation and amortisation	657,230	604,853	199,386	196,528	0	0	856,616	801,381
Interest expense	493,628	379,588	104,804	113,457	(79,681)	(90,451)	518,751	402,594
Other property expenses (income tax equivalents)	0	0	38,253	68,318	(38,253)	(68,318)	0	0
Other operating expenses								
Supplies and services	1,638,650	1,509,225	381,768	368,406	(76,254)	(75,399)	1,944,164	1,802,232
Other operating expenses	457,442	482,949	176,139	180,854	(113,103)	(115,905)	520,478	547,898
Grants and purchased services	1,515,814	1,473,281	64,258	88,125	(409,600)	(395,634)	1,170,472	1,165,772
Total expenses	**9,369,567**	**8,657,756**	**1,260,694**	**1,288,810**	**(732,941)**	**(762,817)**	**9,897,320**	**9,183,749**
UPF net operating balance	**(1,398,314)**	**(1,059,733)**	**3,660**	**(75,139)**	**(136,752)**	**(84,732)**	**(1,531,406)**	**(1,219,604)**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Operating Statement by Sector - Continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Other economic flows - included in the operating result								
Dividends (market gains on land sales)	97	48,934	0	0	(97)	(48,934)	0	0
Land revenue (market gains on land sales)	0	0	141	71,724	0	0	141	71,724
Net land revenue (undeveloped land value)	2,426	4,577	1,860	0	(1,506)	736	2,780	5,313
Net gain/(loss) on sale of non-financial assets	(73,577)	13,228	(2,403)	(6,265)	0	0	(75,980)	6,963
Net gain/(loss) on financial assets or liabilities at fair value	621,818	500,661	1	0	0	0	621,819	500,661
Doubtful and bad debts	(33,377)	(18,231)	348	(6,316)	0	0	(33,029)	(24,547)
Operating result	**(880,927)**	**(510,564)**	**3,607**	**(15,996)**	**(138,355)**	**(132,930)**	**(1,015,675)**	**(659,490)**
Other economic flows - other comprehensive income								
Items that will not be subsequently reclassified to operating statement								
Capital payments to ACT government agencies	(189,667)	(210,524)	0	0	189,667	210,524	0	0
Transfer of assets to the public non-financial corporations (PNFC) sector	(57,525)	(16,524)	0	0	57,525	16,524	0	0
Superannuation actuarial gain	27,388	327,003	0	0	0	0	27,388	327,003
Other movements	(6,712)	(78,578)	(26,505)	255	0	0	(33,217)	(78,323)
Increase in asset revaluation surplus	67,427	1,756,336	240,773	(20,644)	64,431	120,027	372,631	1,855,719
(Decrease) in other reserves	(348)	0	0	0	0	0	(348)	0
Items that may be subsequently reclassified to operating statement								
Increase/(decrease) in net assets of PNFC sector	353,745	64,961	0	0	(353,745)	(64,961)	0	0
Total comprehensive result	**(686,619)**	**1,332,110**	**217,875**	**(36,385)**	**(180,477)**	**149,184**	**(649,221)**	**1,444,909**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Operating Statement by Sector - Continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Key fiscal aggregates								
UPF net operating balance	**(1,398,314)**	**(1,059,733)**	**3,660**	**(75,139)**	**(136,752)**	**(84,732)**	**(1,531,406)**	**(1,219,604)**
less **net acquisition of non-financial assets**								
Payments for non-financial assets	1,107,468	1,080,910	314,648	277,496	(19,528)	(21,497)	1,402,588	1,336,909
Sales of non-financial assets	(18,084)	(30,303)	(48,632)	(90,212)	472	0	(66,244)	(120,515)
Change in inventories	5,422	111	37,427	93,898	0	0	42,849	94,009
Depreciation and amortisation	(657,230)	(604,853)	(199,386)	(196,528)	0	0	(856,616)	(801,381)
Other movements in non-financial assets	73,301	80,438	38,694	(8,531)	0	0	111,995	71,907
Total net acquisition of non-financial assets	*510,877*	*526,303*	*142,751*	*76,123*	*(19,056)*	*(21,497)*	*634,572*	*580,929*
Net (borrowing)	**(1,909,191)**	**(1,586,036)**	**(139,091)**	**(151,262)**	**(117,696)**	**(63,235)**	**(2,165,978)**	**(1,800,533)**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Balance Sheet by Sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Financial assets								
Cash and deposits	2,668,928	2,507,559	212,754	374,258	0	0	2,881,682	2,881,817
Advances paid	2,115,584	2,077,827	0	10,903	(1,967,762)	(1,957,961)	147,822	130,769
Investments	7,552,342	6,816,125	72,000	82,000	0	0	7,624,342	6,898,125
Receivables	966,271	949,261	62,802	80,891	(180,958)	(244,847)	848,115	785,305
Equity investments						0		
Investments in other public non-financial corporations sector	11,345,127	10,991,382	0	0	(11,345,127)	(10,991,382)	0	0
Investments accounted for using the equity method	20	20	1,106,385	1,006,137	(20)	(20)	1,106,385	1,006,137
Total financial assets	**24,648,272**	**23,342,174**	**1,453,941**	**1,554,189**	**(13,493,867)**	**(13,194,210)**	**12,608,346**	**11,702,153**
Non-financial assets								
Produced assets								
Property, plant and equipment	16,908,675	16,467,923	7,135,847	6,643,350	0	0	24,044,522	23,111,273
Investment properties	5,020	5,020	26,252	24,196	0	0	31,272	29,216
Intangibles	162,359	196,535	16,567	22,423	0	0	178,926	218,958
Inventories	45,766	40,344	571,114	533,687	0	0	616,880	574,031
Assets held for sale	11,647	9,981	8,728	11,410	0	0	20,375	21,391
Capital works-in-progress	1,614,002	1,473,033	321,567	363,611	0	0	1,935,569	1,836,644
Non-produced assets								
Property, plant and equipment	5,183,449	5,214,619	5,695,559	5,713,727	0	0	10,879,008	10,928,346
Biological assets	48,649	48,830	0	0	0	0	48,649	48,830
Other non-financial assets					0	0		
Deferred tax assets	0	0	28,689	25,799	(28,689)	(25,799)	0	0
Other non-financial assets	1,765	6,140	0	0	0	0	1,765	6,140
Total non-financial assets	**23,981,332**	**23,462,425**	**13,804,323**	**13,338,203**	**(28,689)**	**(25,799)**	**37,756,966**	**36,774,829**
Total assets	**48,629,604**	**46,804,599**	**15,258,264**	**14,892,392**	**(13,522,556)**	**(13,220,009)**	**50,365,312**	**48,476,982**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Balance Sheet by Sector - Continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Liabilities								
Advances received	36,172	40,864	1,996,536	1,990,328	(1,967,762)	(1,957,961)	64,946	73,231
Borrowings								
Lease liabilities	1,010,684	1,036,615	25,937	24,942	0	0	1,036,621	1,061,557
Other borrowings	13,587,149	11,494,165	301,204	288,558	0	0	13,888,353	11,782,723
Superannuation	10,699,327	10,499,497	0	0	0	0	10,699,327	10,499,497
Employee benefits	1,329,421	1,160,655	94,089	86,670	(152)	(72)	1,423,358	1,247,253
Other provisions	1,217,070	1,250,599	348,926	335,718	(32,118)	(21,221)	1,533,878	1,565,096
Payables	414,834	368,110	151,871	158,064	(55,425)	(57,531)	511,280	468,643
Contract Liabilities	64,448	55,785	58,606	50,895	(14,699)	(16,795)	108,355	89,885
Other liabilities								
Current tax liability	0	0	19,883	27,789	(19,883)	(27,789)	0	0
Deferred tax liability	0	0	846,124	758,298	(846,124)	(758,298)	0	0
Other liabilities	79,918	21,109	69,961	179,748	(62,657)	(172,953)	87,222	27,904
Total liabilities	**28,439,023**	**25,927,399**	**3,913,137**	**3,901,010**	**(2,998,820)**	**(3,012,620)**	**29,353,340**	**26,815,789**
Net assets	**20,190,581**	**20,877,200**	**11,345,127**	**10,991,382**	**(10,523,736)**	**(10,207,389)**	**21,011,972**	**21,661,193**
Equity in public non-financial corporations sector	11,345,127	10,991,382	0	0	(11,345,127)	(10,991,382)	0	0
Accumulated funds	(1,596,849)	(551,889)	4,049,830	3,873,063	14,019	41,052	2,467,000	3,362,226
Asset revaluation surplus	10,441,421	10,436,477	7,295,297	7,118,319	807,372	742,941	18,544,090	18,297,737
Other reserves	882	1,230	0	0	0	0	882	1,230
Net worth	**20,190,581**	**20,877,200**	**11,345,127**	**10,991,382**	**(10,523,736)**	**(10,207,389)**	**21,011,972**	**21,661,193**
Key fiscal aggregates								
Net financial worth	(3,790,751)	(2,585,225)	(2,459,196)	(2,346,821)	(10,495,047)	(10,181,590)	(16,744,994)	(15,113,636)
Net financial liabilities	15,135,878	13,576,607	0	0	2,715,501	2,543,166	17,851,379	16,119,773
Net debt (excluding superannuation related investments)	9,150,694	7,293,086	2,038,923	1,836,667	0	0	11,189,617	9,129,753

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Changes in Equity by Sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Opening equity								
Opening equity in public non-financial corporations (PNFC) sector	10,991,382	10,926,421	0	0	(10,991,382)	(10,926,421)	0	0
Opening accumulated funds	(551,889)	(70,281)	3,873,063	3,659,313	41,052	48,280	3,362,226	3,637,312
Opening 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
Opening other reserves	1,230	1,230	0	0	0	0	1,230	1,230
Opening 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**
Comprehensive income								
Included in accumulated funds:								
Operating result for the period	(880,927)	(510,564)	3,607	(15,996)	(138,355)	(132,930)	(1,015,675)	(659,490)
Capital payments to ACT government agencies	(189,667)	(210,524)	0	0	189,667	210,524	0	0
Transfer of assets to the PNFC sector	(57,525)	(16,524)	0	0	57,525	16,524	0	0
Superannuation actuarial gain	27,388	327,003	0	0	0	0	27,388	327,003
Other movements	(6,712)	(78,578)	(26,505)	255	0	0	(33,217)	(78,323)
Included in equity in PNFC sector:					0	0		
Increase/(decrease) in net assets of PNFC sector	353,745	64,961	0	0	(353,745)	(64,961)	0	0
Included in the asset revaluation surplus:					0	0		
Increase in the asset revaluation surplus	67,427	1,756,336	240,773	(20,644)	64,431	120,027	372,631	1,855,719
Included in other reserves:					0	0		
(Decrease) in other reserves	(348)	0	0	0	0	0	(348)	0
Total comprehensive result	**(686,619)**	**1,332,110**	**217,875**	**(36,385)**	**(180,477)**	**149,184**	**(649,221)**	**1,444,909**
Other								
Transfer to accumulated funds	62,483	7,579	63,795	128,145	0	0	126,278	135,724
Transfer from the asset revaluation surplus	(62,483)	(7,579)	(63,795)	(128,145)	0	0	(126,278)	(135,724)
Total other	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Changes in Equity by Sector - Continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Transactions involving owners' affecting accumulated funds								
Capital injections	0	0	189,667	210,524	(189,667)	(210,524)	0	0
Capital distributions	0	0	0	0	0	0	0	0
Transfer of assets from the General Government Sector	0	0	57,525	16,524	(57,525)	(16,524)	0	0
Dividends approved	0	0	(111,322)	(125,702)	111,322	125,702	0	0
Total transactions involving owners' affecting accumulated funds	**0**	**0**	**135,870**	**101,346**	**(135,870)**	**(101,346)**	**0**	**0**
Closing equity								
Closing equity in PNFC sector	11,345,127	10,991,382	0	0	(11,345,127)	(10,991,382)	0	0
Closing accumulated funds	(1,596,849)	(551,889)	4,049,830	3,873,063	14,019	41,052	2,467,000	3,362,226
Closing asset revaluation surplus	10,441,421	10,436,477	7,295,297	7,118,319	807,372	742,941	18,544,090	18,297,737
Closing other reserves	882	1,230	0	0	0	0	882	1,230
Closing balance	**20,190,581**	**20,877,200**	**11,345,127**	**10,991,382**	**(10,523,736)**	**(10,207,389)**	**21,011,972**	**21,661,193**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Cash Flows by Sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Cash flows from operating activities								
Cash receipts								
Taxes received	2,635,929	2,405,747	0	0	(46,181)	(53,042)	2,589,748	2,352,705
Receipts from sales of goods and services	712,815	851,475	729,400	777,483	(118,903)	(111,415)	1,323,312	1,517,543
Grants received	3,487,577	3,385,000	340,304	333,150	(338,163)	(331,090)	3,489,718	3,387,060
Investment receipts	142,278	126,967	0	0	0	0	142,278	126,967
Interest receipts	293,896	264,193	15,972	16,267	(68,100)	(71,058)	241,768	209,402
Dividends and income tax equivalents	248,847	33,508	0	0	(248,847)	(33,508)	0	0
Other receipts	448,675	657,121	150,139	161,350	(34,687)	(54,308)	564,127	764,163
Total receipts from operating activities	***7,970,017***	***7,724,011***	***1,235,815***	***1,288,250***	***(854,881)***	***(654,421)***	***8,350,951***	***8,357,840***
Cash payments								
Employee payments	(4,297,941)	(3,864,340)	(293,787)	(274,559)	15,985	17,110	(4,575,743)	(4,121,789)
Supplies and services	(1,708,204)	(1,640,410)	(363,232)	(330,877)	73,132	63,423	(1,998,304)	(1,907,864)
Grants and purchased services	(1,414,716)	(1,326,836)	(39,613)	(36,861)	333,074	332,308	(1,121,255)	(1,031,389)
Borrowing costs	(439,768)	(326,728)	(88,801)	(92,385)	67,934	71,104	(460,635)	(348,009)
Other payments	(539,372)	(683,352)	(304,351)	(369,317)	97,111	113,368	(746,612)	(939,301)
Total payments from operating activities	***(8,400,001)***	***(7,841,666)***	***(1,089,784)***	***(1,103,999)***	***587,236***	***597,313***	***(8,902,549)***	***(8,348,352)***
Net cash (outflows)/inflows from operating activities	**(429,984)**	**(117,655)**	**146,031**	**184,251**	**(267,645)**	**(57,108)**	**(551,598)**	**9,488**
Cash flows from investing activities								
Cash flows from investments in non-financial assets								
Proceeds from sales of non-financial assets	18,084	30,303	48,632	90,212	(472)	0	66,244	120,515
Purchase of non-financial assets	(1,107,468)	(1,080,910)	(314,648)	(277,496)	19,528	21,497	(1,402,588)	(1,336,909)
Net cash (outflows) from investments in non-financial assets	***(1,089,384)***	***(1,050,607)***	***(266,016)***	***(187,284)***	***19,056***	***21,497***	***(1,336,344)***	***(1,216,394)***

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Cash Flows by Sector - Continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Cash flows from investments in financial assets for policy purposes								
Cash receipts								
Loan receivable repayment received	34,987	21,068	10,983	7,310	(74)	0	45,896	28,378
Capital injections	0	15,033	189,668	210,524	(189,668)	(210,524)	0	15,033
Dividends (market gains on land sales)	97	48,934	0	0	(97)	(48,934)	0	0
Total receipts from investment in financial assets for policy purposes	***35,084***	***85,035***	***200,651***	***217,834***	***(189,839)***	***(259,458)***	***45,896***	***43,411***
Cash payments								
Loan receivable provided	(61,788)	(62,689)	0	(10,168)	0	0	(61,788)	(72,857)
Capital payments to government agencies	(189,668)	(210,524)	0	0	189,668	210,524	0	0
Dividends (market gains on land sales)	0	0	(97)	(48,934)	97	48,934	0	0
Total payments from investment in financial assets for policy purposes	***(251,456)***	***(273,213)***	***(97)***	***(59,102)***	***189,765***	***259,458***	***(61,788)***	***(72,857)***
Net cash (outflows)/inflows from investments in financial assets for policy purposes	***(216,372)***	***(188,178)***	***200,554***	***158,732***	***(74)***	***0***	***(15,892)***	***(29,446)***
Cash flows from investments in financial assets for liquidity purposes								
Proceeds from sales of investments	15,314	353	363	1,673	0	1,253	15,677	3,279
Payments for investments	(31)	(242,955)	0	(2,506)	0	0	(31)	(245,461)
Net cash (outflows)/inflows from investments in financial assets for liquidity purposes	***15,283***	***(242,602)***	***363***	***(833)***	***0***	***1,253***	***15,646***	***(242,182)***
Net cash (outflows) from investing activities	**(1,290,473)**	**(1,481,387)**	**(65,099)**	**(29,385)**	**18,982**	**22,750**	**(1,336,590)**	**(1,488,022)**

41 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Cash Flows by Sector - Continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000	2024-25 Actual $'000	2023-24 Actual $'000
Cash flows from financing activities								
Cash receipts								
Proceeds from borrowings	1,966,909	1,892,933	30,317	100,236	(6,713)	(196,022)	1,990,513	1,797,147
Total receipts from financing activities	***1,966,909***	***1,892,933***	***30,317***	***100,236***	***(6,713)***	***(196,022)***	***1,990,513***	***1,797,147***
Cash payments								
Repayment of borrowings	(4,871)	(102,993)	(26,608)	(132,077)	6,787	196,022	(24,692)	(39,048)
Repayment of lease liabilities - principal	(63,634)	(57,536)	(7,556)	(5,016)	0	0	(71,190)	(62,552)
Dividends paid	0	0	(194,501)	(1,857)	194,501	1,857	0	0
Other financing	0	0	(54,088)	(32,501)	54,088	32,501	0	0
Total payments from financing activities	***(68,505)***	***(160,529)***	***(282,753)***	***(171,451)***	***255,376***	***230,380***	***(95,882)***	***(101,600)***
Net cash inflows/(outflows) from financing activities	**1,898,404**	**1,732,404**	**(252,436)**	**(71,215)**	**248,663**	**34,358**	**1,894,631**	**1,695,547**
Net increase/(decrease) in cash and cash equivalents	**177,947**	**133,362**	**(171,504)**	**83,651**	**0**	**0**	**6,443**	**217,013**
Cash and cash equivalents at the beginning of reporting period	**2,507,722**	**2,374,360**	**456,256**	**372,605**	**0**	**0**	**2,963,978**	**2,746,965**
Cash and cash equivalents at the end of reporting period	**2,685,669**	**2,507,722**	**284,752**	**456,256**	**0**	**0**	**2,970,421**	**2,963,978**
Key fiscal aggregates								
Net cash from operating activities	(429,984)	(117,655)	146,031	184,251	(267,645)	(57,108)	(551,598)	9,488
Net cash from investments in non-financial assets	(1,089,384)	(1,050,607)	(266,016)	(187,284)	19,056	21,497	(1,336,344)	(1,216,394)
Distributions paid	0	0	(248,589)	(34,358)	248,589	34,358	0	0
Cash (deficit)	**(1,519,368)**	**(1,168,262)**	**(368,574)**	**(37,391)**	**0**	**(1,253)**	**(1,887,942)**	**(1,206,906)**

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

42 RECONCILIATIONS TO ABS GFS MEASURES

The below information is provided in accordance with AASB 1049: *'Whole of Government and General Government Sector Financial Reporting* ' to provide information regarding differences in key fiscal measures as presented in these financial statements when compared to a GFS basis.

GFS net operating balance:

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

Expenses related to Light Rail Stage 2 are reclassified when determining 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 sector to the PNFC sector for operations.

GFS net lending/(borrowing):

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

GFS net worth:

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

GFS net financial worth:

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

43 Variance Explanations for the General Government Sector 2024-25 Actual compared to 2024-25 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.

	2024-25 Actual $'000	2024-25 Budget $'000	Variance $'000	Variance %
Other sales of goods and services This variance is mainly due to higher cross border health revenue resulting from an increase in the National Efficient Price and more interstate residents treated in ACT public hospitals, partially offset by lower sales of medical consumables to third parties.	762,969	663,042	99,927	15%
Investment revenue Lower investment revenue is 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.	141,502	177,919	(36,417)	-20%
Interest revenue This variance to budget is mainly due to interest earned on cash at bank and investments associated with higher balances, higher interest rates and market conditions. 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.	315,452	280,982	34,470	12%
Other revenue The decrease is associated with the timing of insurance recoveries for the Materials Recovery Facilities (MRF) which was forecast to be received as part of the 2024-25 Budget and then deferred to 2025-26 as part of the 2025-26 Budget.	261,405	291,549	(30,144)	-10%

43 Variance Explanations for the General Government Sector 2024-25 Actual compared to 2024-25 Original Budget - Continued

	2024-25 Actual $'000	2023-24 Budget $'000	Variance $'000	Variance %
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 ($16.50 at 30 June 2025 compared to the estimate at budget of $46.50). The variance is also attributed to lower than expected asset contributions from the Suburban Land Agency and private developers. This is partially offset by Gains from contributed assets including $66.306 million in 2024-25 as an agreement, in the form of a Deed of Settlement and Release (Deed), was reached on 28 August 2025 for the Territory to provide just terms compensation to Calvary Health Care (Calvary) relating to the Territory's 3 July 2023 acquisition of Calvary Public Hospital Bruce (CPHB).	138,619	173,320	(34,701)	-20%
Dividends (market gains on land sales) Lower than budgeted dividends (market gains on land sales) is due to the deferral of land settlements to the 2025-26 financial year due to a buyer still working towards meeting certain precedent conditions for completion of settlement and delays in securing vacant possession of a site due to ie remaining occupied in relation to the Raising London Circuit project. Market gains on land sales is recognised as other economic flows as part of the total returns to the General Government Sector.	97	75,798	(75,701)	-100%
Net gain/(loss) on non-financial assets or liabilities at fair value The higher than expected loss is attributed to a change in the factor used to estimate the present value of long service leave employee benefits from 91.2 per cent in 2023-24 to 100.1 per cent in 2024-25.	(73,577)	(14,228)	(59,349)	-417%
Net gain/(loss) on financial assets or liabilities at fair value This variance is largely due to higher investment balances and gains associated with an increase in market valuations mainly due to gains on share markets.	621,818	237,450	384,368	162%
Superannuation actuarial gain/(loss) The variance is due to the latest defined benefit superannuation liability valuation review and changes in the demographic assumptions, as well as changes in the financial assumptions for the 30 June 2025 financial year end superannuation liability valuation with a discount rate of 4.8 per cent compared to the budget estimate of 5 per cent.	27,388	0	27,388	#

43 Variance Explanations for the General Government Sector 2024-25 Actual compared to 2024-25 Original Budget - Continued

	2024-25 Actual $'000	2023-24 Budget $'000	Variance $'000	Variance %
Increase/(decrease) in net assets of PNFC	353,745	98,915	254,830	258%
This variance is primarily due to increased valuations of water, sewerage, gas, electricity and light rail assets, along with the addition of newly completed assets such as 4 light trail vehicles, Woden Bus Depot and 52 buses. The increase is also attributed to a decrease in Dividends Payable by PNFC resulting from lower operating result.				
Cash and deposits	2,668,928	2,383,294	285,634	12%
The variance in cash and deposits largely reflects the operational and liquidity needs of the Territory .				
Property, plant and equipment				
Produced assets	16,908,675	14,346,169	2,562,506	18%
Non-produced assets	5,183,449	5,262,486	(79,037)	-2%
Total	22,092,124	19,608,655	2,483,469	13%
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.				
Intangibles	162,359	310,156	(147,797)	-48%
This variance is largely due to the lower than expected estimated value for large-scale generation certificates (LGC) as well as delayed completion and capitalisation of the Digital Health Record.				
Capital works-in-progress	1,614,002	1,936,822	(322,820)	-17%
This variance largely reflects the completion of Woden Bus Depot and deferral and delays of capital infrastructure projects and associated funding to future years.				
Employee benefits	1,329,421	1,120,740	208,681	19%
Increased staffing levels for demand-driven services such as health services, emergency services and school front-line staff led to higher accrued employee benefits. The change in the rate used to estimate the present value of long service leave employee benefits from 91.2 per cent in 2023-24 to 100.1 per cent in 2024-25 also attributed to this increase.				
Payables	414,834	346,846	67,988	20%
The increase is primarily related to the finalisation of the Federal Court civil dispute concerning unpaid overtime for health staff, which had previously been provided for; and higher interest payable on borrowings also contributed to this increase.				

43 Variance Explanations for the General Government Sector 2024-25 Actual compared to 2024-25 Original Budget - Continued

	2024-25 Actual $'000	2023-24 Budget $'000	Variance $'000	Variance %
Contract liabilities	64,448	35,088	29,360	84%
The variance is mainly due to performance obligations related to the John Gorton Drive Bridge project not being met during the year due to considerations regarding the scope of the project, as well as revenue received in advance for Commonwealth Government funding for programs such as the Community Assistance and Temporary Supports Program.				
Other liabilities				
This variance mainly relates to Calvary Health Care and the Territory reaching agreement on just terms compensation for the acquisition of Calvary Public Hospital Bruce.	79,918	5,484	74,434	1357%

APPENDIX A – GLOSSARY

KEY FISCAL AGGREGATES

Cash Surplus/(Deficit)

The cash surplus/(deficit) has two components. The first is the net cash flows from operating activities (operating receipts less operating payments). The second is the net cash flows from transactions (cash inflows from sales and cash outflows from purchases) in non-financial assets (less distributions paid for the Public Non-Financial Corporation sector).

Cash measures provide a useful indication of a government's need to call on financial markets to meet its budget obligations.

Net Debt (excluding superannuation related investments)

The sum of advances received, lease liabilities and other borrowings minus the sum of cash and deposits, advances paid and investments.

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, excluding Investments in other public non-financial corporations.

Net Financial Worth

The amount by which total financial assets exceed total 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 Uniform Presentation Framework (UPF) net operating balance less the net acquisition of non-financial assets. The net acquisition of non-financial assets includes the following:

- Payments for non-financial assets (from the Statement of cash flows);
- Sales of non-financial assets (from the Statement of cash flows);
- Change in inventories reflecting the movement in inventories from the Balance sheet for the current and prior reporting period;
- Depreciation and amortisation (from the Operating statement); and
- Other movements in non-financial assets reflecting Gains from contributed assets less Asset transfers to another entity.

A positive result reflects a net lending position, and a negative result reflects a net borrowing position.

Net Worth

Defined as total assets less total liabilities. It is an economic measure of wealth and reflects the contribution of ACT Government entities to the wealth of the ACT.

APPENDIX A – GLOSSARY – CONTINUED

Uniform Presentation Framework 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.

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.

ABS GFS Manual

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

Advances Paid

Advances are the creation of financial assets (i.e. an increase in the indebtedness to public sector units) with the aim of funding particular enterprise, household or government activities. Advances are distinguished from other financial assets (e.g. investments) in that advances are motivated by public policy purposes while investments are motivated by liquidity management purposes and the need to earn a return.

Advances Received

Records the net value of cash advances received. Advances may be received by public sector units from other public sector units, for example, loans issued to the Territory Government by the Commonwealth Government for policy purposes.

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.

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 Territory entity.

APPENDIX A – GLOSSARY – CONTINUED

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 period; 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 as defined in AASB 107 'Statement of Cash Flows'.

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 operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting period; 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.

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 Assets

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
    - to receive cash or another financial asset from another entity;
    - or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity;
- or a contract that will or may be settled in the entity's own equity instruments and is:
    - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments;
    - or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

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.

APPENDIX A – GLOSSARY – CONTINUED

General Government Sector (GGS)

This is an 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 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.

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.

Materiality

Materiality is the concept of establishing the importance of financial data. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. 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 under the Intergovernmental Agreement on Federal Financial Relations (IGA-FFR), in respect of a Federation Funding Agreement, National Partnership Agreement or Project 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 Intergovernmental Agreement on Federal Financial Relations (IGA-FFR). There is currently only one National SPP which is associated with the National Skills Agreement, previously known as the National Agreement on Skills and Workforce Development.

APPENDIX A – GLOSSARY – CONTINUED

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

Other economic flows are defined as changes in the volume or value of an asset or liability that do not result from transactions (i.e. revaluations and other changes in the volume of assets).

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) Sector

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.

APPENDIX A – GLOSSARY – CONTINUED

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 (ROU) 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.

The 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).

Total Comprehensive Result

The comprehensive result represents the operating result plus the sum of other economic flows.

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

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.
Trust money can include:

- money that a Territory entity holds in trust on behalf of a third party;
- 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; or
- 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.

APPENDIX A – GLOSSARY – CONTINUED

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 AASB 1049, harmonised whole of government reporting standard.