Australian Capital Territory Government

Consolidated Annual Financial Statements

2014-2015 Financial Year

ACT Government

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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INDEPENDENT AUDIT REPORT

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Australian Capital Territory Government (the Territory's financial statements) for the year ended 30 June 2015 have been audited. These comprise the following financial statements, accompanying notes and appendices:

- General Government Sector and Total Territory financial statements - operating statement, balance sheet, statement of changes in equity and cash flow statement.
- Public Trading Enterprises' financial statements - operating statement, balance sheet, statement of changes in equity and cash flow statement.
- Consolidated statement of appropriation.

Responsibility for the financial statements

The Treasurer and Under Treasurer are responsible for the preparation and fair presentation of the Territory's financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the Territory's financial statements.

The auditor's responsibility

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the Territory's financial statements.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the Territory's financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the Territory's financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the Territory's financial statements, inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the Territory's financial statements, or to evaluate the prudence of decisions made by entities included in the Territory's financial statements.

Electronic presentation of the audited Territory's financial statements

Those viewing an electronic presentation of the Territory's financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the Territory's financial statements. If users of the Territory's financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the Territory's financial statements for the year ended 30 June 2015:

(i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and

(ii) present fairly the financial position of the Territory as at 30 June 2015 and the results of its operations and cash flows for the year then ended.

The audit opinion should be read in conjunction with other information disclosed in this report.

M. Cooper.

Dr Maxine Cooper
Auditor-General
29 October 2015

CERTIFICATION BY THE TREASURER
AND THE UNDER TREASURER OF THE
CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

Certification by the Treasurer

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

It is my opinion that the attached financial statements for the year ended 30 June 2015 fairly reflect the financial operations of the Territory during the financial year, and the financial position of the Territory at the end of the financial year.

Andrew Barr

Andrew Barr MLA
Treasurer

Date: 28.10.2015

Certification by the Under Treasurer

The Under Treasurer of the Chief Minister, Treasury and Economic Development Directorate has been delegated responsibility for administering the FMA[1], and therefore the financial administration of the Territory's activities. This responsibility for managing the financial affairs and preparation of the Consolidated Annual Financial Statements of the Territory is exercised through the Finance and Budget Division of the Chief Minister, Treasury and Economic Development Directorate.

It is my opinion that the attached financial statements for the year ended 30 June 2015 have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the requirements of the FMA. These accounts fairly reflect the financial operations of the Territory during the financial year, and the financial position of the Territory at the end of the financial year.

David Nicol
Under Treasurer
Chief Minister, Treasury and Economic Development Directorate

Date: 28 October 2015

Note (1): Under the current administrative arrangements, the Director-General of the Chief Minister, Treasury and Economic Development Directorate is responsible for certifying the Consolidated Annual Financial Statements. This responsibility has been delegated to the Under Treasurer as provided for under section 36C of the *Public Sector Management Act 1994.*

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note No.	General Government Sector 2014-15 Actual $m	General Government Sector 2014-15 Budget $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2014-15 Budget $m	Total Territory 2013-14 Actual $m
Revenue							
Taxation Revenue	7	1,377	1,390	1,296	1,339	1,355	1,260
Grants Revenue							
Commonwealth Grants	8	1,992	1,893	1,840	1,994	1,893	1,841
Gains from Contributed Assets	8	82	110	90	38	50	35
Sales of Goods and Services							
Revenue from Associates and Joint Ventures	9	-	-	-	103	91	107
Other Sales of Goods and Services	10	475	469	469	810	839	816
Interest Income	11	131	122	141	63	42	64
Distributions from Financial Investments	12	69	56	118	69	56	118
Dividend and Income Tax Equivalents Income	13	299	238	215	50	55	24
Other Revenue							
Land Revenue (Value Add Component)	14	-	-	-	242	140	81
Other Revenue	15	130	135	142	136	141	160
Total Revenue		**4,554**	**4,412**	**4,311**	**4,843**	**4,661**	**4,507**
Expenses							
Employee Expenses	16	1,761	1,688	1,652	1,942	1,873	1,829
Superannuation Expenses							
Superannuation Interest Cost	17	314	335	300	314	335	300
Other Superannuation Expense	17	332	259	306	336	270	316
Depreciation and Amortisation	18	356	360	333	435	433	404
Interest Expense	19	159	168	150	154	169	149
Other Operating Expenses							
Supplies and Services	20	832	980	816	979	1,168	943
Other Operating Expenses	21	169	198	153	240	209	168
Grants and Purchased Services	22	1,221	869	836	1,088	741	707
Total Expenses		**5,143**	**4,858**	**4,545**	**5,489**	**5,198**	**4,816**
UPF[(a)] Net Operating Balance		**-589**	**-446**	**-234**	**-646**	**-537**	**-309**
Other Economic Flows - Included in the Operating Result							
Dividends (Market Gains on Land Sales)	23	5	10	8	-	-	-
Land Revenue (Market Gains on Land Sales)	24	-	-	-	7	14	12
Net Land Revenue (Undeveloped Land Value)	25	49	77	50	45	77	50
Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	26	-50	-	-28	-5	-20	-33
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	27	247	114	261	188	114	261
Doubtful Debts[(b)]	28	-2	-4	-4	-5	-7	-6
Operating Result		**-341**	**-251**	**53**	**-415**	**-359**	**-26**

Notes: (a) Uniform Presentation Framework (refer to Appendix C - Glossary).

(b) A negative figure for Doubtful Debts indicates an expense.

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

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
OPERATING STATEMENT- CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

		General Government Sector			Total Territory		
	Note No.	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Other Economic Flows - Comprehensive Income							
Items that will not be Subsequently Reclassified to Profit or Loss							
Payments to ACT Government Agencies		-43	-43	-30	-	-	-
Capital Distributions		9	-	-	-	-	-
Superannuation Actuarial Gain/(Loss)		-667	-	-356	-667	-	-356
Prior Year Adjustment		-1	-	-1	-1	-	-
Other Movements [(a)]		-	1	0	50	1	0
Increase/(Decrease) in the Asset Revaluation Surplus		133	18	-101	514	132	23
Increase/(Decrease) in Other Reserves		0	-	0	-3	-	-
Items that may be Subsequently Reclassified to Profit or Loss							
Increase/(Decrease) in Other Reserves		-	-	2	-	-	2
Increase/(Decrease) in Net Assets of Public Trading Entities		315	54	114	-	-	-
Total Comprehensive Income		**-595**	**-221**	**-319**	**-521**	**-226**	**-357**
Key Fiscal Aggregates (refer to Appendix C - Glossary)							
UPF Net Operating Balance		**-589**	**-446**	**-234**	**-646**	**-537**	**-309**
***less* Net Acquisition of Non-Financial Assets**							
Payments for Non-Financial Assets		813	748	660	842	824	693
Sales of Non-Financial Assets		-44	-3	-34	-101	-52	-73
Land Revenue (Net Cash Receipts)		-65	-80	-36	-55	-84	-74
Depreciation and Amortisation		-356	-360	-333	-435	-433	-404
Other Movements in Non-Financial Assets		77	110	85	35	50	34
Total Net Acquisition of Non-Financial Assets		*425*	*415*	*341*	*286*	*305*	*176*
Net Lending / (Borrowing)		**-1,014**	**-862**	**-575**	**-932**	**-841**	**-485**

The above Operating Statement should be read in conjunction

Also refer to Note 5: 'Disaggregated Information'.

Note: (a) Relates to a restatement of prior period comparatives in Icon Water for private gifted assets.

Totals may not add due to rounding of the figures to the

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
BALANCE SHEET
AS AT 30 JUNE 2015

	Note No.	General Government Sector 2014-15 Actual $m	General Government Sector 2014-15 Budget $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2014-15 Budget $m	Total Territory 2013-14 Actual $m
Financial Assets							
Cash and Deposits	31	724	303	422	822	383	472
Advances Paid	32	1,595	1,655	1,590	101	141	141
Investments and Loans	33	4,220	3,855	4,024	4,278	3,901	4,081
Receivables	34	405	407	370	339	446	353
Equity Investments							
Investments in Other Public Sector Entities	35	6,036	5,780	5,721	-	-	-
Investments Accounted for Using the Equity Method	36	-	-	-	921	665	634
Total Financial Assets		**12,980**	**11,999**	**12,128**	**6,462**	**5,536**	**5,680**
Non-Financial Assets							
Produced Assets							
Property, Plant and Equipment	37	11,533	11,293	11,211	16,418	14,704	14,536
Investment Properties	38	3	3	3	11	12	10
Intangibles	39	53	80	30	77	99	49
Inventories	40	14	18	16	302	217	236
Assets Held for Sale	41	0	1	1	7	22	26
Capital Works-in-Progress	42	620	908	768	782	1,015	912
Non-Produced Assets							
Property, Plant and Equipment	37	2,719	3,058	2,663	4,476	6,329	5,845
Loose-Fill Asbestos Insulation Eradication Scheme Land	43	283	-	-	283	-	-
Biological Assets	44	27	26	26	27	26	26
Total Non-Financial Assets		**15,252**	**15,386**	**14,718**	**22,381**	**22,423**	**21,640**
Total Assets		**28,231**	**27,385**	**26,846**	**28,843**	**27,959**	**27,320**
Liabilities							
Deposits Held	45	134	42	131	16	16	16
Advances Received	46	829	79	83	904	152	160
Borrowings							
Finance Leases	47	0	21	23	0	22	24
Other Borrowings	48	3,148	3,656	3,085	3,148	3,656	3,085
Superannuation	49	8,500	5,725	7,483	8,500	5,726	7,484
Employee Benefits	50	660	578	610	722	637	677
Other Provisions	50	220	22	17	333	98	107
Payables	51	433	517	522	525	575	565
Other Liabilities	52	22	13	10	22	16	10
Total Liabilities		**13,946**	**10,655**	**11,965**	**14,171**	**10,897**	**12,127**
Net Assets		**14,285**	**16,731**	**14,880**	**14,672**	**17,062**	**15,193**
Equity in Public Trading Entities	53(a)	6,036	5,780	5,721	-	-	-
Accumulated Funds	53(b)	2,926	5,527	3,875	5,316	7,683	6,113
Asset Revaluation Surplus	53(c)	5,322	5,423	5,283	9,345	9,366	9,066
Other Reserves	53(d)	1	0	0	10	13	13
Net Worth		**14,285**	**16,731**	**14,880**	**14,672**	**17,062**	**15,193**
Key Fiscal Aggregates (refer to Appendix C - Glossary)							
Net Financial Worth		-967	1,345	162	-7,709	-5,361	-6,447
Net Financial Liabilities		7,003	4,436	5,559	8,630	6,027	7,081
Net Debt (Including Superannuation Related Investments)		-2,427	-2,013	-2,714	-1,133	-581	-1,409
Net Debt (Excluding Superannuation Related Investments)		910	1,229	313	2,203	2,661	1,617

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

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

		General Government Sector			Total Territory		
		2014-15	2014-15	2013-14	2014-15	2014-15	2013-14
	Note	Actual	Budget	Actual	Actual	Budget	Actual
	No.	$m	$m	$m	$m	$m	$m
Opening Equity							
Opening Equity in Public Trading Entities		5,721	5,726	5,608	-	-	-
Opening Accumulated Funds		3,875	5,820	4,206	6,113	8,019	6,464
Opening Asset Revaluation Surplus		5,283	5,405	5,387	9,066	9,256	9,075
Opening Other Reserves		0	0	-2	13	13	11
Opening Balance at 1 July 2014		**14,880**	**16,952**	**15,199**	**15,193**	**17,288**	**15,550**
Comprehensive Income							
Included in Accumulated Funds:							
Operating Result for the Period		-341	-251	53	-415	-359	-26
Payments to ACT Government Agencies		-43	-43	-30	-	-	-
Capital Distributions		9	-	-		-	-
Superannuation Actuarial Gain/(Loss)		-667	-	-356	-667	-	-356
Prior Year Adjustment		-1	-	-1	-1	-	-
Other Movements		-	1	0	50	1	0
Included in Equity in Public Trading Entities:							
Increase/(Decrease) in Net Assets of Public Trading Entities		315	54	114	-	-	-
Included in Asset Revaluation Surplus:							
Increase/(Decrease) in the Asset Revaluation Surplus		133	18	-101	514	132	23
Included in Other Reserves:							
Increase/(Decrease) in Other Reserves		0	-	2	-3	-	2
Total Comprehensive Income		**-595**	**-221**	**-319**	**-521**	**-226**	**-357**
Other							
Transfer to/(from) Accumulated Funds		95	-	2	235	22	32
Movement in the Asset Revaluation Surplus		-95	-	-2	-235	-22	-32
Total Other		**0**	**0**	**0**	**0**	**0**	**0**
Transactions Involving Owners Affecting Accumulated Funds							
Included in Accumulated Funds:							
Increase/(Decrease) in ACTTAB Net Assets		-	-	-	1	-	-
Total Transactions Involving Owners Affecting Accumulated Funds		**-**	**-**	**-**	**1**	**-**	**-**
Closing Equity							
Closing Equity in Public Trading Entities	53(a)	6,036	5,780	5,721	-	-	-
Closing Accumulated Funds	53(b)	2,926	5,527	3,875	5,316	7,683	6,113
Closing Asset Revaluation Surplus	53(c)	5,322	5,423	5,283	9,345	9,366	9,066
Closing Other Reserves	53(d)	1	0	0	10	13	13
Balance at 30 June 2015		**14,285**	**16,731**	**14,880**	**14,672**	**17,062**	**15,193**

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

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note No.	General Government Sector 2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m	Total Territory 2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Cash Flows from Operating Activities							
Cash Receipts							
Taxes Received		1,377	1,397	1,280	1,352	1,365	1,240
Receipts from Sales of Goods and Services		517	528	626	1,139	1,043	1,103
Grants/Subsidies Received		1,989	1,897	1,835	1,991	1,897	1,836
Distributions from Financial Investments		60	56	123	60	56	123
Interest Receipts		134	122	146	72	44	73
Dividends and Income Tax Equivalents		258	244	309	51	56	21
Other Receipts		369	375	466	451	442	547
Total Cash Received from Operating Activities		***4,704***	***4,619***	***4,784***	***5,117***	***4,901***	***4,943***
Cash Payments							
Payments for Employees		-2,036	-2,006	-1,873	-2,210	-2,203	-2,041
Payments for Goods and Services		-852	-917	-909	-1,036	-1,060	-1,054
Grants/Subsidies Paid		-1,111	-884	-836	-980	-757	-711
Interest Paid		-152	-167	-141	-158	-168	-146
Other Payments		-379	-455	-411	-604	-628	-548
Total Cash Paid from Operating Activities		***-4,531***	***-4,429***	***-4,169***	***-4,989***	***-4,817***	***-4,500***
Net Cash Flows from Operating Activities	54(b)	**173**	**190**	**616**	**128**	**84**	**443**
Cash Flows from Investing Activities							
Cash Flows from Investments in Non-Financial Assets							
Sales of Non-Financial Assets		44	3	34	101	52	73
Payments for Non-Financial Assets		-813	-748	-660	-842	-824	-693
Net Cash Flows from Investments in Non-Financial Assets		**-769**	**-745**	**-625**	**-741**	**-772**	**-621**
Cash Flows from Investments in Financial Assets for Policy Purposes							
Cash Receipts							
Repayment of Loans		0	1	22	0	1	22
Capital Receipts from Government Agencies		110	-	-	-	-	-
Dividends - Market Gains on Land Sales		5	10	8	-	-	-
Total Cash Received from Investments in Financial Assets for Policy Purposes		***115***	***10***	***31***	***0***	***1***	***22***
Cash Payments							
Issue of Loans		-	-2	-2	-	-2	-2
Capital Payments to Government Agencies		-43	-40	-30	-	-	-
Total Cash Paid from Investments in Financial Assets for Policy Purposes		***-43***	***-42***	***-31***	***-***	***-2***	***-2***
Net Cash Flows from Investments in Financial Assets for Policy Purposes		**72**	**-32**	**-**	**0**	**-1**	**21**
Cash Flows from Investments in Financial Assets for Liquidity Purposes							
Sales of Investments		589	522	152	403	797	175
Payments for Investments		-565	-416	-325	-277	-675	-296
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes		**25**	**106**	**-173**	**126**	**121**	**-121**
Net Cash Flows from Investing Activities		**-672**	**-671**	**-799**	**-615**	**-652**	**-721**

Notes: The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CASH FLOW STATEMENT- CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

		General Government Sector			Total Territory		
	Note No.	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Cash Flows from Financing Activities							
Cash Receipts							
Borrowings		867	593	494	845	574	378
Total Cash Received from Financing Activities		***867***	***593***	***494***	***845***	***574***	***378***
Cash Payments							
Borrowings		-72	-93	-251	-11	-15	-48
Total Cash Paid from Financing Activities		***-72***	***-93***	***-251***	***-11***	***-15***	***-48***
Net Cash Flows from Financing Activities		**795**	**500**	**243**	**834**	**559**	**330**
Net Increase/(Decrease) in Cash and Cash Equivalents		**296**	**19**	**60**	**347**	**-9**	**53**
Cash and Cash Equivalents at the Beginning of Reporting Period		**415**	**299**	**355**	**521**	**453**	**469**
Cash and Cash Equivalents at the End of Reporting Period	54(a)	**710**	**319**	**415**	**867**	**444**	**521**
Key Fiscal Aggregates (refer to Appendix C - Glossary)							
Net Cash from Operating Activities		173	190	616	128	84	443
Investments in Non-Financial Assets		-769	-745	-625	-741	-772	-621
Cash Surplus (+) / Deficit (-)		**-596**	**-555**	**-10**	**-613**	**-688**	**-178**
A positive number denotes a cash inflow, a negative sign denotes a cash outflow							
Derivation of ABS GFS Cash Surplus/(Deficit)							
Cash Surplus (+) / Deficit (-)		**-596**	**-555**	**-10**	**-613**	**-688**	**-178**
Acquisitions Under Finance Leases and Similar Arrangements [(a)]		-	-	-	-	-	-
ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements		**-596**	**-555**	**-10**	**-613**	**-688**	**-178**

Note: (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/(deficit).

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC TRADING ENTERPRISES SECTOR OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Revenue			
Government Payment for Outputs	163	162	157
Grants Revenue			
Commonwealth Grants	2	-	1
Gains from Contributed Assets	11	-	4
Sales of Goods and Services Revenue			
Revenue from Associates and Joint Ventures	103	91	107
Other Sales of Goods and Services	413	450	429
Interest Income	6	3	4
Distribution from Investments with the Territory Banking Account	3	2	4
Other Revenue			
Land Revenue (Value Add Component)	301	223	174
Other Revenue	22	19	35
Total Revenue	**1,023**	**949**	**915**
Expenses			
Employee Expenses	181	185	177
Superannuation Expenses			
Other Superannuation Expenses	15	21	22
Depreciation and Amortisation	79	73	71
Interest Expense	73	85	85
Other Property Expenses (Income Tax Expense)	76	57	64
Other Operating Expenses			
Supplies and Services	197	222	171
Other Operating Expenses	171	118	122
Grants and Purchased Services	76	85	79
Total Expenses	**868**	**847**	**792**
UPF[(a)] Net Operating Balance	**155**	**102**	**124**
Other Economic Flows - Included in the Operating Result			
Land Revenue (Market Gains on Land Sales)	7	14	12
Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	47	-20	-5
Doubtful Debts[(b)]	-2	-2	-3
Operating Result	**207**	**94**	**128**

Notes: (a) Uniform Presentation Framework (refer to Appendix C - Glossary).

(b) A negative figure for Doubtful Debts indicates an expense.

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

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC TRADING ENTERPRISES SECTOR OPERATING STATEMENT- CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Other Economic Flows - Comprehensive Income			
Items that will not be Subsequently Reclassified to Profit or Loss			
Prior Year Adjustment	-	-	1
Other Movements[(a)]	50	-	-
Increase/(Decrease) in the Asset Revaluation Surplus	264	48	100
Items that may be Subsequently Reclassified to Profit or Loss			
Increase/(Decrease) in Other Reserves	-3	0	0
Total Comprehensive Income	**517**	**142**	**229**
Key Fiscal Aggregates (refer to Appendix C - Glossary)			
UPF Net Operating Balance	**155**	**102**	**124**
less **Net Acquisition of Non-Financial Assets**			
Payments for Non-Financial Assets	124	187	122
Sales of Non-Financial Assets	-57	-50	-38
Land Revenue (Net Cash Receipts)	-26	-31	-34
Depreciation and Amortisation	-79	-73	-71
Other Movements in Non-Financial Assets	-44	-60	-55
Total Net Acquisition of Non-Financial Assets	*-82*	*-27*	*-76*
Net Lending / (Borrowing)	**238**	**129**	**200**

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

Also refer to Note 5: 'Disaggregated Information'.

Note: (a) Relates to a restatement of prior period comparatives in Icon Water for private gifted assets.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC TRADING ENTERPRISES SECTOR BALANCE SHEET
AS AT 30 JUNE 2015

	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Financial Assets			
Cash and Deposits	195	80	110
Investments and Loans	80	73	112
Receivables	128	160	193
Equity			
Investments Accounted for Using the Equity Method	921	665	634
Total Financial Assets	**1,324**	**978**	**1,049**
Non-Financial Assets			
Produced Assets			
Property, Plant and Equipment	3,428	3,410	3,324
Investment Properties	8	9	7
Intangibles	24	19	19
Inventories	288	216	222
Assets Held for Sale	7	19	26
Capital Works-in-Progress	161	108	144
Non Produced Assets			
Property, Plant and Equipment	3,213	3,270	3,182
Other Non-Financial Assets			
Deferred Tax Assets	32	27	30
Total Non-Financial Assets	**7,161**	**7,077**	**6,954**
Total Assets	**8,485**	**8,055**	**8,003**
Liabilities			
Advances Received	1,569	1,586	1,526
Borrowings			
Finance Leases	-	1	1
Employee Benefits	62	59	67
Other Provisions	185	129	172
Payables	125	119	130
Other Liabilities			
Current Tax Liability	21	16	5
Deferred Tax Liability	441	329	359
Other Liabilities	46	36	21
Total Liabilities	**2,449**	**2,275**	**2,282**
Net Assets	**6,036**	**5,780**	**5,721**
Accumulated Funds	2,323	2,238	2,222
Asset Revaluation Surplus	3,703	3,529	3,487
Other Reserves	10	13	13
Net Worth	**6,036**	**5,780**	**5,721**
Key Fiscal Aggregates (refer to Appendix C - Glossary)			
Net Financial Worth	-1,125	-1,297	-1,232
Net Debt	1,294	1,434	1,305

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

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC TRADING ENTERPRISES SECTOR STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Opening Equity			
Opening Accumulated Funds	2,222	2,210	2,180
Opening Asset Revaluation Surplus	3,487	3,503	3,416
Opening Other Reserves	13	13	13
Opening Balance at 1 July 2014	**5,721**	**5,726**	**5,608**
Comprehensive Income			
Included in Accumulated Funds:			
Operating Result for the Period	207	94	128
Prior Year Adjustment	-	-	1
Other Movements	50	-	-
Included in Asset Revaluation Surplus:			
Increase/(Decrease) in the Asset Revaluation Surplus	264	48	100
Increase/(Decrease) in Other Reserves	-3	-	-
Total Comprehensive Income	**517**	**142**	**229**
Other			
Transfer to/(from) Accumulated Funds	47	22	30
Movement in the Asset Revaluation Surplus	-47	-22	-30
Total Other	**0**	**0**	**0**
Transactions Involving Owners Affecting Accumulated Funds			
Capital Injections	43	43	30
Capital Distributions	-72	-	-
Increase/(Decrease) in ACTTAB Net Assets	1	-	-
Dividends Approved	-173	-131	-144
Total Transactions Involving Owners Affecting Accumulated Funds	**-201**	**-88**	**-115**
Closing Equity			
Closing Accumulated Funds	2,323	2,238	2,222
Closing Asset Revaluation Surplus	3,703	3,529	3,487
Closing Other Reserves	10	13	13
Balance at 30 June 2015	**6,036**	**5,780**	**5,721**

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

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC TRADING ENTERPRISES SECTOR CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Cash Flows from Operating Activities			
Cash Receipts			
Receipts from Sales of Goods and Services	821	782	692
Grants/Subsidies Received	153	167	158
Interest Receipts	5	4	4
Distribution from Investments with the Territory Banking Account	4	2	5
Other Receipts	116	96	108
Total Cash Received from Operating Activities	***1,099***	***1,051***	***967***
Cash Payments			
Payments for Employees	-188	-208	-179
Payments for Goods and Services	-198	-217	-219
Grants/Subsidies Paid	-24	-26	-22
Interest Paid	-77	-85	-87
Other Payments	-349	-319	-258
Total Cash Paid from Operating Activities	***-835***	***-855***	***-764***
Net Cash Flows from Operating Activities	**264**	**196**	**203**
Cash Flows from Investing Activities			
Cash Flows from Investments in Non-Financial Assets			
Sales of Non-Financial Assets	57	50	38
Payments for Non-Financial Assets	-124	-187	-122
Net Cash Flows from Investments in Non-Financial Assets	**-67**	**-137**	**-83**
Cash Flows from Investments in Financial Assets for Policy Purposes			
Cash Receipts			
Capital Receipts from Government Agencies	43	40	30
Total Cash Received from Investments in Financial Assets for Policy Purposes	***43***	***40***	***30***
Cash Payments			
Dividends - Market Gains on Land Sales	-5	-10	-8
Distributions to Government	-110	-	-
Total Cash Paid from Investments in Financial Assets for Policy Purposes	***-115***	***-10***	***-8***
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**-72**	**30**	**21**
Cash Flows from Investments in Financial Assets for Liquidity Purposes			
Sales of Investments	178	349	124
Payments for Investments	-37	-331	-99
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**141**	**17**	**25**
Net Cash Flows from Investing Activities	**2**	**-89**	**-37**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC TRADING ENTERPRISES SECTOR CASH FLOW STATEMENT- CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

	2014-15 Actual $m	2014-15 Budget $m	2013-14 Actual $m
Cash Flows from Financing Activities			
Cash Receipts			
Borrowings	61	73	148
Total Cash Received from Financing Activities	***61***	***73***	***148***
Cash Payments			
Borrowings	-22	-14	-61
Dividends Paid	-151	-125	-210
Other Financing	-67	-70	-78
Total Cash Paid from Financing Activities	***-240***	***-209***	***-348***
Net Cash Flows from Financing Activities	**-179**	**-136**	**-200**
Net Increase/(Decrease) in Cash and Cash Equivalents	**86**	**-28**	**-34**
Cash and Cash Equivalents at the Beginning of Reporting Period	**167**	**154**	**201**
Cash and Cash Equivalents at the End of Reporting Period	**253**	**126**	**167**
Key Fiscal Aggregates (refer to Appendix C - Glossary)			
Net Cash from Operating Activities	264	196	203
Net Cash Flows from Investments in Non-Financial Assets	-67	-137	-83
Distributions Paid	-218	-194	-288
Cash Surplus (+) / Deficit (-)	**-21**	**-135**	**-168**
A positive number denotes a cash inflow, a negative sign denotes a cash outflow			
Derivation of ABS GFS Cash Surplus/(Deficit)			
Cash Surplus (+) / Deficit (-)	**-21**	**-135**	**-168**
Acquisitions Under Finance Leases and Similar Arrangements [(a)]	-	-	-
ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements	**-21**	**-135**	**-168**

Note: (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/(deficit).

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Also refer to Note 5: 'Disaggregated Information'.

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2015

Agency	*Appropriation Act 2014-15* $'000	Neutral Transfers between Appropriations/ Directorates $'000	Commonwealth Grants Variations $'000	Treasurer's Advance $'000	Additional Approved Appropriations * $'000	Total Appropriated $'000	Final Appropriation Drawn $'000
ACT Executive							
Net cost of outputs							
Capital injection	264.0					264.0	264.0
Payments on behalf of the Territory	8,123.0	418.0				8,541.0	8,223.0
ACT Gambling and Racing Commission							
Net cost of outputs	4,614.0					4,614.0	4,614.0
Capital injection	127.0					127.0	127.0
Payments on behalf of the Territory							
ACT Local Hospital Network							
Net cost of outputs	601,725.0				4,373.0	606,098.0	567,279.0
Capital injection							
Payments on behalf of the Territory							
ACTEW Corporation Limited (now known as Icon Water Limited)							
Net cost of outputs	11,123.0					11,123.0	11,123.0
Capital injection							
Payments on behalf of the Territory							
Auditor-General							
Net cost of outputs	2,719.0					2,719.0	2,701.0
Capital injection	67.0					67.0	67.0
Payments on behalf of the Territory							
Canberra Institute of Technology							
Net cost of outputs	68,848.0		9.0			68,857.0	68,520.0
Capital injection	6,134.0					6,134.0	6,134.0
Payments on behalf of the Territory							
Capital Metro Agency							
Net cost of outputs	23,535.0					23,535.0	23,535.0
Capital injection	96.0					96.0	96.0
Payments on behalf of the Territory							

* Additional Approved Appropriations relate to the *Appropriation (Loose-fill Asbestos Insulation Eradication) Act 2014-2015* and rollovers of undispersed 2013-14 Appropriation from 2013-14 to 2014-15 under the *Financial Management Act 1996.*

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

Agency	*Appropriation Act 2014-15* $'000	Neutral Transfers between Appropriations/ Directorates $'000	Commonwealth Grants Variations $'000	Treasurer's Advance $'000	Additional Approved Appropriations * $'000	Total Appropriated $'000	Final Appropriation Drawn $'000
Chief Minister, Treasury and Economic Development Directorate							
Net cost of outputs	194,559.0	37,288.0	749.0	2,059.0	338,617.0	573,272.0	481,950.6
Capital injection	256,524.5	4,329.0			413,173.0	674,026.5	382,383.8
Payments on behalf of the Territory	63,182.2	2,409.0	7.0	10,114.0		75,712.2	75,705.2
Commerce and Works Directorate							
Net cost of outputs							
Capital injection	33,845.5					33,845.5	33,845.5
Payments on behalf of the Territory	271.8					271.8	271.8
Community Services Directorate							
Net cost of outputs	232,091.0	(533.0)		11,891.0	906.0	244,355.0	244,172.0
Capital injection	4,795.0	(226.0)			787.0	5,356.0	4,269.0
Payments on behalf of the Territory							
Cultural Facilities Corporation							
Net cost of outputs	8,245.0					8,245.0	8,245.0
Capital injection	2,181.0					2,181.0	2,012.0
Payments on behalf of the Territory							
Economic Development Directorate							
Net cost of outputs	4,129.0					4,129.0	4,129.0
Capital injection	233.0					233.0	233.0
Payments on behalf of the Territory	3,850.0					3,850.0	3,850.0
Education and Training Directorate							
Net cost of outputs	608,242.0	(285.0)	8,818.0		6,943.0	623,718.0	591,010.0
Capital injection	100,089.0	(3,038.0)			23,310.0	120,361.0	90,329.0
Payments on behalf of the Territory	252,356.0		1,443.4		1,174.0	254,973.4	250,015.0

* Additional Approved Appropriations relate to the *Appropriation (Loose-fill Asbestos Insulation Eradication) Act 2014-2015* and rollovers of undispersed 2013-14 Appropriation from 2013-14 to 2014-15 under the *Financial Management Act 1996.*

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

Agency	*Appropriation Act 2014-15*	Neutral Transfers between Appropriations/ Directorates	Commonwealth Grants Variations	Treasurer's Advance	Additional Approved Appropriations *	Total Appropriated	Final Appropriation Drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Electoral Commissioner							
Net cost of outputs	2,425.0					2,425.0	2,387.0
Capital injection	286.0					286.0	111.0
Payments on behalf of the Territory							
Environment and Planning Directorate							
Net cost of outputs	73,187.0	(7,626.0)			4,299.0	69,860.0	63,218.0
Capital injection	5,914.0				7,588.0	13,502.0	6,736.7
Payments on behalf of the Territory	1,852.0				667.0	2,519.0	1,868.0
Exhibition Park Corporation							
Net cost of outputs	445.0					445.0	445.0
Capital injection	552.0				189.0	741.0	741.0
Payments on behalf of the Territory							
Health Directorate							
Net cost of outputs	257,615.0	(382.0)	946.0		2,924.0	261,103.0	252,617.0
Capital injection	132,251.0				15,452.0	147,703.0	74,041.0
Payments on behalf of the Territory	7,619.0					7,619.0	6,684.0
Housing ACT							
Net cost of outputs	43,459.0					43,459.0	43,359.0
Capital injection	26,848.0				726.0	27,574.0	24,480.0
Payments on behalf of the Territory							
Independent Competition and Regulatory Commission							
Net cost of outputs	548.0					548.0	534.0
Capital injection							
Payments on behalf of the Territory							

* Additional Approved Appropriations relate to the *Appropriation (Loose-fill Asbestos Insulation Eradication) Act 2014-2015* and rollovers of undispersed 2013-14 Appropriation from 2013-14 to 2014-15 under the *Financial Management Act 1996.*

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

Agency	*Appropriation Act 2014-15*	Neutral Transfers between Appropriations/ Directorates	Commonwealth Grants Variations	Treasurer's Advance	Additional Approved Appropriations *	Total Appropriated	Final Appropriation Drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Justice and Community Safety Directorate							
Net cost of outputs	280,070.0	(22,162.0)	305.0		2,898.0	261,111.0	253,622.0
Capital injection	86,432.0	(2,866.0)			9,684.0	93,250.0	53,050.0
Payments on behalf of the Territory	158,301.0	(113.0)		4,145.0		162,333.0	162,333.0
Legal Aid Commission (ACT)							
Net cost of outputs	9,945.0			824.0	94.0	10,863.0	10,731.7
Capital injection	234.0					234.0	234.0
Payments on behalf of the Territory							
Office of the Legislative Assembly							
Net cost of outputs	7,662.0	(21.0)				7,641.0	7,641.0
Capital injection	1,240.0	122.0				1,362.0	925.9
Payments on behalf of the Territory	6,512.0	(519.0)				5,993.0	5,659.0
Public Trustee for the ACT							
Net cost of outputs	1,238.0					1,238.0	1,062.6
Capital injection							
Payments on behalf of the Territory							
Superannuation Provision Account							
Net cost of outputs							
Capital injection	198,209.0					198,209.0	198,209.0
Payments on behalf of the Territory							
Territory and Municipal Services Directorate							
Net cost of outputs	329,386.0	(6,010.0)			10,492.0	333,868.0	318,687.0
Capital injection	207,145.0	(785.0)	16,265.0		27,931.0	250,556.0	175,160.0
Payments on behalf of the Territory							

* Additional Approved Appropriations relate to the *Appropriation (Loose-fill Asbestos Insulation Eradication) Act 2014-2015* and rollovers of undispersed 2013-14 Appropriation from 2013-14 to 2014-15 under the *Financial Management Act 1996.*

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

Agency	*Appropriation Act 2014-15* $'000	Neutral Transfers between Appropriations/ Directorates $'000	Commonwealth Grants Variations $'000	Treasurer's Advance $'000	Additional Approved Appropriations * $'000	Total Appropriated $'000	Final Appropriation Drawn $'000
Territory Banking Account							
Net cost of outputs							
Capital injection	214.0					214.0	214.0
Payments on behalf of the Territory	82,159.0				12,031.0	94,190.0	79,869.1
Sub Totals for Appropriation Classes							
Net cost of outputs	2,765,810.0	269.0	10,827.0	14,774.0	371,546.0	3,163,226.0	2,961,582.9
Capital injection	1,063,681.0	(2,464.0)	16,265.0		498,840.0	1,576,322.0	1,053,662.9
Payments on behalf of the Territory	584,226.0	2,195.0	1,450.4	14,259.0	13,872.0	616,002.4	594,478.1
Treasurer's Advance	29,500.0			(29,033.0)		467.0	
Total Appropriations	**4,443,217.0**		**28,542.4**	**-**	**884,258.0**	**5,356,017.4**	**4,609,723.9**

Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

* Additional Approved Appropriations relate to the *Appropriation (Loose-fill Asbestos Insulation Eradication) Act 2014-2015* and rollovers of undispersed 2013-14 Appropriation from 2013-14 to 2014-15 under the *Financial Management Act 1996.*

Notes: The variances between the total appropriated and appropriation drawn for 2014-15 are largely due to the following:

Net cost of outputs: The variation is largely due to the anticipated rollover of funds for the Loose-fill Asbestos Insulation Eradication Scheme and the deferral of expenditure from 2014-15 to 2015-16 for a number of projects included in the *Appropriation Act 2014-2015* . For example, delayed expenditure of Commonwealth funding for Improving Teacher Quality, Training Places for Single and Teen Parents, Joint Group Training Programs and Literacy and Numeracy National Partnerships and the Constitution Avenue Upgrade National Partnership. The Details of these deferrals can be found in agencies' 2015-16 Budget Statements (changes to appropriation table) and are also disclosed in agencies' financial statements (statement of appropriation).

Capital injections: The variation is largely due to the anticipated rollover of funds for the Loose-fill Asbestos Insulation Eradication Scheme and the deferral of expenditure from 2014-15 to 2015-16 for a number of projects included in the Appropriation Act 2014-2015. For example, delayed expenditure for the Majura Parkway National Partnership, Calvary Car Park, Hospital Roads, E-Health ICT, ESA Station Upgrade and Relocation Program and Replacement of Courts and Tribunal ICT Case Management System. The Details of these deferrals can be found in agencies' 2015-16 Budget Statements (changes to appropriation table) and are also disclosed in agencies' financial statements (statement of appropriation).

Payments on behalf of the Territory: The variation is mainly due to lower funds drawn by the Territory Banking Account due to lower interest rates applying to the cost of borrowings, the timing profile of required borrowings and a lower amount of borrowings than originally estimated to be raised during the year.

1 THE AUSTRALIAN CAPITAL TERRITORY GOVERNMENT

The Australian Capital Territory (the Territory) is a body politic established under the *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 in October 2016. 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 state 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 6: '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.

Section 22 of the FMA requires the Treasurer to prepare Consolidated Annual Financial Statements for the Territory.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The *Financial Management Act 1996* (FMA) requires the preparation of Annual Financial Statements for the Territory.

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

(i) an Operating Statement for the year;

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

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

(iv) a Cash Flow Statement for the year;

(v) a Statement of Appropriation for the year;

(vi) a summary of the significant accounting policies adopted by the Territory for the year; and

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

a) Basis of Preparation - Continued

These general purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA.

The financial statements have been prepared in accordance with:

(i) Australian Accounting Standards; and

(ii) ACT Accounting and Disclosure Policies.

The Territory's financial statements have been prepared using the accrual Basis of Preparation which recognises the effect of transactions and events when they occur. 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach techniques as appropriate. In estimating the fair value of an asset or liability, the Territory takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

The above approach to fair value measurement does not apply to measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' (AASB 102) or value in use in AASB 136 'Impairment of Assets' (AASB 136).

For disclosure purposes fair value measurements are categorised into Level 1, 2 or 3 based on the extent to which the inputs to the valuation techniques are observable and the significance of the inputs to the fair value measurement in its entirety. The fair value hierarchy is made up of the following three levels:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Territory can access at the measurement date;

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

Fair value hierarchy disclosures are included for the Territory's Property, Plant and Equipment, Investment Properties, Assets Held for Sale and Financial Instruments.

The Territory's financial statements are presented in Australian dollars, which is the Territory's functional currency.

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's accounting policies and provide a fair and accurate financial depiction of the Territory’s activities and position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

b) Compliance Framework

The financial statements for the Territory 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 C - Glossary).

The financial statements for the Territory 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 2005 (ABS GFS Manual).

The purpose of these financial statements is to provide users with information about the Government's stewardship of, and accountability for, resources in the Territory, and information about its financial position, performance and cash flows.

The whole of government reporting entity includes government directorates, government statutory authorities and Public Non-Financial Corporations (also known as Public Trading Enterprises (PTE)). Specific details about the entities consolidated by the Territory are shown at Note 6: 'Australian Capital Territory Government Controlled Entities'.

The General Government Sector (GGS) is a component of the whole of government reporting entity of the Territory. The GGS is determined in accordance with the principles and rules contained in the ABS GFS Manual. The GGS consists of 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 at times below the cost of production.

The GGS financial statements, contained within the Territory's financial statements, are prepared in accordance with AASB 1049 except for AASB 127: 'Consolidated and Separate Financial Statements' (AASB 127) and AASB 139: 'Financial Instruments: Recognition and Measurement' (AASB 139), where full application is not required. Assets, liabilities, income, expenses and cash flows of government controlled entities that are in the PTE sector are not separately recognised in the GGS of the Territory's 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.

The PTE sector comprises of entities mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved. In general, PTE entities are legally distinguishable from the governments which own them.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) The Reporting Period

These consolidated financial statements state the financial performance, changes in equity and cash flows of the Territory for the financial year ended 30 June 2015 together with the financial position of the Territory as at 30 June 2015.

d) Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2014-15 has been presented in the financial statements. Budget numbers in the financial statements are the annual budget numbers that appear in the 2014-15 Budget Papers.

The 2014-15 Budget Papers were prepared in accordance with the requirements of AASB 1049: 'Whole of Government and General Government Sector Financial Reporting' (AASB 1049) except for the following presentational difference:

* The calculation of the 'Headline Net Operating Balance' in the Budget Papers is not shown in the Operating Statement of this report. This calculation is not required under AASB 1049.

e) Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for all amounts reported in the Territory's financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed. Additional detail on significant changes to prior year comparatives is provided in Note 3: 'Change in Accounting Policies, Accounting Estimates and Prior Period Errors'.

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

f) Rounding

All amounts in the Territory's financial statements have been rounded to the nearest million dollars ($m) unless otherwise indicated. The Territory's Consolidated Statement of Appropriation shows amounts in thousands of dollars ($'000) consistent with the *Appropriation (Office of the Legislative Assembly) Act 2014-2015* and *Appropriation Act 2014-2015* .

Use of a zero (“0”) represents amounts rounded down to zero. Use of a hyphen (“-”) represents nil amounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

g) Basis of Consolidation

In accordance with AASB 127: 'Consolidated and Separate Financial Statements' (AASB 127) the Territory's financial statements include the values of all assets, liabilities, equities, revenues and expenses controlled by the Territory.

The financial results of all Territory-controlled entities have been included in the Territory's financial statements. Where control of an entity is obtained during the financial year its results are included in the Territory'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.

Balances between Territory-controlled entities, and any unrealised income and expenses arising from transactions between Territory-controlled entities, are eliminated in preparing the Territory's financial statements.

Full application of AASB 127 has not been applied for the GGS financial statements as per the disclosure contained in Note 2(b): 'Compliance Framework' above.

The consolidated entity includes the PTE entities and GGS entities as set out at Note 6: 'Australian Capital Territory Government Controlled Entities'.

h) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Territory and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

Taxes, Fees and Fines
Taxes are recognised as revenue when an assessment is raised or when an assessment was scheduled to be raised, except for 'return taxes' (periodic self-assessments) which are recognised in the period the return relates to. Fees are either recognised as revenue at the time of payment or when the fee is incurred. Fines are recognised as revenue on the issue of the relevant infringement notice. Where the fine attracts a penalty for late payments, the penalty amount is recognised as revenue on issue of the late payment notice.

Sale of Goods
Revenue from the sale of goods is recognised by the Territory as revenue when the significant risks and rewards of ownership of the goods have transferred to the buyer, the Territory retains neither continuing managerial involvement nor effective control over the goods sold, and the costs incurred in respect of the transaction can be measured reliably.

Rendering of Services
Revenue from the rendering of services is recognised when the stage of completion of the transaction at the reporting date can be measured reliably and the costs of rendering those services can be measured reliably.

Interest
Interest revenue is recognised using the effective interest rate method.

Distributions from the Territory Banking Account
Distribution revenue is received from investments by agencies with the Territory Banking Account. This revenue is recognised on an accrual basis. Distribution revenue only appears in the PTE sector's Operating Statement as this revenue is eliminated at the Territory level.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

h) Revenue Recognition - Continued

Distributions from Financial Investments
Distribution from financial investment revenue is received from the Territory's superannuation unit trust investments. This revenue is recognised on the date the unit value is quoted ex-distribution.

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

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.

Revenue from the provision of development rights to a joint venture is recognised in accordance with the substance of the transaction. When a legally enforceable agreement to contribute undeveloped parcels of land to the joint venture entity for development exists, the Territory recognise the gains attributable to the interest:

(i) of other ventures on the provision of development rights to the joint venture; and

(ii) progressively as the land is sold to third parties by the joint venture.

Sales under the Land Rent Scheme are recognised in the PTE sector on settlement, at which point an invoice is raised to the GGS in order to receive payment for the land. Compensation paid to the PTE sector reflects the amount that would have been received if the sale had been a capital sum sale rather than a not for capital sum (rent lease) sale.

Should sale proceeds be received by instalments over more than 12 months, the initial amount to be recorded as revenue is the fair value of the consideration calculated by discounting the contracted value (nominal value) using a prevailing rate for a similar instrument of an issuer with a similar credit rating to the Land Development Agency. The difference which arises between the fair value of the consideration to be received over the deferral period and the contracted (nominal) value of the land is recognised as interest income over the deferral period.

Proceeds from land sales may comprise both cash-related transactions and the value of infrastructure required to be provided by the purchaser as part of the Deed of Agreement associated with the sale of land. The Right to Receive Infrastructure from the purchaser is recognised as revenue and a receivable at the time of settlement.

Land revenue is classified according to the underlying nature of the sales transactions. As a result, the total value of land revenue recognised by the Territory is classified as either 'undeveloped land value', 'value add component' or 'market gains on land sales', as appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

h) Revenue Recognition - Continued

Land Revenue - Continued

* The 'undeveloped land value' portion of land revenue reflects the unimproved value of land sold. Land Revenue (Undeveloped Land Value) is classified in the Operating Statement as an 'Other Economic Flow', as undeveloped land is considered to be an asset sale, consistent with the presentation requirements of AASB 1049: 'Whole of Government and General Government Sector Financial Reporting' (AASB 1049).

  The amount of 'undeveloped land value' recorded in the Operating Statement is determined by independent valuation prior to land sales, and is equal to the value of land purchased from the Territory and Municipal Services Directorate (within the GGS) by the Land Development Agency (a PTE agency).

* The 'value add component' of land revenue reflects estimated earnings attributable to works undertaken which have contributed to an increase in the value of land sold. The 'value add component' of land revenue is reflected in 'Revenue' on the Operating Statement, because this portion of land revenue represents the value which the Territory has generated through its development and other value add activities, such as marketing and design.

  When the Territory develops undeveloped land and then sells it in the market place, the total revenue earned in excess of the value of the undeveloped land (net revenue) is recorded as 'Land Revenue (Value Add Component)'.

* Market gains on land sales' reflects the portion of land revenue related to the growth in value of land sold that is attributed to prevailing market conditions. Given the nature of this revenue is in the form of a gain, it is included in the 'Other Economic Flows' section of the Operating Statement, consistent with presentation requirements of AASB 1049.

  When the Territory sells undeveloped land, the net revenue is divided between Land Revenue (Value Add Component) and Land Revenue (Market Gains on Land Sales).

These two components cannot be readily disaggregated. The amount recorded as 'value add' is established as the value the Territory has deemed to have added through a range of activities, such as packaging, promotion and marketing. The remainder of the net revenue is deemed to be a market gain.

The above classification and treatment results in the development profits and revenue benefits relating to specific activities undertaken by the Territory being recognised as revenue for the Territory, and proceeds of asset sales and market gains being excluded from revenue in the Operating Statement.

Refer also, Note 2(ak): 'Significant Accounting Judgements and Estimates'.

Dividends
Dividend revenue is recognised when the Territory’s right to receive payment is established.

For the GGS, the component of dividends from the PTE sector is classified according to the underlying nature of the sales transaction/s. 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.

The 'market gains' portion of the GGS dividend reflects the after 'income tax equivalents' profit on the sale of land attributable to market gains. The remainder of the dividend from the PTE sector is recorded as 'dividend income' and included in 'Dividend and Income Tax Equivalents Income' in 'Revenue' section on the Operating Statement.

Refer also, to 'Revenue Recognition: Land' above and 2(ak): 'Significant Accounting Judgements and Estimates' for information regarding market gains on land sales.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

h) Revenue Recognition - Continued

Revenue Received in Advance
Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all amounts are recorded as revenue.

i) Repairs and Maintenance

All costs involved with the maintenance of physical assets are classified as an expense unless they add to the service potential of the existing asset, in which case the costs are capitalised.

j) Interest Expense

Interest expense is recognised in the period in which it is incurred at the effective interest rate.

k) Waivers of Debt

Debts that are waived under Section 131 of the FMA are expensed during the year in which the right to payment was waived. Further details of such waivers are disclosed in Note 29: 'Waivers, Impairment Losses and Write-Offs'.

l) Taxation Expense

The Territory is exempt from all forms of Commonwealth taxation except Fringe Benefits Tax and Goods and Services Tax. While certain agencies are subject to ACT taxation, including Commonwealth taxation equivalents, and this is shown as relevant in the disaggregated sector information, related amounts are eliminated in the Territory's Financial Statements.

m) 'Financial' and 'Non-Financial' Assets and Liabilities

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.

n) Cash

Cash and Deposits
For the purposes of the Balance Sheet, cash and deposits includes cash at bank, cash on hand, demand deposits and overnight cash.

Cash and Cash Equivalents
For the purposes of the Cash Flow Statement, cash includes cash at bank, cash on hand, short-term deposits and overnight cash. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Bank overdrafts are included in cash and cash equivalents in the Cash Flow Statement but not in cash and deposits in the Balance Sheet. Funds held in the Territory Banking Account Cash Fund are classified as cash equivalents, this is only applicable to the PTE sector as these amounts are eliminated in the Total Territory statements.

The inclusion of movements in short-term securities in 'cash' for the purpose of the Cash Flow Statement is the principle difference between 'Cash and Deposits' and 'Cash and Cash Equivalents'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

o) Receivables

Receivables (including trade and other receivables) are initially recognised at fair value and subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public. Other receivables arise outside the normal course of selling goods and services to other parties. Credit terms are usually for a period within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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 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 completion and handover to the Territory by the purchaser, the infrastructure works are recognised 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 impairment losses represents the amount of trade receivables and other receivables the Territory estimates will not be repaid. The Territory determines the allowance for impairment loss based on objective evidence and a review of overdue balances. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The allowance for impairment losses is written off against the receivables account when the Territory ceases to collect the debt as it considers that it will cost more to recover than the debt is worth.

p) Advances Paid

Advances paid by the Territory include home loans to members of the public, loans provided to Community Housing Canberra Limited and to the University of Canberra.

Loans provided to Community Housing Canberra Limited are to support the increase of the supply of affordable housing properties for sale or rent by eligible participants. Terms and conditions of the loans are set out in the 2014-15 Budget papers.

q) Investments

Initial Recognition
The Territory's investment assets within the scope of AASB 139: 'Financial Instruments: Recognition and Measurement' (AASB 139) are designated upon initial recognition as financial assets, at fair value through profit and loss. The Territory's superannuation investments are recognised when the Territory becomes party to the contractual provisions of the instrument. All regular way purchase and sale of superannuation investment assets are recognised on the trade date. Regular way purchases and sales means the purchases and sales of investment assets that occur under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

Subsequent Measurement
After initial measurement, investment assets which are classified as fair value through profit or loss are measured at fair value. Subsequent changes in the fair value of those investments are recorded in the Territory'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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

q) Investments - Continued

Derecognition

An investment asset is derecognised when the right to receive cash flows from the asset has expired or the Territory has transferred its right to receive cash flows from the asset and has subsequently transferred all the risks and rewards of the asset. In relation to the Territory's superannuation investments, this can also occur when the Territory has assumed an obligation to pay the received cash flows in full, without material delay, to a third party under a pass-through arrangement and either (a) the Territory has transferred substantially all the risks and rewards of the asset or (b) the Territory has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Territory has transferred its right to receive cash flows from a superannuation investment (or entered into a pass through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Territory's continuing involvement in the asset. In that case, the Territory also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that have been retained.

Determination of Fair Value

For the Territory'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. The principal of the most advantageous market must be accessible to the Territory. The fair value is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for assets and liabilities traded in active markets at the reporting date is based on the most representative price within the bid-ask spread, without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market. For investments not traded in an active market, fair value is determined by using valuation techniques deemed appropriate in the circumstances. These techniques include the market approach by using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same and the income approach through using discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

Investment assets and liabilities for which fair value is measured or disclosed in the Territory's financial statements are categorised within the fair value hierarchy. Further information can be found at Note 67: 'Financial Instruments'.

Financial investment assets are managed in accordance with a strategy that takes into account the risk/return objectives of the Territory and the projected timing of the Territory's cash flow requirements.

The combination of investment classes is designed to achieve the maximum return within the allowable risk tolerances and liquidity needs of the Territory.

The Territory's superannuation investment assets are managed in accordance with an asset allocation strategy that takes into account the risk/return objectives of the Territory and the long-term nature of the projected defined benefit employer superannuation liabilities and projected cash flow requirements. The long-term strategic asset allocation equates to 70 per cent of the portfolio invested in growth assets (such as equities) and 30 per cent of the portfolio being invested in income assets (such as cash and fixed interest investments). External, asset specific, institutional fund managers are appointed to manage the Territory's financial investment assets accounted for in the Superannuation Provision Account.

The combination of investment classes is designed to achieve the return objective of Consumer Price Index (CPI) plus 5 per cent (net of fees) over the long-term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

q) Investments - Continued

Financial Derivative Instruments

Financial derivatives are used by the Territory's investment fund managers to maximise the efficiencies within the investment portfolio in pursuit of the investment objectives, optimising transaction flows, as well as the protection of investments by minimising adverse effects of a range of financial market risks. Under the Financial Management (Investment and Borrowing) Guidelines 2011, derivative instruments are not permitted to be used for speculation or gearing or leveraging of a portfolio. There is also a prohibition on the holding of any uncovered derivative position (must be asset backed or a reasonable hedge) or a derivative for which the potential exposure cannot be reliably measured.

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

The extent to which derivatives may be used is set out in the Financial Management (Investment and Borrowing) Guidelines 2011. The authorised derivative guidelines are also stated in the investment management agreements established with each contracted investment fund manager.

Derivative financial instruments are initially recognised at fair value on trade date, namely when a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are recorded in the Operating Statement for the year.

The Territory may directly undertake financial derivative transactions as part of the management of interest-bearing liabilities.

The Territory may establish interest rate swap transactions (without the use of collateral) to mitigate exposure to volatile interest rates on the floating rate components of the debt portfolio. Interest rate swap transactions may be undertaken to exchange variable interest payment obligations to protect long term borrowings from the risk of increasing interest rates. The Territory has both variable and fixed interest rate exposures. A credit risk management framework is established for any interest rate swap transactions and these transactions are only made with high quality counterparties.

r) Inventories

Inventories held for sale are valued at the lower of cost or net realisable value. Cost comprises the purchase price of inventory as well as transport, handling, development costs on land and other costs directly attributable to the acquisition of that inventory. Development costs on land include implementation of estate planning, demolition, remediation activities, and relocation or construction of infrastructure services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost of most inventories is assigned using the first-in, first-out method. In the case of developed land, the cost includes the acquisition cost and any development costs incurred in development.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential.

s) Assets Held for Sale

Assets held for sale are assets that are available for immediate sale in their present condition, and their sale is highly probable.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell. Assets held for sale are not depreciated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

t) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item). Property, plant and equipment acquired at no or minimal cost is recorded at fair value as at the date of acquisition.

Where the payment for property, plant and equipment is deferred beyond normal credit terms, the Territory 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.

u) Measurement of Property, Plant and Equipment After Initial Recognition

Property, plant and equipment is valued using the cost or revaluation model of valuation in accordance with AASB 116: 'Property, Plant and Equipment' (AASB 116).

Land, 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value for land and non-specialised buildings is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets.

Fair value for specialised buildings, infrastructure assets, leasehold improvements and some community and heritage assets is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset i.e. depreciated replacement cost. This is the cost approach valuation technique. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis to reflect the already consumed economic benefits or obsolescence of the asset. Current replacement cost is determined by reference to the cost of a substitute asset or comparable utility, the gross project size specifications or the historical cost, adjusted by relevant indices. For other community and heritage assets, fair value is measured using the market approach valuation technique.

The fair value for land under roads is measured using the 'Statutory Land Value' method. Under this method, a value per square metre of land is estimated by dividing the unimproved value of rateable land in the Territory by the total area of the Territory.

The Territory revalues its assets every three years. However, if at any time it is considered that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation 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.

The cost of leasehold improvements and plant and equipment comprises the purchase price, any directly attributable costs, and the initial estimate of the costs of dismantling and removing the assets and restoring the site on which they are located.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

v) Impairment Losses

At each reporting date, the Territory 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, the difference is recognised in the Operating Statement. Impairment losses for plant and equipment, some leasehold improvements and intangible assets are recognised in the Operating Statement. When an asset is assessed as being impaired, the carrying amount of the asset is reduced to its recoverable amount.

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'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Territory were deprived of it. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

w) Land Under Roads

The Territory records the value of all land under roads in accordance with AASB 1051: 'Land Under Roads' and AASB 116: 'Property, Plant and Equipment' (AASB 116). Land under roads were first recognised by the Territory at fair value from 1 July 2008.

Land under roads include land under roadways and road reserves, including land under footpaths, nature strips and median strips.

Land under roads are valued using the revaluation model in accordance with AASB 116. Refer to Note 2(t): 'Acquisition and Recognition of Property, Plant and Equipment' and Note 2(u): 'Measurement of Property, Plant and Equipment After Initial Recognition' for the Territory's valuation policies.

The method used to value land under roads is consistent with the Statutory Land Value method.

x) Investment Properties

Investment properties are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair values are recorded in the Operating Statement. Investment properties are not depreciated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

y) Intangible Assets

The Territory's intangible assets are comprised mainly of internally developed and externally acquired software for internal use.

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;

(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.

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.

Other intangible assets held by the Territory include water licences. Water licences have an infinite useful life and are not subject to amortisation but are tested for impairment by comparing their recoverable amount with their carrying amount annually or when there is an indication of impairment.

Intangible assets are measured at cost.

z) Depreciation and Amortisation of Non-Current Assets

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued, it is depreciated/amortised over its newly assessed remaining useful life. Depreciation is applied to physical assets such as buildings, infrastructure and plant and equipment. Amortisation is used in relation to intangible assets. Land and some heritage and community assets have an unlimited useful life and are therefore not depreciated.

Leasehold improvements are depreciated over the estimated useful life of each asset.

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

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

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Buildings and Land Improvements	Straight Line	1-100
Leasehold Improvements	Straight Line	1-14
Plant and Equipment	Straight Line	2-50
Infrastructure	Straight Line	3-100
Heritage and Community Assets	Straight Line	2-100
Externally Purchased Intangibles	Straight Line	2-20
Internally Generated Intangibles	Straight Line	2-10

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

aa) Loose-Fill Asbestos Insulation Eradication Scheme

On 28 October 2014, the Government announced the implementation of a buyback scheme for all ACT houses affected by loose-fill asbestos (Mr Fluffy) insulation. Under the Scheme, the Government will acquire, demolish and safely dispose of all affected homes, remediate affected blocks and then resell them to partially offset the overall cost of the Scheme.

$1 billion has been allocated over 6 financial years to purchase, remediate and undertake the administrative tasks associated with the Scheme. This amount will be partly offset by the resale of remediated land. The estimated net cash cost of the Scheme is approximately $370 million.

The Commonwealth Government has agreed to provide the Territory with a $1 billion loan over a 10 year term. The Territory will, however, incur the full net cost of the Scheme as well as the interest costs on the Commonwealth loan.

Additional information on the Scheme and the activities of the Asbestos Response Taskforce can be found in Volume 1 of the Chief Minister, Treasury and Economic Development Directorate's Annual Report and on the Taskforce website http://www.asbestostaskforce.act.gov.au/.

Other information included in the Territory's financial statements relating to the Scheme is as follows:

* Note 22: 'Grants and Purchased Services' recognises a Capital Grants Expense for the expense portion of the property purchases.

* Note 43: 'Loose-Fill Asbestos Insulation Eradication Scheme Land' shows the value of Scheme Land acquired for the purpose of building demolition and land remediation, along with a reconciliation of the movements in the value of Scheme Land.

* Note 50: 'Employee Benefits and Other Provisions' provides the value of property purchases opted into, but not settled at the reporting date, and the estimated value of building demolition and land remediation on those sites.

* Note 58: 'Contingencies, Guarantees and Indemnities' provides the likely financial impact associated with property settlements where homeowners had opted into the Scheme by 30 June 2015, but had not settled by that date.

* Note 2(ak)(xvi): 'Significant Accounting Judgements and Estimates: Loose-Fill Asbestos Insulation Eradication Scheme', provides information about the significant judgements and estimates made with respect to transactions associated with the Scheme.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

aa) Loose-Fill Asbestos Insulation Eradication Scheme (continued)

The following information outlines the timing and nature of the significant accounting transactions relating to the administration of the Scheme.

<u>When Homeowners opt into the Scheme:</u>

* a Capital Grants Expense and Other Provision (refer to Note 22, 'Grants and Purchased Services' and Note 50, 'Employee Benefits and Other Provisions' is recognised for the difference between the agreed purchase price and the estimated value of the uncontaminated land (less the anticipated cost of building demolition and land remediation);

* a Contingent Asset (refer Note 58, 'Contingencies, Guarantees and Indemnities') is recorded to recognise that the Government will have contaminated Scheme Land assets when settlement occurs; and

* a Contingent Liability and Contingent Asset (refer Note 58, 'Contingencies, Guarantees and Indemnities') is recorded for the estimated value of demolishing the building/s on the properties and remediating the land after settlement has occurred.

<u>When Settlement of Property Occurs:</u>

* a Scheme Land asset is recognised for the difference between the agreed purchase price and the estimated value of the uncontaminated land (less the anticipated cost of building demolition and land remediation), and the associated Contingent Asset balance recorded at the opt in stage removed;

* the value of the Other Provision at opt in stage relating to the purchase of the asbestos affected property is removed; and

* the Contingent Liability and Contingent Asset relating to the estimated value of the property demolition and land remediation is removed and an equivalent value is recorded as an Other Provision and an increase in the Scheme Land Asset.

<u>As Building Demolition and Land Remediation is Undertaken:</u>

* those costs will be recorded as Scheme Land assets as they are incurred;

* the Other Provision for the building demolition and land remediation will be progressively reduced and the Scheme Land asset values progressively updated; and

* the Other Provision and the associated value of the Scheme Land asset will be revised and updated to reflect revised estimated building demolition and land remediated costs based on the Scheme's experience at that point.

After demolition and remediation works are finalised, Scheme Land will continue to be recorded at cost less any impairment until it is ready for sale.

Once land is ready for sale, the land will be recorded as Assets Held for Sale at the lower of cost and net realisable value. As at 30 June 2015, no land related to the Scheme was classified as held for sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

aa) Loose-Fill Asbestos Insulation Eradication Scheme (continued)

At 30 June 2015 the values in relation to the Scheme are:

	2015 $'m	2014 $'m
Grants and Purchased Services		
Property Purchases - Settled	228	-
Property Purchases - Opted into but not Settled	108	-
Total Grants and Purchased Services	**336**	**-**
Scheme Land Assets		
Asbestos Contaminated Land	188	-
Estimated Building Demolition and Land Remediation Costs for Settled Properties	95	-
Total Scheme Land Assets	**283**	**-**
Other Provisions		
Property Purchases - Opted into but not Settled	108	-
Estimated Building Demolition and Land Remediation Costs for Settled Properties - Current	24	-
Estimated Building Demolition and Land Remediation Costs for Settled Properties - Non-Current	71	-
Total Other Provisions	**203**	**-**
Contingent Liabilities		
Estimated Building Demolition and Land Remediation Costs for Property Purchases Opted into but not Settled	41	-
Total Contingent Liabilities	**41**	**-**
Other Contingent Assets		
Property Purchases - Opted into but not Settled	41	-
Estimated Building Demolition and Land Remediation Costs for Property Purchases Opted into but not Settled	88	-
Total Contingent Assets	**129**	**-**

ab) Biological Assets

The commercial plantation's fair value was determined using estimated stand volume (the volume of timber in a stand of trees) from growth plot measurements, and applying the proportional split of the product mix, and the values of individual products. The pre-commercial plantation's fair value was estimated as aggregated establishment costs and management costs.

ac) Payables

Payables are a financial liability and 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 payables, accrued expenses and other payables. Trade payables represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period and relate to the normal operations of the Territory.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ac) Payables - Continued

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where invoices have not been received by period end.

Other payables are those unpaid invoices that do not directly relate to the normal operations of the Territory.

A liability for outstanding insurance claims is recognised in the Territory's financial statements. The liability covers claims reported but not yet paid, incurred but not yet reported (IBNR), incurred but not enough reported and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating changes in the ultimate cost of settling claims, IBNR's and settlement costs using statistics based on past experience and trends. Outstanding claims are subject to assessment by an independent actuary, PwC Actuarial Services.

ad) Advances Received

Advances Received are loans issued to the Territory by the Commonwealth Government for policy purposes, which includes the provision of housing to the community under the Commonwealth State Housing Agreement, the provision of home loans to the low income members of the public to assist with home ownership and the provision of a loan from the Commonwealth Government for the Loose-Fill Asbestos Insulation Eradication Scheme.

ae) Joint Arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the rights and obligations of the parties to the arrangement, rather than the legal structure of the joint arrangement.

Joint 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 consolidates joint operations proportionally as required by AASB 11. That is, the Territory recognises its interest in in the joint operations 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 Ventures
A Joint Venture is a joint arrangement that the Territory controls jointly with another investor(s) and has rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities requires unanimous consent of the parties sharing control. The Territory 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's share of the profit or loss of the joint venture after the date of acquisition. The Territory's share of the joint venture's profit or loss is recognised in the Statement of Comprehensive Income. Distributions received from a joint venture reduce the carrying amount of the

Further information on the Territory's Joint Ventures can be found at Note 60: 'Interest in Joint Ventures'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

af) Interest-Bearing Liabilities

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

Borrowings also include financial derivatives. For more information on derivatives, refer to Note 2(q): 'Investments'.

ag) Employee Benefits

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

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

Annual and Long Service Leave
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. In 2014-15, the rate used to estimate the value of future payments for long service leave is 104.2 per cent (103.5 per cent in 2013-14). The amount used to estimate the future payments of annual leave is 101.0 per cent in 2014-15 (100.9 per cent in 2013-14).

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 7 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.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities are determined by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019. Further information about this estimate is provided in Note 2(ak) Significant Accounting Judgements and Estimates.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ah) Superannuation

A large number of employees within the ACT Public Sector are members of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PSS). From 1 July 2005, new employees commencing service with the ACT public sector assumed membership of the Public Sector Superannuation Accumulation Plan (PSSap). From 6 October 2006, access to the PSSap for new ACT Government employees was no longer available. On 6 October 2006, the Territory introduced full superannuation fund of choice arrangements for all new employees.

The CSS and PSS superannuation arrangements are administered by the Commonwealth Government agency, ComSuper. With effect from 1 July 1989, the ACT Government became a separate body politic and is responsible to the Commonwealth Government for the employer-financed portion of superannuation benefits provided to employees for their period of employment with the ACT Government.

Under the arrangements agreed with the Commonwealth Government, the ACT Government is to reimburse ComSuper for the emerging cost of superannuation entitlements in respect of ACT Government employees who are members of the CSS or PSS. Annual payments to the Commonwealth Government to reimburse the costs of superannuation benefits paid to ACT retirees are based on preliminary estimates agreed with the Commonwealth Government. The amount paid during 2014-15 was $198.209 million (2013-14: $178.215 million) for emerging costs. As at 30 June 2014, the surplus amounted to $13.681 million (2012-13: $12.967 million).

The date from which these entitlements started to accrue is 1 July 1989. The Superannuation Provision Account (SPA) was established in 1991 to assist the Government in managing its superannuation liabilities. The SPA is not a superannuation scheme, but an ACT Government account to recognise and make payments in connection with the Government's total defined benefit CSS and PSS superannuation liabilities.

The Territory is required to contribute to the CSS and PSS as employees are paid a benefit. Consequently, an unfunded employer liability as recognised by the Commonwealth Government has been created. The Territory reimburses ComSuper for these emerging benefit costs.

The estimated superannuation liability represents the obligation of the ACT to make payments to the Commonwealth Government in respect of superannuation arising from ACT Government employment. A full actuarial review is conducted every three years, with annual reviews reflecting actual experience in respect of staffing numbers, salary movements and change in the discount rate. The change in the estimated superannuation liability from the previous reporting period to the current reporting period comprises four elements: Service Cost; Interest Cost; Emerging Benefits Payments; and Actuarial Gains or Losses.

The Territory recognises actuarial gains and losses by applying the Direct to Equity Method under AASB 119: 'Employee Benefits'.

All other movements of the estimated superannuation liability are expensed in the Operating Statement in the period to which the movement relates. The superannuation expense for the reporting period is the projected expense based on the present value rate used in the previous year's actuarial review (4.08 per cent) to estimate the closing 30 June 2014 superannuation liability. The closing liability as at 30 June 2015 is estimated at the present value rate as at 30 June 2015 of 3.66 per cent. The actuarial gain or loss is the difference between the closing liability as at 30 June 2015 minus the liability as at 30 June 2014, adjusted for the projected 2014-15 interest and service cost and actual benefit payments.

The superannuation liability is exposed to Australia's inflation, interest rate risks and changes in life expectancy, for pensioners. The decrease in government bond yields will increase the superannuation liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ai) Insurance

The Territory's insurance model protects the Territory's assets from a range of catastrophic and accumulated risk exposures through reinsurance arrangements, and the accumulation of a fund reserve to meet the cost of future legal liabilities and asset losses generated through the Territory's activities.

The Territory's Insurance Authority works to protect the assets and services of the Territory by providing risk management and insurance services.

aj) Leases

Finance Leases
Due to a change in the Territory's leasing arrangements with SG Fleet all leased assets of the Territory are now classified as operating leases with the exception of a number of finance leases held by the Territory and Municipal Services Directorate which are immaterial to the Territory.

Operating Leases
Operating leases do not effectively transfer to the Territory substantially all the risks and rewards incidental to ownership of the leased asset. Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.

ak) Significant Accounting Judgements and Estimates

The Territory has made the following judgements and estimates that have a significant impact on the amounts recorded in the Territory's financial statements:

(i) *Land Revenue:* As outlined in note 2(h): 'Revenue Recognition', the Territory apportions land revenue between the 'undeveloped land value', 'value add component' and 'market gains on land sales'. Land Revenue (Undeveloped Land Value) is determined by independent valuation (through a panel of valuers) prior to the land sales transaction. The Territory and the valuer use significant judgement to determine the value of revenue attributable to the 'value add component' and 'market gains' of land sales, as these two components cannot be readily disaggregated.

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 revenue. For most sales of developed land, the Territory's value add expenses are considerably less than 50 per cent of the undeveloped land value. In these instances, apart from 'agent' revenue, the remaining portion of land sales revenue is recorded as Land Revenue (Market Gains on Land Sales), as this reflects the part of land revenue related to the growth in value of land sold that is attributed to prevailing market conditions.

For the sale of undeveloped land either directly or by auction, where the Territory has undertaken minimal value add in relation to the land sold, the amount of 'value add' recorded by the Territory as Land Revenue (Value Add) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ak) Significant Accounting Judgements and Estimates - Continued

Land Revenue - Continued
In the event of an exceptional land sale, that is where the sale proceeds are well in excess of the average revenue from the sale of Territory land, the transaction is reviewed on a case-by-case basis to determine the extent to which the land sales revenue should be apportioned between 'value add' and 'market gains'. There were no exceptional land sales recorded in 2014-15.

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

(ii) *Dividends (Market Gains on Land Sales):* For the General Government Sector (GGS), the component of dividends from the Public Trading Enterprises (PTE) sector is classified according to the underlying nature of the sales transaction/s. 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 the 'Revenue' section of the Operating Statement, or 'Dividends (Market Gains on Land Sales)' in the 'Other Economic Flows' section of the Operating Statement.

Refer to notes 2(h): 'Revenue Recognition' and 2(ak)(i): 'Significant Accounting Judgements and Estimates: Land Revenue' for information regarding how market gains on land sales are calculated.

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

Infrastructure assets and some community and heritage assets have been recorded at fair value based on depreciated replacement cost as determined by independent valuer or officer. This valuation uses significant judgement and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held.

(iv) *Employee Benefits:* The Territory has made a significant judgement 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. Further details in relation to the calculation of this estimate are outlined in Note 2(ag): 'Employee Benefits' and Note 3: 'Change in Accounting Policies, Accounting Estimates and Prior Period Errors'.

(v) *Property, Plant and Equipment (PPE):* The Territory has made significant judgements in determining the useful lives of its PPE. The estimation of useful lives of PPE has been based on historical experience of similar assets and in some cases has been based on valuations provided by independent valuers. The useful lives are reassessed on an annual basis and any adjustments are made when considered necessary.

(vi) *Impairment of Assets:* The Territory's physical assets are assessed annually for indicators of impairment. If this assessment indicates an asset is impaired, then the asset’s recoverable amount will be estimated to determine whether an impairment loss must be recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ak) Significant Accounting Judgements and Estimates - Continued

(vii) *Allowance for Impairment of Trade Receivables:* Periodic assessments are made of outstanding receivables to determine the likelihood that those debts will be settled. The outstanding debt is divided into both time (age of debt) and type of debt categories. Historical analysis is undertaken to determine the likelihood of debt being recovered in each of these categories. The amount that remains uncollected for each category is reduced for the current financial year to reflect the likelihood of collection. The allowance is reduced to reflect the debts that have been written-off. While the debt is written-off in the Territory's financial statements, these are not written-off in the Territory's financial records and are still collected where possible.

(viii) *Assessment of Contingent Liabilities:* The Territory has made considerable judgement in disclosing the contingent liabilities amount based on the Territory's likely liability for legal claims against the Territory.

(ix) *Estimated Superannuation Liabilities:* The carrying amount of the estimated superannuation liabilities is based on estimates and assumptions of future events. These key estimates and assumptions have a significant risk of causing a material adjustment to the carrying amount of the estimated superannuation liabilities within the next annual reporting period.

The Territory's financial statements recognises solely the net unfunded employer liability of the ACT Government. Accordingly, the disclosure requirements of AASB 119: 'Employee Benefits' have been applied.

The ACT's superannuation liabilities are estimated by the Government's consultant actuary, Russell Investments. The liability estimate as at 30 June 2015 is based on the following assumptions:

Data:
Contributor data for CSS and PSS members who were ACT Government employees as at 30 June 2015 was obtained from the Commonwealth Government agency, ComSuper.

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.

The value of the estimated superannuation liabilities is calculated as the present value of the future payment of benefits that have actually accrued in respect of ACT Government service to the calculation date. This approach, which is known as the 'actual accruals' basis, is in line with AASB 119: 'Employee Benefits'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ak) Significant Accounting Judgements and Estimates - Continued

(ix) - Continued *Demographic Assumptions:*

The key demographic assumptions that impact on the estimated superannuation liability include promotional increases in salary; 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:

	2015	**2014**
Discount Rate	3.66%	4.08%
Salary Increase	3.50%	4.00%
CPI	2.50%	2.50%

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

Limitations in Membership Data:

The ACT Government's actuary conducts a detailed data checking and reconciliation process on Group A (members who are currently employed with the ACT Government) and Group B (members who are not currently employed with the ACT Government) membership data from year to year to test the integrity of the data. Any queries arising from this process are raised and resolved with ComSuper. In the small number of cases where issues cannot be resolved, conservative judgements are made by the actuary to complete the valuation exercise.

Sensitivity:

The carrying amount of the superannuation liability is based on estimates and assumptions of future events. The actuarial assumptions are unbiased, being neither imprudent nor excessively conservative, and are the best estimates of the variables that will determine the estimated cost of providing post-employment benefits. The key assumptions above have a significant risk of causing a material adjustment to the carrying amount of the liability within the next annual reporting period. Sensitivity of the liability to valuation changes in the major financial assumptions is outlined below:

Liability Valuation Sensitivity Analysis as at 30 June 2015:

	Increase $'000	**Decrease $'000**
Financial Assumptions		
Discount Rate (+/- 1 per cent)	($1,344,000)	$1,752,000
Consumer Price Index (+/- 1 per cent)	$1,288,000	($1,049,000)
Salary Inflation (+/- 1 per cent)	$338,000	($296,000)
Demographic Assumptions		
PSS Pensioner Election Rate (+/- 10 per cent)	$295,000	($295,000)
Employer-Financed Proportion of PSS Pension (+/- 5 per cent)	$267,000	($267,000)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ak) Significant Accounting Judgements and Estimates - Continued

(x) *Biological Assets:* Plantation Growing Stock values have been determined though an independent valuation performed by an expert forestry consultant (Forsci Pty Ltd) using sustainable yield of the plantations determined by the professional judgement and expertise of Territory officers. Pre-commercial stock is valued using the average establishment cost of each forest plus an annual maintenance cost per hectare and a compound annual interest rate of 6 per cent. Commercial stock is valued at estimated value on liquidation using statistical estimation of grade, age, class, volume, site characteristics and other key attributes based on the following key assumptions:

* product distributions within the standing timber volumes are based on historic distributions; and
* prices for products are based on agreed sale prices with mills, after deducting harvesting and transport costs.

(xi) *Valuation of Land Under Roads* Significant judgement has been made in determining the fair value of land under roads. The Australasian Valuers-General have issued a guidance note on 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.

(xii) *Fair Value of Financial Instruments:* When the fair values of financial assets and financial liabilities can not be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in measuring fair value. Changes in assumptions could affect the reported fair value of financial instruments and the level where the instruments are disclosed in the fair value hierarchy.

The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument (without modification) when available. The Territory considers the valuation techniques and inputs used in valuing unlisted unit trust investments to ensure they are reasonable and appropriate prior to investing and therefore the net asset value of these investments may be used as an input into measuring their fair value. In measuring this fair value, the net asset value of the investments is adjusted, as necessary, to reflect any private equity stock restrictions on redemptions, future commitments, and other specific factors of the investments and fund manager.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ak) Significant Accounting Judgements and Estimates - Continued

(xiii) *Project Costing:* Significant judgements have been applied to costs expected to be incurred over the life of all individual land projects by the Land Development Agency. Calculations are based on invoices paid to date, accrued expenditure and an estimation of costs still to be incurred to ensure satisfactory completion of the project. Furthermore, an appropriate contingency is calculated based on management experience and expertise together with accepted industry norms. Significant estimates have been made to calculate the cost of each block of land sold. The computation allocates a percentage of the estimated total forecast expenditure to each individual block based on the square metres of each individual block in comparison to the overall size of the land being developed.

The latest review of project costings was conducted in 2014-15.

(xiv) *Rental Properties:* Rental properties are not classified as investment properties as the Territory has made a judgement that they are being held to meet service delivery objectives.

(xv) *Land Sales under the Land Rent Scheme:* Land held under the land rent scheme is classified as property, plant and equipment until such time as the land becomes held for sale and ceases to be rented. Land classified as held for sale is recorded as inventory. Proceeds from the sale of this land are recognised in accordance with AASB 118: 'Revenue'. The Territory has made a judgement that this land can be routinely sold in the course of the Territory's ordinary business.

(xvi) *Loose-Fill Asbestos Insulation Eradication Scheme (the Scheme):* Significant judgements have been made in determining both the scope of works to be undertaken and the value of certain transactions associated with the Scheme. Refer to Note 2(aa), 'Loose-Fill Asbestos Insulation Eradication Scheme', for an overview of the financial impacts and material accounting transactions associated wit the administration of the Scheme. The significant judgements and estimates made in relation to the Scheme relate to estimating the:

* value of contaminated land;
* value of demolishing asbestos affected buildings and remediating the associated land; and
* timing of building demolition and land remediation works.

Estimates for the Value of Contaminated Land: the price paid to purchase the properties includes contaminated land and buildings. An estimate for the value of contaminated land is needed, as it is recorded as an asset, whereas the buildings are expensed because they are demolished after being purchased. The estimated value of the contaminated land takes into account the unimproved value of the land (adjusted to reflect the market value) at the commencement of the Scheme, less the estimated cost for demolishing the buildings and remediating the land.

Estimates for the Cost of Building Demolition and Land Remediation: The forecast cost of building demolition and land remediation is currently based on similar work done elsewhere and has been determined in consultation with the building industry. This estimate will be revised as building demolition and land remediation works commence, and will be used for the remaining properties.

Estimates for the Timing of Building Demolition and Land Remediation: It is currently estimated that it will take six years to demolish the buildings and remediate the land on the asbestos affected properties. The timing of building demolition and land remediation is likely to be impacted by a range of factors, including any unexpected difficulties experienced in relation to building demolitions at particular sites, the availability of labour to undertake the required works, and weather conditions. If any of these delays eventuate there is a risk that the cost of these works will also increase.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

al) Variance Analysis

Significant movements between financial years ended 30 June 2015 and 30 June 2014, are discussed at *Appendix A* . Significant movements between 30 June 2015 Actual financial results and the 2014-15 Budget, as presented in the 2014-15 Budget Papers, are discussed at *Appendix B* .

Paragraph 65 of AASB 1049: 'Whole of Government and General Government Sector Financial Reporting' (AASB 1049) states that significant movements to be disclosed 'are those relevant to an assessment of the discharge of accountability and to an analysis of performance of government'. With regard to that criteria the Territory has determined that, for Appendix A and Appendix B, significant variances are those that represent more than 5 per cent as a variance and more than 5 per cent of the relevant category (for example, total taxation revenue in the instance of Appendix A as opposed to total revenue in the instance of Appendix B), and apply to the General Government Sector.

For the 30 June 2015 Actual to 2014-15 Budget variance analysis, only face of statement line items have been explained, as per AASB 1049 requirements. For the 30 June 2015 Actual to 30 June 2014 Actual variance analysis, the Territory has explained variances at note level. The 2014-15 Budget numbers have not been audited.

3 CHANGE IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND PRIOR PERIOD ERRORS

a) Change in Accounting Policies and Estimates

<u>Revision of the Defined Benefit Superannuation Liability Discount Rate</u>
In 2014-15, the rate used to calculate the present value of the Territory's defined benefit superannuation liability decreased from 4.08 per cent in 2013-14 to 3.66 per cent in 2014-15. This resulted in an actuarial loss (an increase in the liability) of approximately $666.8 million.

<u>Revision of Outstanding Insurance Claims</u>
The assessment of outstanding insurance claims for 2014-15 was completed in July 2015 resulting in a decrease to the estimate for outstanding claims of approximately $22.7 million. The Territory's actuary forecasts that there will be fewer and smaller anticipated medical malpractice and public liability claims based on recent years' information.

<u>Bi-Annual Review of Project Costing</u>

Bi-annual reviews of the Territory's estimated costs for land related projects are undertaken to ensure that the current financial status reflects all known facts at the review date.

The bi-annual review for 2014-15 resulted in adjustments to total estimated costs of various projects. The overall impact of the adjustments was to decrease cost of goods sold and increase inventory by $9.8 million.

<u>Sales Under the Land Rent Scheme</u>

Land Sales under the Land Rent Scheme: The Territory has made a judgement that land sales under the land rent scheme should be recorded as an other economic flow consistent with the underlying nature of these transactions. Refer Note 2(h): 'Revenue Recognition' for further information. An adjustment has been made to the prior period to reflect this treatment resulting in a reduction to Sales of Goods and Services revenue of $31.1 million, a reduction to Other Operating Expenses of $30.3 million, with the net impact of $0.8 million being reflected in Other Economic Flows.

4 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods and are for reporting periods commencing on or after the dates specified. The Territory does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

* AASB 9 Financial Instruments (application date 1 Jan 2018): This standard supersedes AASB 139 Financial Instruments: Recognition and Measurement. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of financial assets. No material financial impact is expected on the Territory.

* AASB 15 Revenue from Contracts with Customers (application date 1 Jan 2017): AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 Construction Contracts and AASB 118 Revenue. The Territory is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage the Territory is not able to estimate the impact of this new standard on its financial statements. A more detailed assessment of the impact will be undertaken over the next 12 months.

* AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (application date 1 Jan 2018): This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact is expected on the Territory.

* AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C Financial Instruments application date 1 Jan 2015): Part C of this Omnibus standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. No material financial impact is expected on the Territory.

* AASB 2014-1 Amendments to Australian Accounting Standards Part D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts (application date 1 Jan 2016); and Part E – Financial Instruments (application date 1 Jan 2018): Part E of this standard defers the application of AASB 9 to 1 January 2018. No material financial impact is expected on the Territory.

* AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation (application date 1 Jan 2016): This standard introduces a rebuttable presumption that the use of revenue based amortisation for intangible assets is inappropriate and clarifies that revenue based depreciation for property, plant and equipment cannot be used. The adoption of this standard has no financial impact as depreciation and amortisation are not based on the generation of revenue, they are based on the consumption of future economic benefits.

* AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (application date 1 Jan 2017): This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 15. The Territory is assessing the potential impact of AASB 15.

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

* AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (application date 1 Jan 2018): This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 (December 2014). No material financial impact is expected on the Territory.

* AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) (application 1 Jan 2015): This standard makes amendments to AASB 9 (December 2009) and AASB 9 (December 2010) such that for annual reporting periods beginning on or after 1 January 2015, an entity may apply AASB 9 (December 2009) or AASB 9 (December 2010). The Territory does not intend to early adopt these standards and there is no financial impact.

* AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (application date 1 Jan 2016): This standard makes amendments to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. There is no expected financial impact.

* AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture (application date 1 Jan 2016): This standard makes amendments to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. There is no expected financial impact.

* AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 (application date 1 Jan 2016): AASB 2015-2 will have no material financial impact on the Territory. There will be a potential reduction in disclosures required.

* AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (application date 1 July 2015): This standard gives effect to the withdrawal of AASB 1031 Materiality and deletes references to AASB 1031 in the Australian Accounting Standards. There is no expected financial impact on the Territory.

* AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (application date 1 July 2016): While there is no material financial impact in implementing this standard, there will be an expected increase in disclosure for the Territory in relation to the Basis for Conclusions.

5 DISAGGREGATED INFORMATION

The Territory's financial statements show the assets, liabilities and equity, revenue and expenses and receipts and payments that are reliably attributable to the General Government Sector (GGS) and Public Trading Enterprises (PTE) activities of the Government. These have been determined in accordance with the principles used in the Government Financial 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 PTE amounts may therefore vary from the consolidated total for the Territory due to consolidation eliminations. A list of entities in the GGS and PTE can be found at Note 6: '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 Trading Enterprises (PTE)

PTE entities 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.

6 AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES

General Government Sector

ACT Compulsory Third Party Insurance Regulator
ACT Executive
ACT Gambling and Racing Commission
ACT Insurance Authority
ACT Local Hospital Network Directorate
ACT Public Cemeteries Authority
Auditor-General
Canberra Institute of Technology
Capital Metro Agency
Chief Minister, Treasury and Economic Development Directorate
Commerce and Works Directorate (discontinued 7 July 2014)
Community Services Directorate
Cultural Facilities Corporation
Economic Development Directorate (discontinued 7 July 2014)
Education and Training Directorate
Electoral Commissioner
Environment and Planning Directorate
Exhibition Park Corporation (discontinued 1 January 2015)
Health Directorate
Home Loan Portfolio (discontinued 30 June 2015)
Independent Competition and Regulatory Commission
Justice and Community Safety Directorate
Legal Aid Commission (ACT)
Lifetime Care and Support Fund
Office of the Legislative Assembly
Public Trustee for the ACT
Superannuation Provision Account
Territory and Municipal Services Directorate
Territory Banking Account

6 AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES - CONTINUED

Public Trading Enterprises

ACTION
ACTTAB Limited (sold to Tabcorp 14 October 2014)
CIT Solutions Pty Limited
Housing ACT
Icon Water Limited (previously ACTEW Corporation Limited)
Land Development Agency

All Public Trading Enterprises are 100 per cent owned by the Territory.

REVENUE

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
7 TAXATION REVENUE				
Duties	273	291	270	291
Payroll Tax	358	330	346	318
General Rates	376	340	362	327
Motor Vehicle Registrations	111	108	111	108
Land Tax	96	79	96	79
Gambling Taxes	52	52	51	51
Fire and Emergency Services Levy	43	34	42	33
Utilities (Network Facilities) Tax	26	25	19	18
Lease Variation Charge	11	14	11	14
Ambulance Levy	19	18	19	18
Energy Industry Levy	2	3	2	3
Lifetime Care and Support Levy	10	-	10	-
Total Taxation Revenue	**1,377**	**1,296**	**1,339**	**1,260**

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
8 GRANTS REVENUE				
GST Revenue Grants [(a)]	1,105	1,033	1,105	1,033
Municipal Service Payments [(b)]	38	37	38	37
National Specific Purpose and Reform Grants [(c)]	648	593	648	593
National Partnership Payments - Current [(d)]	56	57	56	57
National Partnership Payments - Capital[(d)]	61	89	61	89
Other Grants:				
Finance Assistance Grants[(e)]	73	24	73	24
Other Grants [(f)]	10	7	12	8
Total Commonwealth Grants Revenue	**1,992**	**1,840**	**1,994**	**1,841**
Gains from Contributed Assets [(g)]	82	90	38	35
Total Gains from Contributed Assets	**82**	**90**	**38**	**35**
Total Grants Revenue	**2,074**	**1,930**	**2,032**	**1,876**

Notes: (a) GST Revenue Grants represent the distribution of Goods and Services Tax revenue collected by the Commonwealth Government and onpassed to State and Territory Governments.

(b) Municipal Service 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.

(c) National Specific Purpose and Reform Grants are Commonwealth financial contributions to support delivery of services in specified sectors and are subject to conditions on expenditure. The Territory (through the General Government Sector) receives funding for Healthcare, Schools, Skills and Workforce Development, Affordable Housing and Disability purposes.

(d) National Partnership Payments are received to support the delivery of specified projects, to facilitate reforms or to reward jurisdictions that deliver on national reforms or achieve service delivery improvements. The term current refers to grants which are generally operational in nature (they are expensed).

(e) Financial Assistance Grants are provided for the purpose of Local Government activities. As the Territory has responsibility for both State and Municipal functions, these grants are paid directly to the Territory.

(f) Other grants relate to direct funding received from the Commonwealth largely for the Community Energy Efficiency Program and Development Grants as part of the National Disability Insurance Scheme, incentive payments under the Commonwealth's Asset Recycling Initiative and fuel tax credits.

(g) Gains from Contributed Assets primarily relate to land development infrastructure assets transferred to the General Government Sector by the Public Trading Enterprises Sector and external developers.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
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		General Government Sector		Total Territory	
		2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
9	**REVENUE FROM ASSOCIATES AND JOINT VENTURES**				
	Land Development Joint Ventures	-	-	0	20
	ActewAGL Joint Venture	-	-	101	84
	Housing Joint Ventures	-	-	2	3
	Total Revenue from Associates and Joint Ventures	**-**	**-**	**103**	**107**

10 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 Trading Enterprises 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.

	2014-15 GGS	2013-14 GGS	2014-15 TT	2013-14 TT
Water, Sewerage and Other Related Services	-	-	248	239
Residential Housing Tenants and Rental Income	8	9	92	94
Health Cross-Border Revenue[(a)]	92	107	92	107
Hospital and Other Health Services[(b)]	113	107	113	107
Regulatory Services[(c)]	93	77	92	76
Vocational and Tertiary Education and Training Fees	41	41	55	52
Totalisator Commissions[(d)]	-	-	8	29
Bus Services	-	-	22	21
Services Receipts[(e)]	27	26	27	26
Parking Fees	16	14	16	14
Fire Services[(f)]	7	3	7	3
Drivers' Licences	9	9	9	9
Water Abstraction Charge	25	25	-	-
Other Sales and Services	44	52	27	39
Total Other Sales of Goods and Services	**475**	**469**	**810**	**816**

Notes: (a) Health Cross-Border Revenue relates to revenue for health services provided to patients from other jurisdictions, mainly New South Wales.

(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 and development applications.

(d) Totalisator Commissions represent commissions on wagering turnover collected by ACTTAB Limited up until 14 October 2014, at which time, ACTTAB Limited was sold to Tabcorp.

(e) Service Receipts include items such as venue and equipment hire, event management, sports match receipts, extension of time to build fees, capital linen revenue and merchandise sales.

(f) Fire services revenue mainly reflects the contribution from the Commonwealth Government for the provision of fire services.

11 INTEREST INCOME

	2014-15 GGS	2013-14 GGS	2014-15 TT	2013-14 TT
Interest Received from Banks	48	51	52	54
Interest Received - Non-Bank[(a)]	78	84	8	5
Other Interest	5	5	3	5
Total Interest Income	**131**	**141**	**63**	**64**

Note: (a) Non-Bank interest mainly relates to interest received on advances and loans issued to ACT Government agencies (mainly Icon Water Limited) and interest on financial investments.

		General Government Sector		Total Territory	
		2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
12	**DISTRIBUTIONS FROM FINANCIAL INVESTMENTS**				
	Distributions from Financial Investments	69	118	69	118
	Total Distributions from Financial Investments	**69**	**118**	**69**	**118**
13	**DIVIDEND AND INCOME TAX EQUIVALENTS INCOME**				
	Dividends from Public Trading Enterprises	168	136	-	-
	Dividends from Superannuation Investments	50	24	50	24
	Income Tax Equivalents from Public Trading Enterprises	81	55	-	-
	Total Dividend and Income Tax Equivalents Income	**299**	**215**	**50**	**24**

14 LAND REVENUE (VALUE ADD COMPONENT)

The 'value add' component of land revenue reflects earnings attributable to works undertaken which have contributed to an increase in the value of land sold. Refer Note 2(h): 'Revenue Recognition'.

Land Revenue (Value Add Component)	-	-	242	81
Total Land Revenue (Value Add Component)	**-**	**-**	**242**	**81**

15	**OTHER REVENUE**				
	Fines	33	29	33	29
	Contributions [(a)]	20	19	20	19
	Land Rental	16	16	16	16
	Superannuation Contributions	13	14	2	3
	Net Insurance Recoveries / (Losses)	-3	5	-3	5
	Other [(b)]	51	59	68	89
	Total Other Revenue	**130**	**142**	**136**	**160**

(a) Contributions primarily relate to voluntary contributions for education, fundraising revenue and excursion funds received from parents.

(b) Other revenue primarily relates to direct grants, donations, sponsorships, fees and recoveries.

EXPENSES	General Government Sector		Total Territory	
	2014-15 Actual $m	**2013-14 Actual $m**	**2014-15 Actual $m**	**2013-14 Actual $m**
16 EMPLOYEE EXPENSES				
Wages and Salaries	1,579	1,500	1,724	1,650
Long Service Leave	36	28	39	30
Annual Leave	65	62	70	68
Workers' Compensation Insurance Premium	67	57	78	67
Termination Payments and Redundancies	6	-	7	1
Other Employee Benefits and On-Costs	8	4	24	13
Total Employee Expenses	**1,761**	**1,652**	**1,942**	**1,829**

17 SUPERANNUATION EXPENSES

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

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

	General Government Sector 2014-15	General Government Sector 2013-14	Total Territory 2014-15	Total Territory 2013-14
Superannuation Interest Cost [(a)]	314	300	314	300
Other Superannuation Expenses	332	306	336	316
Total Superannuation Expenses	**646**	**605**	**650**	**616**
Represented by:				
Superannuation Expenses (CSS and PSS)	533	504	533	504
Superannuation Payment to ComSuper (for the PSSap)	8	8	9	9
Productivity Benefit	17	17	18	18
Superannuation to Other External Providers, including Fund of Choice	88	76	90	86
Total Superannuation Expenses	**646**	**605**	**650**	**616**

Note: (a) Superannuation Interest Cost is a component of total superannuation expense, and represents the imputed interest accrued on unfunded superannuation liabilities. In an unfunded superannuation scheme, the increase in superannuation liability is taken as being equivalent to the liability that would be generated under a fully funded scheme as if the employer was paying into a separate superannuation fund. In this scenario, the Government is viewed as compulsorily 'borrowing' from employees the value of the increase in superannuation liability each period. In doing so, it sustains an additional cost for the use of these 'borrowed' funds, which is an interest expense. The cost of these 'borrowed' funds is presented as superannuation interest cost.

It should be noted, however, that 'superannuation interest cost' does not represent an actual borrowing from employees. The break-down of total superannuation expenses into 'superannuation interest cost' and 'other superannuation expenses' is simply for presentational and reporting purposes.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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		General Government Sector		Total Territory	
		2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
18	**DEPRECIATION AND AMORTISATION**				
	Land Improvements and Buildings	131	108	156	124
	Leasehold Improvements	10	9	12	10
	Plant and Equipment	51	49	61	60
	Infrastructure Assets	143	152	184	193
	Heritage and Community Assets	4	5	4	5
	Total Depreciation	**338**	**322**	**417**	**392**
	Intangible Assets	16	11	17	12
	Total Amortisation	**16**	**11**	**17**	**12**
	Total Depreciation and Amortisation	**356**	**333**	**435**	**404**
19	**INTEREST EXPENSE**				
	Interest Expense on Borrowings	142	140	137	140
	Interest Expense on Commonwealth Borrowings	12	4	16	8
	Interest Paid to Agencies	3	4	-	-
	Finance Charges on Finance Leases	1	1	1	1
	Total Interest Expense	**159**	**150**	**154**	**149**
20	**SUPPLIES AND SERVICES**				
	Communication and Computer Expenses	47	49	50	52
	Travel, Accommodation and Transport Expenses	19	19	17	17
	Printing and Stationery	19	22	21	23
	Materials, Equipment and Supplies	194	186	281	262
	Property Rental and Occupancy Expenses (including Utilities)	67	70	60	63
	Repairs and Maintenance	114	106	154	145
	Consultant Fees, Contractor Payments and Professional Services	175	168	190	181
	Staff Development and Recruitment	20	19	22	20
	Community Policing	154	153	154	153
	GST Administration Costs to the Australian Taxation Office	11	12	11	12
	Compensation Payments[(a)]	9	9	9	9
	Insurance Payments	0	0	3	1
	Other Supplies and Services[(b)]	4	3	7	6
	Total Supplies and Services	**832**	**816**	**979**	**943**

Notes: (a) Compensation Payments represent items such as criminal injuries compensation, damages and settlements.

(b) Other Supplies and Services represent items such as memberships and associations, bonus payments and other operating costs.

21 OTHER OPERATING EXPENSES

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Cost of Goods Sold	17	15	89	41
School Management Costs (Incurred Directly by Schools)	62	60	62	58
Net Insurance Claim Payments[(a)]	-2	23	-4	19
Concessions and Community Service Obligations	35	34	15	15
Other	57	21	78	34
Total Other Operating Expenses	**169**	**153**	**240**	**168**

Note: (a) The negative Net Insurance Claim Payments relates to the reduction in Outstanding Claims Liabilities due to changes in economic and actuarial assumptions.

22 GRANTS AND PURCHASED SERVICES

Under the *Financial Management Act 1996* appropriations may be made to directorates and a limited number of territory authorities. Payments to territory authorities not able to receive appropriations directly, can be made through an Agency's territorial account, and are recorded as 'Transfer Payments to ACT Government Agencies'.

Government grants and purchased services expense was comprised of amounts relating to:

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Grants to Non-Government Schools	249	236	249	236
Grant Payment (Education and Community Services)	11	12	32	33
First Home Owners' Grant and Boost	17	14	17	14
Capital Grants	7	5	7	5
Loose-Fill Asbestos Insulation Eradication Scheme Capital Grants	336	-	336	-
Community Activity	11	9	11	9
Appropriation Payments to Agencies and Asset Transfers to Another Entity	59	58	3	1
Other Current Grants	51	39	51	39
Total Grants	**742**	**373**	**706**	**337**
Purchase of Transport Services from ACTION	96	92	-	-
Purchase of Health Services from Calvary Hospital	188	175	188	175
Purchase of Health Services from Other Jurisdictions	22	26	22	26
Payments to Non-Government Organisations (Health and Disability)	171	168	171	168
Other Purchased Services	2	2	1	1
Total Purchased Services	**478**	**463**	**382**	**370**
Total Grants and Purchased Services	**1,221**	**836**	**1,088**	**707**

	General Government Sector		Total Territory	
OTHER ECONOMIC FLOWS	**2014-15 Actual $m**	**2013-14 Actual $m**	**2014-15 Actual $m**	**2013-14 Actual $m**

'Other Economic Flows' include non-mutually agreed transactions which result in a change in the value of net assets, and include revaluations of assets and liabilities, gains and losses and bad debts written-off, as well as gains on the sale of land.

23 DIVIDENDS (MARKET GAINS ON LAND SALES)

The 'market gains' portion of dividends on land sales reflects the after 'income tax equivalents' profit on the sale of land attributable to market gains. Refer to Notes 2(h): 'Revenue Recognition' and 2(ak): 'Significant Accounting Judgements and Estimates'.

	GGS 2014-15	GGS 2013-14	TT 2014-15	TT 2013-14
Dividends (Market Gains on Land Sales)	5	8	-	-
Total Dividends (Market Gains on Land Sales)	**5**	**8**	**-**	**-**

24 LAND REVENUE (MARKET GAINS ON LAND SALES)

The 'market gain' portion of land revenue reflects the growth in the value of land sold that is attributable to prevailing market conditions. Refer to Notes 2(h): 'Revenue Recognition' and 2(ak): 'Significant Accounting Judgements and Estimates'.

	GGS 2014-15	GGS 2013-14	TT 2014-15	TT 2013-14
Land Revenue (Market Gains on Land Sales)	-	-	7	12
Total Land Revenue (Market Gains on Land Sales)	**-**	**-**	**7**	**12**

25 NET LAND REVENUE (UNDEVELOPED LAND VALUE)

Land Revenue (Undeveloped Land Value) reflects the unimproved value of land sold. The General Government Sector amount reflects revenue from the sale of undeveloped land to the Public Trading Enterprises sector. The Total Territory amount represents the portion of revenue from the sale of land to the community that relates to undeveloped land. Refer to Notes 2(h): 'Revenue Recognition' and 2(ak): 'Significant Accounting Judgements and Estimates'.

	GGS 2014-15	GGS 2013-14	TT 2014-15	TT 2013-14
Land Revenue (Undeveloped Land Value)	49	50	45	50
Total Net Land Revenue (Undeveloped Land Value)	**49**	**50**	**45**	**50**

26 NET GAIN/(LOSS) ON SALE/(DISPOSAL) OF NON-FINANCIAL ASSETS

	GGS 2014-15	GGS 2013-14	TT 2014-15	TT 2013-14
Other Gains (Non-Core Activities)[(a)]	5	7	54	7
Asset Revaluation	21	0	23	0
Impairment Losses and Write-Offs	-8	-13	-11	-16
Decrements Arising from the Revaluation of Assets	-	-	-1	-5
Loss on Disposal of Assets	-69	-23	-70	-19
Total Net Gain/(Loss) on Sale of Non-Financial Assets	**-50**	**-28**	**-5**	**-33**

Note (a): Other Gains (Non-Core Activities) mainly reflects the sale of ACTTAB Limited and movements in the rate used to estimate the present value of insurance claims and long service leave. These movements are treated as other gains/(losses) for the Territory's financial reporting purposes.

27 NET GAIN/(LOSS) ON FINANCIAL ASSETS OR LIABILITIES AT FAIR VALUE

	GGS 2014-15	GGS 2013-14	TT 2014-15	TT 2013-14
GGS Gain on ACTTAB Sale	59	-	-	-
Realised and Unrealised Gains on Investments	266	283	266	283
Realised and Unrealised Losses on Investments	-78	-23	-78	-23
Total Net Gain/(Loss) on Financial Assets or Liabilities	**247**	**261**	**188**	**261**

28 DOUBTFUL DEBTS

	GGS 2014-15	GGS 2013-14	TT 2014-15	TT 2013-14
Doubtful Debts Expense[(a)]	-2	-4	-5	-6
Total Doubtful Debts	**-2**	**-4**	**-5**	**-6**

(a) A negative figure for Doubtful Debts indicates an expense.

29 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

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.

A waiver is the relinquishment of a legal claim to a debt. 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. The write-off of debts may occur for reasons other than waivers. 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'.

The waivers and write-offs listed below have occurred during the reporting period for the General Government Sector and the Territory.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Waivers				
Other Waivers	11	5	11	5
Total Waivers [(a)]	**11**	**5**	**11**	**5**
Impairment Losses				
Impairment Loss from Receivables				
Receivables	5	6	5	6
Total Impairment Loss from Receivables	**5**	**6**	**5**	**6**
Impairment Loss from Property, Plant and Equipment				
Plant and Equipment	0	1	1	1
Total Impairment Loss from Property, Plant and Equipment	**0**	**1**	**1**	**1**
Total Impairment Losses	**5**	**6**	**5**	**7**
Write-Offs				
Write-Offs	8	14	11	16
Total Write-Offs	**8**	**14**	**11**	**16**
Total Waivers, Impairment Losses and Write-Offs	**24**	**25**	**27**	**29**

Note: (a) There were 532 waivers approved in 2014-15 for the General Government Sector (GGS) (2013-14: 680) and 532 for the Territory (2013-14: 680).

30 ACT OF GRACE PAYMENTS

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

There were 58 Act of Grace Payments made by the General Government Sector (GGS) and the Territory during the reporting period pursuant to Section 130 of the *Financial Management Act 1996* (FMA), totalling $713,000. There were 11 Act of Grace Payments for the GGS and the Territory, totalling $903,000 in 2013-14.

The FMA requires Act of Grace payments made by the Territory to be reported in the notes to agencies' financial statements in the financial year the payments were made. Details of Act of Grace payments made can be found in agencies' financial statements (act of grace payments note).

The FMA also requires that the notes to the financial statements indicate the amount and grounds for each Act of Grace payment (this disclosure is made in the agency financial statements to which they relate), and that the financial statements shall not disclose the identity of an Act of Grace payment recipient unless disclosure was agreed to by the recipient.

ASSETS	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m

31 CASH AND DEPOSITS

Cash and Deposits include cash on hand, cheques held but not yet deposited, deposits held in transaction accounts and other deposits which are recoverable or transferable on demand.

Cash at Bank	715	414	813	463
At Call Deposits and Short-Term Deposits	9	8	9	8
Total Cash and Deposits	**724**	**422**	**822**	**472**

32 ADVANCES PAID

Advances paid include loans made by the Territory (through the General Government Sector) to Icon Water Limited, Community Housing Canberra Limited and the University of Canberra.

Current Loans Receivable	93	20	2	0
Non-Current Loans Receivable	1,502	1,572	100	142
Less: Allowance for Impairment Losses	-	-1	-	-1
Total Advances Paid	**1,595**	**1,590**	**101**	**141**

33 INVESTMENTS AND LOANS

Current investments (the Cash Enhanced Fund) is comprised of securities and standard market instruments which must conform to applicable standard market conventions and requirements. The bulk of non-current investments represents 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 2011.*

Current Investments				
Short-Term Securities	-	-	58	57
Other Current Investments	1,307	1,206	1,307	1,206
Total Current Investments	**1,307**	**1,206**	**1,365**	**1,263**
Non-Current Investments				
Government Fixed Interest Bonds	709	673	709	673
Shares and Equities	1,960	1,930	1,960	1,930
Investment in Property Trusts	244	215	244	215
Total Non-Current Investments	**2,913**	**2,818**	**2,913**	**2,818**
Total Investments and Loans	**4,220**	**4,024**	**4,278**	**4,081**

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
34 RECEIVABLES				
Current Receivables				
Trade Receivables	205	172	203	180
Right to Receive Infrastructure from Land Developers[a]	-	-	9	24
Other Trade Receivables	-	1	-	7
Prepayments	25	16	39	32
Less: Allowance for Impairment Losses	-17	-16	-24	-23
Net Current Trade Receivables	***213***	***171***	***226***	***219***
Accrued Revenue	140	126	43	40
Other Current Receivables	49	61	50	91
Total Current Receivables *(refer Note 2(o): 'Receivables')*	**401**	**359**	**319**	**350**
Non-Current Receivables				
Trade Receivables	2	2	2	2
Right to Receive Infrastructure from Land Developers [a]	-	-	11	8
Insurance Receivables	-	5	-	5
Prepayments	1	0	1	0
Less: Allowance for Impairment Losses	-3	-1	-3	-1
Net Non-Current Receivables	***0***	***7***	***11***	***19***
Other Receivables	4	4	9	7
Total Non-Current Receivables *(refer Note 2(o): 'Receivables')*	**4**	**11**	**20**	**26**
Total Receivables	**405**	**370**	**339**	**353**

Note: (a) The right to receive infrastructure from land developers reflects the value of infrastructure assets (such as roads, services and landscaping) required to be constructed by the land purchaser and handed over to the Territory on completion.

Reconciliation of the Allowance for Impairment Losses				
Allowance for Impairment Losses at the Beginning of the Reporting Period	19	22	27	28
Additional Allowance Recognised During the Reporting Period	2	5	4	8
Less: Reduction in Allowance from Amounts Recovered During the Reporting Period	-5	-1	-5	-1
Less: Reduction in Allowance from Amounts Written-off During the Reporting Period	-7	-6	-9	-8
Allowance for Impairment Losses at the End of the Reporting Period	**9**	**19**	**17**	**27**

34 RECEIVABLES - CONTINUED

Ageing of Receivables - General Government Sector

	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	$m	$m	$m	$m	$m
2014-15					
Not Impaired					
Receivables	334	12	8	51	**405**
Impaired					
Receivables	-	-	2	7	**9**
2013-14					
Not Impaired					
Receivables	302	12	4	50	**370**
Impaired					
Receivables	-	-	7	12	**19**

Ageing of Receivables - Total Territory

	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	$m	$m	$m	$m	$m
2014-15					
Not Impaired					
Receivables	259	15	9	57	**339**
Impaired					
Receivables	-	-	6	11	**17**
2013-14					
Not Impaired					
Receivables	275	15	6	56	**353**
Impaired					
Receivables	-	-	7	19	**27**

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m

35 INVESTMENTS IN OTHER PUBLIC SECTOR ENTITIES

Investments in Other Public Sector Entities shows the General Government Sector's investment in the Public Trading Enterprises sector. Details of these Public Sector Entities can be found at Note 6: 'Australian Capital Territory Government Controlled Entities'.

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Investments in Other Public Trading Entities	6,036	5,721	-	-
Total Investments in Other Public Sector Entities	**6,036**	**5,721**	**-**	**-**

36 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Investments in Joint Ventures				
Investment in Joint Ventures - Current	-	-	2	1
Investment in Joint Ventures - Non-Current	-	-	919	633
Total Investments Accounted for Using the Equity Method	**-**	**-**	**921**	**634**

Refer to Note 2(ae): 'Joint Arrangements', Note 2(ak): 'Significant Accounting Judgements and Estimates' and Note 60: 'Interest in Joint Ventures'.

37 PROPERTY, PLANT AND EQUIPMENT

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

Land : includes leasehold land held by the Territory and other land such as that associated with the Territory's educational and health facilities, and includes land under roads.

Buildings : includes office buildings, warehouses, hospitals, school buildings, community health centres, other clinical and corporate facilities, emergency service facilities, courts and land improvements. Land improvements are additions to areas of land that increase the utility of the land and have a limited useful life.

Leasehold Improvements : represent capital expenditure incurred in relation to leased assets. This includes fit-outs of leased buildings.

Plant and Equipment : includes mobile plant, air conditioning and heating systems, office and computer equipment, furniture and fittings, and other mechanical and electronic equipment.

Infrastructure Assets : comprise public utilities that provide essential services and enhance the productive capacity of the economy. Infrastructure assets held by the General Government Sector and the Territory include roads, bridges, barriers, stormwater assets, carparks, streetlights, community paths, traffic signals, driveways, signs and barriers. Land under infrastructure is not included in infrastructure assets.

Heritage Assets : are defined as those non-current assets that the Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or redeployment. Heritage assets held include art, museums and some library collections, historical buildings, and memorials.

Community Assets : are those assets that are provided essentially for community use or services. Community assets held include public parks and gardens, public sporting reserves, public nature reserves and infrastructure.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED				
LAND AND BUILDINGS				
Land at Fair Value	1,258	1,174	4,471	4,356
Land Restoration at Fair Value	12	12	12	12
Less: Accumulated Depreciation on Landfill Restoration	10	10	10	10
Total Land at Fair Value	***1,259***	***1,176***	***4,472***	***4,358***
Buildings at Fair Value	3,600	3,387	4,968	4,710
Less: Accumulated Depreciation	129	99	142	108
Less: Accumulated Impairment Losses	1	8	1	8
Total Buildings at Fair Value	***3,471***	***3,279***	***4,825***	***4,595***
Total Written Down Value of Land and Buildings	**4,730**	**4,455**	**9,297**	**8,952**
PLANT AND EQUIPMENT				
Plant and Equipment at Cost	385	306	390	310
Less: Accumulated Depreciation	214	190	216	192
Less: Accumulated Impairment Losses	0	1	0	1
Total Plant and Equipment at Cost	***171***	***115***	***173***	***118***
Plant and Equipment at Fair Value	73	120	191	234
Less: Accumulated Depreciation	12	10	19	16
Total Plant and Equipment at Fair Value [(a)]	***60***	***110***	***173***	***218***
Total Written Down Value of Plant and Equipment	**231**	**225**	**346**	**336**
LEASEHOLD IMPROVEMENTS				
Leasehold Improvements at Cost	43	31	46	34
Less: Accumulated Depreciation	25	20	28	23
Total Leasehold Improvements at Cost	***18***	***10***	***18***	***11***
Leasehold Improvements at Fair Value	35	51	40	56
Less: Accumulated Depreciation	5	10	10	13
Total Leasehold Improvements at Fair Value	***30***	***41***	***30***	***42***
Total Written Down Value of Leasehold Improvements	**47**	**51**	**48**	**53**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	General Government Sector		Total Territory	
	2014-15 Actual $m	*2013-14 Actual $m*	*2014-15 Actual $m*	*2013-14 Actual $m*
INFRASTRUCTURE ASSETS				
Infrastructure Assets at Cost	1	2	4	2
Less: Accumulated Depreciation	-	-	-	-
Total Infrastructure Assets at Cost	***1***	***2***	***4***	***2***
Infrastructure Assets at Fair Value	6,919	6,845	9,158	8,979
Less: Accumulated Depreciation	175	186	458	424
Less: Accumulated Impairment Losses	3	3	3	3
Total Infrastructure Assets at Fair Value	***6,741***	***6,656***	***8,697***	***8,551***
Total Written Down Value of Infrastructure Assets	**6,742**	**6,658**	**8,701**	**8,553**
HERITAGE AND COMMUNITY ASSETS				
Heritage and Community Assets at Cost	0	-	1	-
Less: Accumulated Depreciation	0	-	0	-
Less: Accumulated Impairment Losses	-	-	-	-
Total Heritage and Community Assets at Cost	***0***	***-***	***1***	***-***
Heritage and Community Assets at Fair Value	2,503	2,489	2,503	2,489
Less: Accumulated Depreciation	0	2	0	2
Less: Accumulated Impairment Losses	-	-	-	-
Total Heritage and Community Assets at Fair Value	***2,502***	***2,486***	***2,502***	***2,486***
Total Written Down Value of Heritage and Community Assets	**2,502**	**2,486**	**2,502**	**2,486**
Total Written Down Value of Property, Plant and Equipment	**14,252**	**13,874**	**20,894**	**20,380**

(Refer to Notes 2(t): 'Acquisition and Recognition of Property, Plant and Equipment' and (u): 'Measurement of Property, Plant and Equipment After Initial Recognition').

Represented by Produced / Non-Produced Assets

The Territory's Non-Produced Assets include land and land under roads.

Produced Assets	11,533	11,211	16,418	14,536
Non-Produced Assets	2,719	2,663	4,476	5,845
Total of Property, Plant and Equipment	**14,252**	**13,874**	**20,894**	**20,380**

Valuation of Non-Current Assets

The majority of the Territory's assets are valued either by an independent and qualified valuer, or internally by Officers of Directorates using industry standards. The Territory's assets have been valued progressively over the 2013-14 to 2014-15 period, with most valuations occurring in the latter part of the period (Refer to Note 2(u): 'Measurement of Property, Plant and Equipment After Initial Recognition').

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Assets Under a Finance Lease

Assets under a Finance Lease are included in the asset class to which they relate in the preceding disclosure. Assets under a Finance Lease are also required to be separately disclosed as outlined below:

Due to a change in the Territory's leasing arrangements with SG Fleet, all leased assets of the Territory are now classified as operating leases with the exception of a number of finance leases held by the Territory and Municipal Services Directorate which are immaterial to the Territory.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Plant and Equipment Under a Finance Lease at Cost	-	23	-	23
Less: Accumulated Depreciation	-	7	-	7
Total of Plant and Equipment under a Finance Lease at Cost	***-***	***15***	***-***	***16***
Plant and Equipment Under a Finance Lease at Fair Value	-	10	-	11
Less: Accumulated Depreciation	-	2	-	2
Total of Plant and Equipment under a Finance Lease at Fair Value	***-***	***8***	***-***	***8***
Total Written Down Value of Plant and Equipment Under a Finance Lease[(a)]	**-**	**23**	**-**	**24**
Total Written Down Value of Assets Under a Finance Lease	**-**	**23**	**-**	**24**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

37 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 2014-15.

	Land $m	Buildings $m	Plant and Equipment $m	Leased Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
Balance at 1 July 2014	**1,176**	**3,279**	**202**	**23**	**51**	**6,656**	**2,486**	**13,874**
Additions	74	110	48	0	3	409	2	**647**
Assets Classified as Held for Sale	-45	-	-	-	-	-	-	**-45**
Revaluation Adjustments	78	5	-1	-	0	-1	16	**97**
Depreciation	-	-131	-50	-1	-10	-143	-4	**-338**
Disposals	-3	1	-2	-15	-	-1	-	**-20**
Other Movements/Reclassifications	-16	206	26	-2	3	-179	1	**39**
Balance at 30 June 2015 (a)	**1,259**	**3,471**	**225**	**6**	**47**	**6,742**	**2,502**	**14,252**

37 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 2013-14.

	Land $m	Buildings $m	Plant and Equipment $m	Leased Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
Balance at 1 July 2013	**1,291**	**3,232**	**189**	**22**	**54**	**6,451**	**2,415**	**13,653**
Additions	92	333	51	9	6	178	4	**673**
Assets Classified as Held for Sale	-29	-	-	-2	-	-	-	**-31**
Revaluation Adjustments	58	-210	9	0	-	-17	62	**-98**
Depreciation	-	-108	-46	-3	-9	-152	-5	**-322**
Disposals	-3	-1	-11	-2	-	-	-	**-16**
Impairment Losses Recognised in the Operating Statement	-	0	-1	-	-	-	0	**-1**
Other Movements/Reclassifications	-232	33	8	-3	-	199	10	**14**
Balance at 30 June 2014 [(a)]	**1,176**	**3,279**	**202**	**23**	**51**	**6,656**	**2,486**	**13,874**

37 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 2014-15.

	Land $m	Buildings $m	Plant and Equipment $m	Leased Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
Balance at 1 July 2014	**4,358**	**4,595**	**312**	**24**	**53**	**8,551**	**2,486**	**20,380**
Additions	84	168	64	0	3	448	3	**770**
Assets Classified as Held for Sale	-74	-11	-	-	-	-	-	**-85**
Revaluation Adjustments	143	28	-1	-	0	-1	16	**185**
Depreciation	-	-156	-60	-1	-12	-184	-4	**-417**
Disposals	-18	-6	-3	-15	-	-1	-	**-43**
Other Movements/Reclassifications	-16	206	26	-2	3	-113	1	**105**
Balance at 30 June 2015[(a)]	**4,472**	**4,825**	**340**	**6**	**48**	**8,701**	**2,502**	**20,894**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
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37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment - Total Territory - Continued

The following table shows the movement in each class of Property, Plant and Equipment during 2013-14.

	Land $m	Buildings $m	Plant and Equipment $m	Leased Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
Balance at 1 July 2013	**4,396**	**4,548**	**306**	**25**	**57**	**8,340**	**2,415**	**20,084**
Additions	96	365	67	9	6	230	4	**777**
Assets Classified as Held for Sale	-53	-14	-7	-2	-	-	-	**-75**
Revaluation Adjustments	159	-211	4	0	-	-17	62	**-3**
Depreciation	-	-124	-57	-3	-10	-193	-5	**-392**
Disposals	-7	-4	-11	-2	-	-	-	**-23**
Impairment Losses Recognised in the Operating Statement	-	0	-1	-	-	-	0	**-1**
Other Movements/Reclassifications	-232	35	8	-3	-	195	10	**11**
Balance at 30 June 2014 [(a)]	**4,358**	**4,595**	**312**	**24**	**53**	**8,551**	**2,486**	**20,380**

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY

The Territory 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 or liabilities that the Territory can access at the measurement date;
* Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
* Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Territory's property, plant and equipment at fair value and information about the Fair Value Hierarchy at 30 June 2015 and for the prior reporting period is provided below.

	Classification According to the Fair Value Hierarchy			
General Government Sector - 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$m	**$m**	**$m**	**$m**
Property, Plant and Equipment at Fair Value				
Land	-	643	617	**1,259**
Buildings	-	38	3,433	**3,471**
Plant and Equipment	-	3	57	**60**
Leasehold Improvements	-	6	24	**30**
Infrastructure Assets	-	-	6,741	**6,741**
Heritage and Community Assets	-	762	1,740	**2,502**
Total Property, Plant and Equipment at Fair Value	**-**	**1,451**	**12,611**	**14,063**

	Classification According to the Fair Value Hierarchy			
General Government Sector - 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	$m	**$m**	**$m**	**$m**
Property, Plant and Equipment at Fair Value				
Land	-	752	424	**1,176**
Buildings	-	62	3,218	**3,279**
Plant and Equipment	-	32	77	**110**
Leasehold Improvements	-	7	34	**41**
Infrastructure Assets	-	0	6,655	**6,656**
Heritage and Community Assets	-	737	1,749	**2,486**
Total Property, Plant and Equipment at Fair Value	**-**	**1,590**	**12,158**	**13,747**

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

	Classification According to the Fair Value Hierarchy			
Total Territory - 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$m	**$m**	**$m**	**$m**
Property, Plant and Equipment at Fair Value				
Land	-	3,856	617	**4,472**
Buildings	-	1,371	3,454	**4,825**
Plant and Equipment	-	6	166	**173**
Leasehold Improvements	-	6	24	**30**
Infrastructure Assets	-	-	8,697	**8,697**
Heritage and Community Assets	-	762	1,740	**2,502**
Total Property, Plant and Equipment at Fair Value	**-**	**6,001**	**14,698**	**20,698**

	Classification According to the Fair Value Hierarchy			
Total Territory - 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	$m	**$m**	**$m**	**$m**
Property, Plant and Equipment at Fair Value				
Land	-	3,934	424	**4,358**
Buildings	-	1,357	3,239	**4,595**
Plant and Equipment	-	35	182	**218**
Leasehold Improvements	-	8	34	**42**
Infrastructure Assets	-	0	8,551	**8,551**
Heritage and Community Assets	-	737	1,749	**2,486**
Total Property, Plant and Equipment at Fair Value	**-**	**6,071**	**14,179**	**20,250**

Transfers Between Categories

Some assets have been transferred from level 2 to level 3 primarily as a result of asset transfers under administrative arrangements during the reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

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

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

Level 3 Valuation Techniques and Inputs

Valuation Technique (Land): where there is no active market or significant restrictions, land is valued through the market approach which values a selection of land with similar utility.

Valuation Technique (Buildings, Leasehold Improvements, Infrastructure Assets and Heritage and Community Assets): these assets were considered specialised assets by the valuers and measured using the cost approach that reflects 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.

Inputs: in determining the value of land with similar approximate utility, significant adjustment to market based data was required.

Inputs: in determining the value of buildings, leasehold improvements, infrastructure assets and heritage and community assets, regard was given to the age and condition of these assets, their estimated replacement cost and current use. This required the use of data internal to the Territory.

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

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

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) - General Government Sector

	Land $m	Buildings $m	Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
2015							
Fair Value at the Beginning of the Reporting Period	424	3,218	77	34	6,655	1,749	**12,158**
Additions	0	110	7	3	408	2	**531**
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	50	5	-	0	-1	-28	**26**
Transfers from/(to) Level 2	129	20	-23	-7	-	20	**138**
Depreciation	-	-130	-7	-7	-143	-4	**-291**
Acquisition/(Disposal) of Assets	-	1	-	-	-	-	**1**
Other Movements/Reclassifications	14	208	4	1	-179	1	**48**
Fair Value at the End of the Reporting Period	**617**	**3,433**	**57**	**24**	**6,741**	**1,740**	**12,611**
Total Gains or Losses for the Period Included in Profit or Loss under 'Other Gains'	-	0	0	-	109	-	**109**
Change in Unrealised Gains or Losses for the Reporting Period Included in Profit or Loss for Assets Held at the End of the Reporting Period	-	-	-	-	-2	-	**-2**

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) - General Government Sector

	Land $m	Buildings $m	Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
2014							
Fair Value at the Beginning of the Reporting Period	307	3,189	49	32	6,653	1,682	**11,912**
Additions	91	320	35	8	161	3	**619**
Assets Classified as Held for Sale	-29	-	-	-	-	-	**-29**
Revaluation Increments/(Decrements) Recognised in Profit or Loss	-6	-	7	-	9	0	**10**
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	62	-218	3	-	-23	69	**-108**
Impairment Losses Recognised in Other Comprehensive Income	-	0	-	-	-	0	**0**
Depreciation	-	-106	-14	-6	-152	-5	**-284**
Acquisition/(Disposal) of Assets	-	-1	-3	-	47	-	**44**
Other Movements/Reclassifications	-	35	-	-	-39	-	**-5**
Fair Value at the End of the Reporting Period	**424**	**3,218**	**77**	**34**	**6,655**	**1,749**	**12,158**
Total Gains or Losses for the Period Included in Profit or Loss under 'Other Gains'	-	0	1	-	-	0	**1**
Change in Unrealised Gains or Losses for the Reporting Period Included in Profit or Loss for Assets Held at the End of the Reporting Period	-	-1	-1	-	-	-	**-2**

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) - Total Territory

	Land $m	Buildings $m	Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
2015							
Fair Value at the Beginning of the Reporting Period	424	3,239	182	34	8,551	1,749	**14,179**
Additions	0	111	21	3	447	2	**586**
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	50	5	0	0	-1	-28	**26**
Transfers from/(to) Level 2	129	20	-23	-7	-	20	**138**
Depreciation	-	-131	-16	-7	-184	-4	**-342**
Acquisition/(Disposal) of Assets	-	1	-	-	-	-	**1**
Other Movements/Reclassifications	14	208	3	1	-116	1	**111**
Fair Value at the End of the Reporting Period	**617**	**3,454**	**166**	**24**	**8,697**	**1,740**	**14,698**
Total Gains or Losses for the Period Included in Profit or Loss under 'Other Gains'	-	0	0	-	109	-	**109**
Change in Unrealised Gains or Losses for the Reporting Period Included in Profit or Loss for Assets Held at the End of the Reporting Period	-	-	-	-	-2	-	**-2**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) - Total Territory

	Land $m	Buildings $m	Plant and Equipment $m	Leasehold Improvements $m	Infrastructure Assets $m	Heritage and Community Assets $m	Total $m
2014							
Fair Value at the Beginning of the Reporting Period	307	3,205	150	32	8,537	1,682	**13,913**
Additions	91	321	50	8	213	3	**687**
Assets Classified as Held for Sale	-29	-	-	-	-	-	**-29**
Revaluation Increments/(Decrements) Recognised in Profit or Loss	-6	-	4	-	9	0	**7**
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	62	-214	3	-	-23	69	**-103**
Depreciation	-	-107	-23	-6	-193	-5	**-335**
Acquisition/(Disposal) of Assets	-	-1	-3	-	47	-	**44**
Other Movements/Reclassifications	-	35	-	-	-39	-	**-5**
Fair Value at the End of the Reporting Period	**424**	**3,239**	**182**	**34**	**8,551**	**1,749**	**14,179**
Total Gains or Losses for the Period Included in Profit or Loss under 'Other Gains'	-	0	1	-	-	0	**1**
Change in Unrealised Gains or Losses for the Reporting Period Included in Profit or Loss for Assets Held at the End of the Reporting Period	-	-1	-1	-	-	-	**-2**

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Total Land[(a)]	**617**	**424**					
Educational Sites	317	317	Market Approach	Selection of land with similar approximate utility.	$100 - $150 /m2	$100 - $150 /m2	Higher value of similar land increases estimated fair value.
Public Venues	241	-	Market Approach	Historical cost per square metre floor area.	$180 - $2,000 /m2	N/A	Higher historical cost per m2 increases fair value.
		4	Market Approach	Selection of land with similar approximate utility.	N/A	$0.18 - $35 /m2	
Health Sites	41	40	Market Approach	Selection of land with similar approximate utility.	$0.40 - $1,200 /m2	$0.40 - $1,200 /m2	Higher value of similar land increases estimated fair value.
Community and Heritage Facilities	17	61	Market Approach	Selection of land with similar approximate utility.	$9 - $1,072 /m2	$9 - $1,072 /m2	Higher value of similar land increases estimated fair value.
				Community Service Obligation.	20 per cent industry benchmark	20 per cent industry benchmark	Higher Community Service Obligation lowers estimated fair value.
Land Restoration	1	2	Depreciated Replacement Cost	Future cost estimates of restoration works per landfill.	$3.556 million - $8.275 million	$3.556 million - $8.275 million	Higher cost increases estimated fair value.
				Time remaining until restoration works complete.	6 years	6 years	Greater time increases estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Total Buildings[a]	**3,454**	**3,239**					
Educational Sites	1,569	1,593	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	2 per cent - 5 per cent	2 per cent - 5 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Health Sites	796	768	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	0 per cent - 92 per cent	0 per cent - 92 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Public Venues	641	-	Depreciated Replacement Cost	Historical cost.	\$500 - \$4,000	N/A	Higher cost increases estimated fair value.
				Consumed economic benefit/ obsolescence of asset.	1 per cent - 20 per cent	N/A	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
				National Parks and Recreation Assets Condition Grading Standards (PRAMS).	PRAMS grade 1-5, defined as follows: 1 - Excellent 2 – Good 3 – Average 4 – Poor 5 – Very poor	N/A	Land improvement assets with higher PRAMS grade increases estimated fair value.
			Market Approach	Consumed economic benefit/ obsolescence of asset.	3 per cent - 10 per cent	N/A	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Buildings- Continued[(a)]							
Community Safety and Justice Facilities	267	251	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	1.66 per cent - 5 per cent	1 per cent - 50 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
					1.66 per cent - 14 per cent	$50 - $12,565 /m2	Higher cost increases estimated fair value.
					$0.06 million - $15.4 million	$0.06 million - $13 million	Higher cost increases estimated fair value.
Community and Heritage Facilities	90	203	Depreciated Replacement Cost	Quantity surveyor sourced material and actual costs for recent capital works.	20 per cent - 2 per cent /year	20 per cent - 2 per cent /year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
				Historical cost.	2 per cent	2 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
					$6,021 /m2	$6,021 /m2	Higher historical cost per m2 increases estimated fair value.
				Consumed economic benefit/ obsolescence of asset.	4.55 per cent - 5.56 per cent	2.17 per cent - 14.29 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Operational Support Facilities	70	271	Depreciated Replacement Cost	Replacement cost per asset.	$2,600 - $14.709 million	$900 - $84 million	Higher cost increases estimated fair value.
				Remaining useful life.	2-45 years	1-73 years	Higher remaining life increases estimated fair value.
				Total useful life.	40-100 years	30-150 years	Higher useful life increases estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Buildings - Continued[(a)]							
Public Transport Facilities	21	21	Depreciated Replacement Cost	Construction cost per sqm.	$500 - $2,100 /m2	$500 - $2,100 /m2	Higher cost increases estimated fair value.
				Consumed economic benefit/ obsolescence of asset.	25 per cent - 50 per cent	25 per cent - 50 per cent	Higher percentage decreases estimated fair value.
Cemeteries	1	1	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	$400 - $700 /m2	$400 - $700 /m2	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Exhibition Park	-	20	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.		2.5 per cent per year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Community Sporting Facilities	-	112	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	N/A	1-17 per cent per year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
				National Parks and Recreation Assets Condition Grading Standards (PRAMS).		PRAMS grade 1-5, defined as follows: 1 - Excellent 2 – Good 3 – Average 4 – Poor 5 – Very poor	Land improvement assets with higher PRAMS grade increases estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Total Plant and Equipment[(a)]	**166**	**182**					
Public Transport Facilities	109	104	Depreciated Replacement Cost	Replacement cost per asset.	$1,000- $8.266 million	$750 - $2.737 million	Higher cost increases estimated fair value.
				Remaining useful life.	0.5-14 years	0.5-19 years	Higher remaining life increases estimated fair value.
				Total useful life.	3-20 years	3-20 years	Higher total useful life increases estimated fair value.
Territory and Municipal Services Plant and Equipment (excluding Mobile Plant and Equipment)	41	44	Depreciated Replacement Cost	Remaining useful life.	1-49 years	1-49 years	Higher useful life increases estimated fair value.
				Total useful life.	5-150 years	5-150 years	Higher total useful life increases estimated fair value.
Fitness Circuits, Water Tanks and Other Property, Plant and Equipment			Depreciated Replacement Cost	Replacement cost per asset - based on contract price or industry standard.	$50 - $624,700	$50 - $624,700	Higher cost increases estimated fair value.
Bins, Bollards, Booms, Buoys and Flagpoles			Depreciated Replacement Cost	Replacement cost per asset - based on contract price or industry standard.	$33 - $43,215	$33 - $43,215	Higher cost increases estimated fair value.
Barbeques, Drinking fountains, Playgrounds, Seats and Tables			Depreciated Replacement Cost	Replacement cost per asset - based on contract price or industry standard.	$1,127 - $113,458	$1,127 - $113,458	Higher cost increases estimated fair value.
Community and Heritage Facilities	6	5	Market value/ Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	0 per cent - 50 per cent /year 2-20 years	0 per cent - 50 per cent /year 2-20 years	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Education Facilities	6	-	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	4.3 per cent	N/A	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Plant and Equipment - Continued[(a)]							
Community Sporting and Event Facilities	4	6	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	0 per cent - 50 per cent /year	0 per cent - 50 per cent /year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Office Fit-Out	0	1	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	2-20 years	2-20 years	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Information and Communication Technology	-	22	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	N/A	1-20 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Total Leasehold Improvements[(a)]	**24**	**34**					
Community Safety and Justice Facilities	19	22	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	20 per cent - 6.66 per cent /year	50 per cent - 1 per cent /year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
				Historical cost.	$449 - $3,350 /m2	$449 - $10,403 /m2	Higher cost increases fair value.
Health Sites	4	5	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	29 per cent - 88 per cent	29 per cent - 88 per cent	Greater consumption of economic benefit or increased obsolescence lowers fair value
Cemeteries	1	0	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	$25 - $3,295 /m2	$25 - $3,295 /m2	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Municipal Services Fitouts	0	1	Depreciated Replacement Cost	Replacement cost per asset.	$128,000 - $470,000	$230,000 - $890,000	Higher cost increases estimated fair value.
				Remaining useful life.	2-5 years	5-10 years	Higher remaining life increases estimated fair value.
				Total useful life.	7 years	30-150 years	Higher useful life increases fair value.
Office Fit-Out	-	6	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	N/A	50 per cent - 10 per cent /year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Total Infrastructure Assets[(a)]	**8,697**	**8,551**					
Infrastructure Assets for Municipal Services	6,693	6,412	Depreciated Replacement Cost	Remaining useful life.	2-100 years	2-100 years	Higher remaining life increases estimated fair value.
				Total useful life.	5-100 years	5-100 years	Higher total useful life increases estimated fair value.
Boat Ramps, Boardwalks, Jetties, Site Improvements, Skate Parks, Waste Infrastructure and Other Infrastructure			Depreciated Replacement Cost	Replacement cost per asset.	$200 - $1.696 million	$200 - $1.696 million	Higher cost increases estimated fair value.
Fences, Retaining Walls, Barriers			Depreciated Replacement Cost	Replacement cost per linear metre - based on contract price or industry standard.	$9 - $809	$9 - $809	Higher cost increases estimated fair value.
Bridges, Car parks, Community Paths, Driveways, Irrigation Systems, Roads and Shopping Centre Pavements			Depreciated Replacement Cost	Replacement cost per square metre - based on contract price or industry standard.	$3 - $7,600	$3 - $7,600	Higher cost increases estimated fair value.
Stormwater, Gates, Signs, Streetlights, Bus Shelters, Traffic Signals			Depreciated Replacement Cost	Replacement cost per asset - based on contract price or industry standard.	$277 - $30 million	$277 - $30 million	Higher cost increases estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Infrastructure Assets - Continued[(a)]							
Water and Sewerage Infrastructure Assets	1,956	1,896	Discounted Cashflow (DCF) Method	Market based nominal discount rate (post tax).	Low 5.8 per cent Medium 6.1 per cent High 6.5 per cent	Low 5.8 per cent Medium 6.1 per cent High 6.5 per cent	An increase (decrease) in this discount rate, results in a decrease (increase) in the recoverable amount of the assets.
Major Public Venues	46	202	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	0-20 per cent /year	0-10 per cent /year	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
			Market Approach	Selection of land with similar approximate utility.	N/A	$0.18 - $35 /m2	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
				National Parks and Recreation Assets Condition Grading Standards (PRAMS)	N/A	PRAMS grade 1-5, defined as follows: 1 - Excellent 2 - Good 3 - Average 4 - Poor 5 - Very poor	Land improvement assets with higher PRAMS grade increases estimated fair value.
Cemeteries	2	2	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	$30 - $378 /m2	$30 - $378 /m2	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.
Computer and Data Storage Centres	-	40	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	N/A	0-20 per cent	Greater consumption of economic benefit or increased obsolescence lowers estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Total Heritage and Community Assets[(a)]	**1,740**	**1,749**					
Library Materials, Fountains, Water Features, Beaches, Sculptures, Shelters and Other Heritage and Community Assets	1,500	1,552	Depreciated Replacement Cost	Replacement cost per asset.	$1 - $18.663 million	$1 - $18.663 million	Higher cost increases estimated fair value.
				Remaining useful life.	1-100 years	1-100 years	Higher remaining life increases estimated fair value.
				Total useful life.	1-100 years	1-100 years	Higher useful life increases estimated fair value.
			Statutory Land Value	Total Unimproved value of rateable properties divided by the total area of the ACT.	$18.15 /m2	$18.55 /m2	Higher cost increases estimated fair value.
Community and Heritage facilities	239	29	Depreciated Replacement Cost	Consumed Economic Benefit/ Obsolescence of asset.	2 - 10 per cent /year	4 - 10 per cent /year	Greater Consumption of economic benefit or increased obsolescence lowers estimated fair value.
				Historical cost.	$10 - $3,000 /m2	$1,627 - $5,000 /m2	Higher cost increases estimated fair value.
Legislative Assembly Library	1	1	Depreciated Replacement Cost	Consumed Economic Benefit/ Obsolescence of asset.	$1 - $553,000	$1 - $549,000	Greater Consumption of economic benefit or increased obsolescence lowers estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Information About Significant Unobservable Inputs (Level 3) in Fair Value Measurements - Total Territory - Continued

Description at 30 June 2015	Fair Value at 30 June 2015 $m	Fair Value at 30 June 2014 $m	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs 2015	Range of Unobservable Inputs 2014	Relationship of Unobservable Inputs to Fair Value
Heritage and Community Assets - Continued[(a)]							
Community Safety and Justice Facilities	0	2	Depreciated Replacement Cost	Consumed Economic Benefit/ Obsolescence of asset.	1.11 per cent /year	1 - 5 per cent /year	Greater Consumption of economic benefit or increased obsolescence lowers estimated fair value.
				Historical cost.		$4,000 - $6,000 /m2	Higher cost increases estimated fair value.
Community Sporting Facilities	-	165	Market Approach	Selection of land with similar approximate utility.	N/A	$10 - $149 /m2	Higher value of similar land increases estimated fair value.

Note: (a) As a result of asset transfers under administrative arrangements during the reporting period, some assets are presented on a different basis to the prior reporting period.

Assets Where Current use is not Highest and Best Use

The Territory considers that its current use of all Property, Plant and Equipment is reflective of highest and best use.

37 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Trees : in addition to property, plant and equipment (as detailed on the following pages), the Territory, through the General Government Sector, manages trees in urban open spaces in Canberra. The value of these trees is incorporated in the land values in the heritage and community asset class. The land value is determined by external valuers using methods based on the type of trees and vegetation present on the land being valued. The Territory has established the following estimate of replacement costs of the trees in urban open space as at 30 June 2015. This replacement cost estimate is shown below, however in no way does this represent the fair value of the trees, nor is this the value that is included in the fair value of urban open space.

	2014-15 Number of Trees '000	2014-15 Estimated Value $m	2013-14 Number of Trees '000	2013-14 Estimated Value $m
Plantations [(a)]				
Native Species	313	85	310	84
Exotic Species	442	159	436	157
	755	**244**	**746**	**241**

Note: (a) Plantations shown above relate to both General Government Sector and the Territory and reflect those in urban open spaces.

38 INVESTMENT PROPERTIES

The Territory holds land and building related investment property.

In accordance with AASB 140: 'Investment Property', the Territory has classified properties as investment properties if they would normally be tenanted by commercial organisations or are held for capital appreciation or both. Investment properties are held at fair value based upon independent valuations undertaken by a qualified valuer.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Land at Fair Value	3	3	8	8
Buildings at Fair Value	-	-	2	2
Total Investment Properties	**3**	**3**	**11**	**10**

(refer to Note 2(x): 'Investment Properties')

38 INVESTMENT PROPERTIES - CONTINUED

Reconciliation of Investment Properties - General Government Sector (GGS) and Total Territory

The following table shows the movement of the value of GGS investment properties during 2014-15.

	Land	Buildings	Total
	$m	$m	$m
Balance at 1 July 2014	**3**	**-**	**3**
Net Gain or Loss on Revaluation	-	-	**-**
Other Movements	-	-	**-**
Balance at 30 June 2015[(a)]	**3**	**-**	**3**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

The following table shows the movement of GGS investment properties during 2013-14.

	Land	Buildings	Total
	$m	$m	$m
Balance at 1 July 2013	**2**	**-**	**2**
Net Gain or Loss on Revaluation	0	-	**0**
Balance at 30 June 2014[(a)]	**3**	**-**	**3**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

The following table shows the movement of the value of Total Territory investment properties during 2014-15.

	Land	Buildings	Total
	$m	$m	$m
Balance at 1 July 2014	**8**	**2**	**10**
Additions	1	0	**1**
Net Gain or Loss on Revaluation	0	-	**0**
Other Movements	-	-	**-**
Balance at 30 June 2015[(a)]	**8**	**2**	**11**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

The following table shows the movement of the value of Total Territory investment properties during 2013-14.

	Land	Buildings	Total
	$m	$m	$m
Balance at 1 July 2013	**6**	**2**	**7**
Additions	2	1	**3**
Net Gain or Loss on Revaluation	0	0	**0**
Balance at 30 June 2014[(a)]	**8**	**2**	**10**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

38 INVESTMENT PROPERTIES - CONTINUED

FAIR VALUE HIERARCHY

Details of the Territory's investment properties at fair value and information about the Fair Value Hierarchy is provided below.

General Government Sector 2014-15	Classification According to the Fair Value Hierarchy			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Investment Properties at Fair Value				
Land	-	-	3	3
Buildings	0	-	0	
Total Investment Properties at Fair Value	**-**	**-**	**3**	**3**

General Government Sector 2013-14	Classification According to the Fair Value Hierarchy			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Investment Properties at Fair Value				
Land	-	3	-	3
Total Investment Properties at Fair Value	**-**	**3**	**-**	**3**

Total Territory 2014-15	Classification According to the Fair Value Hierarchy			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Investment Properties at Fair Value				
Land	-	6	2	8
Buildings	-	2	-	2
Total Investment Properties at Fair Value	**-**	**8**	**2**	**11**

Total Territory 2013-14	Classification According to the Fair Value Hierarchy			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Investment Properties at Fair Value				
Land	-	8	-	8
Buildings	-	2	-	2
Total Investment Properties at Fair Value	**-**	**10**	**-**	**10**

Transfers Between Categories

Fair value of land at $3 million was transferred from level 2 to level 3 during the reporting period.

Valuation Techniques, Inputs and Processes

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

Inputs: prices and other relevant information generated by market transactions involving comparable investment properties 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.

39 INTANGIBLES

The Territory has internally generated and externally purchased software. The internally generated software includes the patient administration system, and finance system software, while externally purchased software includes human resource management and communications software. Other Intangibles include water licences held by Icon Water Limited.

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Computer Software				
Internally Generated Software				
Computer Software at Cost	112	91	112	91
Less: Accumulated Amortisation	69	66	69	66
Total Internally Generated Software	**43**	**24**	**43**	**24**
Externally Purchased Software				
Computer Software at Cost	28	24	37	35
Less: Accumulated Amortisation	21	19	29	27
Total Externally Purchased Software	**7**	**5**	**8**	**8**
Total Computer Software	**50**	**29**	**51**	**32**
Other Intangibles				
Internally Generated Other Intangibles				
Other Intangible Assets at Fair Value	1	-	1	-
Total Internally Generated Other Intangibles	**1**	**-**	**1**	**-**
Externally Purchased Other Intangibles				
Other Intangible Assets at Cost	4	1	35	24
Less: Accumulated Amortisation	2	1	2	1
Less: Accumulated Impairment Losses	-	-	8	6
Total Externally Purchased Other Intangibles	**2**	**0**	**24**	**17**
Total Other Intangibles	**3**	**0**	**26**	**17**
Total Intangible Assets	**53**	**30**	**77**	**49**

(refer Note 2(y): 'Intangible Assets')

39 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 2014-15.

	Internally Generated Software	Externally Purchased Software	Externally Purchased Other Intangibles	Total Intangible Assets
	$m	$m	$m	$m
Balance at 1 July 2014	**25**	**5**	**0**	**30**
Additions	34	7	3	**44**
Amortisation	-14	-3	-	**-16**
Other Changes	-2	-	-	**-2**
Balance at 30 June 2015[(a)]	**43**	**7**	**3**	**53**

The following table shows the movement of each class of Intangible Assets held by the GGS during 2013-14.

	Internally Generated Software	Externally Purchased Software	Externally Purchased Other Intangibles	Total Intangible Assets
	$m	$m	$m	$m
Balance at 1 July 2013	**20**	**7**	**0**	**27**
Additions	13	1	-	**14**
Amortisation	-8	-3	-	**-11**
Balance at 30 June 2014[(a)]	**25**	**5**	**0**	**30**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

39 INTANGIBLES - CONTINUED

Reconciliation of Intangible Assets - Total Territory

The following table shows the movement of each class of Intangible Assets held by the Territory during 2014-15.

	Internally Generated Software $m	Externally Purchased Software $m	Externally Purchased Other Intangibles $m	Total Intangible Assets $m
Balance at 1 July 2014	**24**	**8**	**17**	**49**
Additions	34	7	5	**45**
Amortisation	-14	-4	-	**-17**
Other Changes	-2	-1	4	**2**
Balance at 30 June 2015[(a)]	**43**	**8**	**26**	**77**

The following table shows the movement of each class of Intangible Assets held by the Territory during 2013-14.

	Internally Generated Software $m	Externally Purchased Software $m	Externally Purchased Other Intangibles $m	Total Intangible Assets $m
Balance at 1 July 2013	**21**	**9**	**27**	**57**
Additions	13	2	-	**15**
Amortisation	-8	-4	-	**-12**
Other Changes	-1	1	-10	**-10**
Balance at 30 June 2014[(a)]	**24**	**8**	**17**	**49**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
40 INVENTORIES				
Raw Materials and Stores	0	0	3	3
Inventory Works in Progress	0	0	94	56
Finished Goods	10	13	108	75
Consumables	1	1	1	1
Total Current Inventories - at Cost	**12**	**15**	**207**	**135**
(refer Note 2(r): 'Inventories')				
Inventory Works in Progress	3	1	95	102
Total Non-Current Inventories - at Cost	**3**	**1**	**95**	**102**
(refer to Note 2(r): 'Inventories')				
Total Inventories - at Cost	**14**	**16**	**302**	**236**

41 ASSETS HELD FOR SALE

Each year the Territory (and the General Government Sector) acquires and disposes of properties as part of its property portfolio restructuring program. Properties identified for sale under this program, but which remain unsold as at 30 June 2015, have been classified as 'Assets Held for Sale'.

	2014-15	2013-14	2014-15	2013-14
Land Held for Sale	-	-	3	1
Buildings Held for Sale	-	-	1	1
Plant and Equipment Held for Sale	0	1	0	14
Water Licences Held for Sale	-	-	3	11
Total Assets Held for Sale	**0**	**1**	**7**	**26**
(refer to Note 2(s): 'Assets Held for Sale')				

41 ASSETS HELD FOR SALE - CONTINUED

FAIR VALUE HIERARCHY

Details of the Territory's assets held for sale at fair value and information about the Fair Value Hierarchy is provided below.

General Government Sector 2014-15	Classification According to the Fair Value Hierarchy Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets Held for Sale at Fair Value				
Property, Plant and Equipment Held for Sale	-	0	-	**0**
Total Assets Held for Sale at Fair Value	**-**	**0**	**-**	**0**

General Government Sector 2013-14	Classification According to the Fair Value Hierarchy Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets Held for Sale at Fair Value				
Property, Plant and Equipment Held for Sale	-	1	-	1
Total Assets Held for Sale at Fair Value	**-**	**1**	**-**	**1**

Total Territory 2014-15	Classification According to the Fair Value Hierarchy Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets Held for Sale at Fair Value				
Land Held for Sale	-	3	-	**3**
Buildings Held for Sale	-	1	-	**1**
Plant and Equipment Held for Sale	-	0	-	**0**
Water Licences Held for Sale	3	-	-	**3**
Total Assets Held for Sale at Fair Value	**3**	**4**	**-**	**7**

Total Territory 2013-14	Classification According to the Fair Value Hierarchy Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets Held for Sale at Fair Value				
Land Held for Sale	-	1	-	**1**
Buildings Held for Sale	-	1	-	**1**
Plant and Equipment Held for Sale	13	1	-	**14**
Water Licences Held for Sale	11	-	-	**11**
Total Assets Held for Sale at Fair Value	**24**	**3**	**-**	**26**

Transfers Between Categories

There have been no transfers between Levels 1, 2 and 3 during the reporting period.

Valuation Techniques, Inputs and Processes

Level 2 fair value of assets held for sale are derived using the market approach. These assets have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets. Assets held for sale represent a non-recurring fair value measurement.

42 CAPITAL WORKS-IN-PROGRESS

Capital Works-in-Progress are assets being constructed over periods of time beyond the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works-in-Progress are not depreciated as economic benefits are not currently being derived from them.

	General Government Sector 2014-15 Actual $m	2013-14 Actual $m	Total Territory 2014-15 Actual $m	2013-14 Actual $m
Construction - Residential Buildings	2	2	24	28
Construction - Non-Residential Buildings	185	156	181	152
Infrastructure	378	529	521	649
Software	56	83	55	83
Total Capital Works-in-Progress	**620**	**768**	**782**	**912**

42 CAPITAL WORKS-IN-PROGRESS - CONTINUED

Reconciliation of Capital Works-in-Progress - General Government Sector (GGS)

The following table shows the movement of Capital Works-in-Progress held by the GGS during 2014-15.

	Construction Residential Buildings	Construction Non-Residential Buildings	Infrastructure	Software	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2014	**2**	**156**	**529**	**83**	**768**
Additions	-	141	243	15	398
Capital Works-in-Progress Completed and transferred to Property, Plant and Equipment	-	-102	-320	-27	-450
Capital Works-in-Progress Completed and transferred to Intangibles	-	-2	-41	-	-42
Capital Works-in-Progress Completed and transferred to Expenses	-	-1	-	-6	-7
Other Movements / Reclassifications	-	-8	-33	-8	-49
Balance at 30 June 2015[(a)]	**2**	**185**	**378**	**56**	**618**

The following table shows the movement of Capital Works-in-Progress held by the GGS during 2013-14.

	Construction Residential Buildings	Construction Non-Residential Buildings	Infrastructure	Software	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2013	**2**	**287**	**349**	**68**	**705**
Additions	-	151	324	29	**504**
Capital Works-in-Progress Completed and transferred to Property, Plant and Equipment	-	-276	-118	-11	**-405**
Capital Works-in-Progress Completed and transferred to Intangibles	-	-	-17	-4	**-21**
Capital Works-in-Progress Completed and transferred to Expenses	0	-6	-8	1	**-13**
Balance at 30 June 2014[(a)]	**2**	**156**	**529**	**83**	**768**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

42 CAPITAL WORKS-IN-PROGRESS - CONTINUED

Reconciliation of Capital Works-in-Progress - Total Territory

The following table shows the movement of Capital Works-in-Progress held by the Territory during 2014-15.

	Construction Residential Buildings	Construction Non-Residential Buildings	Infrastructure	Software	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2014	**28**	**152**	**649**	**83**	**912**
Additions	59	141	313	15	528
Capital Works-in-Progress Completed and transferred to Property, Plant and Equipment	-63	-102	-368	-27	-560
Capital Works-in-Progress Completed and transferred to Intangibles	-	-2	-41	-1	-44
Capital Works-in-Progress Completed and transferred to Expenses	-	-1	-	-6	-7
Other Movements / Reclassifications	-	-8	-33	-8	-49
Balance at 30 June 2015[(a)]	**24**	**181**	**521**	**55**	**782**

The following table shows the movement of Capital Works-in-Progress held by the Territory during 2013-14.

	Construction Residential Buildings	Construction Non-Residential Buildings	Infrastructure	Software	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2013	**23**	**283**	**458**	**69**	**833**
Additions	39	151	391	29	**611**
Capital Works-in-Progress Completed and transferred to Property, Plant and Equipment	-33	-276	-175	-11	**-495**
Capital Works-in-Progress Completed and transferred to Intangibles	-	-	-17	-4	**-21**
Other Movements / Reclassifications	-1	-6	-8	1	**-15**
Balance at 30 June 2014[(a)]	**28**	**152**	**649**	**83**	**912**

Note: (a) Totals may not add due to rounding of the reported figures to the nearest million dollars (see Note 2(f): 'Rounding').

	General Government Sector		Total Territory	
	2014-15 Actual $m	**2013-14 Actual $m**	**2014-15 Actual $m**	**2013-14 Actual $m**

43 LOOSE-FILL ASBESTOS INSULATION ERADICATION SCHEME LAND

Loose-Fill Asbestos Insulation Eradication Scheme Land: is land acquired by the Government for the purpose of remediation.

	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Loose-Fill Asbestos Insulation Eradication Scheme Land				
Loose-Fill Asbestos Insulation Eradication Scheme Land at Cost	283	-	283	-
Total Land held under the Loose-Fill Asbestos Insulation Eradication	***283***	**-**	***283***	**-**

Note (a): This amount reflects the estimated uncontaminated value of land purchased under the Loose-Fill Asbestos Insulation Eradication Scheme. This Scheme commenced during the 2014-15 financial year for the purpose of remediation (refer to Note 2(ak), 'Summary of Significant Accounting Policies').

The following table shows the movement of Loose-Fill Asbestos Insulation Eradication Scheme Land during 2014-15.

	Scheme Land $'000	**Total $'000**
Carrying Amount at the Beginning of the Reporting Period	-	-
Additions	283	283
Carrying Amount at the End of the Reporting Period	283	283

	General Government Sector		Total Territory	
	2014-15 Actual $m	**2013-14 Actual $m**	**2014-15 Actual $m**	**2013-14 Actual $m**
44 BIOLOGICAL ASSETS				
Biological Assets - Forest Plantations	27	26	27	26
Total Biological Assets	**27**	**26**	**27**	**26**
(refer to Note 2(ab): 'Biological Assets')				

LIABILITIES

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
45 DEPOSITS HELD				
Current Financial Creditors	134	131	16	16
Total Deposits Held	**134**	**131**	**16**	**16**
46 ADVANCES RECEIVED				
Current Advances from the Commonwealth Government	4	4	9	8
Non-Current Advances from the Commonwealth Government	826	79	896	152
Total Advances Received	**829**	**83**	**904**	**160**
(refer to Note 2(ad): 'Advances Received')				

47 FINANCE LEASES

Due to a change in the Territory's leasing arrangements with SG Fleet all leased assets of the Territory are now classified as operating leases.

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Within One Year	-	10	-	10
Later than One Year but not Later than Five Years	-	14	-	15
Later than Five Years	-	-	-	-
Minimum Lease Payments	**-**	**24**	**-**	**25**
Less: Future Finance Lease Charges	-	2	-	2
Total Present Value of Minimum Lease Payments	**-**	**23**	**-**	**24**
The present value of the minimum lease payments are as follows:				
Within One Year	-	9	-	9
Later than One Year but not Later than Five Years	-	14	-	14
Later than Five Years	-	-	-	-
Total Present Value of Minimum Lease Payments	**-**	**23**	**-**	**24**
Represented by:				
Current Liability	-	9	-	9
Non-Current Liability	-	14	-	14
Total Present Value of Minimum Finance Lease Payments	**-**	**23**	**-**	**24**

(refer to Note 2(aj): 'Leases')

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
48 OTHER BORROWINGS				
Current Borrowings				
Banks and Financial Institutions[(a)]	14	6	14	6
Bonds and Bills	190	108	190	108
Total Current Borrowings	**204**	**114**	**204**	**114**
(refer to Note 2(af): 'Interest-Bearing Liabilities')				
Non-Current Borrowings				
Bonds and Bills	2,944	2,972	2,944	2,972
Total Non-Current Borrowings	**2,944**	**2,972**	**2,944**	**2,972**
Total Other Borrowings	**3,148**	**3,085**	**3,148**	**3,085**

Note: (a) Some agencies are able to operate their bank account in overdraft, on behalf of the ACT Government for effective cash management purposes. The Chief Minister, Treasury and Economic Development Directorate was the only agency to be operating a bank account in overdraft as at 30 June 2015. This overdraft relates to the receipt and payment of capital works project expenditure. No interest was charged on this overdraft.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
49 SUPERANNUATION				
Superannuation Liability at the Beginning of the Reporting Period	**7,483**	**6,788**	**7,484**	**6,788**
Expense Accrued during the Period for Commonwealth Superannuation	533	503	533	503
Other Superannuation Expenses	113	102	118	113
Superannuation Expense	**646**	**605**	**650**	**616**
(refer to Note 17: 'Superannuation Expenses')	**8,129**	**7,393**	**8,134**	**7,404**
Less: Actuarial Gain/(Loss) from Actuarial Review	-667	-356	-667	-356
Less: Payments during the Reporting Period for Superannuation	298	266	306	277
Superannuation Liability at the End of the Reporting Period	**8,500**	**7,483**	**8,500**	**7,484**
Represented by:				
Current Estimated Employee Superannuation Liability	221	206	222	207
Non-Current Estimated Employee Superannuation Liability	8,279	7,277	8,279	7,277
Total Superannuation Liabilities	**8,500**	**7,483**	**8,500**	**7,484**

(Refer to Note 2(ah): 'Superannuation' and Note 2(ak): 'Significant Accounting Judgements and Estimates').

	General Government Sector		Total Territory	
50 EMPLOYEE BENEFITS AND OTHER PROVISIONS				
Employee Benefits				
Current Employee Benefits				
Accrued Wages and Salaries	93	75	95	79
Annual Leave	213	201	231	220
Long Service Leave	313	289	348	327
Other Employee Benefits	2	4	4	6
Total Current Employee Benefits	**620**	**569**	**679**	**632**
(refer to Note 2(ag): 'Employee Benefits')				
Non-Current Employee Benefits				
Long Service Leave	40	41	43	45
Total Non-Current Employee Benefits	**40**	**41**	**43**	**45**
(refer to Note 2(ag): 'Employee Benefits')				
Total Employee Benefits	**660**	**610**	**722**	**677**

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
50 EMPLOYEE BENEFITS AND OTHER PROVISIONS - CONTINUED				
Estimated Amount Payable within 12 Months				
Accrued Wages and Salaries	93	72	95	77
Annual Leave	130	124	148	141
Long Service Leave	25	103	43	121
Other Employee Benefits	1	8	1	8
Total Employee Benefits Payable within 12 Months	**250**	**307**	**287**	**346**
Estimated Amount Payable after 12 Months				
Annual Leave	82	75	84	78
Long Service Leave	327	228	349	252
Total Employee Benefits Payable after 12 Months	**410**	**303**	**433**	**330**
Total Other Employee Benefits	**660**	**610**	**722**	**677**

The General Government Sector had approximately 18,385 full time equivalent employees (FTEs) as at 30 June 2015 17,819 FTEs as at 30 June 2014). The Territory had approximately 20,016 FTEs as at 30 June 2015 19,466 FTEs as at 30 June 2014).

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Other Provisions				
Current Other Provisions				
Loose-Fill Asbestos Insulation Eradication Scheme Provision	133	-	133	-
Other Provisions	1	2	65	49
Total Current Other Provisions	**134**	**2**	**198**	**49**
Non-Current Other Provisions				
Loose-Fill Asbestos Insulation Eradication Scheme Provision	71	-	71	-
Other Provisions	15	16	64	58
Total Non-Current Other Provisions	**86**	**16**	**135**	**58**
Total Other Provisions	**220**	**17**	**333**	**107**
Total Employee Benefits and Other Provisions	**880**	**627**	**1,055**	**784**

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
51 PAYABLES				
Current Payables				
Trade Payables	33	61	40	76
Accrued Expenses	87	82	116	92
GST Liability	2	0	2	4
Revenue Received in Advance	39	32	70	58
Insurance Payables	22	29	22	29
Other Payables	17	47	42	37
Total Current Payables	**199**	**252**	**291**	**295**
(refer to Note 2(ac): 'Payables')				
Non-Current Payables				
Insurance Payables	233	270	233	270
Other Payables	-	0	-	0
Total Non-Current Payables	**234**	**270**	**233**	**270**
(refer to Note 2(ac): 'Payables')				
Total Payables	**433**	**522**	**525**	**565**
Payables are aged as follows:				
Not Overdue	427	514	519	559
Overdue for Less than 30 Days	5	4	5	4
Overdue for 30 to 60 Days	0	1	0	1
Overdue for More than 60 Days	0	1	0	1
Total Payables	**433**	**522**	**525**	**565**
52 OTHER LIABILITIES				
Current Other Liabilities	5	5	6	5
Non-Current Other Liabilities	17	5	17	5
Total Other Liabilities	**22**	**10**	**22**	**10**

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
53 RECONCILIATION OF CHANGES IN EQUITY				
Equity in Public Trading Entities (a)	6,036	5,721	-	-
Accumulated Funds (b)	2,926	3,875	5,316	6,113
Asset Revaluation Surplus (c)	5,322	5,283	9,345	9,066
Other Reserves (d)	1	0	10	13
Total Equity	**14,285**	**14,880**	**14,672**	**15,193**

(a) Equity in Public Trading Entities

Balance at the Beginning of the Reporting Period	**5,721**	**5,608**	**-**	**-**
Net Increment/(Decrement)	315	114	-	-
Total Increase/(Decrease) in Public Trading Entities	315	114	-	-
Balance at the End of the Reporting Period	**6,036**	**5,721**	**-**	**-**

(b) Accumulated Funds

Balance at the Beginning of the Reporting Period	**3,875**	**4,206**	**6,113**	**6,464**
Operating Result for the Period	-341	53	-415	-26
Superannuation Actuarial Gain/(Loss)	-667	-356	-667	-356
Capital Distributions	9	-	-	-
Other Movements	-1	-1	50	-0
Transfers to/(from) Reserves	95	2	235	32
Capital Injections	-43	-30	-	-
Total Increase/(Decrease) in Accumulated Funds	-948	-331	-797	-350
Balance at the End of the Reporting Period	**2,926**	**3,875**	**5,316**	**6,113**

(c) Asset Revaluation Surplus

The Asset Revaluation Surplus is used to record the increments and decrements in the value of property, plant and equipment.

Balance at the Beginning of the Reporting Period	**5,283**	**5,387**	**9,066**	**9,075**
Increment/(Decrement) in Land due to Revaluation	78	58	143	159
Increment/(Decrement) in Buildings due to Revaluation	5	-210	28	-211
Increment/(Decrement) in Heritage and Community Assets due to Revaluation	12	62	12	62
Increment/(Decrement) in Infrastructure Assets due to Revaluation	3	-17	175	-17
Increment/(Decrement) in Plant and Equipment Assets due to Revaluation	0	9	0	9
Increment in Leasehold Improvements due to Revaluation	0	0	0	0
Transfers to/(from) Accumulated Funds	-60	-5	-77	-11
Total Increase/(Decrease) in the Asset Revaluation Surplus	39	-103	282	-9
Balance at the End of the Reporting Period	**5,322**	**5,283**	**9,345**	**9,066**

(d) Other Reserves

Other Reserves relate mainly to general insurance and contributed capital reserves.

Balance at the Beginning of the Reporting Period	**0**	**-2**	**13**	**11**
Net Increment/(Decrement)	0	2	-3	2
Total Increase/(Decrease) in Other Reserves	0	2	-3	2
Balance at the End of the Reporting Period	**1**	**0**	**10**	**13**

54 RECONCILIATION OF CASH FLOWS

(a) Reconciliation of Cash and Cash Equivalents at the end of the reporting period in the Balance Sheet to the Cash Flow Statement.

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Cash and Cash Equivalents in the Balance Sheet				
Cash and Deposits	724	422	822	472
Short-Term Securities and Other Cash Equivalents	0	-	58	57
Bank Overdraft	-13	-7	-13	-7
Cash and Cash Equivalents as per the Cash Flow Statement	**710**	**415**	**867**	**521**

(b) Reconciliation of the *Operating Result* to *Net Cash Flows from Operating Activities.*

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Operating Result	**-341**	**53**	**-415**	**-26**
Add/(Less) Non-Cash Movements:				
Depreciation and Amortisation	356	333	435	404
Net Revaluation and Write Off of Non-Financial Assets	0	0	1	5
Bad Debts	2	4	5	6
Capitalised Profit from Joint Ventures	-	-	-44	-58
Waivers	-10	-5	-10	-5
Gains from Contributed Assets	-82	-90	-38	-35
Add/(Less) Items Classified as Investing or Financing:				
Dividends (Market Gains on Land Sales)	-5	-8	-	-
Realised (Gains)/Losses on Investments	22	-191	22	-191
Unrealised (Gains)/Losses on Investments	-209	-72	-210	-72
Net (Gains)/Losses on Disposal of Non-Current Assets	51	29	6	39
Cash Before Changes in Operating Assets and Liabilities	**-218**	**53**	**-249**	**68**
Change in Operating Assets and Liabilities:				
(Increase)/Decrease in Receivables	-134	155	-151	-2
(Increase)/Decrease in Inventories	2	1	-66	-42
Increase/(Decrease) in Payables	-89	5	-40	0
Increase/(Decrease) in Employee Benefits and Provisions	602	405	620	423
Increase/(Decrease) in Other Liabilities	12	-3	12	-3
Net Cash Flows from Operating Activities	**174**	**616**	**128**	**443**

(c) Non-Cash Financing and Investing Activities.

The Territory (through the General Government Sector) purchased $4 million worth of motor vehicles and other items of plant and equipment under finance lease arrangements during 2014-15 ($11.4 million in 2013-14).

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m

55 OPERATING LEASE COMMITMENTS

The Territory has various non-cancellable operating leases for buildings and vehicles. The leases have varying terms, escalation clauses and renewal rights. There are no conditions in the lease agreements requiring the Territory to restore sites that the leased buildings are situated on. The operating lease agreements give the Territory the right to renew leases. Renegotiations of the lease terms occur on renewal of the leases.

At the reporting date, the Territory had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities):

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Payable:				
Within One Year	55	49	59	56
Later than One Year but not Later than Five Years	154	134	163	146
Later than Five Years	114	59	117	64
Total Operating Lease Commitments	**323**	**242**	**339**	**265**

56 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.

At the reporting date, the Territory had entered into contracts for the following capital expenditure (these commitments are not recognised as liabilities):

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Property, Plant and Equipment Capital Commitments				
Payable:				
Within One Year	293	372	301	413
Later than One Year but not Later than Five Years	94	219	141	275
Later than Five Years	0	-	0	-
Total Property, Plant and Equipment Capital Commitments	**387**	**591**	**442**	**687**

57 OTHER COMMITMENTS

These commitments include contracts for the ACT Policing agreement, repairs, maintenance and capital improvements, housing construction and property purchases and community grants.

At the reporting date, the Territory had entered into contracts for the following commitments:

	General Government Sector 2014-15 Actual $m	General Government Sector 2013-14 Actual $m	Total Territory 2014-15 Actual $m	Total Territory 2013-14 Actual $m
Payable:				
Within One Year	501	449	564	725
Later than One Year but not Later than Five Years	362	430	473	432
Later than Five Years	77	76	165	76
Total Other Commitments	**940**	**955**	**1,202**	**1,233**

58 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.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Quantifiable Contingent Liabilities and Guarantees				
Contingent Liabilities	165	134	169	146
Guarantees	-	-	-	-
Indemnities	-	-	-	-
Total Quantifiable Contingent Liabilities and Guarantees	**165**	**134**	**169**	**146**

Contingent Liabilities

All taxation related claims being made against the Territory have been assessed and, where the court decision is likely to favour the plaintiff, the amounts in dispute have been provided for as a liability. This amount represents claims against the Territory for which no provision has been made.

Non-taxation related contingencies are largely comprised of pending legal claims. Claims lodged against the Territory include public liability, property damage, contract disputes and personal injury.

Due to the protracted nature of legal proceedings and the various discoveries that can be made over the foreseeable period, it is not possible, with any degree of accuracy, to make an assessment of the liabilities of some legal claims.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Quantifiable Legal Claims Against the Territory include:				
Public Liability Claims	7	30	8	31
Personal Injury Claims	5	12	6	16
Economic Loss Claims	-	-	2	8
Total Quantifiable Legal Claims Against the Territory	**13**	**43**	**16**	**55**

58 CONTINGENCIES, GUARANTEES AND INDEMNITIES - CONTINUED

Other contingent liabilities of the GGS and the Territory as at 30 June 2015 include:

* the Territory has a contingent liability relating to the estimated cost of building demolition and land remediation for the Asbestos Eradication Scheme. At 30 June 2015, 260 affected properties are under offer by the Territory, and this offer has been accepted by homeowners, but settlement on these properties has not yet occurred. The contingent liability for 2014-15 is $41 million (30 June 2014: nil);
* the Territory is responsible for the management of 175 sites of contaminated land. The liability associated with the remediation of these sites is contingent on various factors. The contingent liability for 2014-15 is $81 million (30 June 2014: $80.2 million);
* the Territory has a number of claims for damages and costs relating to outstanding objections associated with payroll tax and duties. The total contingent liability for 2014-15 is $4.5 million (30 June 2014: $6.3 million);
* the Territory is currently defending 137 Health actions (2014: 115 actions) with an estimated net liability of $6.2 million (2014: $5.5 million);
* the Territory holds unclaimed lottery prize monies relating to winning prizes which have remained unclaimed for a period of greater than six (6) months. The Territory's contingent liability at 30 June 2015 is estimated at $2.3 million (30 June 2014: $2.3 million); and
* the Territory has a contingent liability for $2.4 million in 2014-15 for the probable return of GST refunds received by the Land Development Agency and for a potential additional GST liability on future land sales in relation to the application of the Government Margin Scheme to land sales.

Contingent Assets

General Government Sector and Total Territory

* The Territory has a contingent asset for GST refunds of $0.9 million as a result of overpayment of GST on land sales in previous financial years. These refunds relate to prior year land sales that the Land Development Agency now classify as GST free land sales. The Australian Taxation Office has not yet formally notified the Agency and, as such, until these refunds are received or acceptance is indicated they remain a contingent asset of the Territory.
* The Territory has a contingent asset relating to the 260 asbestos affected properties that the Government has made an offer to buy under the Loose-Fill Asbestos Insulation Eradication Scheme and the value of land following the completion of demolition and remediation works, and this offer has been accepted by the homeowners. The Government is yet to acquire/settle on these properties. The contingent asset in relation to this is $130 million in 2014-15 (30 June 2014: nil).

59 THIRD PARTY MONIES

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Third Party Monies held in Trust by the Territory				
ACT Long Service Leave Authority	23	15	23	15
Rental Bonds Board	63	60	63	60
Default Insurance Fund	24	22	24	22
Nominal Defendant Insurance Fund	32	24	32	24
Health Professional Registration	1	1	1	1
Health Private Practice Fund	11	11	11	11
Public Trustee Common Fund	272	242	272	242
ACT Civil and Administrative Tribunal	53	55	53	55
Other Third Party Monies	41	43	41	43
Total Monies Held in Trust	**518**	**472**	**518**	**472**

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

Territory agencies are also responsible for a number of other Boards and Trusts which are immaterial to the Territory's financial statements.

60 INTEREST IN JOINT VENTURES

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 owned by the Territory, 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.

Total Territory

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

The Land Development Agency has joint ventures with:

a) Forde Developments Pty Ltd for the residential development of Forde; and

b) Crace Development Pty Ltd for the residential development of Crace.

The Territory has a 50 per cent participating interest and voting power in the respective joint ventures and a 50 per cent share of the profit. Information relating to the joint ventures, presented in accordance with the accounting policy described in Note 2(ae): 'Joint Arrangements', is set out below.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Share of Joint Venture Profit:				
Revenue	0	-	429	464
Expenses	-	-	330	361
Operating Profit	**-**	**-**	**98**	**102**
Summarised Balance Sheet				
Current Assets	0	-	135	120
Non-Current Assets	3	3	617	582
Total Assets	**3**	**3**	**751**	**702**
Current Liabilities	-	-	97	93
Non-Current Liabilities	0	-	11	9
Total Liabilities	**-**	**-**	**108**	**103**
Total Net Assets	**3**	**3**	**644**	**599**
Share of Joint Venture Commitments				
Lease Commitments	-	-	30	42
Remuneration Commitments	-	-	-	-
Total Expenditure Commitments	-	-	**30**	**42**
Capital and Other Commitments	-	-	9	16
Total Share of Joint Venture Commitments	**-**	**-**	**39**	**58**

61 INTEREST IN A JOINT OPERATION

On 16 May 2007 the Territory entered into an unincorporated Joint Operation with the Hindmarsh Group for the redevelopment of land in Lyons - the Lyons Estate Redevelopment Joint Operation. The Territory contributed land to the Joint Operation with the Hindmarsh Group funding the operations, design construction and marketing of units and a retirement village site.

The Joint Operation is accounted for as a jointly controlled operation in accordance with AASB 131: 'Interests in Joint Ventures'.

The value of the land and any costs incurred by the Territory on behalf of the Joint Venture are included in receivables.

The parties of the joint operation agreed to wind up the venture at 30 June 2015.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Assets Employed in the Jointly Controlled Operation				
Current Assets				
Lyons Land Receivable	-	-	7	9
Total Current assets	**-**	**-**	**7**	**9**
Non-Current Assets				
Lyons Land Receivable	-	-	-	-
Total Non-Current assets	**-**	**-**	**-**	**-**
Total Assets Employed in the Jointly Controlled Operation	**-**	**-**	**7**	**9**

62 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 initiative under that Act. Commonwealth Government funding accounts for approximately 41 per cent of the Territory's revenue (refer to Note 8: 'Grants Revenue').

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

The Territory has no economic dependency on any other party.

63 THE TERRITORY'S CREDIT RATING

The Territory maintains a AAA credit rating assigned by Standard & Poor's Rating Services (AAA rating 2013-14).

The current ACT rating of 'AAA' and 'A-1+' is based on the information presented in the 2014-15 Budget. The 'AAA' and 'A-1+' ratings are the highest ratings assigned by Standard & Poor's Rating Services.

	Local Currency		Foreign Currency	
	Long-Term	Short-Term	Long-Term	Short-Term
Standard & Poor's	AAA	A-1+	AAA	A-1+

63 THE TERRITORY'S CREDIT RATING - CONTINUED

Standard and Poor's Rating Services assigns credit ratings based on its qualitative and quantitative analysis of a range of financial, economic, managerial and institutional factors. The analytical framework is articulated around eight major components:

* Institutional framework, Economy, Financial Management, Budgetary flexibility, Budgetary performance, Liquidity, Debt burden, and Contingent liabilities.

Standard and Poor's Rating Services analyses and assesses each of these eight factors on a five-point numerical scale from 1 (the strongest score) to 5 (the weakest score).

64 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 provided to the Territory by the ACT Auditor-General and by PKF Chartered Accountants and Business Advisors for the audit of the ACT Audit Office. Financial statements audits of agencies are conducted on a fee for service basis. Performance audits reviews and investigations are funded through direct appropriation.

The amounts included in the table below represent the full amounts paid by the General Government Sector (GGS) and the Territory for audits undertaken during 2014-15. The specific amounts below are not consolidated into expenses of the GGS or the Territory as they are internal transactions between Government agencies and the ACT Audit Office.

	General Government Sector		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Audit Services Paid or Payable				
Financial Audits (Fees for Service)	2	2	3	3
Other Services (Direct Appropriation Funded)	1	1	1	1
Total Auditor's Remuneration	**3**	**3**	**4**	**4**

The ACT Audit Office paid $12,500 for the independent audit of its 2014-15 financial statements ($11,500: 2013-14).

No other services were provided by the ACT Audit Office.

65 EVENTS SUBSEQUENT TO BALANCE DATE

The Territory's credit rating will be reviewed by Standard and Poor's Rating Service post 30 June 2015. Refer to Note 63: 'The Territory's Credit Rating' for further information.

66 SERVICE CONCESSION ASSETS

The Local Hospital Network Directorate, on behalf of the Territory, has entered into an agreement with Calvary Health Care ACT Ltd for the provision of hospital and associated services. The original agreement was entered into by the Commonwealth on 22 October 1971 and does not stipulate an expiry date. This was subsequently amended in 1979 to include the Territory with any duties or functions of the Commonwealth being transferred to the Territory. The agreement was for the facility to be used for a public hospital. This was varied, in 1988, by the Calvary Private Agreement to allow Calvary Health Care ACT Ltd to use two floors of the facility for treating private patients. The Calvary Private Agreement sets the process and mechanism for Calvary Private to reimburse Calvary Public for any costs incurred in using public hospital facilities for treating private patients. These agreements were replaced on 7 December 2011 with the Calvary Network Agreement.

Under the agreement, Calvary Health Care ACT Ltd is required to provide hospital services and make these services available to all persons irrespective of their circumstances and is limited to charging patients fees only in accordance with the schedule of fees applicable at Health Directorate owned hospitals for comparable services. In the event that the agreement ceases, all land is to be returned to the Territory. The level of services that is required to be provided in a financial year, for the amount of funding provided is stipulated in a Performance Plan agreed between the Territory and Calvary Health Care ACT Ltd each year. The service concession assets are not recognised in the General Government Sector and Total Territory's Balance Sheet.

67 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 Note 2: 'Summary of Significant Accounting Policies'.

The most significant investments and borrowings of the General Government Sector (GGS) and Territory are the investments and borrowings undertaken through the Territory's Banking Account and the superannuation portfolio managed through the Superannuation Provision Account.

Interest Rate Risk

Investment Portfolio

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial instruments of the Territory are exposed to interest rate risk via the 'Cash and Cash Equivalents' and 'Investments at Fair Value Through Profit and Loss' allocations. Changes in the fair market valuations or future cash flows of investments resulting from changes in interest rates have a direct impact on the Territory's Operating Statement and Balance Sheet.

The details of the GGS and Territory's level of exposure to 'Investments at Fair Value Through Profit and Loss' holdings are provided in Note 33: 'Investments and Loans'.

Interest rate derivatives and futures are used to manage the exposure to interest rates risk in accordance with investment guidelines and individual investment management mandate conditions. The financial instruments directly impacted by interest rate volatility for the purposes of quantifying the interest rate sensitivities are the cash holdings either within the individual portfolios or the master custodian accounts for the investment portfolio as well as discount securities, floating rate notes and bonds.

The investment portfolio includes an exposure to fixed income through cash and fixed income pooled unit trusts. It would normally be expected that debt instruments have a direct exposure to interest rate risk. However, because the investments are made in the fixed income pooled unit trust, it is the unit price which reflects the value of the financial investment. On this basis, the sensitivity of changes to the unit price for these debt instrument investments is included under 'Price Risk and Inflation Risk' in this note.

Exposures to interest rate risk is limited to duration thresholds stipulated within the investment management agreements and monitored for compliance by the Territory's master custodian on a bi-monthly basis.

Borrowing Portfolio

To mitigate exposure to volatile interest rates on the floating rate components of the Territory's General Government Debt Portfolio, domestic interest rate swap transactions may be established (without the use of collateral). Interest rate swap transactions may be undertaken to exchange variable interest payment obligations to protect long term borrowings from the risk of increasing interest rates. The Territory has both variable and fixed interest rate exposures. A credit risk management framework is established and any interest rate swap transactions are only made with high quality counterparties.

As at the end of the period, financial assets and liabilities exposed to interest rate risk are; cash at bank, securities held within the Cash Enhanced Portfolio and the corresponding liabilities owing to ACT Government agencies, variable rate loans provided to other ACT Government agencies and the Territory Banking Account short term variable rate borrowings.

67 FINANCIAL INSTRUMENTS - CONTINUED

Interest Rate Risk - Continued

As at the end of the period, the exposure of interest rate excluding derivatives was as follows:

	Fixed Rate Instruments		Variable Rate Instruments	
	2015 $m	2014 $m	2015 $m	2014 $m
Financial Assets	319	903	1,543	648
Financial Liabilities	166	487	860	277
Net Exposure Before the Effect of Derivatives	**153**	**416**	**683**	**371**

Fixed rate instruments comprise financial assets and financial liabilities at fair value through profit or loss that are exposed to changes in fair value due to changes in interest rates.

Variable rate instruments comprise instruments that are exposed to either changes in fair value or changes in cash flows (or both) due to changes in interest rates.

Finance Leases

The Territory has finance lease arrangements for its vehicle fleet, which are managed through an external party. The Territory's exposure to interest rate risk associated with finance leases is managed by fixing interest rates on each new lease. Due to a change in the whole of Government car leasing arrangements on 23 April 2015, all active finance leases were transferred to operating leases on that date.

Sensitivity Disclosure Analysis

As at 30 June 2015, the interest rate profiles of the interest-bearing financial instruments of the GGS and the Territory comprised two main types of financial instruments, namely fixed rate instruments and variable rate instruments, and are disclosed below. The disclosure below demonstrates the reasonably possible impact on the Operating Statement and Equity over the next 12 months if interest rates change by -/+ 1.0 per cent from the year end official cash rate of 2.00 per cent (2014: 2.50 per cent), with all other variables held constant.

30 June 2015 General Government Sector and Total Territory	**Fixed Rate Instruments**				**Variable Rate Instruments**			
	-1.00%		**+1.00%**		**-1.00%**		**+1.00%**	
	Profit/ (Loss) Impact $m	**Equity Impact $m**	**Profit/ (Loss) Impact $m**	**Equity Impact $m**	**Profit/ (Loss) Impact $m**	**Equity Impact $m**	**Profit/ (Loss) Impact $m**	**Equity Impact $m**
30 June 2015 (1.0%)								
Financial Assets	2	2	-2	-2	-14	-14	14	14
Financial Liabilities	2	2	-2	-2	-7	-7	7	7
Net Assets	**1**	**1**	**-1**	**-1**	**-4**	**-4**	**4**	**4**
30 June 2014 (1.0%)								
Financial Assets	6	6	-6	-6	-4	-4	4	4
Financial Liabilities	-4	-4	4	4	4	4	-4	-4
Net Assets	**2**	**2**	**-2**	**-2**	**0**	**0**	**0**	**0**

The following assumptions were used in determining the sensitivity of financial instruments to interest rate risk:

(i) The sensitivity calculation is based on the net exposure to interest rates after taking into account the effect of derivatives (if any).

(ii) For derivatives, to calculate the effect on the fair value of derivatives after reasonable possible movements in interest rates, a parallel shift is applied to the zero curve with all other factors held constant.

(iii) The effect of credit risk is ignored.

(iv) The derivatives are assumed to be held to expiry.

(vi) The impact on equity represents total impact on accumulated funds and other reserves.

67 FINANCIAL INSTRUMENTS - CONTINUED

Price Risk and Inflation Risk

Financial instrument investments held by the GGS and the Territory are exposed to other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Inflation risk is the risk that future cash flows on an inflation linked instrument may fluctuate due to changes in inflation rates. Other price risk arises from the exposure to fixed interest investments (the unitised pooled fixed interest portfolios) which are exposed to changes in unit prices. Inflation risk arises from inflation indexed bonds which are exposed to inflation rates. The exposure to price and inflation risk has a direct impact on the Operating Statement.

Sensitivity Disclosure Analysis - Related to the Territory's Investment Portfolio

Territory Investment Portfolio	Exposure to Unit Prices 2015 $m	Exposure to Unit Prices 2014 $m	Exposure to Inflation Rates 2015 $m	Exposure to Inflation Rates 2014 $m
Financial Assets	288	227	819	836
Financial Liabilities	0	0	818	834
Net Exposure Before the Effect of Derivatives	**288**	**227**	**1**	**2**

Sensitivity Disclosure Analysis - Related to the Territory's Superannuation Investment Portfolio

The superannuation investment portfolio, managed through the GGS, includes equity, fixed income (debt) and unlisted direct property investments.

There is a fundamental financial relationship between risk and return. Investments held within the Superannuation Provision Account are diversified across different asset classes that have different risk and return expectations. Equity markets are inherently volatile and not suitable for short term investment, however, over the long term equity investments have proven to be a reasonable source of growth and inflation protection, through the achievement of high returns in real terms. To manage price risk, the investment portfolio is diversified in accordance with asset class limits (in accordance with the strategic asset allocation policy). The majority of equity investments are of high quality and are publicly traded on either the Australian Stock Exchange or the overseas equivalent.

Fixed income investments are diversified domestically and internationally across the money and capital markets including cash, short term debt (maturity less than 12 months) and fixed interest bonds (maturity greater than 12 months). The investment allocation to debt securities is controlled at the portfolio level by the strategic asset allocation, therefore limiting individual asset class exposure. Investment management agreements and the pooled trust product disclosure statement of the Superannuation Provision Account stipulates the maximum allowable limits by issuer, ratings and duration to ensure sufficient diversification occurs within individual investment portfolios.

Other price risk exposure also applies to investments in unlisted direct property. These investments are held in a pooled trust, with the unit price reflecting the underlying changes in the values of all property investments.

67 FINANCIAL INSTRUMENTS - CONTINUED

Price Risk and Inflation Risk - Continued

Superannuation Investment Portfolio	Exposure to Other Price Risk 2015 $m	2014 $m
Financial Assets	3,083	2,808
Net Exposure Before the Effect of Derivatives	**3,083**	**2,808**

Currency Risk

Currency risk is the risk that the fair value or future cash flows of an overseas financial investment will fluctuate as a result of movements in international exchange rates.

A significant allocation of the Territory's superannuation investment portfolio is denominated in foreign currency through the purchase and holding of international equity and fixed interest securities. Equally, a large portion of these investments are fully hedged back to Australian dollars using currency derivatives. The use of currency hedging mitigates the impact on international asset valuations in Australian dollar terms from the changes in exchange rates.

In relation to unhedged foreign investments, holding a diversified basket of currency investments also serves to reduce overall currency risk. The currency hedge ratio is achieved and managed through investment in two passively managed unlisted pooled unit trusts for international equities (hedged) and international fixed interest (hedged). All international fixed interest exposures are hedged to Australian dollars. Total international equity exposures are 50 per cent hedged to Australian dollars.

The GGS and the Territory's exposure to unhedged currency investments managed through the Territory's superannuation investment portfolio is detailed in the following table. The numbers reflect both directly held and indirectly held investments that are subject to foreign exchange risk.

Currency as at 30 June 2015 General Government Sector and Total Territory	Cash and Cash Equivalents $m	Investments designated at Fair Value Through Profit or Loss $m	Other Assets $m	Total Assets $m	Financial Liabilities held at Fair Value Through Profit or Loss $m	Other Liabilities $m	Total Liabilities $m	Net Assets $m
AUD	12	2,197	33	2,242	105	36	140	2,101
USD	8	686	1	695	-	-	-	695
JPY	2	112	-	114	0	-	-	114
EUR	3	149	1	153	-	-	-	153
GBP	1	82	-	84	-	-	-	84
Other	2	143	1	145	0	-	-	145
Total A$m	**28**	**3,370**	**35**	**3,433**	**105**	**36**	**140**	**3,292**

67 FINANCIAL INSTRUMENTS - CONTINUED

Currency as at 30 June 2014 General Government Sector and Total Territory	Cash and Cash Equivalents	Investments designated at Fair Value Through Profit or Loss	Other Assets	Total Assets	Financial Liabilities held at Fair Value Through Profit or Loss	Other Liabilities	Total Liabilities	Net Assets
	$m	$m	$m	$m	$m	$m	$m	$m
AUD	28	2,025	52	2,105	4	142	146	1,959
USD	3	592	1	596	-	-	-	596
JPY	1	95	-	96	-	-	-	96
EUR	2	140	-	142	-	-	-	142
GBP	-	-	-	-	-	-	-	-
Other	1	218	1	220	-	-	-	220
Total A$m	**35**	**3,070**	**54**	**3,159**	**4**	**142**	**146**	**3,013**

Sensitivity Disclosure Analysis

The table below summarises the reasonably possible impact of +/-10 per cent strengthening/weakening of the Australian dollar against the top four foreign exchange exposures (US Dollar, Great Britain Pound, Japanese Yen and the Euro) on the Territory's Operating Statement for the year and on Equity.

30 June 2015	**-10%**		**+10%**	
General Government Sector and Total Territory	**Profit/ (Loss) Impact**	**Equity Impact**	**Profit/ (Loss) Impact**	**Equity Impact**
	$'000	**$'000**	**$'000**	**$'000**
Currency				
USD	-915	-915	915	915
JPY	-194	-194	194	194
EUR	-351	-351	351	351
GBP	-175	-175	175	175
Other	-221	-221	221	221
Total Increase/(Decrease)	**-1,856**	**-1,856**	**1,856**	**1,856**

30 June 2014	**-10%**		**+10%**	
General Government Sector and Total Territory	**Profit/ (Loss) Impact**	**Equity Impact**	**Profit/ (Loss) Impact**	**Equity Impact**
	$'000	**$'000**	**$'000**	**$'000**
Currency				
USD	-358	-358	358	358
JPY	-70	-70	70	70
EUR	-192	-192	192	192
GBP	-	-	-	-
Other	-185	-185	185	185
Total Increase/(Decrease)	**-805**	**-805**	**805**	**805**

67 FINANCIAL INSTRUMENTS - CONTINUED

Credit Risk

Credit risk arises from the financial assets comprising cash and cash equivalents, loans and receivables and investments held at Fair Value Through Profit or Loss. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Territory's financial arrangements, in respect of the business conducted is such that the most significant risk will arise with those financial assets and liabilities involving external parties.

The Territory's credit risk exposure for the Territory's investment portfolio is limited to financial investment assets carried at fair value through profit or loss. Financial dealings are only undertaken with other ACT Government entities or appropriately rated counterparties as provided for within each individual contract established with investment managers. The Financial Management (Investment and Borrowing) Guidelines 2010 and Superannuation Management Guidelines 2011 prescribe the credit limitations of the counterparties with which investments may be made in relation to both the Territory's investment and superannuation portfolios, respectively. The maximum amount of credit risk relating to the financial investment assets is limited to the carrying amount recorded in the financial statements. No collateral is held as security and no credit enhancements are in place in respect of any of the Territory's financial assets.

The prescribed limitations include investing in assets of investment grade (minimum A-2 short-term credit rating and BBB-long-term credit rating). A credit rating is a current assessment of the ability of an issuer's overall financial capacity (its creditworthiness) to pay its financial obligations. A credit rating of AAA exhibits an extremely strong capacity to meet financial commitments as opposed to a credit rating of AA or BBB. These credit ratings are based on an investment grade credit rating assessment made by Standard and Poor's or equivalent Moody's rating. As at reporting date, the investment portfolio comprises a diversified portfolio of securities to minimise counterparties' risk of default.

The following table details the credit ratings exposure of the applicable investments of the GGS and the Territory.

General Government Sector and Total Territory			**Credit Quality**		
	AAA	**AA**	**A**	**BBB**	**Total**
	$m	**$m**	**$m**	**$m**	**$m**
30 June 2015					
Directly Held					
Cash Enhanced Money Market and Fixed Interest	304	103	578	14	**999**
Indirectly Held					
Unit Trust (Debt Instruments)	583	165	531	30	**1,308**
Total	**887**	**268**	**1,108**	**44**	**2,307**
30 June 2014					
Directly Held					
Money Market and Fixed Interest Securities	361	82	610	15	**1,068**
Indirectly Held					
Unit Trust (Debt Instruments)	534	260	315	28	**1,137**
Total	**895**	**342**	**925**	**43**	**2,205**

Financial Assets that are either Past Due or Impaired

None of the assets managed in relation to the Territory's investment or superannuation portfolios are impaired as at 30 June 2015 (nil at 30 June 2014).

In addition, note that neither the terms of the financial assets held in the Territory's investment and superannuation portfolios have been renegotiated to prevent these assets from being past due or impaired, and they are stated at the carrying amounts as disclosed in the Balance Sheet.

In addition, note that neither the terms of the financial assets held in the Territory's investment and superannuation portfolios have been renegotiated to prevent these assets from being past due or impaired, and they are stated at the carrying amounts as disclosed in the Balance Sheet.

67 FINANCIAL INSTRUMENTS - CONTINUED

Liquidity Risk

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

The Territory manages liquidity risk associated with the Territory's investment portfolio, through the GGS, by only investing in an adequate amount of high grade securities that fall within the limitation set out in the Financial Management (Investment and Borrowing) Guidelines 2010 and transacting with reputable counterparties. The investments of the Territory Banking Account are made in liquid markets and are readily redeemable if required. All Territorial revenues such as taxes, fees, fines and Commonwealth Government grants, are ultimately deposited into the Territory's Banking Account. Accordingly, it will almost certainly always have sufficient cash to meet the expenditure allocations as set out in the Annual Budget. Forecasts of future cash flows and borrowing maturities are maintained to ensure that there is sufficient funding available for any required settlements.

Analysis of Territory's Financial Liabilities Based on Contractual Maturities and Management Expectation

The risk implied from the values shown in the table below shows contracted cash outflows from payables and other financial liabilities and is a reflection of ongoing business operations of the Territory.

The Territory's objective for the superannuation investment portfolio is to minimise liquidity risk by monitoring financial obligations as they fall due. The more immediate liquidity needs are for funding working capital, meeting the annual emerging cost benefit payments to ComSuper and for managing fund flows for investment asset classes in accordance to the strategic asset allocation. On a longer term horizon, the annual emerging cost benefit payments to ComSuper are to be funded through a combination of budget capital injections and funds held under investment.

The exposure to illiquid asset classes is managed through the strategic asset allocation of portfolio assets. To compensate for liquidity risk, these types of investments require an illiquidity premium, or additional required return. Accordingly, the exposure to liquidity risk is not significant based on the assessment of current and future cash flow requirements.

The tables below reflect all contractual repayments of principal and interest resulting from recognised financial liabilities, the CSS/PSS defined benefit superannuation schemes and finance leases. The amounts disclosed represent undiscounted cash flows for the respective obligations in respect of upcoming fiscal years.

30 June 2015 **General Government Sector**	**Less than 3 months** **$m**	**3-12 months** **$m**	**1-5 years** **$m**	**> 5 years** **$m**	**Total** **$m**
Non-Derivatives					
Payables	100	100	234	-	**433**
Interest-Bearing Liabilities (Current/Non-Current)	113	224	1,883	2,854	**5,074**
Estimated Superannuation Liabilities	53	158	1,042	26,294	**27,547**
Total Non-Derivatives	**266**	**482**	**3,159**	**29,148**	**33,054**
Derivatives					
Net Settled Derivatives (Interest Rate Swaps and Futures)	13	4	13	12	**42**
Total Derivatives	**13**	**4**	**13**	**12**	**42**

67 FINANCIAL INSTRUMENTS - CONTINUED

30 June 2014 General Government Sector	Less than 3 months $m	3-12 months $m	1-5 years $m	> 5 years $m	Total $m
Non-Derivatives					
Payables	126	126	270	-	**522**
Interest-Bearing Liabilities (Current/Non-Current)	207	165	1,138	2,762	**4,272**
Estimated Superannuation Liabilities	50	149	980	27,106	**28,285**
Finance Lease Liabilities (Current/Non-Current)	6	6	14	-	**22**
Total Non-Derivatives	**388**	**445**	**2,401**	**29,868**	**33,102**
Derivatives					
Net Settled Derivatives (Interest Rate Swaps and Futures)	3	-	10	3	**16**
Total Derivatives	**3**	**-**	**10**	**3**	**16**

30 June 2015 Total Territory	Less than 3 months $m	3-12 months $m	1-5 years $m	> 5 years $m	Total $m
Non-Derivatives					
Payables	146	146	233	-	**525**
Interest-Bearing Liabilities (Current/Non-Current)	113	224	1,883	2,854	**5,074**
Estimated Superannuation Liabilities	53	158	1,042	26,294	**27,547**
Total Non-Derivatives	**312**	**528**	**3,158**	**29,148**	**33,146**
Derivatives					
Net settled derivatives (Interest Rate Swaps and Futures)	-	4	13	-	**16**
Total Derivatives	**-**	**4**	**13**	**-**	**16**

30 June 2014 Total Territory	Less than 3 months $m	3-12 months $m	1-5 years $m	> 5 years $m	Total $m
Non-Derivatives					
Payables	148	148	270	-	**565**
Interest-Bearing Liabilities (Current/Non-Current)	207	165	1,138	2,762	**4,272**
Estimated Superannuation Liabilities	50	149	980	27,106	**28,285**
Finance Lease Liabilities (Current/Non-Current)	5	5	14	-	**24**
Total Non-Derivatives	**409**	**466**	**2,402**	**29,868**	**33,145**
Derivatives					
Net settled derivatives (Interest Rate Swaps and Futures)	3	-	10	3	**16**
Total Derivatives	**3**	**-**	**10**	**3**	**16**

The fair value of cash and cash equivalents is the carrying value recorded in the accounts of the GGS and the Territory.

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

67 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	2014-15		2013-14	
	Carrying Amount $m	Net Fair Value $m	Carrying Amount $m	Net Fair Value $m
Financial Assets				
Cash and Deposits	724	724	422	422
Advances Paid	1,595	1,820	1,590	1,756
Investments and Loans	4,220	4,220	4,024	4,024
Receivables[(a)]	381	381	353	353
Equity				
Investments in Other Public Sector Entities	6,036	6,036	5,721	5,721
Total Financial Assets	**12,956**	**13,181**	**12,110**	**12,277**
Financial Liabilities				
Deposits Held	134	134	131	131
Advances Received	829	829	83	86
Finance Leases	-	-	23	23
Borrowings	3,148	3,464	3,085	2,829
Payables	433	433	522	522
Other Liabilities	22	22	10	10
Total Financial Liabilities	**4,566**	**4,882**	**3,854**	**3,601**
Net Financial Assets	**8,389**	**8,300**	**8,256**	**8,675**

(a) Receivables has been adjusted to remove Right to Receive Infrastructure, Prepayments and Accrued Revenue relating to taxation.

Total Territory	2014-15		2013-14	
	Carrying Amount $m	Net Fair Value $m	Carrying Amount $m	Net Fair Value $m
Financial Assets				
Cash and Deposits	822	822	472	472
Advances Paid	101	101	141	141
Investments and Loans	4,278	4,278	4,081	4,081
Receivables[(a)]	291	291	305	305
Equity				
Investments Accounted for Using Equity Method	921	921	634	634
Total Financial Assets	**6,414**	**6,414**	**5,633**	**5,633**
Financial Liabilities				
Deposits Held	16	16	16	16
Advances Received	904	909	160	167
Finance Leases	-	-	24	24
Borrowings	3,148	3,464	3,085	2,829
Payables	525	525	565	565
Other Liabilities	22	22	10	10
Total Financial Liabilities	**4,616**	**4,936**	**3,859**	**3,610**
Net Financial Assets	**1,799**	**1,478**	**1,774**	**2,023**

(a) Receivables has been adjusted to remove Right to Receive Infrastructure and prepayments.

67 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy

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

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

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

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

30 June 2015	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets and Liabilities at Fair Value				
Financial Assets				
Investments - Directly Held				
Cash Enhanced	374	627	-	**1,001**
Fixed Income	80	81	-	**161**
Equities	1,820	-	-	**1,820**
Financial Derivatives	0	-	-	**-**
Investments - Indirectly Held				
Unit Trust - Cash	-	662	-	**662**
Unit Trust - Fixed Income	-	526	-	526
Unit Trust - Property	-	243	-	**243**
Unit Trust - Private Equity	-	-	120	120
Total	**2,274**	**2,139**	**120**	**4,533**
Financial Liabilities				
Investments - Directly Held				
Financial Derivatives	0	4	-	**4**
Total	**-**	**4**	**-**	**4**
Assets and Liabilities for which Fair Values are Disclosed				
Financial Assets				
Loans and Receivables	-	1,659	-	**1,659**
Financial Liabilities				
Interest Bearing Liabilities	-	4,120	-	4,120
Total	**-**	**5,779**	**-**	**5,779**
Net Assets	**2,274**	**2,135**	**120**	**4,529**

67 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy - Continued

30 June 2014	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets and Liabilities at Fair Value				
Financial Assets				
Investments - Directly Held				
Cash Enhanced	352	711	-	**1,063**
Fixed Income	-	267	-	**267**
Equities	1,653	5	-	**1,658**
Financial Derivatives	1	14	-	**15**
Investments - Indirectly Held				
Unit Trust - Cash	-	422	-	**422**
Unit Trust - Fixed Income	-	502	-	**502**
Unit Trust - Domestic and International Equities	-	116	-	**116**
Unit Trust - Property	-	213	-	**213**
Unit Trust - Private Equity	-	-	120	**120**
Total	**2,006**	**2,250**	**120**	**4,377**
Financial Liabilities				
Investments - Directly Held				
Financial Derivatives	1	14	-	**15**
Total	**1**	**14**	**-**	**15**
Assets and Liabilities for which Fair Values are Disclosed				
Financial Assets				
Loans and Receivables	-	1,616	-	**1,616**
Financial Liabilities				
Interest Bearing Liabilities	-	3,244	-	**3,244**
Total	**-**	**4,859**	**-**	**4,859**
Net Assets	**2,005**	**2,236**	**120**	**4,362**

67 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy - Continued

Valuation Techniques and Inputs

Quoted market price represents the fair value determined based on quoted prices in active markets for identical assets as at the reporting date without any deduction for transaction costs. Listed equity investments valued based on quoted market prices are included within Level 1 of the Fair Value Hierarchy.

Unlisted investments in unit trusts include domestic and international fixed income investments, property unit trusts, private equity funds and other indirectly held equity investments which are not quoted in an active market and which may be subject to restrictions on redemptions such as private equity funds. Fair values of these investments are determined by using valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs. The investment manager considers the valuation techniques and inputs used in valuing these units as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the Net Asset Value of these units may be used as an input into measuring their fair value. In measuring this fair value, the Net Asset Value of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the units trust and fund manager. Depending on the nature and level of adjustments needed to the Net Asset Value and the level of trading in the units, these investments are classified as either Level 2 or Level 3.

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 value of fixed interest security unit are included within Level 2.

Investments in property are made through unlisted pooled unit trusts that are priced monthly. The fair value of investment property is determined at least annually or more frequently as required by independent property valuers using recognised valuation techniques. These techniques comprise in the main methods such as discounted cash flow and income capitalisation. Where appropriate direct comparison, hypothetical development and summation or cost approach method is used. Under the discounted cash flow method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value. This involves the projection of a series of cash flows and to this an appropriate, market derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return). The adjusted Net Asset Value of these units are used as an input in measuring their fair value. The fair value of unlisted property units is included within 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 are included within Level 3.

Fair value of derivative instruments is 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 present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. Financial derivatives are classified as either Level 1 or Level 2.

Fair value for loans and receivables has been determined by reference to published price quotations in active markets (indexed annuity bonds) and in non-active markets (fixed rate of historical Commonwealth loans) using discounted cash flow analysis valuation, applying prevailing discount rates of issuing entities with similar credit quality and duration profiles. Fair values of the interest-bearing liabilities are determined using the discounted cash flow method using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 30 June 2015 was assessed to be insignificant.

66 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy - Continued

Transfers Between Level 1 and Level 2
There have been no transfers between Level 1 and Level 2 during the year.

Valuation Process for Level 3 Valuations
Investments of unlisted trust and limited partnerships are recorded at redemption value per unit as reported by managers of such investments. In the absence of quoted values, securities are valued using appropriate valuation techniques as reasonably determined by the investment manager. The fund manager performs monthly and quarterly valuations. Unresolved discrepancies are escalated to the investment manager valuation committee. The valuation committee is independent of the front office and comprises heads of asset management, portfolio services and the chief operating officer. The committee ensures that the valuation of assets is fair, equitable and reasonable based on the information within the market at the time.

Quantitative Information of Significant Unobservable Inputs - Level 3 for 2014-15

Description	Fair Value at 30 June 2015 $m	Valuation Technique	Unobservable Input	Range (Weighted Average)
Unit Trust - Private Equity	120	Adjusted Net Asset Value	Latest Net Asset Value from General Partners.	0.000-1.717 (0.447)
			Contributions since latest Net Asset Value from General Partners.	0.000-1.000 (0.117)
			Distributions since latest Net Asset Value from General Partners.	0.000-0.441 (0.076)

Sensitivity Analysis to Significant Changes in Unobservable Inputs within Level 3 Hierarchy

Description	Input	Sensitivity Used	Effect on Fair Value
Unit Trust - Private Equity	Latest Net Asset Value from General Partners	0.0000-1.717 (0.447)	Fair Value increase if latest Net Asset Values from General Partners were higher.
	Contributions since latest Net Asset Value from General Partners	0.000-1.000 (0.117)	Fair Value increase if there has been contributions since latest Net Asset Values from General Partners.
	Distributions since latest Net Asset Value from General Partners	0.000-0.441 (0.076)	Fair Value decrease if there has been any distributions since latest Net Asset Values from General Partners.

67 FINANCIAL INSTRUMENTS - CONTINUED

Quantitative Information of Significant Unobservable Inputs - Level 3 for 2013-14

Description at 30 June 2014	Fair Value at 30 June 2014 $m	Valuation Technique	Unobservable Input	Range (Weighted Average)
Unit Trust - Private Equity	120	Adjusted Net Asset Value	Latest Net Asset Value from General Partners.	0.003-1.1215 (0.414)
			Contributions since latest Net Asset Value from General Partners.	0.000-1.182 (0.003)
			Distributions since latest Net Asset Value from General Partners.	0.000-0.301 (0.035)

Sensitivity Analysis to Significant Changes in Unobservable Inputs within Level 3 Hierarchy

Description at 30 June 2014	Input	Sensitivity Used	Effect on Fair Value
Unit Trust - Private Equity	Latest Net Asset Value from General Partners	0.003-1.1215 (0.414)	Fair Value increase if latest Net Asset Values from General Partners were higher.
	Contributions since latest Net Asset Value from General Partners	0.000-1.182 (0.003)	Fair Value increase if there has been contributions since latest Net Asset Values from General Partners.
	Distributions since latest Net Asset Value from General Partners	0.000-0.301 (0.035)	Fair Value decrease if there has been any distributions since latest Net Asset Values from General Partners.

66 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy - Continued

Level 3 Reconciliations

30 June 2015	**Unit Trusts $m**	**Total $m**
Balance at 1 July 2014	120	**120**
Settlements during year	-	-
Total Gains/(Losses)	-	-
Balance at 30 June 2015	**120**	**120**

30 June 2014	**Unit Trusts $m**	**Total $m**
Balance at 1 July 2013	125	**125**
Settlements during year	12	**12**
Total Gains/(Losses)	-17	**-17**
Balance at 30 June 2014	**120**	**120**

Gains and losses are disclosed in the line Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value in the Territory's Operating Statement.

Recognised Gains and Losses for Level 3 Financial Instruments

The amount of total gains or losses for the period recognised in the Territory's Operating Statement that relate to assets and liabilities held at the end of the reporting period are as follows:

30 June 2015	**Unit Trusts $m**	**Total $m**
Gains/(Losses)		
Trading Income	12	12
Total Gains/(Losses) Recognised in the Operating Statement	**12**	**12**

30 June 2014	**Unit Trusts $m**	**Total $m**
Gains/(Losses)		
Trading Income	-17	-17
Total Gains/(Losses) Recognised in the Operating Statement	**-17**	**-17**

Total gains/(losses) for the reporting period relating to the units in pooled private equity trust held at the end of the reporting period amounted to $11.784 million. The determination of fair value for gains or losses on units as well as sensitivities surrounding price risks for these pooled private equity trusts have been described above.

68 EXPENSES AND ASSETS BY FUNCTION

The General Government Sector (GGS) and the 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 Purpose Classification (GPC) Framework. A description of the major groups of the GPC Framework are listed below.

General Public Services (01): include legislative and executive affairs, financial and fiscal affairs, external affairs, foreign economic aid, general research, general economic and social services, general statistical services, and government superannuation benefits.

Defence (02): includes administration, supervision, operation and support of military and civil defence affairs, foreign military aid and defence research.

Public Order and Safety (03): includes police and fire protection services, law courts and legal services, prisons and corrective services, and control of domestic animals and livestock.

Education (04): includes primary and secondary education, university and other higher education, technical and further education, preschool and special education, and transportation of students.

Health (05): includes general hospitals, repatriation hospitals, mental health institutions, nursing homes, special hospitals, hospital benefits, medical clinics and practitioners, dental clinics and practitioners, maternal and infant health, ambulance services, medical benefits, school and other public health services, pharmaceuticals, medical aids and appliances, and health research.

Social Security and Welfare (06): includes sickness benefits; benefits to ex-servicemen and their dependents; invalid and other permanent disablement benefits; old age benefits, widows, deserted wives, divorcees and orphans benefits; unemployment benefits; family and child benefits; sole parents benefits; family and child welfare; and aged and handicapped welfare.

Housing and Community Amenities (07): includes housing and community development, water supply, household garbage and other sanitation, sewerage, urban stormwater drainage, protection of the environment, and street lighting.

Recreation and Culture (08): includes public halls and civic centres, swimming pools and beaches, national parks and wildlife, libraries, creative and performing arts, museums, art galleries, broadcasting, and film production.

Fuel and Energy (09): includes coal, petroleum, gas, nuclear affairs, and electricity.

Agriculture, Forestry, Fishing and Hunting (10): includes agricultural land management, agricultural water resources management, agricultural support schemes, agricultural research and extension services, forestry, fishing and hunting.

Mining and Mineral Resources Other than Fuels, Manufacturing and Construction (11): includes activities relating to prospecting, mining and mineral resources development; manufacturing activities and research into manufacturing methods, materials and industrial management; and activities associated with the building and construction industry.

Transport and Communications (12): includes road construction, road maintenance, parking, water transport, rail transport, air transport, pipelines, multi-mode urban transit systems, and communications.

Other Economic Affairs (13): includes storage, saleyards, markets, tourism and area promotion, and labour and employment affairs.

Other Purposes (14): includes public debt transactions, general purpose inter-government transactions, and natural disaster relief.

68 EXPENSES AND ASSETS BY FUNCTION - CONTINUED

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

		General Government Sector		Total Territory	
		2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Expenses by Function					
01	General Public Services	515	482	470	495
03	Public Order and Safety	388	404	387	403
04	Education	1,021	965	1,039	981
05	Health	1,362	1,266	1,361	1,265
06	Social Security and Welfare	265	226	266	226
07	Housing and Community Amenities	493	174	902	404
08	Recreation and Culture	151	166	156	182
09	Fuel and Energy	20	28	10	27
10	Agriculture, Forestry, Fishing and Hunting	2	3	2	3
11	Mining and Mineral Resources Other than Fuels, Manufacturing and Construction	24	16	24	16
12	Transport and Communications	358	311	356	310
13	Other Economic Affairs	46	57	37	56
14	Other Purposes	496	448	478	448
Total Expenses[(a)]		**5,143**	**4,545**	**5,489**	**4,816**

The following table provides a disaggregation of GGS and Total Territory total assets by Function.

		General Government Sector		Total Territory	
		2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Assets by Function [(b)]					
01	General Public Services	11,906	10,644	5,740	4,825
03	Public Order and Safety	355	471	355	471
04	Education	2,130	2,130	2,135	2,134
05	Health	1,221	1,193	1,221	1,193
06	Social Security and Welfare	85	203	85	203
07	Housing and Community Amenities	705	543	7,897	7,504
08	Recreation and Culture	3,424	3,177	3,424	3,198
09	Fuel and Energy	0	-	919	633
10	Agriculture, Forestry, Fishing and Hunting	27	26	27	26
11	Mining and Mineral Resources Other than Fuels, Manufacturing and Construction	-4	132	-5	132
12	Transport and Communications	6,707	6,647	6,868	6,800
13	Other Economic Affairs	143	62	143	61
14	Other Purposes	1,533	1,617	33	141
Total Assets[(a)]		**28,231**	**26,846**	**28,843**	**27,320**

Notes: (a) As a result of transfers under administrative arrangements during the reporting period, some expenses and assets are presented on a different basis.
(b) Financial assets that are not allocated to a specific function are included in 'Other Purposes'.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED OPERATING STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Revenue								
Government Payment for Outputs	-	-	163	157	-163	-157	-	-
Taxation Revenue	1,377	1,296	-	-	-38	-36	1,339	1,260
Grants Revenue								
Commonwealth Grants	1,992	1,840	2	1	-	-	1,994	1,841
Gains from Contributed Assets	82	90	11	4	-54	-59	38	35
Sales of Goods and Services Revenue								
Revenue from Associates and Joint Ventures	-	-	103	107	-	-	103	107
Other Sales of Goods and Services	475	469	413	429	-78	-82	810	816
Interest Income	131	141	6	4	-74	-81	63	64
Distributions from Financial Investments	69	118	-	-	-	-	69	118
Distributions from Investments with the Territory Banking Account	-	-	3	4	-3	-4	-	-
Dividend and Income Tax Equivalents Income	299	215	-	-	-248	-191	50	24
Other Revenue								
Land Revenue (Value-Add Component)	-	-	301	174	-59	-92	242	81
Other Revenue	130	142	22	35	-16	-17	136	160
Total Revenue	**4,554**	**4,311**	**1,023**	**915**	**-734**	**-719**	**4,843**	**4,507**
Expenses								
Employee Expenses	1,761	1,652	181	177	-	-	1,942	1,829
Superannuation Expenses								
Superannuation Interest Cost	314	300	-	-	-	-	314	300
Other Superannuation Expenses	332	306	15	22	-11	-11	336	316
Depreciation and Amortisation	356	333	79	71	-	-	435	404
Interest Expense	159	150	73	85	-77	-85	154	149
Other Property Expenses (Income Tax Expense)	-	-	76	64	-76	-64	-	-
Other Operating Expenses								
Supplies and Services	832	816	197	171	-50	-44	979	943
Other Operating Expenses	169	153	171	122	-100	-107	240	168
Grants Expenses	1,221	836	76	79	-208	-208	1,088	707
Total Expenses	**5,143**	**4,545**	**868**	**792**	**-522**	**-520**	**5,489**	**4,816**
UPF Net Operating Balance	**-589**	**-234**	**155**	**124**	**-212**	**-199**	**-646**	**-309**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED OPERATING STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Other Economic Flows - Included in the Operating Result								
Dividends (Market Gains on Land Sales)	5	8	-	-	-5	-8	-	-
Land Revenue (Market Gains on Land Sales)	-	-	7	12	-	-	7	12
Net Land Revenue (Undeveloped Land Value)	49	50	-	-	-4	-	45	50
Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	-50	-28	47	-5	-1	-	-5	-33
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	247	261	-	-	-58	-	188	261
Doubtful Debts	-2	-4	-2	-3	-	-	-5	-6
Operating Result	**-341**	**53**	**207**	**128**	**-281**	**-208**	**-415**	**-26**
Other Economic Flows - Comprehensive Income								
Items that will not be Subsequently Reclassified to Profit or Loss								
Payments to ACT Government Agencies	-43	-30	-	-	43	30	-	-
Capital Distributions	9	-			-9	-	-	-
Superannuation Actuarial Gain/(Loss)	-667	-356	-	-	-	-	-667	-356
Prior Year Adjustment	-1	-1	-	1	-	-	-1	-
Other Movements	-	-	50	-	-	-	50	-
Increase/(Decrease) in the Asset Revaluation Surplus	133	-101	264	100	117	24	514	23
Increase/(Decrease) in Other Reserves	0	0	-	-	-3	-	-3	-
Items that may be Subsequently Reclassified to Profit or Loss								
Increase/(Decrease) in Other Reserves	-	2	-3	-	3	0	-	2
Increase/(Decrease) in Net Assets of Public Trading Entities	315	114	-	-	-315	-114	-	-
Total Comprehensive Income	**-595**	**-319**	**517**	**229**	**-444**	**-268**	**-521**	**-357**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED OPERATING STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Key Fiscal Aggregates								
UPF Net Operating Balance	**-589**	**-234**	**155**	**124**	**-212**	**-199**	**-646**	**-309**
***less* Net Acquisition of Non-Financial Assets**								
Payments for Non-Financial Assets	813	660	124	122	-95	-88	842	693
Sales of Non-Financial Assets	-44	-34	-57	-38	-	-	-101	-73
Land Revenue (Net Cash Receipts)	-65	-36	-26	-34	36	-5	-55	-74
Depreciation and Amortisation	-356	-333	-79	-71	-	-	-435	-404
Other Movements in Non-Financial Assets	77	85	-44	-55	2	4	35	34
Total Net Acquisition of Non-Financial Assets	*425*	*341*	*-82*	*-76*	*-57*	*-89*	*286*	*176*
Net Lending / (Borrowing)	**-1,014**	**-575**	**238**	**200**	**-156**	**-109**	**-932**	**-485**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED BALANCE SHEET BY SECTOR
AS AT 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Financial Assets								
Cash and Deposits	724	422	195	110	-97	-61	822	472
Advances Paid	1,595	1,590	-	-	-1,494	-1,449	101	141
Investments and Loans	4,220	4,024	80	112	-22	-55	4,278	4,081
Receivables	405	370	128	193	-193	-210	339	353
Equity								
Investments in Other Public Sector Entities	6,036	5,721	-	-	-6,036	-5,721	-	-
Investments Accounted for Using the Equity Method	-	-	921	634	-	-	921	634
Total Financial Assets	**12,980**	**12,128**	**1,324**	**1,049**	**-7,841**	**-7,497**	**6,462**	**5,680**
Non-Financial Assets								
Produced Assets								
Property, Plant and Equipment	11,533	11,211	3,428	3,324	1,457	-	16,418	14,536
Investment Property	3	3	8	7	-	-	11	10
Intangibles	53	30	24	19	-	-	77	49
Inventories	14	16	288	222	0	-1	302	236
Assets Held for Sale	-	1	7	26	-	-	7	26
Capital Works-in-Progress	620	768	161	144	-	-	782	912
Non Produced Assets								
Loose-Fill Asbestos Insulation Eradication Scheme Land	283	-	-	-	-	-	283	-
Property, Plant and Equipment	2,719	2,663	3,213	3,182	-1,457	-	4,476	5,845
Biological Assets	27	26	-	-	-	-	27	26
Other Non-Financial Assets					-			
Deferred Tax Assets	-	-	32	30	-32	-30	-	-
Other Non-Financial Assets	0	0	-	-	-	-	-	-
Total Non-Financial Assets	**15,252**	**14,719**	**7,161**	**6,954**	**-32**	**-32**	**22,381**	**21,640**
Total Assets	**28,231**	**26,846**	**8,485**	**8,003**	**-7,873**	**-7,529**	**28,843**	**27,320**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED BALANCE SHEET BY SECTOR
AS AT 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Liabilities								
Deposits Held	134	131	-	-	-118	-116	16	16
Advances Received	829	83	1,569	1,526	-1,494	-1,449	904	160
Borrowings								
Finance Leases	0	23	-	1	-	-	-	24
Other Borrowings	3,148	3,085	-	-	-	-	3,148	3,085
Superannuation	8,500	7,483	-	-	-	-	8,500	7,484
Employee Benefits	660	610	62	67	-	-	722	677
Other Provisions	220	17	185	172	-72	-82	333	107
Payables	433	522	125	130	-33	-87	525	565
Other Liabilities								
Current Tax Liability	-	-	21	5	-21	-5	-	-
Deferred Tax Liability	-	-	441	359	-441	-359	-	-
Other Liabilities	22	10	46	21	-46	-21	22	10
Total Liabilities	**13,946**	**11,965**	**2,449**	**2,281**	**-2,224**	**-2,120**	**14,171**	**12,127**
Net Assets	**14,285**	**14,881**	**6,036**	**5,721**	**-5,649**	**-5,409**	**14,672**	**15,193**
Equity in Public Trading Entities	6,036	5,721	-	-	-6,036	-5,721	-	-
Accumulated Funds	2,926	3,875	2,323	2,222	67	17	5,316	6,113
Asset Revaluation Surplus	5,322	5,283	3,703	3,487	320	296	9,345	9,066
Other Reserves	1	-	10	13	-	0	10	13
Net Worth	**14,285**	**14,880**	**6,036**	**5,721**	**-5,649**	**-5,408**	**14,672**	**15,193**
Key Fiscal Aggregates								
Net Financial Worth	-967	162	-1,125	-1,232	-5,617	-5,377	-7,709	-6,447
Net Financial Liabilities	7,003	5,559	-	-	1,627	1,522	8,630	7,081
Net Debt (Including Superannuation Related Investments)	-2,427	-2,714	1,294	1,305	-	-	-1,133	-1,409
Net Debt (Excluding Superannuation Related Investments)	910	313	-	-	1,294	1,305	2,203	1,617

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Opening Equity								
Opening Equity in Public Trading Entities	5,721	5,608	-	-	-5,721	-5,608	-	-
Opening Accumulated Funds	3,875	4,206	2,222	2,180	17	77	6,113	6,464
Opening Asset Revaluation Surplus	5,283	5,387	3,487	3,416	296	272	9,066	9,075
Opening Other Reserves	0	-2	13	13	-	-	13	11
Opening Balance at 1 July 2014	**14,880**	**15,199**	**5,721**	**5,609**	**-5,409**	**-5,257**	**15,193**	**15,550**
Comprehensive Income								
Included in Accumulated Funds:								
Operating Result for the Period	-341	53	207	128	-281	-208	-415	-26
Capital Injections	-43	-30	-	-	43	30	-	-
Capital Distributions	9	-	-	-	-9	-	-	-
Superannuation Actuarial Gain/(Loss)	-667	-356	-	-	-	-	-667	-356
Prior Year Adjustment	-1	-1	-	1	-	-	-1	-
Other Movements	-	0	50	-	-	-	50	0
Net Effect of Change in Accounting Policy	-	-	-	-	-	-	-	-
Included in Equity in Public Trading Entities:								
Increase/(Decrease) in Net Assets of PTE Entities	315	114	-	-	-315	-114	-	-
Included in Asset Revaluation Surplus:								
Increase/(Decrease) in the Asset Revaluation Surplus	133	-101	264	100	117	24	514	23
Included in Other Reserves:								
Increase/(Decrease) in Other Reserves	0	2	-3	-	-	-	-3	2
Total Comprehensive Income	**-595**	**-319**	**517**	**229**	**-444**	**-268**	**-521**	**-357**
Other								
Transfer to/(from) Accumulated Funds	95	2	47	30	93	-	235	32
Movement in the Asset Revaluation Surplus	-95	-2	-47	-30	-93	-	-235	-32
Total Other	-	-	-	-	-	-	-	-

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Transactions Involving Owners Affecting Accumulated Funds								
Included in Accumulated Funds:								
Capital Injections	-	-	43	30	-43	-30		
Capital Distributions	-	-	-72	-	72	-		
Increase/(Decrease) in ACTTAB Net Assets	-	-	1	-	-	-	1	-
Dividends Approved	-	-	-173	-144	173	144	-	-
Total Transactions Involving Owners Affecting Accumulated Funds	**-**	**-**	**-201**	**-115**	**201**	**115**	**1**	**-**
Closing Equity								
Closing Equity in Public Trading Entities	6,036	5,721	-	-	-6,036	-5,721	-	-
Closing Accumulated Funds	2,926	3,875	2,323	2,222	67	17	5,316	6,113
Closing Asset Revaluation Surplus	5,322	5,283	3,703	3,487	320	296	9,345	9,066
Closing Other Reserves	1	0	10	13	-	-	10	13
Balance at 30 June 2015	**14,285**	**14,880**	**6,036**	**5,721**	**-5,649**	**-5,409**	**14,672**	**15,193**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED CASH FLOW STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Cash Flows from Operating Activities								
Cash Receipts								
Taxes Received	1,377	1,280	-	-	-25	-40	1,352	1,240
Receipts from Sales of Goods and Services	517	626	821	692	-199	-214	1,139	1,103
Grants/Subsidies Received	1,989	1,835	153	158	-151	-157	1,991	1,836
Distributions from Financial Investments	60	123	-	-	-	-	60	123
Interest Receipts	134	146	5	4	-68	-76	72	73
Distributions from Investments with the Territory Banking Account	-	-	4	5	-4	-5	-	-
Dividends and Income Tax Equivalents	258	309	-	-	-207	-289	51	21
Other Receipts	369	466	116	108	-33	-27	451	547
Total Cash Received from Operating Activities	***4,704***	***4,785***	***1,099***	***967***	***-686***	***-809***	***5,117***	***4,943***
Cash Payments								
Payments for Employees	-2,036	-1,873	-188	-179	13	11	-2,210	-2,041
Payments for Goods and Services	-852	-909	-198	-219	14	74	-1,036	-1,054
Grants/Subsidies Paid	-1,111	-836	-24	-22	155	146	-980	-711
Interest Paid	-152	-141	-77	-87	71	81	-158	-146
Other Payments	-379	-411	-349	-258	124	121	-604	-548
Total Cash Paid from Operating Activities	***-4,531***	***-4,169***	***-835***	***-764***	***377***	***432***	***-4,989***	***-4,500***
Net Cash Flows from Operating Activities	**173**	**616**	**264**	**203**	**-309**	**-377**	**128**	**443**
Cash Flows from Investing Activities								
Cash Flows from Investments in Non-Financial Assets								
Sales of Non-Financial Assets	44	34	57	38	-	-	101	73
Payments for Non-Financial Assets	-813	-660	-124	-122	95	88	-842	-693
Net Cash Flows from Investments in Non-Financial Assets	**-769**	**-625**	**-67**	**-83**	**95**	**88**	**-741**	**-621**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED CASH FLOW STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Cash Flows from Investments in Financial Assets for Policy Purposes								
Cash Receipts								
Repayment of Loans	-	22	-	-	-	-	-	22
Capital Receipts from Government Agencies	110	-	43	30	-154	-30	-	-
Dividends - Market Gains on Land Sales	5	8	-	-	-5	-8	-	-
Total Cash Received from Investment in Financial Assets for Policy Purposes	***115***	***31***	***43***	***30***	***-159***	***-38***	***-***	***22***
Cash Payments								
Issue of Loans	-	-2	-	-	-	-	-	-2
Capital Payments to Government Agencies	-43	-30	-	-	43	30	-	-
Dividends - Market Gains on Sales	-	-	-5	-8	5	8	-	-
Distributions to Government	-	-	-110	-	110	-	-	-
Total Cash Paid from Investment in Financial Assets for Policy Purposes	***-43***	***-31***	***-115***	***-8***	***159***	***38***	***-***	***-2***
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**72**	**-**	**-72**	**21**	**-**	**-**	**-**	**21**
Cash Flows from Investments in Financial Assets for Liquidity Purposes								
Sales of Investments	589	152	178	124	-364	-100	403	175
Payments for Investments	-565	-325	-37	-99	325	127	-277	-296
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**25**	**-173**	**141**	**25**	**-40**	**27**	**126**	**-121**
Net Cash Flows from Investing Activities	**-672**	**-799**	**2**	**-37**	**55**	**115**	**-615**	**-721**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED CASH FLOW STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Cash Flows from Financing Activities								
Cash Receipts								
Borrowings	867	494	61	148	-83	-264	845	378
Other Financing	-	-	-	-	-	-	-	-
Total Cash Received from Financing Activities	***867***	***494***	***61***	***148***	***-83***	***-264***	***845***	***378***
Cash Payments								
Borrowings	-72	-251	-22	-61	83	264	-11	-48
Dividends Paid	-	-	-151	-210	151	210	-	-
Other Financing	-	-	-67	-78	67	78	-	-
Total Cash Paid from Financing Activities	***-72***	***-251***	***-240***	***-348***	***301***	***552***	***-11***	***-48***
Net Cash Flows from Financing Activities	**795**	**243**	**-179**	**-200**	**218**	**288**	**834**	**330**
Net Increase/(Decrease) in Cash Held	**296**	**60**	**86**	**-34**	**-36**	**28**	**347**	**53**
Cash and Cash Equivalents at the Beginning of Reporting Period	**415**	**355**	**167**	**201**	**-61**	**-88**	**521**	**469**
Cash and Cash Equivalents at the End of Reporting Period	**710**	**415**	**253**	**167**	**-97**	**-61**	**867**	**521**
Key Fiscal Aggregates								
Net Cash from Operating Activities	173	616	264	203	-309	-377	128	443
Net Cash Flows from Investments in Non-Financial Assets	-769	-625	-67	-83	95	88	-741	-621
Distributions Paid	-	-	-218	-288	218	288	-	-
Cash Surplus (+) / Deficit (-)	**-596**	**-10**	**-21**	**-168**	**4**	**0**	**-613**	**-178**

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED CASH FLOW STATEMENT BY SECTOR
FOR THE YEAR ENDED 30 JUNE 2015

69 ELIMINATION TABLE - CONTINUED

	General Government Sector		Public Trading Enterprises		Eliminations		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
Derivation of ABS GFS Cash Surplus/Deficit								
Cash Surplus (+) / Deficit (-)	-596	-10	-21	-168	4	0	-613	-178
Acquisitions Under Finance Leases and Similar Arrangements [(a)]	-	-	-	-	-	-	-	-
ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements	-596	-10	-21	-168	4	0	-613	-178

(a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

70 RECONCILIATIONS TO ABS GFS MEASURES

Where the Key Fiscal Aggregates presented on the face of the financial statements are materially different to that measured in accordance with the ABS GFS Manual, a reconciliation between the two measures is required to be provided.

The following material differences have occurred:

	General Government Sector		Public Trading Enterprises		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
(a) Reconciliation to GFS Net Operating Balance						
Net Result from Transactions - UPF Net Operating Balance	-589	-233	155	124	-646	-309
Convergence differences:						
Dividend Payments (GFS classifies dividends paid by Public Trading Enterprises as an expense)	-	-	-166	-136	-	-
GFS Net Operating Balance	**-589**	**-233**	**-10**	**-12**	**-646**	**-309**
(b) Reconciliation to GFS Net Lending/(Borrowing)						
Net Lending/(Borrowing)	-1,014	-575	238	200	-932	-485
Convergence differences:						
Relating to the Net Operating Balance (as above)	-	-	-166	-136	-	-
Change in Inventories (GFS includes the change in inventory balances when calculating Net Lending/Borrowing)	-2	-1	66	46	66	42
GFS Fiscal Balance	**-1,016**	**-576**	**138**	**110**	**-866**	**-443**
(c) Reconciliation to GFS Net Worth						
Net Worth	14,285	14,880	6,036	5,721	14,672	15,193
Convergence differences:						
Investments in Other Public Sector Entities (GFS excludes deferred tax liabilities in the calculation of net worth for PTEs which flow through to Investments in the GGS sector)	441	359	-	-	-	-
Deferred Tax Liability (GFS excludes deferred tax liabilities in the calculation of net worth)	-	-	441	359	-	-
Waste Sites Remediation Provision (Relating to the provision to restore Mugga Lane and Belconnen Waste Landfill Sites, excluded under GFS)	13	12	-	-	13	12
Loose Fill Asbestos Eradication Scheme Provision (Relating to the provision to properties for homeowners who have opted into the scheme, excluded under GFS)	203	-	-	-	203	-
GFS Net Worth	**14,942**	**15,251**	**6,477**	**6,081**	**14,889**	**15,205**

70 RECONCILIATIONS TO ABS GFS MEASURES - CONTINUED

	General Government Sector		Public Trading Enterprises		Total Territory	
	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m	2014-15 Actual $m	2013-14 Actual $m
(d) Reconciliation to GFS Net Financial Worth						
Net Financial Worth	-967	162	-1,125	-1,232	-7,709	-6,426
Convergence differences:						
Investments in Other Public Sector Entities (GFS excludes deferred tax liabilities in the calculation of net worth for PTEs which flow through to Investments in the GGS sector)	441	359	-	-	-	-
Deferred Tax Liability (GFS excludes deferred tax liabilities in the calculation of net worth)	-	-	441	359	-	-
Waste Sites Remediation Provision (Relating to the provision to restore Mugga Lane and Belconnen Waste Landfill Sites, excluded under GFS)	13	12	-	-	13	12
Loose Fill Asbestos Eradication Scheme Provision (Relating to the provision to properties for homeowners who have opted into the scheme, excluded under GFS)	203	-	-	-	203	-
GFS Net Financial Worth	**-309**	**533**	**-685**	**-873**	**-7,492**	**-6,414**

APPENDIX A

VARIANCE EXPLANATIONS - 2014-15 Actual Compared to 2013-14 Actual

for variances greater than 5 per cent and greater than 5 per cent of the disclosure category.

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Note No.		*2014-15 Actual $m*	*2013-14 Actual $m*	*Variance $m*	*Variance*	*Category Variance*
13	**DIVIDEND AND INCOME TAX EQUIVALENTS INCOME**					
	Dividends from Public Trading Enterprises					
	GGS	168	136	32	24%	11%
	The variance is predominantly related to increased dividends from Icon Water (mainly due to higher joint venture income from ActewAGL as a result of higher electricity volumes) and the Land Development Agency (as a result of higher land sales revenue).					
	Dividends from Superannuation Investments					
	GGS	50	24	26	107%	9%
	The variance is largely due to certain share investments being transitioned from an unlisted unit trust to being directly-held by the Territory. The income from this investment is now recognised as dividend revenue and not as distribution revenue leading to a variance in the 2014-15 year.					
	Income Tax Equivalents from Public Trading Enterprises					
	GGS	81	55	26	46%	9%
	The variance is predominantly related to increased profits from Icon Water (mainly due to higher joint venture income from ActewAGL as a result of higher electricity volumes) and the Land Development Agency (as a result of higher land sales revenue).					
15	**OTHER REVENUE**					
	Net Insurance Recoveries					
	GGS	-3	5	-8	-160%	-6%
	Reinsurance recoveries on ordinary claims were lower as a result of a reduction in the provision held for future recoveries and a lower underwriting gain.					
	Other					
	GGS	51	59	-8	-13%	-6%
	The decrease is due mostly to a decrease in acceptance fees for contaminated waste which mainly relates to decreased activity in the private sector.					
18	**DEPRECIATION AND AMORTISATION**					
	Land Improvements and Buildings					
	GGS	131	108	23	22%	7%
	The increased depreciation in land improvements and buildings is largely attributed to accelerated depreciation for building 15 at the Canberra Hospital which has been demolished.					

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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VARIANCE EXPLANATIONS - 2014-15 Actual Compared to 2013-14 Actual

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Note No.		*2014-15 Actual $m*	*2013-14 Actual $m*	*Variance $m*	*Variance*	*Category Variance*
21	**OTHER OPERATING EXPENSES**					
	Net Insurance Claim Payments					
	GGS	-2	23	-25	-109%	-15%
	The decrease is due to a more favourable inflation experience and changes in the actuarial assumptions resulting from decreases to the number and size of medical malpractice claims as well as a favourable experience in the number of large public liability claims.					
	Other					
	GGS	57	21	36	170%	21%
	The majority of this variance was due to the provision for the future treatment and care costs of the Lifetime Care and Support Scheme participants assessed by independent actuaries on the basis of latest information relating to injury severity and age profiles of existing participants in the Scheme being recognised for the first time.					
22	**GRANTS AND PURCHASED SERVICES**					
	Loose-Fill Asbestos Insulation Eradication Scheme Capital Grants					
	Grants	336	-	336	100%	28%
	The increase in grants reflects the Government's decision to buy back and demolish homes in the ACT affected by loose-fill asbestos insulation.					
23	**DIVIDENDS - MARKET GAINS ON LAND SALES**					
	Dividends - Market Gains on Land Sales					
	GGS	5	8	-3	-38%	-60%
	The decrease is mainly due to lower value commercial land sales compared to 2013-14 when higher value sites such as Dickson 21/30 and Belconnen 8/47 were sold.					
26	**NET GAIN/(LOSS) ON SALE/(DISPOSAL) OF NON-FINANCIAL ASSETS**					
	Asset Revaluation					
	GGS	21	0	21	100%	-42%
	The increase relates to a general revaluation of assets across government. Land, buildings, infrastructure assets, leasehold improvements, and community and heritage assets are revalued every three years.					
	Impairment Losses and Write-Offs					
	GGS	-8	-13	5	-38%	-10%
	The decrease relates to a lower level of landscaping assets transferred from the Land Development Agency associated with the land release program to the Territory and Municipal Services Directorate. These assets are not able to be capitalised under Australian Accounting Standards and are subsequently written off.					

APPENDIX A

VARIANCE EXPLANATIONS - 2014-15 Actual Compared to 2013-14 Actual

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Note No.		*2014-15 Actual $m*	*2013-14 Actual $m*	*Variance $m*	*Variance*	*Category Variance*
26	**NET GAIN/(LOSS) ON SALE/(DISPOSAL) OF NON-FINANCIAL ASSETS - CONTINUED**					
	Loss on Disposal of Assets					
	GGS	-69	-23	-46	200%	93%
	The increase is mainly due to an increase in write-offs for assets which do not meet the criteria to be capitalised under the Australian Accounting Standards. Major items to be expensed include landscaping and the utility diversions for Majura Parkway.					
27	**NET GAIN/(LOSS) ON FINANCIAL ASSETS OR LIABILITIES AT FAIR VALUE**					
	Realised and Unrealised Gains on Investments					
	GGS	266	283	-17	-6%	-7%
	Realised and Unrealised Gains on Investments were lower in 2014-15 due mainly to the transition of Vanguard share investments in late 2013-14 from being held in unlisted pooled unit trusts to being directly-held by the Territory.					
	Realised and Unrealised Losses on Investments					
	GGS	-78	-23	-56	239%	-23%
	Net Gain/(Loss) - GGS	188	261	-73	-28%	-30%
	The variance in unrealised losses is due mainly to the volatility of global investment markets.					
29	**WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS**					
	Waivers					
	The increase in waivers is attributed to the waiver of revenue for Lease Variation Charges in 2014-15. There were five waivers provided in 2014-15, compared to 12 lower value waivers provided in 2013-14.	11	5	5	104%	23%
	Write-Offs					
	GGS	8	14	-6	-42%	-25%
	The decrease is primarily due to a lower level of landscaping assets being transferred from the Land Development Agency to the General Government Sector following completion of land development activities. These assets do not meet the definition of an asset under Australian Accounting Standards and are expensed.					
31	**CASH AND DEPOSITS**					
	Cash at Bank					
	GGS	715	414	301	73%	42%
	The variance predominantly relates to an increase in cash held by the Territory Banking Account and reflects operational and liquidity needs.					

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Note No.		*2014-15 Actual $m*	*2013-14 Actual $m*	*Variance $m*	*Variance*	*Category Variance*
34	**RECEIVABLES**					
	Trade Receivables - Current					
	GGS	205	172	33	19%	8%
	The increase of receivables is a combination of increased tax revenue (such as general rates and payroll tax) and higher client take-up rate for the housing assistance scheme (including Land Rent and the Deferred Duty Scheme).					
39	**INTANGIBLES**					
	Internally Generated Software					
	GGS	43	24	19	76%	35%
	The increase is largely due to a number of computer software projects becoming operational in 2014-15 including TCH eProcurement, Single Sign On/Rapid Access, TCH Priority Systems and My Shift eRostering.					
42	**CAPITAL WORKS-IN-PROGRESS**					
	Infrastructure					
	GGS	378	529	-151	-29%	-24%
	The decrease in capital works in progress is mainly due to the transfer of Majura Parkway and the North Western Pond and Bridge to property, plant and equipment in 2014-15.					
43	**LOOSE-FILL ASBESTOS INSULATION ERADICATION SCHEME LAND**					
	Land Held under the Loose-Fill Asbestos Insulation Eradication Scheme					
	GGS	283	-	283	100%	100%
	The increase in Asbestos Land reflects the Government's decision to buy back and demolish homes in the ACT affected by loose-fill asbestos insulation.					
46	**ADVANCES RECEIVED**					
	Advances from the Commonwealth Government					
	GGS - Current	4	4	0	0%	0%
	GGS - Non-Current	826	79	746	940%	90%
		829	83	746	900%	90%
	The increase is related to a loan from the Commonwealth Government to support the funding of costs for the Loose-Fill Asbestos Insulation Eradication Scheme.					
47	**FINANCE LEASES**					
	Finance Leases					
	GGS - Current	-	9	-9	-100%	#
	GGS - Non-Current	-	14	-14	-100%	#
		-	23	-23	-100%	#
	The reduction in finance leases is due to a change to whole of government fleet vehicle arrangements, which took effect on 23 April 2015, whereby all such leases with SG Fleet were classified as operating leases from that date.					

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Note No.		*2014-15 Actual $m*	*2013-14 Actual $m*	*Variance $m*	*Variance*	*Category Variance*
49	**SUPERANNUATION**					
	Estimated Employee Superannuation Liability					
	GGS - Current	221	206	15	7%	0%
	GGS - Non-Current	8,279	7,277	1,002	14%	12%
	Total GGS	8,500	7,483	1,016	14%	12%
	The increase is mainly due to assumptions used in the latest triennial review of the superannuation liability. The variance is also due to a discount rate of 3.66 per cent being used to value the liability at 30 June 2015 which was lower than the rate of 4.08 per cent at 30 June 2014. A lower discount rate increases the superannuation liability.					
50	**OTHER EMPLOYEE BENEFITS AND PROVISIONS**					
	Loose-Fill Asbestos Insulation Eradication Scheme Provision					
	GGS - Current	133	-	133	100%	15%
	GGS - Non-Current	71	-	71	100%	8%
	Total GGS	204	-	204	100%	23%
	The increase relates to the creation of a provision for the purchase of asbestos affected homes from homeowners that have opted into the Loose-Fill Asbestos Insulation Eradication Scheme, but have not yet settled on the sale of their properties. The provision also includes estimated remediation costs.					
51	**PAYABLES**					
	Trade Payables					
	GGS	33	61	-28	-46%	-7%
	The decrease is mainly due to the timing of payments for capital works.					
	Insurance Payables					
	GGS - Current	22	29	-7	-23%	-2%
	GGS - Non-Current	233	270	-36	-13%	-8%
	Total GGS	256	298	-43	-14%	-10%
	The estimate for outstanding claims has decreased due to changes in actuarial assumptions. Actuaries forecast that there will be fewer and smaller anticipated medical malpractice and public liability claims based on favourable experience in recent years.					
	Other Payables					
	GGS - Current	17	47	-31	-65%	-7%
	GGS - Non-Current	-	0	-0	0%	0%
		17	47	-31	-65%	-7%
	The decrease is due to all Land Rent invoices to the Land Development Agency being paid as at 30 June 2015.					

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Note No.		*2014-15 Actual $m*	*2013-14 Actual $m*	*Variance $m*	*Variance*	*Category Variance*
52	**OTHER LIABILITIES**					
	Other Liabilities					
	GGS - Current	5	5	-0	0%	0%
	GGS - Non-Current	17	5	12	245%	54%
		22	10	12	113%	53%
	The increase relates to the provision for the estimated future treatment and care costs for participants in the Lifetime Care and Support Scheme being recognised for the first time.					

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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VARIANCE EXPLANATIONS - 2014-15 Actual compared to 2014-15 Budget

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Reference No.		*2014-15 Actual $m*	*2014-15 Budget $m*	*Variance $m*	*Variance %*	*Category Variance*
8	**GAINS FROM CONTRIBUTED ASSETS**					
	GGS	82	110	-28	-25%	-34%
	Lower gains from contributed assets mainly reflect a lower than anticipated value of infrastructure assets being transferred from the Land Development Agency and private developers to the General Government Sector. Delays have also occurred in the timing of these transfers due to the slower than expected rate of completion of new suburbs.					
11	**INTEREST INCOME**					
	GGS	131	122	9	7%	7%
	The higher interest revenue reflects higher than expected returns from domestic inflation linked debt investments and a higher balance of funds held by the Territory Banking Account over the course of the financial year.					
12	**DISTRIBUTIONS FROM FINANCIAL INVESTMENTS**					
	GGS	69	56	13	24%	19%
	Distributions from financial investments is attributed to higher than anticipated private equity distributions as a result of the timing of the sale of company portfolio assets held by the Superannuation Provision Account.					
13	**DIVIDEND AND INCOME TAX EQUIVALENTS INCOME**					
	GGS	299	238	61	26%	20%
	The higher Dividend and Income Tax Equivalent Income mainly reflects higher than forecast land settlements in Coombs, Lawson and the Flemington Road Corridor and higher prices for Campbell 5 and Wright. The variance is also attributed to a higher share of profits from the ActewAGL joint venture.					
17	**SUPERANNUATION EXPENSES**					
	GGS - Superannuation Interest Cost	314	335	-21	-6%	
	GGS - Other Superannuation Expense	332	259	72	28%	
	GGS - Total Superannuation Expense	646	594	52	9%	8%
	The higher than forecast superannuation expense is attributed to the discount rate at 30 June 2014 of 4.08 per cent, increasing the superannuation liability compared to the long term budget discount rate assumption of 6 per cent. The use of the lower than budgeted discount rate increases superannuation expenses in 2014-15.					
19	**INTEREST EXPENSE**					
	GGS	159	168	-10	-6%	-6%
	The variance is mainly due to the impact from changes in the consumer price index on inflation-linked loans provided to Icon Water Limited and a lower University of Canberra outstanding loan balance following the University's early repayment of loans during the year.					
20	**SUPPLIES AND SERVICES**					
	Lower Supplies and Services is attributed to project expenditure delays, the capitalisation of works for the Constitution Avenue project which were forecast to be expensed and the timing of project payments as procurement processes progress.	832	980	-149	-15%	-18%

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Reference No.		*2014-15 Actual $m*	*2014-15 Budget $m*	*Variance $m*	*Variance %*	*Category Variance*
21	**OTHER OPERATING EXPENSES**					
	The lower than expected Other Operating Expenses is largely due to lower than anticipated net incurred insurance claims predominantly due to changes in actuarial assumptions used to determine the claims liability and subsequent claims expense. This included a lower inflation rate and reduction in medical malpractice and public liability claims based on a revision of case estimates for large open claims.	169	198	-29	-14%	-17%
22	**GRANTS AND PURCHASED SERVICES**					
	GGS	1,221	869	352	40%	29%
	This higher than expected Grants and Purchased Services reflects the Government's decision to buy back and demolish homes in the ACT affected by loose-fill asbestos insulation.					
23	**DIVIDENDS (MARKET GAINS ON LAND SALES)**					
	GGS	5	10	-5	-50%	-100%
	The variance is predominantly due to lower than budgeted land sales revenue associated with lower than anticipated demand in the commercial sector.					
25	**NET LAND REVENUE (UNDEVELOPED LAND VALUE)**					
	GGS	49	77	-28	-36%	-57%
	The lower than expected revenue is due to lower purchases of land from the General Government Sector by the Land Development Agency associated with the Land Release Program.					
26	**NET GAIN/(LOSS) ON SALE/(DISPOSAL) OF NON-FINANCIAL ASSETS**					
	GGS	-50	-	-50	100%	100%
	The variance is largely due to the expensing of capital works such as earthworks and landscaping which were forecast to be capitalised. These works did not meet the definition of an asset under Australian Accounting Standards and were subsequently expensed.					
27	**NET GAIN/(LOSS) ON FINANCIAL ASSETS OR LIABILITIES AT FAIR VALUE**					
	GGS	247	114	133	117%	54%
	The higher than budgeted gains is mainly due to gains on the sale of ACTTAB Limited and higher than forecast net investment earnings by the Superannuation Provision Account due to returns achieved on global share investments.					
31	**CASH AND DEPOSITS**					
	GGS	724	303	421	139%	58%
	The higher than anticipated cash and deposits reflects operational and liquidity needs as well as timing of end of year cash flows transactions in the Territory Banking Account and underlying agency investment activities.					
33	**INVESTMENTS AND LOANS**					
	GGS	4,220	3,855	365	9%	9%
	The variance is mainly due to the higher than expected level of funds held in investments with the Territory Banking Account which reflects the timing of end of year cash flow transactions and underlying agency investment activities.					

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Reference No.		*2014-15 Actual $m*	*2014-15 Budget $m*	*Variance $m*	*Variance %*	*Category Variance*
39	**INTANGIBLES**					
	GGS	53	80	-27	-34%	-51%
	The unbudgeted decline in intangibles is primarily due to delays with Information and Communication Technology projects such as Electronic Medication Management, Electronic Clinical Records and Community Clinical System.					
42	**CAPITAL WORKS-IN-PROGRESS**					
	GGS	620	908	-287	-32%	-46%
	The lower than expected capital works in progress is due to the transfer of Majura Parkway and the North Western Pond and Bridge to property, plant and equipment in 2014-15.					
43	**LOOSE-FILL ASBESTOS ERADICATION SCHEME LAND**					
	GGS	283	-	283	100%	100%
	The increase in Asbestos Land reflects the Government's decision to buy back and demolish homes in the ACT affected by loose-fill asbestos insulation.					
45	**DEPOSITS HELD**					
	GGS	134	42	91	217%	68%
	The higher than anticipated deposits held is reflective of the level of funds invested by Public Trading Enterprise entities in the Territory Banking Account which reflects underlying agency activity.					
46	**ADVANCES RECEIVED**					
	GGS	829	79	750	949%	90%
	The higher than forecast advances received is reflective of a loan from the Commonwealth to support the funding of costs for the Loose-Fill Asbestos Insulation Eradication Scheme.					
47	**FINANCE LEASES**					
	GGS	0	21	-21	-99%	-100%
	The lower than forecast finance leases reflects the derecognition of lease liabilities for motor vehicles due to a change from finance leases to operating leases.					
48	**OTHER BORROWINGS**					
	GGS	3,148	3,656	-507	-14%	-16%
	The lower than forecast other borrowings reflects cash flow requirements from market financed borrowings in the Territory Banking Account which were lower than expected.					
49	**SUPERANNUATION**					
	GGS	8,500	5,725	2,774	48%	33%
	The higher than forecast superannuation liability is primarily due to the discount rate of 3.66 per cent being lower than the budget forecast discount rate of 6 per cent.					
50	**EMPLOYEE BENEFITS**					
	GGS	660	577	84	14%	13%
	The higher than expected employee benefits is mainly due to the impact of pay rises on leave provisions, and increases in the rates used to estimate the present value of long service leave.					

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Reference No.		*2014-15 Actual $m*	*2014-15 Budget $m*	*Variance $m*	*Variance %*	*Category Variance*
50	**OTHER PROVISIONS**					
	The higher than expected other provisions reflects the implementation of the Loose-Fill Asbestos Insulation Eradication Scheme and the provision for future treatment and care costs of participants in the Lifetime Care and Support Fund.	220	22	198	889%	90%
51	**PAYABLES**					
	GGS	433	517	-85	-16%	-20%
	The lower than anticipated payables largely reflects a higher budget forecast of unpaid capital works invoices.					
52	**OTHER LIABILITIES**					
	GGS	22	13	9	69%	40%
	The higher than expected other liabilities predominantly reflects actuarial projections at 30 June 2015 that revised the estimated future treatment and care costs of the Lifetime Care and Support Fund based on the latest data relating to injury severity and age profile.					

APPENDIX C
GLOSSARY

KEY FISCAL AGGREGATES

Net Debt

The sum of deposits held, advances received and borrowings, less the sum of cash and deposits, advances paid, investments, loans and placements. Net debt is a useful measure to judge 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.

Net Financial Liabilities

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

Net Financial Worth

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

Net Lending / (Borrowing)

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

Net Worth

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

OTHER DEFINITIONS

ABS GFS Manual

The Australian Bureau of Statistics (ABS) publication Australian System of Government Finance Statistics: *Concepts, Sources and Methods 2005*.

Accounting Policy

Specific accounting principles and practices applied in preparing and presenting financial statements.

APPENDIX C
GLOSSARY - CONTINUED

Accrual Accounting

The recognition of income, expenses, assets, liabilities and equity when an economic transaction occurs giving rise to a movement of resources, irrespective of the timing of any related movement in cash.

ACTTAB Limited

ACTTAB Limited refers to the Australian Capital Territory Totaliser Agency Board. ACTTAB provides wagering and gaming services and is owned by the ACT Government. It was sold to Tabcorp on 14 October 2014.

ACTEW Corporation Limited

ACTEW Corporation Limited refers to the Australian Capital Territory Electricity and Water Corporation Limited, which is owned by the ACT Government. ACTEW Corporation Limited owns and operates the water and sewerage assets and business in the ACT. The name of ACTEW Corporation Limited was changed to Icon Water Limited on 28 October 2014.

ACTION

ACTION refers to the Australian Capital Territory Internal Omnibus Network. ACTION is the provider of public transport services in the ACT and is owned by the ACT Government.

Cash Surplus / (Deficit)

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

CIT Solutions Pty Limited

CIT Solutions refers to the Canberra Institute of Technology Pty Limited and provides commercial based training services. CIT Solutions is owned and operated by the ACT Government.

Comprehensive Result

The net result of all items of income and expense recognised for the period. It is the aggregate of the operating result and other movements in equity, other than transactions with owners as owners.

Full-Time Equivalent (FTE)

A measure of the total level of staff resources used. The FTE of a full-time staff member is equal to 1.0. The calculation of an FTE for part-time staff is based on the proportion of time worked compared to that worked by full-time staff performing similar duties. Contractors are excluded from this definition.

APPENDIX C
GLOSSARY - CONTINUED

Generally Accepted Accounting Principles (GAAP)

A widely accepted set of uniform standards, rules, conventions and procedures for reporting financial information established by the AASB.

General Government Sector (GGS)

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

Government Finance Statistics (GFS)

The framework used by the ABS for presentation of data on government outlays, revenue and financing transactions through either the General Government Sector or the public component of the business sector (the Public Trading Enterprise 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 (AASB 1049)*, standard to meet the requirements of the GFS, the AASB and the Uniform Presentation Framework.

Icon Water limited

Refer to ACTEW Corporation Limited. On 28 October 2014 the entity formerly known as ACTEW Corporation Limited changed its name to Icon Water Limited.

Materiality

Materiality is the concept of establishing the importance of financial data in accordance with *AASB 1031: Materiality (AASB 1031)*. In general, an item of information is material if its omission, non-disclosure or misstatement would cause the financial statements to mislead users when making evaluations or decisions. The size or nature of the item, or a combination of both, could be the determining factor.

Net Operating Balance

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

APPENDIX C
GLOSSARY - CONTINUED

Nominal Superannuation Expense

Refers to the imputed interest accrued each quarter on unfunded superannuation liabilities. In an unfunded superannuation scheme, the increase in superannuation liability is taken as being equivalent to the liability that would be generated under a fully funded scheme as if the employer was paying into a separate superannuation fund. In this scenario, the Government is viewed as compulsorily 'borrowing' from employees the value of the increase in superannuation liability each period. In doing so, it sustains an additional cost for the use of these 'borrowed' funds which is an interest expense. The cost of these 'borrowed' funds is presented in operating statements as nominal interest.

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 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 Result

Operating profit or loss for the period being reported.

Other Economic Flows

For the whole of government harmonised operating statement, other economic flows includes changes in the value of assets from revaluations, non-financial asset sales and non-mutual bad debts written off.

Other Non-Financial Assets

Refers to assets not elsewhere classifiable.

Public Trading Enterprise (PTE)

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

Total Territory

The Total Territory includes transactions with external parties by the GGS and PTE.

APPENDIX C
GLOSSARY - CONTINUED

Total Comprehensive Income

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

Transactions

These are interactions between two units by mutual agreement or an action within a unit that is analytically useful to treat as a transaction.

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 Government, and State and Territory governments provide a common 'core' of financial information in their budget papers to enable direct comparisons of each government's budget and financial results. The UPF is based on the harmonised whole of government reporting standard.