ACT Government

2025-26 FINANCIAL YEAR

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Chief Minister, Treasury and Economic Development Directorate

October 2026

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the Australian Capital Territory Government Consolidated Annual Financial Statements (Territory's financial statements) for the year ended 30 June 2026 which comprise the:

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

In my opinion, the Territory's financial statements:

(i) present fairly, in all material respects, the Territory's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended; and

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

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the Territory's financial statements for the year ended 30 June 2026. These matters were addressed in the context of my audit of the Territory's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context.

Fair value of property, plant and equipment

Why significant	How my audit addressed the key audit matter
At 30 June 2026, the Territory reported property, plant and equipment measured at fair value is $34 189 million, as disclosed in Note 21 to the Territory's financial statements. The fair value of property, plant and equipment is a key audit matter due to the financial significance of the asset balance, the complexity of the valuation process, and the significant audit effort required to address judgement and estimation uncertainty. Key assumptions and sources of judgement and estimation uncertainty impacting the fair value measurement of property, plant and equipment include: • valuation methodologies; • replacement costs; • useful lives; • indexation assumptions; • impairment indicators; and • management's assessment of whether carrying amounts materially approximate fair value between formal valuations.	To audit the valuation of property, plant and equipment I: • assessed the competence, capability and objectivity of the Territory's valuation experts and evaluated the appropriateness of valuation methodologies used to determine the fair value of property, plant and equipment; • assessed the reasonableness of significant assumptions and judgements used in the valuation process against supporting documentation, valuation data, market information and other available evidence; • assessed management's conclusion as to whether the carrying amounts materially differed from fair value between formal valuations, including impairment considerations, by evaluating management's assessment against relevant market indices, asset-specific information, impairment indicators and other available evidence; • tested the completeness and accuracy of data used in the valuation process and, where relevant, reconciled significant valuation inputs to asset records, supporting documentation and relevant external sources; and • assessed the adequacy and appropriateness of the disclosures in Note 21 to the Territory's financial statements, including those relating to significant judgements and estimates.

Valuation of Defined Benefit Superannuation Liability

Why significant	How my audit addressed the key audit matter
At 30 June 2026, the Territory reported an estimated defined benefit superannuation liability of $10 441 million, as disclosed in Note 26 to the Territory's financial statements. The valuation of the superannuation liability is a key audit matter due to the financial significance of the liability, the complexity of the actuarial valuation process, and the significant judgement and estimation uncertainty involved in determining the liability, which is highly sensitive to changes in key actuarial assumptions. Key assumptions and sources of judgement and estimation uncertainty impacting the valuation of the superannuation liability include: • discount rates; • salary inflation; • consumer price inflation; • mortality assumptions; • retirement, resignation and disability assumptions; • pension and benefit election assumptions; and • the completeness of data used in the actuarial valuation.	To audit the valuation of the defined benefit superannuation liability I: • assessed the competence, capability and objectivity of the Territory's actuarial expert and evaluated the appropriateness of the methodology used to estimate the superannuation liability, including the actuarial valuation approach and its consistency with Australian Accounting Standard AASB 119: 'Employee Benefits'; • assessed the reasonableness of significant assumptions and judgements used in the actuarial valuation process by evaluating key financial and demographic assumptions against historical membership experience, actuarial analysis and supporting documentation; • tested the completeness and accuracy of data used in the actuarial valuation process by reviewing data reconciliations and agreeing significant actuarial inputs to supporting documentation and relevant external evidence; and • evaluated the adequacy and appropriateness of the disclosures in Note 26 to the Territory's financial statements, including those relating to significant judgements, estimation uncertainty and sensitivity analysis.

Consolidation of financial information

Why significant	How my audit addressed the key audit matter
The Territory's financial statements are a consolidation of the financial information of entities controlled by the Territory, prepared in accordance with Australian Accounting Standards AASB 1049: 'Whole of Government and General Government Sector Financial Reporting' and AASB 10: 'Consolidated Financial Statements', as disclosed in Note 4 to the Territory's financial statements. Consolidating financial information is a key audit matter because there is a risk that errors could occur when preparing and applying complex reporting requirements. Key sources of judgement impacting the consolidation of financial information include: • the determination of entities controlled by the Territory; • the completeness and accuracy of consolidation adjustments, eliminations and reclassifications; • the consistency of accounting policies applied across controlled entities; • the harmonisation of financial information prepared under generally accepted accounting principles with Government Finance Statistics requirements in accordance with AASB 1049; and • the accounting treatment of administrative arrangements changes and transfers of functions between Territory entities.	To address the key audit matter, I: • assessed the determination of entities controlled by the Territory and their inclusion in the Territory's financial statements, including management's assessment of the reporting entity and the basis for inclusion or exclusion from consolidation; • assessed the completeness and accuracy of the financial information of entities consolidated in the Territory's financial statements, including agreeing the financial information of these entities to their audited financial statements; • assessed the completeness and accuracy of significant consolidation adjustments, eliminations and reclassifications, including material manual adjustments and reclassifications; • assessed the consistency of accounting policies applied across controlled entities and the appropriateness of any adjustments required for consolidation purposes; • assessed the application of AASB 1049, including the harmonisation of financial information prepared under generally accepted accounting principles with Government Finance Statistics requirements; and • assessed the adequacy and appropriateness of the related disclosures in the Territory's financial statements.

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

The Treasurer and Under Treasurer are responsible for:

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

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

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

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

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

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

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

obtained up to the date of my auditor's report. However, future events or conditions may cause the Territory to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the Territory's financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with the Treasurer and Under Treasurer, I determine those matters that were of most significance in the audit of the Territory's financial statements for the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ajay Sharma PSM
Auditor-General
30 October 2026

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026
STATEMENT OF RESPONSIBILITY BY THE TREASURER
AND THE UNDER TREASURER

Statement of responsibility by the Treasurer

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

It is my opinion that the attached financial statements fairly reflect the financial operations of the Territory for the year ended 30 June 2026 and the financial position on that date.



Chris Steel MLA
Treasurer

Date: 28 October 2026

Statement of responsibility by the Under Treasurer

It is my opinion that the attached financial statements for the year ended 30 June 2026 have been prepared in accordance with Australian Accounting Standards, and the requirements of the FMA. These accounts fairly reflect the financial operations of the Territory for the year ended 30 June 2026 and the financial position on that date.



Michelle Dowdell
A/g Under Treasurer
Chief Minister, Treasury and Economic Development Directorate

Date: 27 October 2026

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

		General Government Sector			Total Territory		
	Note No.	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Revenue							
Taxation revenue	7	2,913,913	3,056,249	2,710,709	2,848,982	2,999,355	2,652,484
Commonwealth grants revenue	8	3,993,965	3,914,268	3,483,190	3,996,073	3,914,268	3,485,315
Sales of goods and services							
From associates and joint ventures		0	0	0	77,569	89,251	91,810
Other sales of goods and services	9	822,811	701,721	762,969	1,224,407	1,164,152	1,152,469
Investment revenue		135,121	198,475	141,502	135,121	198,475	141,502
Interest revenue		325,877	269,337	315,452	245,580	185,231	252,913
Dividend and income tax equivalents income	10	274,084	263,794	157,407	0	0	0
Other revenue							
Land revenue (value add component)		0	0	0	403,292	375,290	212,675
Other revenue		280,607	385,267	261,405	269,217	367,809	251,801
Gains from contributed assets[(a)]		83,712	137,535	138,619	68,347	94,603	124,945
Total revenue		**8,830,090**	**8,926,646**	**7,971,253**	**9,268,588**	**9,388,434**	**8,365,914**
Expenses							
Employee expenses	11	3,765,236	3,541,292	3,588,384	4,030,849	3,784,621	3,842,731
Superannuation expenses							
Superannuation interest cost	12	501,989	511,342	493,924	501,989	511,342	493,924
Other superannuation expenses	12	561,909	521,973	524,495	591,994	552,066	550,184
Depreciation and amortisation[(b)]	21,22	684,039	620,618	657,230	887,160	836,579	856,616
Interest expenses		641,128	629,414	493,628	662,827	644,219	518,751
Other operating expenses							
Supplies and services	13	1,555,273	1,709,659	1,638,650	1,845,567	2,039,145	1,944,164
Other operating expenses		459,549	413,745	457,442	555,389	476,101	520,478
Grants and purchased services	14	1,525,509	1,660,894	1,515,814	1,214,344	1,382,723	1,170,472
Total expenses	**39**	**9,694,632**	**9,608,937**	**9,369,567**	**10,290,119**	**10,226,796**	**9,897,320**
UPF[(c)] net operating balance		**(864,542)**	**(682,291)**	**(1,398,314)**	**(1,021,531)**	**(838,362)**	**(1,531,406)**
Other economic flows - included in the Operating Statement							
Dividends (market gains on land sales)		13,898	61,980	97	0	0	0
Land revenue (market gains on land sales)		0	0	0	20,406	93,285	141
Net land revenue (undeveloped land value)		987	4,583	2,426	(12,177)	4,755	2,780
Net gain/(loss) on sale/(disposal) of non-financial assets		33,096	3,622	(73,577)	25,038	5,470	(75,980)
Net gain on financial assets or liabilities at fair value[(d)]		482,842	264,021	621,818	483,048	264,121	621,819
Doubtful and bad debts		(23,611)	(15,178)	(33,377)	(33,997)	(21,618)	(33,029)
Operating result		**(357,330)**	**(363,263)**	**(880,927)**	**(539,213)**	**(492,349)**	**(1,015,675)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED OPERATING STATEMENT - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

		General Government Sector			Total Territory		
	Note No.	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Items that will not be subsequently reclassified to the operating result							
Capital payments to ACT government agencies		(232,705)	(246,203)	(189,667)	0	0	0
Capital distributions		511	0	0	0	0	0
Transfer of assets to the Public Non-Financial Corporations (PNFC) sector		(56,717)	(54,167)	(57,525)	0	0	0
Superannuation actuarial gain[(e)]		460,992	0	27,388	460,992	0	27,388
Other movements		(69,783)	1	(6,712)	(71,119)	42	(33,217)
Increase in the asset revaluation surplus[(f)]		630,769	27,446	67,427	624,788	64,756	372,631
Increase/(decrease) in other reserves		216	0	(348)	216	0	(348)
Items that may be subsequently reclassified to the operating result							
Increase in net assets of PNFC sector[(g)]		81,885	201,062	353,745	0	0	0
Total comprehensive result		**457,838**	**(435,124)**	**(686,619)**	**475,664**	**(427,551)**	**(649,221)**
Key fiscal aggregates (refer to Appendix A - Glossary)							
UPF net operating balance		**(864,542)**	**(682,291)**	**(1,398,314)**	**(1,021,531)**	**(838,362)**	**(1,531,406)**
***less* net acquisition of non-financial assets**							
Payments for non-financial assets		927,554	1,050,700	1,107,468	1,269,088	1,536,898	1,402,588
Sales of non-financial assets		(14,153)	(56,771)	(18,084)	(42,584)	(98,396)	(66,244)
Change in inventories		(1,278)	733	5,422	25,872	99,308	42,849
Depreciation and amortisation		(684,039)	(620,618)	(657,230)	(887,160)	(836,579)	(856,616)
Other movements in non-financial assets		67,784	83,554	73,301	51,061	31,393	111,995
Total net acquisition of non-financial assets		*295,868*	*457,598*	*510,877*	*416,277*	*732,624*	*634,572*
Net (borrowing)		**(1,160,410)**	**(1,139,889)**	**(1,909,191)**	**(1,437,808)**	**(1,570,986)**	**(2,165,978)**

Notes: (a) The decrease largely reflects a lower spot price for the value of large-scale generation certificates.

(b) Higher depreciation and amortisation is primarily attributable to revaluation increments of the Territory's assets, the completion of capital projects and acquisitions of plant and equipment.

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

(d) This variance is largely due to higher investment gains driven primarily by market gains in the investment portfolio valuation.

(e) The increase in the superannuation actuarial gain is due to the latest annual defined benefit superannuation liability valuation review. A discount rate of 5.24 per cent was applied in 2025-26 compared to 4.8 per cent in 2024-25.

(f) The increase is primarily driven by the revaluation of land, buildings and heritage and community assets across the Territory as at 30 June 2026, particularly in relation to assets held by the Education Directorate, City and Environment Directorate and Justice and Community Safety Directorate.

(g) The decrease is attributed to by lower assets, reflecting revised capital works and property acquisition timeframes under the Growing and Renewing Public Housing Program, with a number of projects now expected to be completed in 2026-27 rather than 2025-26 alongside revaluation decrements to the Territory's public housing buildings.

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2026

		General Government Sector			Total Territory		
	Note No.	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Assets							
Financial assets							
Cash and deposits	17(a)	2,885,937	2,127,624	2,668,928	3,180,591	2,218,159	2,881,682
Advances paid	18	2,257,569	2,302,582	2,115,584	175,017	210,411	147,822
Investments	19	8,195,223	8,084,845	7,552,342	8,269,223	8,180,845	7,624,342
Receivables	20	1,246,518	1,214,529	966,271	1,076,072	832,981	848,115
Equity investments							
Investments in other public non-financial corporations sector		11,427,012	11,298,785	11,345,127	0	0	0
Investments accounted for using the equity method		20	0	20	1,135,744	1,061,986	1,106,385
Other financial assets[(a)]		19,514	0	0	19,514	0	0
Total financial assets		**26,031,793**	**25,028,365**	**24,648,272**	**13,856,161**	**12,504,382**	**12,608,346**
Non-financial assets							
Produced assets							
Property, plant and equipment	21	19,342,209	19,229,348	18,474,064	26,531,425	26,681,669	25,903,821
Investment properties		5,300	5,020	5,020	30,955	28,910	31,272
Intangibles	22	188,597	264,074	210,972	232,437	286,486	255,196
Inventories		44,488	31,548	45,766	642,752	692,924	616,880
Assets held for sale		13,209	7,476	11,647	18,869	7,476	20,375
Non-produced assets							
Property, plant and equipment	21	5,449,071	5,140,593	5,183,449	11,513,876	10,918,360	10,879,008
Biological assets		60,870	48,830	48,649	60,870	48,830	48,649
Other non-financial assets		1,737	6,466	1,765	37,092	6,464	1,765
Total non-financial assets		**25,105,481**	**24,733,355**	**23,981,332**	**39,068,276**	**38,671,119**	**37,756,966**
Total assets	**39**	**51,137,274**	**49,761,720**	**48,629,604**	**52,924,437**	**51,175,501**	**50,365,312**
Liabilities							
Advances received	23	31,269	31,295	36,172	56,737	56,763	64,946
Borrowings							
Lease liabilities	24	992,834	959,568	1,010,684	1,016,569	986,058	1,036,621
Other borrowings	25	15,824,885	15,458,632	13,587,149	16,070,494	15,722,216	13,888,353
Superannuation	26	10,440,872	10,680,674	10,699,327	10,440,872	10,680,674	10,699,327
Employee benefits	27	1,381,398	1,243,888	1,329,421	1,481,693	1,331,690	1,423,358
Other provisions[(b)]		1,346,167	1,212,802	1,217,070	1,689,674	1,467,019	1,533,878
Payables	28	406,763	563,477	414,834	556,747	687,433	511,280
Contract liabilities	28	51,230	42,360	64,448	111,012	79,508	108,355
Other liabilities[(c)]		13,437	13,356	79,918	13,003	20,084	87,222
Total liabilities		**30,488,855**	**30,206,052**	**28,439,023**	**31,436,801**	**31,031,445**	**29,353,340**
Net assets		**20,648,419**	**19,555,668**	**20,190,581**	**21,487,636**	**20,144,056**	**21,011,972**
Equity in public non-financial corporations sector		11,427,012	11,298,785	11,345,127	0	0	0
Accumulated funds		(1,816,370)	(2,207,295)	(1,596,849)	2,393,099	2,052,003	2,467,000
Asset revaluation surplus		11,036,679	10,462,948	10,441,421	19,093,439	18,090,823	18,544,090
Other reserves		1,098	1,230	882	1,098	1,230	882
Net worth		**20,648,419**	**19,555,668**	**20,190,581**	**21,487,636**	**20,144,056**	**21,011,972**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED BALANCE SHEET - CONTINUED
AT 30 JUNE 2026

		General Government Sector			Total Territory		
	Note No.	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Key fiscal aggregates (refer to Appendix A - Glossary)							
Net financial worth		(4,457,062)	(5,177,687)	(3,790,751)	(17,580,640)	(18,527,063)	(16,744,994)
Net financial liabilities		15,884,074	16,476,472	15,135,878	18,716,384	19,589,049	17,851,379
Net debt (excluding superannuation related investments)		10,976,707	11,068,407	9,150,694	12,985,417	13,289,585	11,189,617

Notes: (a) This amount reflects the Territory's derivative financial instrument for the Big Canberra Battery (BCB) project. The agreement for this project between the Territory and Williamsdale BESS Project Co Pty Ltd includes quarterly Territory support payments, a 50 per cent share of net revenues from operations and a 40 year peppercorn lease over the project land.

(b) Higher other provisions primarily reflect the recognition and revaluation of the Victim Services Scheme (VSS) and Financial Assistance Scheme (FAS) obligations following actuarial assessments and prior period error corrections. The increase is also due to higher outstanding insurance claims liabilities due to large claims experience across the medical malpractice, property and public liability portfolios and remediation work associated with the CIT Reid campus.

(c) The decrease in Other liabilities is mainly due to recognition of a $65 million payment in 2024-25 in accordance with the Deed of Settlement with Calvary Health Care which settled outstanding matters between the Territory and Calvary in relation to acquisition of the public hospital lands at Calvary Public Hospital Bruce and termination of the Calvary Network Agreement.

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	General Government Sector			Total Territory		
	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Opening equity						
Opening equity in Public Non-Financial Corporations (PNFC) sector	11,345,127	11,097,723	10,991,382	0	0	0
Opening accumulated funds	(1,596,849)	(1,555,814)	(551,889)	2,467,000	2,497,263	3,362,226
Opening asset revaluation surplus	10,441,421	10,447,653	10,436,477	18,544,090	18,073,114	18,297,737
Opening other reserves	882	1,230	1,230	882	1,230	1,230
Opening balance	**20,190,581**	**19,990,792**	**20,877,200**	**21,011,972**	**20,571,607**	**21,661,193**
Comprehensive income						
Included in accumulated funds:						
Operating result for the period	(357,330)	(363,263)	(880,927)	(539,213)	(492,349)	(1,015,675)
Capital payments to ACT government agencies	(232,705)	(246,203)	(189,667)	0	0	0
Capital distributions	511	0	0	0	0	0
Transfer of assets (to) the PNFC sector	(56,717)	(54,167)	(57,525)	0	0	0
Superannuation actuarial gain	460,992	0	27,388	460,992	0	27,388
Other movements[(a)]	(69,783)	1	(6,712)	(71,119)	42	(33,217)
Included in equity in PNFC sector:						
Increase in net assets of PNFC entities	81,885	201,062	353,745	0	0	0
Included in the asset revaluation surplus:						
Increase in the asset revaluation surplus	630,769	27,446	67,427	624,788	64,756	372,631
Included in other reserves:						
Increase/(decrease) in other reserves	216	0	(348)	216	0	(348)
Total comprehensive result	**457,838**	**(435,124)**	**(686,619)**	**475,664**	**(427,551)**	**(649,221)**
Other						
Transfer to accumulated funds	35,511	12,151	62,483	75,439	47,047	126,278
Transfer from the asset revaluation surplus	(35,511)	(12,151)	(62,483)	(75,439)	(47,047)	(126,278)
Total other	**0**	**0**	**0**	**0**	**0**	**0**
Closing equity						
Closing equity in PNFC sector	11,427,012	11,298,785	11,345,127	0	0	0
Closing accumulated funds	(1,816,370)	(2,207,295)	(1,596,849)	2,393,099	2,052,003	2,467,000
Closing asset revaluation surplus	11,036,679	10,462,948	10,441,421	19,093,439	18,090,823	18,544,090
Closing other reserves	1,098	1,230	882	1,098	1,230	882
Closing balance	**20,648,419**	**19,555,668**	**20,190,581**	**21,487,636**	**20,144,056**	**21,011,972**

Notes: (a) The amount in other movements largely reflects recognition and revaluation of the Victim Services Scheme (VSS), Financial Assistance Scheme (FAS) and Big Canberra Battery following actuarial assessments and prior period error corrections.

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

		General Government Sector			Total Territory		
	Note No.	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Cash flows from operating activities							
Cash receipts							
Taxes received		2,915,058	3,016,162	2,635,929	2,848,045	2,959,265	2,589,748
Receipts from sales of goods and services		775,826	701,427	712,815	1,557,089	1,615,448	1,323,312
Grants received		4,010,844	3,968,878	3,487,577	4,012,851	3,968,878	3,489,718
Investment receipts		134,106	187,668	142,278	134,106	187,668	142,278
Interest receipts		298,030	236,623	293,896	235,704	165,325	241,768
Dividends and income tax equivalents		179,821	118,437	248,847	0	0	0
Other receipts		733,158	587,623	448,675	850,867	667,135	564,127
Total receipts from operating activities		***9,046,843***	***8,816,818***	***7,970,017***	***9,638,662***	***9,563,719***	***8,350,951***
Cash payments							
Employee payments		(4,537,196)	(4,378,309)	(4,297,941)	(4,852,009)	(4,644,879)	(4,575,743)
Supplies and services		(1,760,622)	(1,853,603)	(1,708,204)	(2,004,854)	(2,106,566)	(1,998,304)
Grants and purchased services		(1,495,042)	(1,606,120)	(1,414,716)	(1,182,985)	(1,318,486)	(1,121,255)
Borrowing costs		(558,473)	(574,503)	(439,768)	(579,845)	(586,737)	(460,635)
Other payments		(610,594)	(533,871)	(539,372)	(817,640)	(884,220)	(746,612)
Total payments from operating		***(8,961,927)***	***(8,946,406)***	***(8,400,001)***	***(9,437,333)***	***(9,540,888)***	***(8,902,549)***
Net cash inflows/(outflows) from operating activities	17(b)	**84,916**	**(129,588)**	**(429,984)**	**201,329**	**22,831**	**(551,598)**
Cash flows from investing activities							
Cash flows from investments in non-financial assets							
Proceeds from sales of non-financial assets		14,153	56,771	18,084	42,584	98,396	66,244
Purchase of non-financial assets		(927,554)	(1,050,700)	(1,107,468)	(1,269,088)	(1,536,898)	(1,402,588)
Net cash (outflows) from investments in non-financial assets		***(913,401)***	***(993,929)***	***(1,089,384)***	***(1,226,504)***	***(1,438,502)***	***(1,336,344)***
Cash flows from investments in financial assets for policy purposes							
Cash receipts							
Loans receivable repayment received		34,006	30,389	34,987	33,932	30,389	45,896
Dividends (market gains on land sales)		795	61,980	97	0	0	0
Total receipts from investments in financial assets for policy purposes		***34,801***	***92,369***	***35,084***	***33,932***	***30,389***	***45,896***
Cash payments							
Loans receivable provided		(56,560)	(80,481)	(61,788)	(56,560)	(80,481)	(61,788)
Capital payments to ACT government agencies		(232,705)	(246,203)	(189,668)	0	0	0
Total payments from investments in financial assets for policy purposes		***(289,265)***	***(326,684)***	***(251,456)***	***(56,560)***	***(80,481)***	***(61,788)***
Net cash (outflows) from investments in financial assets for policy purposes		***(254,464)***	***(234,315)***	***(216,372)***	***(22,628)***	***(50,092)***	***(15,892)***

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY
CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

		General Government Sector			Total Territory		
	Note No.	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Cash flows from investments in financial assets for liquidity purposes							
Proceeds from sales of investments		2,457	61,922	15,314	3,120	67,975	15,677
Payments for investments		(478,582)	(373,605)	(31)	(478,582)	(378,643)	(31)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes		***(476,125)***	***(311,683)***	***15,283***	***(475,462)***	***(310,668)***	***15,646***
Net cash (outflows) from investing activities		**(1,643,990)**	**(1,539,927)**	**(1,290,473)**	**(1,724,594)**	**(1,799,262)**	**(1,336,590)**
Cash flows from financing activities							
Cash receipts							
Proceeds from borrowings		2,131,480	1,662,859	1,966,909	1,952,605	1,732,695	1,990,513
Total receipts from financing activities		***2,131,480***	***1,662,859***	***1,966,909***	***1,952,605***	***1,732,695***	***1,990,513***
Cash payments							
Repayment of borrowings		(285,276)	(132,319)	(4,871)	(54,572)	(104,682)	(24,692)
Repayment of lease liabilities – principal		(68,049)	(46,752)	(63,634)	(71,787)	(56,465)	(71,190)
Total payments from financing activities		***(353,325)***	***(179,071)***	***(68,505)***	***(126,359)***	***(161,147)***	***(95,882)***
Net cash inflows from financing activities		**1,778,155**	**1,483,788**	**1,898,404**	**1,826,246**	**1,571,548**	**1,894,631**
Net increase/(decrease) in cash and cash equivalents		**219,081**	**(185,727)**	**177,947**	**302,981**	**(204,883)**	**6,443**
Cash and cash equivalents at the beginning of the reporting period		**2,685,669**	**2,315,407**	**2,507,722**	**2,970,421**	**2,521,096**	**2,963,978**
Cash and cash equivalents at the end of the reporting period	17(a)	**2,904,750**	**2,129,680**	**2,685,669**	**3,273,402**	**2,316,213**	**2,970,421**
Key fiscal aggregates (refer to Appendix A - Glossary)							
Net cash from operating activities		84,916	(129,588)	(429,984)	201,329	22,831	(551,598)
Net cash from investments in non-financial assets		(913,401)	(993,929)	(1,089,384)	(1,226,504)	(1,438,502)	(1,336,344)
Cash (deficit)[(a)]		**(828,485)**	**(1,123,517)**	**(1,519,368)**	**(1,025,175)**	**(1,415,671)**	**(1,887,942)**

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

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Revenue			
Grants and subsidies[a]	351,854	335,347	338,465
Commonwealth grants	8,257	10,664	7,123
Sales of goods and services			
From associates and joint ventures	77,569	89,251	91,810
Other sales of goods and services	526,615	546,740	496,231
Interest revenue	14,150	7,810	17,142
Other revenue			
Land revenue (value add component)	403,292	392,548	212,675
Other revenue	27,059	11,167	26,273
Gains from contributed assets	34,190	7,398	74,635
Total revenue	**1,442,986**	**1,400,925**	**1,264,354**
Expenses			
Employee expenses	269,488	247,204	258,336
Superannuation expenses	39,859	38,528	37,750
Depreciation and amortisation	203,121	215,961	199,386
Interest expenses	116,146	106,721	104,804
Other property expenses (income tax equivalents)	76,821	117,436	38,253
Other operating expenses			
Supplies and services	385,759	387,152	381,768
Other operating expenses	243,820	194,426	176,139
Grants and purchased services expenses	80,862	90,440	64,258
Total expenses	**1,415,876**	**1,397,868**	**1,260,694**
UPF[b] net operating balance	**27,110**	**3,057**	**3,660**
Other economic flows - included in the Operating Statement			
Land revenue (market gains on land sales)	20,406	93,285	141
Net land revenue (undeveloped land value)	0	0	1,860
Net (loss)/gain on (disposal)/sale of non-financial assets	(8,058)	1,848	(2,403)
Net gain on financial assets or liabilities at fair value	206	100	1
Doubtful and bad debts	(10,386)	(6,440)	348
Operating result	**29,278**	**91,850**	**3,607**
Other economic flows - other comprehensive income			
Items that will not be subsequently reclassified to the operating result			
Other movements	(1,336)	0	(26,505)
(Decrease)/increase in the asset revaluation surplus	(53,768)	49,650	240,773
Total comprehensive result	**(25,826)**	**141,500**	**217,875**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED OPERATING STATEMENT - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
less **net acquisition of non-financial assets**			
Payments for non-financial assets	350,147	491,698	314,648
Sales of non-financial assets	(28,431)	(41,625)	(48,632)
Change in inventories	27,150	98,575	37,427
Depreciation and amortisation	(203,121)	(215,961)	(199,386)
Other movements in non-financial assets	(16,723)	(52,161)	38,694
Total net acquisition of non-financial assets	*129,022*	*280,526*	*142,751*
Net (borrowing)	**(101,912)**	**(277,469)**	**(139,091)**

Notes: (a) Further information can be found in the Statement of Appropriation for those PNFC entities who receive appropriation directly. Subsidies are also on passed from the General Government Sector to the PNFC as part of Controlled recurrent payments including $9.3 million to Icon Water Limited and $247.8 million to Transport Canberra Operations.

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

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2026

	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Assets			
Financial assets			
Cash and deposits	294,654	90,535	212,754
Investments	74,000	96,000	72,000
Receivables	48,156	76,473	62,802
Equity investments	1,135,744	1,061,986	1,106,385
Total financial assets	**1,552,554**	**1,324,994**	**1,453,941**
Non-financial assets			
Produced assets			
Property, plant and equipment	7,189,216	7,452,321	7,457,414
Investment properties	25,655	23,890	26,252
Intangibles	43,840	22,412	16,567
Inventories	598,264	661,376	571,114
Assets held for sale	5,660	0	8,728
Non produced assets			
Property, plant and equipment	6,064,805	5,777,767	5,695,559
Other non-financial assets			
Deferred tax assets	0	25,864	28,689
Other non-financial assets	35,355	0	0
Total non-financial assets	**13,962,795**	**13,963,630**	**13,804,323**
Total assets	**15,515,349**	**15,288,624**	**15,258,264**
Liabilities			
Advances received	2,108,020	2,117,639	1,996,536
Lease liabilities	23,735	26,490	25,937
Other borrowings	245,609	263,584	301,204
Employee benefits	100,556	87,874	94,089
Other provisions	359,766	285,437	348,926
Payables	191,501	157,405	151,871
Contract liabilities	62,879	53,944	58,606
Current tax liability	66,992	43,305	19,883
Deferred tax liability	790,237	790,724	846,124
Other liabilities	139,042	163,437	69,961
Total liabilities	**4,088,337**	**3,989,839**	**3,913,137**
Net assets	**11,427,012**	**11,298,785**	**11,345,127**
Accumulated funds	4,225,411	4,186,054	4,049,830
Asset revaluation surplus	7,201,601	7,112,731	7,295,297
Net worth	**11,427,012**	**11,298,785**	**11,345,127**
Key fiscal aggregates (refer to Appendix A - Glossary)			
Net financial worth	(2,535,783)	(2,664,845)	(2,459,196)
Net debt	2,008,710	2,221,178	2,038,923

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Opening equity			
Opening accumulated funds	4,049,830	3,999,746	3,873,063
Opening asset revaluation surplus	7,295,297	7,097,977	7,118,319
Opening balance	**11,345,127**	**11,097,723**	**10,991,382**
Comprehensive income			
Included in accumulated funds:			
Operating result for the period	29,278	91,850	3,607
Other movements	(1,336)	0	(26,505)
Included in the asset revaluation surplus:			
(Decrease)/increase in the asset revaluation surplus	(53,768)	49,650	240,773
Total comprehensive result	**(25,826)**	**141,500**	**217,875**
Other			
Transfer to accumulated funds	39,928	34,896	63,795
Transfer from the asset revaluation surplus	(39,928)	(34,896)	(63,795)
Total other	**0**	**0**	**0**
Transactions involving owners' affecting accumulated funds			
Capital injections[(a)]	232,705	246,203	189,667
Capital distributions	(511)	0	0
Transfer of assets from the General Government Sector	56,717	54,208	57,525
Dividends approved	(181,200)	(240,849)	(111,322)
Total transactions involving owners' affecting accumulated funds	**107,711**	**59,562**	**135,870**
Closing equity			
Closing accumulated funds	4,225,411	4,186,054	4,049,830
Closing asset revaluation surplus	7,201,601	7,112,731	7,295,297
Closing balance	**11,427,012**	**11,298,785**	**11,345,127**

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

(a) Further information can be found in the Statement of Appropriation. Capital injections are also on passed from the General Government Sector to the PNFC including $44.1 million to Transport Canberra Operations.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Cash flows from operating activities			
Cash receipts			
Receipts from sales of goods and services	901,026	1,014,152	729,400
Grants received	353,297	346,828	340,304
Interest receipts	14,752	7,810	15,972
Other receipts	159,840	110,412	150,139
Total receipts from operating activities	***1,428,915***	***1,479,202***	***1,235,815***
Cash payments			
Employee payments	(328,522)	(278,880)	(293,787)
Supplies and services	(327,955)	(329,234)	(363,232)
Grants and purchased services	(40,932)	(39,819)	(39,613)
Borrowing costs	(98,681)	(91,342)	(88,801)
Other payments	(327,720)	(462,754)	(304,351)
Total payments from operating activities	***(1,123,810)***	***(1,202,029)***	***(1,089,784)***
Net cash inflows from operating activities	**305,105**	**277,173**	**146,031**
Cash flows from investing activities			
Cash flows from investments in non-financial assets			
Proceeds from sales of non-financial assets	28,431	41,625	48,632
Purchase of non-financial assets	(350,147)	(491,698)	(314,648)
Net cash (outflows) from investments in non-financial assets	***(321,716)***	***(450,073)***	***(266,016)***
Cash flows from investments in financial assets for policy purposes			
Cash receipts			
Loans receivable repayment received	0	0	10,983
Capital injections	232,705	246,203	189,668
Total receipts from investments in financial assets for policy purposes	***232,705***	***246,203***	***200,651***
Cash payments			
Dividends (market gains on land sales)	(795)	(61,980)	(97)
Total payments from investments in financial assets for policy purposes	***(795)***	***(61,980)***	***(97)***
Net cash inflows from investments in financial assets for policy purposes	***231,910***	***184,223***	***200,554***
Cash flows from investments in financial assets for liquidity purposes			
Proceeds from sales of investments	663	2,736	363
Payments for investments	0	(2,538)	0
Net cash inflows from investments in financial assets for liquidity purposes	***663***	***198***	***363***
Net cash (outflows) from investing activities	**(89,143)**	**(265,652)**	**(65,099)**

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR
CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

	2025-26 Actual $'000	2025-26 Budget $'000	2024-25 Actual $'000
Cash flows from financing activities			
Cash receipts			
Advances received	281,459	309,836	30,317
Total receipts from financing activities	***281,459***	***309,836***	***30,317***
Cash payments			
Advances repaid	(229,704)	(212,363)	(26,608)
Dividends paid	(120,406)	(73,826)	(194,501)
Repayment of lease liabilities - principal	(3,738)	(9,713)	(7,556)
Other financing payments	(59,673)	(44,611)	(54,088)
Total payments from financing activities	***(413,521)***	***(340,513)***	***(282,753)***
Net cash (outflows) from financing activities	**(132,062)**	**(30,677)**	**(252,436)**
Net increase/(decrease) in cash and cash equivalents	**83,900**	**(19,156)**	**(171,504)**
Cash and cash equivalents at the beginning of the reporting period	**284,752**	**205,689**	**456,256**
Cash and cash equivalents at the end of the reporting period	**368,652**	**186,533**	**284,752**
Key fiscal aggregates (refer to Appendix A - Glossary)			
Net cash from operating activities	305,105	277,173	146,031
Net cash from investments in non-financial assets	(321,716)	(450,073)	(266,016)
Distributions paid	(180,079)	(118,437)	(248,589)
Cash (deficit)[(a)]	**(196,690)**	**(291,337)**	**(368,574)**

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

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

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2026

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

Entity	Appropriation Act 2025-2026	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Auditor-General							
Controlled recurrent payments	4,334	0	0	0	0	4,334	4,334
Capital injection	329	0	0	0	0	329	329
ACT Executive							
Capital injection	618	0	0	0	0	618	618
Payments on behalf of the Territory	16,001	0	0	0	0	16,001	14,612
ACT Gambling and Racing Commission							
Controlled recurrent payments	6,124	0	0	0	0	6,124	6,124
ACT Integrity Commission							
Controlled recurrent payments	9,417	0	0	0	0	9,417	8,168
Capital injection	226	0	0	0	0	226	226
ACT Local Hospital Network							
Controlled recurrent payments	1,484,949	(11,934)	556	0	0	1,473,571	1,403,449

* Additional Approved Appropriations relate to (as relevant) Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlement; Section 16B transfer of undisbursed 2024-25 appropriation from 2024-25 to 2025-26; Section 18E appropriation for a capital works reserve; and Section 130(6)(c) appropriation for act of grace payment under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

Entity	Appropriation Act 2025-2026	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Canberra Health Services							
Capital injection	182,128	15,144	0	0	6,461	203,733	185,599
Canberra Institute of Technology							
Controlled recurrent payments	97,145	0	0	8,080	5,211	110,436	99,404
Capital injection	28,152	0	0	0	1,394	29,546	11,756
Chief Minister, Treasury and Economic Development Directorate							
Controlled recurrent payments	433,107	(100)	0	0	(25,577)	407,430	330,856
Capital injection	90,173	(1,300)	0	0	9,737	98,610	59,231
Payments on behalf of the Territory	129,456	0	0	0	300	129,756	102,425
City and Environment Directorate							
Controlled recurrent payments	841,647	0	1,291	0	28,450	871,388	848,717
Capital injection	265,574	0	94	0	28,666	294,334	172,573
Payments on behalf of the Territory	2,795	0	0	0	0	2,795	1,699
Cultural Facilities Corporation							
Controlled recurrent payments	10,742	0	0	700	0	11,442	11,442
Capital injection	8,141	0	0	0	0	8,141	4,099

* Additional Approved Appropriations relate to (as relevant) Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlement; Section 16B transfer of undisbursed 2024-25 appropriation from 2024-25 to 2025-26; Section 18E appropriation for a capital works reserve; and Section 130(6)(c) appropriation for act of grace payment under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

Entity	Appropriation Act 2025-2026	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Digital Canberra							
Controlled recurrent payments	272,335	836	0	0	23,351	296,522	289,216
Capital injection	34,187	(836)	0	0	5,041	38,392	24,895
Education Directorate							
Controlled recurrent payments	1,094,012	882	4,418	16,000	0	1,115,312	1,095,748
Capital injection	103,878	(882)	0	0	11,154	114,150	74,591
Payments on behalf of the Territory	399,979	0	10,695	0	0	410,674	408,115
Electoral Commissioner							
Controlled recurrent payments	4,798	0	0	0	0	4,798	4,653
Capital injection	312	0	0	0	0	312	253
Health and Community Services Directorate							
Controlled recurrent payments	608,441	(907)	0	18,300	(16,233)	609,601	597,013
Capital injection	32,672	(710)	0	0	(3,489)	28,473	16,130
Payments on behalf of the Territory	206,692	1,617	0	0	0	208,309	208,308
Independent Competition and Regulatory Commission							
Controlled recurrent payments	824	0	0	0	0	824	824

* Additional Approved Appropriations relate to (as relevant) Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlement; Section 16B transfer of undisbursed 2024-25 appropriation from 2024-25 to 2025-26; Section 18E appropriation for a capital works reserve; and Section 130(6)(c) appropriation for act of grace payment under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

Entity	Appropriation Act 2025-2026	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Infrastructure Canberra							
Controlled recurrent payments	156,955	98	0	0	345	157,398	136,930
Capital injection	657,572	(1,908)	0	0	33,977	689,641	629,992
Justice and Community Safety Directorate							
Controlled recurrent payments	465,769	(443)	7,776	10,600	588	484,290	465,157
Capital injection	57,740	0	0	0	0	57,740	36,288
Payments on behalf of the Territory	290,542	443	0	0	387	291,372	283,498
Legal Aid Commission (ACT)							
Controlled recurrent payments	20,519	0	0	0	0	20,519	20,519
Capital injection	634	0	0	0	0	634	634
Office of the Legislative Assembly							
Controlled recurrent payments	11,540	0	0	0	0	11,540	11,540
Capital injection	3,965	0	0	0	0	3,965	2,592
Payments on behalf of the Territory	14,076	0	0	0	0	14,076	12,725
Office of the Work Health and Safety Commissioner							
Controlled recurrent payments	16,145	0	0	0	0	16,145	16,145
Capital injection	526	0	0	0	0	526	526

* Additional Approved Appropriations relate to (as relevant) Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlement; Section 16B transfer of undisbursed 2024-25 appropriation from 2024-25 to 2025-26; Section 18E appropriation for a capital works reserve; and Section 130(6)(c) appropriation for act of grace payment under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

Entity	Appropriation Act 2025-2026	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Public Trustee and Guardian							
Controlled recurrent payments	2,629	0	0	0	0	2,629	2,629
Superannuation Provision Account							
Capital injection	451,859	0	0	0	0	451,859	451,859
City Renewal Authority							
Controlled recurrent payments	17,310	0	0	0	150	17,460	16,333
Capital injection	27,312	0	0	0	1,648	28,960	18,118
Housing ACT							
Controlled recurrent payments	61,652	0	0	2,226	0	63,878	63,878
Capital injection	155,067	0	0	0	15,690	170,757	170,523
Icon Water Limited							
Controlled recurrent payments	14,530	0	0	0	0	14,530	14,530

* Additional Approved Appropriations relate to (as relevant) Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlement; Section 16B transfer of undisbursed 2024-25 appropriation from 2024-25 to 2025-26; Section 18E appropriation for a capital works reserve; and Section 130(6)(c) appropriation for act of grace payment under the *Financial Management Act 1996* .

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATION - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2026

Entity	Appropriation Act 2025-2026	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
Sub totals for appropriation classes							
Controlled recurrent payments	5,634,924	(11,568)	14,041	55,906	16,285	5,709,588	5,447,609
Capital injection	2,101,065	9,508	94	0	110,279	2,220,946	1,860,833
Payments on behalf of the Territory	1,059,541	2,060	10,695	0	687	1,072,983	1,031,381
Treasurer's advance[(a)]	87,955	0	0	0	0	0	0
Capital works reserve[(b)]	265,000	0	0	0	0	0	0
Total appropriations	**9,148,485**	**0**	**24,830**	**55,906**	**127,251**	**9,003,517**	**8,339,823**

Notes: (a) $55.9 million was spent from the Treasurer's advance in 2025-26.

(b) $15.440 million was spent from the Capital works reserve in 2025-26.

* Additional Approved Appropriations relate to (as relevant) Section 16 transfer of functions to another entity; Section 16A appropriation for payment of accrued employee entitlement; Section 16B transfer of undisbursed 2024-25 appropriation from 2024-25 to 2025-26; Section 18E appropriation for a capital works reserve; and Section 130(6)(c) appropriation for act of grace payment under the *Financial Management Act 1996* .

The variances between the total appropriated and final appropriation drawn columns for 2025-26 are largely due to the following:

Controlled recurrent payments: The variation is largely due to undrawn appropriation associated with higher level of cross border health revenue, reducing the need for appropriation drawdowns and the deferral of expenditure from 2025-26 to future years. These deferrals reflect delays related to Commonwealth Grant - User choice, Job Trainer, Fee Free Tafe, Better and Fairer Schools Agreement, Big Canberra Battery, 30,000 Homes by 2030 - Planning for more public housing and Commonwealth Grant - Disaster Ready Fund. The details of these deferrals are also discussed in agencies' financial statements (Statement of Appropriation).

Capital injection: The variation is largely due to undrawn appropriation in relation to the deferral of expenditure from 2025-26 to future years. These deferrals reflect delays related to various capital projects including New and Expanded Schools Infrastructure Upgrades, Public School Roof Replacements, Asset Renewal Program, Private Buildings Cladding Concessional Loan Scheme, ESA Vehicle Replacement Program - Molonglo Station and Strengthening Emergency Services - ICT system upgrades. The details of these deferrals are also discussed in agencies' financial statements (Statement of Appropriation).

Payments on behalf of the Territory: The variation is largely due to undrawn appropriation in relation to fewer than expected electricity payment claims, reduced concession claims and the deferral of funding to future years for More Support for Families and Inclusion - Implementing the Commonwealth Redress Scheme.

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 Executive powers of the Territory are exercised by the Chief Minister and Ministers of the ACT Government appointed in accordance with that Act and drawn from the Members of the Legislative Assembly.

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

Financial administration and preparation of consolidated financial statements

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

2 DISAGGREGATED INFORMATION

The Territory Government's financial statements show the assets, liabilities and equity (reflected in the Balance Sheet), revenue and expenses (reflected in the Operating Statement) and receipts and payments (reflected in the Statement of Cash Flows) that are reliably attributable to the General Government Sector (GGS) and Public Non-Financial Corporations (PNFC) sector activities of the Government. These have been determined in accordance with the principles used in the Government Finance Statistics conventions of the Australian Bureau of Statistics (ABS). This disaggregated information includes transactions and balances between sectors (but excludes transactions between entities within each of these). The aggregate of the GGS and PNFC amounts may therefore vary from the consolidated total for the Territory due to consolidation eliminations. The aggregated sector information can be found at Note 40: 'Disaggregated Sector Information'. A list of entities in the GGS and PNFC sectors can be found at Note 3: 'Australian Capital Territory Government controlled entities'.

General Government Sector (GGS)

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

2 DISAGGREGATED INFORMATION - CONTINUED

Public Non-Financial Corporations (PNFC) Sector

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

3 AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES

General Government Sector

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

3 AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES - CONTINUED

Public Non-Financial Corporations Sector

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

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

4 BASIS OF PREPARATION

a) Legislative requirements

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

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

(i) an Operating Statement for the year;

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

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

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

(v) a Statement of Appropriation for the year;

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

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

As required by the FMA, these general purpose financial statements have been prepared in accordance with Australian Accounting Standards (as required by the FMA), supplemented by following ACT Accounting and Disclosure Policies.

b) Accrual accounting

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

c) Currency

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

4 BASIS OF PREPARATION - CONTINUED

d) Compliance framework

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

Compliance with AASB 1049 supports consistency with the financial reporting principles that underpin the Uniform Presentation Framework (UPF) (refer to Appendix A - Glossary). The UPF provides a common basis for presenting financial information across Australian jurisdictions to facilitate comparison of budget and financial results.

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

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

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

The ABS GFS Manual also provides the basis upon which GFS information that is contained in the Territory's financial statements is prepared. In particular, notes disclosing the key fiscal aggregates of net worth, net operating balance, total change in net worth, net financial worth, net debt, net lending/(borrowing) and cash surplus/(deficit) are determined using the principles and rules in the ABS GFS Manual together with a narrative of differences in those key fiscal aggregates to the corresponding key fiscal aggregates recognised in the Territory Government's financial statements. Refer to Note 41: 'Reconciliations to ABS GFS measures' for further information.

e) The reporting period

These consolidated financial statements present the financial performance, changes in equity and cash flows of the Territory Government for the financial year ended 30 June 2026 together with the financial position of the Territory Government as at 30 June 2026.

4 BASIS OF PREPARATION - CONTINUED

f) Budget figures

To facilitate a comparison with the budget papers, as required by the FMA, budget information for 2025-26 has been presented in the financial statements. Budget numbers in the financial statements are the annual budget numbers that appear in the original 2025-26 Budget papers/Budget Addendum.

The 2025-26 Budget papers/Budget Addendum were prepared in accordance with the requirements of AASB 1049 except for calculation of the 'Headline Net Operating Balance' (refer to Appendix A - Glossary) in the budget papers which is not shown in the Operating Statement of this report as this calculation is not required under AASB 1049.

g) Prior year comparatives

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

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

Variances greater than $25 million and 10 per cent between the current year and prior year comparative are explained using footnotes in both the financial statements and notes to the financial statements.

h) Rounding

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

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

i) Sustainability reporting and climate risk

Icon Water Limited is required under the *Corporations Act 2001* to prepare a sustainability report in accordance with the Australian Sustainability Reporting Standards (ASRS). Other ACT Government entities are not required to prepare sustainability reporting.

The timing, frequency and severity of climate-related events remain uncertain and the estimation and measurement of anticipated financial impacts are subjective and based on various estimates and assumptions which are forward looking, long term, and are inherently uncertain by nature. Therefore, the impact on revenue, operating costs and capital expenditure cannot currently be identified with sufficient reliability to provide meaningful quantitative estimates. The main areas of the financial statements affected include revenue, operational costs, share of net profit of joint venture partnerships, property plant and equipment and investments accounted for using the equity method and the related cash flows.

4 BASIS OF PREPARATION - CONTINUED

j) Basis of consolidation

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

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

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

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

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

5 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date. These Standards and Interpretations have been assessed as not being relevant to the Territory, will have an immaterial financial impact on the Territory or the potential impact is unable to be reasonably estimated.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 2026-4 Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation was issued in September 2026 and provides targeted modifications for not-for-profit public sector entities applying AASB 18 and related amendments to AASB 107. The amendments apply to annual reporting periods beginning on or after 1 January 2028. The Territory is continuing to assess the impact of AASB 18 and AASB 2026-4 on its financial statements, including the impact on presentation and disclosures. The financial impact of adoption has not yet been reasonably determined.

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

AASB 17 Insurance Contracts

AASB 17, as amended by AASB 2022-9, applies to not-for-profit public sector entities from reporting periods commencing on or after 1 July 2026. AASB 17 contains some specific considerations for not-for-profit public sector entities in relation to pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of the standard. The Lifetime Care and Support Fund, the ACT Insurance Authority and the Public Sector Workers Compensation Fund have been assessed as having insurance contracts that will fall under AASB 17. While preliminary assessments indicate that the application of AASB 17 is expected to increase insurance provisions for the Lifetime Care and Support Fund and Public Sector Workers Compensation Fund due to the inclusion of a risk adjustment, partially offset by the impact of the revised discount rate, the overall financial impact on the Territory cannot yet be reasonably estimated as the detailed assessment and measurement of insurance contract liabilities is ongoing.

At the consolidated Territory level, self-insurance arrangements are accounted for under AASB 137: 'Provisions, Contingent Liabilities and Contingent Assets'. As insurance risk is not transferred from outside the Territory's consolidated reporting boundary, these arrangements do not constitute insurance contracts under AASB 17 on consolidation. The associated provisions are measured at the best estimate of the expenditure required to settle the present obligations.

6 CORRECTION OF PRIOR PERIOD ERRORS

Capital Commitments

The Territory has retrospectively restated the comparative Commitments disclosures for 2024-25 to correct prior-period errors. The errors related to formula errors in the calculation of Capital commitments and Other commitments, which resulted in the overstatement of Capital Commitments by $449.3 million and Other commitments by $184.9 million for both the General Government Sector and Total Territory. The corrections affect the commitments disclosures only and have no impact on the Operating Statement, Balance Sheet, Statement of Changes in Equity or Statement of Cash Flows. Refer to Note 29: 'Commitments' for further details.

REVENUE

Description and material accounting policies

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

Land revenue

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

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

The Territory uses significant judgment to determine the value of revenue attributable to the 'value add component' and 'market gains' of land sales, in accordance with the ABS GFS Manual definition of transactions and other economic flows. Land revenue (undeveloped land value) is determined by independent valuation (through a panel of valuers) prior to the land sales transaction. Net land revenue (undeveloped land value) is recorded under 'Other economic flows' in the Operating Statement and comprises land revenue (undeveloped land value) net of land acquisition costs, cost of goods sold, and market gains.

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

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

7 TAXATION REVENUE

Description and material accounting policies relating to taxation revenue

Taxes

The table below categorises the taxes collected by the Territory Government. General rates, land tax and fire and emergency services levies are yearly amounts payable by property owners in the Territory. Fees for Regulatory Services are included in Other sales of goods and services, fines are included in Other revenue.

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

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

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

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Duties[(a)]	425,577	368,913	425,446	368,681
Payroll tax	855,985	798,667	833,176	779,772
General rates	853,597	811,819	829,274	789,075
Motor vehicle registration fees	193,629	191,871	193,629	191,871
Land tax	241,756	231,570	241,756	231,570
Gambling taxes	86,142	84,105	86,142	84,105
Fire and emergency services levy	123,943	113,405	120,412	110,231
Utilities (network facilities) tax	50,532	51,129	36,700	38,201
Lease variation charge	28,976	12,914	28,976	12,914
Ambulance levy	34,344	31,881	34,344	31,881
Energy industry levy	4,538	4,987	4,538	4,987
Safer families levy	11,351	9,448	11,046	9,196
Short Term Rental Accommodation Levy	3,543	0	3,543	0
Total taxation revenue	**2,913,913**	**2,710,709**	**2,848,982**	**2,652,484**

Note: (a) The increase is primarily driven by higher revenue from residential conveyancing duty and motor vehicle transfer stamp duty, reflecting strong market demand and increased transaction activity.

8 COMMONWEALTH GRANTS REVENUE

Description and material accounting policies relating to Commonwealth grants revenue

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

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

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

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

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

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Commonwealth Grants				
GST revenue grant	2,162,461	1,978,276	2,162,461	1,978,276
ACT Municipal Services	46,340	45,387	46,340	45,387
National specific purpose and reform grants	1,172,097	1,079,708	1,172,097	1,079,708
National partnership payments[(a)]	473,026	293,937	475,134	296,062
Other grants:				
Financial assistance grants for Local Government[(b)]	101,939	48,995	101,939	48,995
Other grants	38,102	36,887	38,102	36,887
Total grants revenue	**3,993,965**	**3,483,190**	**3,996,073**	**3,485,315**

Notes: (a) The increase in National Partnership Payments funding during the year was primarily driven by funding received for the Light Rail Stage 2A project, and various Commonwealth grants related funding agreements including Essential Vaccines, Smoking and Vaping Cessation, Illicit Tobacco Compliance and Enforcement Uplift.

(b) The increase primarily reflects the Australian Government's decision to bring forward a portion of the 2026-27 Financial Assistance Grant to 2025-26, resulting in higher revenue being recognised in the current year.

9 OTHER SALES OF GOODS AND SERVICES

Description and material accounting policies relating to other sales of goods and services

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

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Water, sewerage and other related services	0	0	379,144	348,666
Residential housing tenants and rental income	14,728	13,396	118,814	114,264
Health cross-border revenue[(a)]	249,668	238,508	249,668	238,508
Hospital and other health services[(b)]	116,543	107,124	116,543	107,124
Regulatory services[(c)]	210,830	182,879	169,050	143,026
Service receipts and fees[(d)]	231,042	221,062	191,188	200,881
Total Other sales of goods and services	**822,811**	**762,969**	**1,224,407**	**1,152,469**

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, development applications and water abstraction charge. The increase is mainly due to higher notice of intentions, development applications, crown lease and land title fee revenue resulting from increased development and property market activity. Higher acceptance fees for contaminated soil received at Mugga Land Resource Management Centre for safe disposal also contributed to this increase.

(d) Service receipts and fees include items such as venue and equipment hire, event management, sports match receipts, extension of time to build fee, capital linen and laundry services revenue, merchandise sales, bus fares, fire safety certifier fees, parking fees and driving licences.

10 DIVIDEND AND INCOME TAX EQUIVALENTS INCOME

Description and material accounting policies relating to dividend and income tax equivalents income

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Dividends from PNFC sector[(a)]	167,302	111,225	0	0
Income tax equivalents from PNFC sector[(b)]	106,782	46,182	0	0
Total dividend and income tax equivalents income	**274,084**	**157,407**	**0**	**0**

Notes: (a) The increase reflects an improved operating result and higher associated dividend distributions from the Suburban Land Agency.

(b) The increase was primarily driven by higher Commonwealth income tax equivalent payments from the Suburban Land Agency due to favourable market conditions.

EXPENSES

11 EMPLOYEE EXPENSES

Description and material accounting policies relating to employee expenses

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Wages and salaries	3,542,449	3,339,054	3,788,196	3,583,130
Long service leave and annual leave	224,569	220,254	244,124	229,278
Flextime expense[(a)]	(1,782)	29,076	(1,471)	30,323
Total employee expenses	**3,765,236**	**3,588,384**	**4,030,849**	**3,842,731**

Note: (a) Flextime expense reflects the recognition of a liability where up to one ordinary week is payable for eligible employees upon cessation of their employment under the Enterprise Agreement 2023-2026. The provision in 2025-2026 has been calculated in line with the updated parameters in AAPP 110 ACT Accounting Policy Paper on Employee Benefits, resulting in a decrease in flextime expenses.

12 SUPERANNUATION EXPENSES

Description and material accounting policies relating to superannuation expenses

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

* the present value of interest and service costs paid to the Commonwealth Superannuation Corporation (CSC) to cover the Territory Government's defined benefit obligation in relation to employee membership in the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS);

* payments made directly to CSC on behalf of employees who are members of the Public Sector Superannuation Scheme accumulation plan (PSSap);

* employer productivity payments made directly to CSC on behalf of members of the CSS and PSS; and

* payments made to other superannuation funds external to the ACT Government.

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Superannuation interest cost [(a)]	501,989	493,924	501,989	493,924
Other superannuation expenses	561,909	524,495	591,994	550,184
Total superannuation expenses	**1,063,898**	**1,018,419**	**1,093,983**	**1,044,108**
Represented by:				
Superannuation expenses (CSS and PSS)	665,531	668,864	665,531	668,864
Superannuation payment to CSC (for the PSSap)	18,373	17,184	19,330	17,971
Productivity benefit	14,268	14,622	15,002	15,386
Superannuation to other external providers, including fund of choice[(b)]	365,726	317,749	394,120	341,887
Total superannuation expenses	**1,063,898**	**1,018,419**	**1,093,983**	**1,044,108**

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

(b) The increase is primarily attributable to higher staffing levels to support frontline services in health and education, enterprise agreement wage increases and a growing proportion of employees contributing to external superannuation schemes following the closure of defined benefit schemes.

13 SUPPLIES AND SERVICES

Description and material accounting policies relating to supplies and services

Supplies and services generally represent the day to day running costs of the Territory Government incurred in normal operations. They are recognised at cost in the reporting period in which they are incurred. Supplies and Services are measured at the amount paid or payable, or where Supplies and Services have been provided free of charge, they are measured at their fair value at the time they are provided.

Materials, equipment and supplies

Materials, equipment and supplies are expenditure on supplies and services incurred as part of normal operations, medical and clinical hospital supplies and printing and stationary.

Consultant fees, contractor payments and professional services

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

Communication, travel and staff development

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

Community policing

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

Repairs and maintenance

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

Property rental and occupancy expenses

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

13 SUPPLIES AND SERVICES - CONTINUED

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Communication, travel and staff development	212,113	233,539	239,519	256,653
Materials, equipment and supplies[(a)]	347,616	318,015	448,683	439,962
Property rental and occupancy expenses (including utilities)	58,161	62,929	54,569	50,331
Repairs and maintenance	217,841	200,910	301,953	283,773
Consultant fees, contractor payments and professional services[(b)]	436,777	487,915	466,489	538,172
Community policing	256,345	231,630	256,345	231,630
Service concession arrangements - service expenses	0	0	38,492	34,903
Legal and compensation expenses[(c)]	7,500	83,954	7,500	84,364
GST administration costs	12,711	10,703	12,711	10,703
Other supplies and services	6,209	9,055	19,306	13,673
Total supplies and services	**1,555,273**	**1,638,650**	**1,845,567**	**1,944,164**

Notes: (a) The increase was mainly driven by a lower level of capital project completions in 2025-26. Consequently, fewer DCBR and ICBR service costs were capitalised to assets, resulting in higher expenditure being recognised in Materials, Equipment and Supplies.

(b) The decrease is primarily due to reduced reliance on agency and contracted workforce arrangements, reflecting the transition of premium labour and contract services to an employed workforce.

c) The decrease is mainly due to the cessation of ACT Health Directorate legal matters and higher prior-year legal costs associated with the Territory's agreement on just terms compensation for the acquisition of Calvary Public Hospital Bruce.

14 GRANTS AND PURCHASED SERVICES

Description and material accounting policies relating to grants and purchased services

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

Concessional loan discount expense represents the difference between the amount advanced under concessional lending arrangements and the loan's fair value at initial recognition, determined by discounting future cash flows using a market-based interest rate.

Grants are amounts provided for general assistance or a particular purpose. They can be capital or recurrent in nature and are usually subject to terms and conditions set out in a contract, correspondence or by legislation. Grants are generally provided without receiving approximately equal value in return. Grants are measured at the fair value of the transaction, at the time that transaction occurs.

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

Government grants and purchased services expense comprised amounts relating to:

14 GRANTS AND PURCHASED SERVICES - CONTINUED

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Grants to non-government schools	407,886	391,734	407,886	391,734
Grant payment (education and community services)	31,524	19,563	63,002	54,701
First home owners' grant	(31)	(154)	(31)	(154)
Capital grants	0	0	0	0
Appropriation payments to agencies	94,741	94,883	0	0
Asset transfers to another entity[(a)]	14,944	63,227	16,302	10,859
Skills Canberra	24,655	19,598	24,655	19,598
Sport, recreation and VisitCanberra	19,573	20,632	19,573	20,632
Arts[(b)]	12,256	0	12,256	0
Concessional loan discount expense	6,280	21,941	6,946	21,941
Other recurrent grants	78,038	80,453	75,906	83,366
Total grants	**689,866**	**711,877**	**626,495**	**602,677**
Purchase of transport services from Transport Canberra Operations	247,791	236,142	0	0
Purchases of health, disability and social services from non-government organisations	584,022	559,571	584,022	559,571
Other purchased services	3,830	8,224	3,827	8,224
Total purchased services	**835,643**	**803,937**	**587,849**	**567,795**
Total grants and purchased services	**1,525,509**	**1,515,814**	**1,214,344**	**1,170,472**

Notes: (a) For the General Government Sector, the decrease is due to the transfer of Woden Bus Depot assets from the former Transport Canberra and City Services directorate to Transport Canberra Operations during 2024-25, which included Plant and Equipment as well as Infrastructure assets. For the Total Territory, asset transfers to another entity largely reflect the surrender of Large-scale generation certificates to meet the government's renewable energy targets and the stage 1 transfer of the Parkes site to the University of New South Wales.

(b) Included in the 'Other current grants' line in 2024-2025.

15 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Description and material accounting policies relating to waivers, impairment losses and write-offs

Waivers

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

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

Write-offs

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

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

15 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS - CONTINUED

Description and material accounting policies relating to waivers, impairment losses and write-offs - continued

Impairment of assets

An impairment loss arises when an asset's carrying amount exceeds its recoverable amount, with value in use based on current replacement cost.

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

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

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

For more information about allowances for the impairment and write-off of receivables, see Note 20, 'Receivables' and Note 21, 'Property, plant and equipment'.

15 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS - CONTINUED

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Waivers				
Other waivers	14,095	1,772	14,095	1,772
Total waivers[(a)]	**14,095**	**1,772**	**14,095**	**1,772**
Write-offs				
Obsolete stock	3,126	116	14,896	1,894
Irrecoverable debts	7,753	11,522	7,780	14,802
Forgiven debts - Calvary Public Hospital Bruce acquisition[(b)]	56	12,910	56	12,910
Other write-offs	48	1,379	48	1,400
Total write-offs	**10,983**	**25,927**	**22,780**	**31,006**
Impairment of assets				
Impairment loss from receivables				
Expected credit loss expense[(c)]	15,803	9,120	26,162	16,228
Total impairment loss from receivables	***15,803***	***9,120***	***26,162***	***16,228***
Impairment loss from property, plant and equipment				
Property, plant and equipment	325	333	325	(581)
Total impairment loss from property, plant and equipment	***325***	***333***	***325***	***(581)***
Impairment loss from inventory				
Inventory	0	0	863	98
Total impairment loss from inventory	***0***	***0***	***863***	***98***
Total impairment losses	**16,128**	**9,453**	**27,350**	**15,745**
Total waivers, impairment losses and write-offs	**41,206**	**37,152**	**64,225**	**48,523**

Notes: (a) There were 133 waivers approved in 2025-26 for both the General Government Sector (GGS) and the Territory (2024-25: 333). The increase in the value of waivers mainly reflects higher Lease Variation Charges, Lease Concessions and Development Applications waivers.

(b) The balance in both financial years represents the impact from Calvary Health Care and the Territory reaching agreement on just terms compensation for the acquisition of Calvary Public Hospital Bruce. The 2025-26 balance comprises debts forgiven up to the settlement date of 28 August 2025.

(c) The increase mainly reflects the initial recognition of an expected credit loss (ECL) allowance for Deferred Lease Variation Charge receivables in 2025-26, and a higher ECL for Rates, City Centre Marketing and Improvements levies following the latest available default rate data and debt moving into higher ECL rate categories.

16 ACT OF GRACE PAYMENTS

Description and material accounting policies relating to act of grace payments

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

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

There were 33 act of grace payments made by the General Government Sector (GGS) and the Territory (2024-25: 76) during the reporting period pursuant to Section 130 of the *Financial Management Act 1996 (FMA)* , totalling $397,000 (2024-25: $1,057,000). The decrease in 2025-26 largely reflects payments relating to payroll tax refunds and higher payments in relation to claims for conveyance duty relief during 2024-25.

Details of act of grace payments made can be found in the financial statements of Chief Minister, Treasury and Economic Development Directorate, City and Environment Directorate and Justice and Community Safety Directorate.

ASSETS

FINANCIAL AND NON-FINANCIAL ASSETS

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

17 RECONCILIATION OF CASH FLOWS

Description and material accounting policies relating to cash flows

Cash is recognised at its nominal amount and includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. A number of short term securities are classified as Investments (Refer to Note 19: 'Investments') and are considered to be a cash equivalent. This represents the main difference between Cash and cash equivalents at the end of the reporting period on the Statement of cash flows and Cash and deposits on the Balance sheet.

(a) Reconciliation of cash and cash equivalents at the end of the reporting period in the Balance sheet to the Statement of cash flows.

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Cash and cash equivalents in the Balance Sheet				
Cash and deposits	2,885,937	2,668,928	3,180,591	2,881,682
Short-term securities and other current investments	18,813	16,741	92,811	88,739
Cash and cash equivalents as recorded in the Statement of Cash Flows	**2,904,750**	**2,685,669**	**3,273,402**	**2,970,421**

17 RECONCILIATION OF CASH FLOWS - CONTINUED

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Operating result	**(357,330)**	**(880,927)**	**(539,213)**	**(1,015,675)**
Add/(less) non-cash movements:				
Depreciation and amortisation	684,039	657,230	887,160	856,616
Revaluation of non-financial assets	(13,777)	(38)	(15,890)	(986)
Doubtful and bad debts	23,611	33,377	33,997	33,029
Net concessional loan interest	15,620	13,965	15,620	13,965
Inventory write downs and obsolete stock	2,439	0	14,210	0
Accrued other interest	82,655	53,860	82,982	58,116
Capitalised distributions from associates and joint ventures	0	0	(12,569)	(22,327)
Waivers	14,095	1,772	14,095	1,772
Gains from contributed assets	(83,712)	(138,619)	(68,347)	(124,945)
Asset transfer to another entity	14,944	63,227	16,302	10,859
Assets required to be expensed	19,994	16,390	21,477	23,758
Capital works in progress accrued	(13,450)	(11,579)	(12,745)	(11,579)
Lease incentives and make good provision movements	944	0	1,498	0
Service concession arrangement interest capitalised	20,123	0	20,123	0
Other non-cash movements	37,125	(127,163)	(25,870)	(165,308)
Add/(less) items classified as investing or financing:				
Issue of Sustainable Household Scheme loans	36,446	39,832	36,446	39,832
Repayment of Sustainable Household Scheme Loans	(31,956)	(29,757)	(31,956)	(29,757)
(Gains) on loose-fill asbestos insulation eradication scheme	0	(972)	0	(972)
Dividends and land revenue (market gains on land sales)	(13,898)	(97)	(20,406)	(141)
Net (gains) on investments	(482,842)	(621,818)	(483,048)	(621,819)
Net (gains)/loss on disposal of non-current assets	(19,319)	73,615	(9,148)	76,966
Impact of transition of Calvary Public Hospital Bruce	0	(67)	0	(67)
Cash before changes in operating assets and liabilities	**(64,249)**	**(857,769)**	**(75,282)**	**(878,663)**
Change in operating assets and liabilities:				
Net effect of correction prior period errors[(a)]	86,346	0	87,682	0
(Increase) in receivables	(280,247)	(17,010)	(227,957)	(62,810)
Increase/(decrease) in non-cash receivables	1,662	14,078	41,007	(13,417)
(Increase)/decrease in inventories	1,278	(5,422)	(38,972)	(38,678)
Increase/(decrease) in payables and contract liabilities	(21,289)	55,387	48,124	61,107
(Increase)/decrease in non-cash payables and non-cash contract liabilities	3,508	(1,724)	507	908
Increase in employee benefits and provisions	383,611	362,455	416,668	372,105
(Increase)/decrease in non-cash employee benefits - change in present value factor	37,875	(69,150)	40,553	(74,523)

17 RECONCILIATION OF CASH FLOWS - CONTINUED

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
(Increase) in non-cash provisions - SLA project completions	0	0	(18,103)	(7,307)
Decrease in non-cash provisions - civil claims	535	31,300	535	31,300
Decrease in non-cash provisions - Institutional child sexual abuse	786	0	786	0
(Increase)/decrease in non-cash provisions - Provision for Perpetual Care Trust	1,581	(938)	0	(938)
Increase/(decrease) in other liabilities	(66,481)	58,809	(74,219)	59,318
Net cash flows from operating activities	**84,916**	**(429,984)**	**201,329**	**(551,598)**

Note: (a) The amount in Net effect of correction prior period errors largely reflects recognition and revaluation of the Victim Services Scheme (VSS) and Financial Assistance Scheme (FAS) following actuarial assessments and prior period error corrections.

18 ADVANCES PAID

Description and material accounting policies relating to advances paid

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

Loans to Icon Water Limited are not quoted in an active market and are not entered into with the intention of immediate or short-term resale. This class of asset is held to collect cash flows until maturity. The loans are measured initially at fair value and subsequently amortised using the effective interest rate method. They represent advances by the GGS, funded through external debt. In the PNFC sector there is a corresponding borrowing from the GGS, and at the Total Territory level the inter-sector advance and borrowing are eliminated, leaving the external borrowing.

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

The maximum exposure to credit risk at the end of the reporting period for loans receivables is the carrying amount of the asset inclusive of any allowance for impairment. It has been assessed that there is an insignificant and therefore immaterial level of credit risk exposure.

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Sustainable Household Scheme loans	135,289	129,128	135,289	129,128
Private Building Cladding Scheme loans	38,607	18,694	38,607	18,694
Icon Water loans	2,081,680	1,966,837	0	0
Other loans	1,993	925	1,121	0
Total advances paid	**2,257,569**	**2,115,584**	**175,017**	**147,822**

19 INVESTMENTS

Description and material accounting policies relating to investments

Initial recognition

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

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

Subsequent measurement

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

Derecognition

Investments are derecognised when the contractual rights to the cashflows from the financial asset expire or when the financial asset is transferred and the transfer qualifies for derecognition under AASB 9: 'Financial Instruments' Transaction costs for such investments are recognised directly in the Operating statement.

Determination of fair value

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

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

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

19 INVESTMENTS - CONTINUED

	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Current investments				
Short-term securities	0	0	74,000	72,000
Government fixed interest bonds	2,604,724	2,386,822	2,604,724	2,386,822
Shares and equities	4,291,646	4,211,263	4,291,646	4,211,263
Investment in property and infrastructure trusts[(a)]	1,280,152	936,097	1,280,152	936,097
Other current investments	18,649	16,741	18,649	16,739
Total current investments	***8,195,171***	***7,550,923***	***8,269,171***	***7,622,921***
Non-current investments				
Other non-current investments	52	1,419	52	1,421
Total non-current investments	***52***	***1,419***	***52***	***1,421***
Total investments	**8,195,223**	**7,552,342**	**8,269,223**	**7,624,342**

Note: (a) The increase in the levels of investments reflects a combination of increased unit holder investment applications and market gains for the year.

20 RECEIVABLES

Description and material accounting policies relating to receivables

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

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

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

Expected credit losses - Accounts receivable and other receivables

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

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

(b) the time value of money; and

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

20 RECEIVABLES - CONTINUED

Description and material accounting policies relating to receivables - continued

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

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Current receivables				
Current receivables				
Trade receivables	410,838	411,053	459,147	423,324
Prepayments	43,468	35,629	57,349	47,744
Less: Expected credit loss allowance	(86,316)	(82,838)	(109,962)	(108,835)
Net current trade receivables	***367,990***	***363,844***	***406,534***	***362,233***
Accrued revenue[(a)]	431,965	202,278	348,466	169,334
Right to receive infrastructure from land developers	0	0	4,773	2,451
Other current receivables[(b)]	363,099	290,424	230,486	204,901
Total current receivables	***1,163,054***	***856,546***	***990,259***	***738,919***
Non-current trade receivables				
Trade receivables	34,365	46,722	34,365	46,723
Prepayments	5,039	6,086	8,831	6,086
Less: Expected credit loss allowance	(3,932)	0	(3,932)	0
Net non-current trade receivables	***35,472***	***52,808***	***39,264***	***52,809***
Other receivables	47,992	56,917	46,549	56,387
Total non-current receivables	***83,464***	***109,725***	***85,813***	***109,196***
Total receivables	**1,246,518**	**966,271**	**1,076,072**	**848,115**

Notes: (a) The increase is mainly due to a higher amount of investment distribution income from the underlying investment asset class sector exposures, higher income tax equivalents from the Suburban Land Agency attributed to higher land sales in 2025-26 and higher payroll tax in line with prevailing labour market conditions. The 2024-25 amount has been restated to more accurately reflect the nature of accrued investment revenue from Trade receivables to Accrued revenue.

(b) The increase is attributed to a higher level of dividends from the Suburban Land Agency and the City Renewal Authority attributed to increased land sales in 2025-26.

20 RECEIVABLES - CONTINUED

	General Government Sector		Total Territory	
	2025-26 Actual $'000	**2024-25 Actual $'000**	**2025-26 Actual $'000**	**2024-25 Actual $'000**
Reconciliation of the loss allowance				
Expected credit loss allowance at the beginning of the reporting period	82,838	74,215	108,835	103,808
Less: Reduction/addition in allowance from amounts recovered during the reporting period	(687)	939	(877)	(6,528)
Less: Reduction in allowance from amounts written-off during the reporting period	(7,706)	(1,435)	(20,226)	(4,672)
Expected credit loss expense	15,803	9,120	26,162	16,228
Expected credit loss allowance at the end of the reporting period	**90,248**	**82,838**	**113,894**	**108,835**

20 RECEIVABLES - CONTINUED

Expected credit loss allowance provision matrix - General Government Sector

		Overdue				
	Not Overdue	1-30 Days	31 to 60 Days	61 to 90 Days	> 91 Days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2026						
Expected credit loss rate (%)	1%	5%	7%	15%	30%	**9%**
Estimated total gross carrying amount at default	644,113	26,384	15,979	13,461	268,510	**968,447**
Expected credit loss allowance	**4,710**	**1,284**	**1,100**	**2,035**	**81,119**	**90,248**
30 June 2025						
Expected credit loss rate (%)	1%	4%	7%	13%	29%	**9%**
Estimated total gross carrying amount at default	624,684	33,668	29,240	15,670	253,612	**956,874**
Expected credit loss allowance	**3,162**	**1,383**	**2,112**	**1,980**	**74,639**	**83,276**

Expected credit loss allowance provision matrix - Total Territory

		Overdue				
	Not Overdue	1-30 Days	31 to 60 Days	61 to 90 Days	> 91 Days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2026						
Expected credit loss rate (%)	1%	14%	12%	20%	34%	**11%**
Estimated total gross carrying amount at default	680,013	32,284	17,409	15,050	288,580	**1,033,336**
Expected credit loss allowance	**5,930**	**4,592**	**2,085**	**3,071**	**98,216**	**113,894**
30 June 2025						
Expected credit loss rate (%)	2%	5%	8%	49%	30%	**13%**
Estimated total gross carrying amount at default	503,226	38,989	30,015	29,933	261,616	**863,779**
Expected credit loss allowance	**9,936**	**2,096**	**2,449**	**14,811**	**79,420**	**108,713**

21 PROPERTY, PLANT AND EQUIPMENT

Description and material accounting policies relating to property, plant and equipment

Property, plant and equipment includes the following classes of assets: land; buildings; right-of-use buildings; leasehold improvements; plant and equipment; right-of-use plant and equipment; infrastructure assets; heritage and community assets and capital works in progress. Property, plant and equipment does not include assets held for sale or investment property. In addition the Territory holds Service Concession Assets in the following classes: land; buildings; plant and equipment and infrastructure.

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

Buildings are structures that have a roof and walls which stand permanently in one place. These structures are separately identifiable from the land they are constructed upon and as such do not include this land. Buildings include office buildings, warehouses, hospitals, school buildings, community health centres, other clinical and corporate facilities, emergency service facilities, courts, light rail and bus depots, and land improvements that are adjoining a building. Land improvements are long–life items erected on land that increase the land's usefulness or value. Land improvements include parking lots, retaining walls, tennis courts, basketball courts, purpose built children's playground structures and landscaping adjoining a building as well as fences around a building.

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

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

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

Plant and equipment are tangible assets like machinery, apparatus, appliances, containers, implements or tools that are used to produce goods or assist in providing services to the community. Plant and equipment are assets that are used directly by the Territory Government rather than directly by the general community. Plant and equipment tend to be smaller and more mobile in nature than other types of property, plant and equipment like buildings, roads and land. Plant and equipment includes mobile plant, water tanks, air conditioning and heating systems, office and computer equipment, furniture and fittings, motor vehicles, buses, earth moving machinery, light rail vehicles (rolling stock), light rail maintenance equipment, and other mechanical and electronic equipment.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Description and material accounting policies relating to property, plant and equipment - continued

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

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

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

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

Community assets are those assets that are provided primarily to general community use or services for recreational purposes. Community assets held include public parks and gardens, public sporting reserves, public nature reserves, shelters, playgrounds not adjoining a building, tables, seats, benches, barbecues, open space bins and outdoor public toilet blocks.

Capital works in progress (CWIP) CWIP is property, plant and equipment that is in the process of being constructed and as such is not yet in use or available for use. That is, CWIP is property, plant and equipment which is not in a location and condition necessary for it to be capable of operating in a manner intended by management. CWIP held by the Territory Government include infrastructure assets, buildings and leasehold improvements under construction. This includes the Public Private Partnership arrangement for the Light Rail Stage 2A project and the New Recycling Facility. CWIP is recognised as part of property, plant and equipment on the Balance Sheet. Works in Progress relating to intangible assets are included in intangible assets.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Description and material accounting policies relating to property, plant and equipment - continued

Acquisition and recognition of property, plant and equipment

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

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

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

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

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

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

Measurement of property, plant and equipment after initial recognition

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Description and material accounting policies relating to property, plant and equipment - continued

Measurement of property, plant and equipment after initial recognition - continued

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

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

Major cyclical maintenance - infrastructure assets

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

Valuation of non-current assets

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

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

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

Revaluation

Land, buildings, infrastructure assets, plant and equipment, leasehold improvements and heritage and community assets are revalued every 3 years. This also includes service concession assets within all asset classes. Towards the end of each financial year, the Territory Government assesses whether there are any 'indicators' that the carrying amount of their property, plant and equipment is materially different to fair value. Where these indicators exist, the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, leasehold improvements and heritage and community assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Impairment of assets

The Territory Government assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. Property, plant and equipment is also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any resulting impairment losses relating to non-specialised land, buildings, infrastructure, and heritage and community assets, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance of the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Impairment losses for plant and equipment and leasehold improvements are recognised in the Operating Statement (see Note 15 'Waivers, impairment losses and write-offs') as plant and equipment is carried at cost. The carrying amount of the asset being impaired is also reduced to its recoverable amount. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Depreciation and useful life

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

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

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

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

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

Class of asset	Depreciation/ Amortisation	Useful life (years)
Buildings[(a)]	Straight-line	2-100
Right-of-use buildings	Straight-line	1-42
Leasehold improvements	Straight-line	1-40
Plant and equipment	Straight-line	1-126
Right-of-use plant and equipment	Straight-line	1-10
Infrastructure	Straight-line	2-150
Heritage and community assets[(b)]	Straight-line	1-126

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

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Land under roads

Significant judgement has been made in determining the fair value of land under roads. The Victorian State Government Valuer General has issued a guidance note on the valuation method applicable for land under roads. This guidance states that 'Statutory Land Value' is the most feasible and efficient base for valuing land under roads. Internal officers of City and Environment Directorate have revalued land under roads based on the ACT Revenue Office's land valuations.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of property, plant and equipment - General Government Sector

The following table shows the movement in each class of Property, Plant and Equipment during 2025-26.

	Land $'000	Buildings $'000	Right of use buildings $'000	Plant and equipment $'000	Right of use plant and equipment $'000	Leasehold improvements $'000	Infrastructure assets $'000	Heritage and community assets $'000	Capital Works in Progress[(a)] $'000	Total $'000
Carrying amount at the beginning of the reporting period	**5,183,449**	**5,488,074**	**706,684**	**381,980**	**37,198**	**175,150**	**9,723,508**	**396,081**	**1,565,389**	**23,657,513**
Additions	55	5,638	45,367	30,314	8,948	2,065	0	406	1,196,359	**1,289,152**
Assets classified as held for sale	(14,729)	0	0	0	0	0	0	0	0	**(14,729)**
Revaluation adjustments	195,983	271,765	0	831	0	13,797	27,762	93,399	0	**603,537**
Depreciation	0	(226,177)	(56,953)	(89,496)	(18,288)	(14,752)	(212,081)	(28,246)	0	**(645,993)**
Assets transferred	0	0	0	0	0	0	0	0	(54,481)	**(54,481)**
Disposals	(2,450)	(2,261)	0	(963)	(69)	(122)	(1,073)	(1,989)	(8,848)	**(17,775)**
Capital works in progress completed and transferred to another class of property, plant and equipment	0	298,794	0	62,091	12,656	6,284	179,833	18,586	(578,244)	**0**
Capital Works in progress recognised in a prior period but expensed in the current period	0	0	0	0	0	0	0	0	(17,388)	**(17,388)**
Impairment (losses) recognised in the operating statement	0	0	0	(322)	0	(3)	0	0	0	**(325)**
Other movements/reclassifications[(b)]	86,763	6,182	(14,817)	21,552	1,090	673	(24,083)	(86,806)	1,215	**(8,231)**
Carrying amount at the end of the reporting period	**5,449,071**	**5,842,015**	**680,281**	**405,987**	**41,535**	**183,092**	**9,693,866**	**391,431**	**2,104,002**	**24,791,280**
Carrying amount at the end of the reporting period is represented by:										
Gross book value	5,449,071	5,924,779	1,008,353	843,065	112,807	240,667	10,088,646	422,892	2,104,002	26,194,282
Accumulated depreciation	0	(80,916)	(328,072)	(437,078)	(71,272)	(57,575)	(388,488)	(31,461)	0	(1,394,862)
Accumulated impairment losses	0	(1,848)	0	0	0	0	(6,292)	0	0	(8,140)
Carrying amount at the end of the reporting period	**5,449,071**	**5,842,015**	**680,281**	**405,987**	**41,535**	**183,092**	**9,693,866**	**391,431**	**2,104,002**	**24,791,280**

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

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

The following table shows the movement in each class of property, plant and equipment during 2024-25.

	Land $'000	Buildings $'000	Right of use buildings $'000	Plant and equipment $'000	Right of use plant and equipment $'000	Leasehold improvements $'000	Infrastructure assets $'000	Heritage and community assets $'000	Capital Works in Progress[(a)] $'000	Total $'000
Carrying amount at the beginning of the reporting period	**5,214,619**	**5,135,436**	**742,706**	**272,505**	**29,034**	**171,917**	**9,720,408**	**395,916**	**1,396,698**	**23,079,240**
Additions	1,364	544,762	46,289	180,493	24,540	20,547	186,161	27,243	1,146,510	**2,177,909**
Assets classified as held for sale	(9,182)	0	0	0	0	0	0	0	0	**(9,182)**
Revaluation adjustments	(20,892)	34,632	(307)	67	0	0	17,786	15,134	0	**46,420**
Depreciation	(309)	(206,070)	(55,291)	(74,323)	(16,332)	(17,412)	(213,900)	(28,003)	0	**(611,640)**
Disposals	(13,151)	(10)	0	(1,600)	(322)	0	0	(236)	0	**(15,319)**
Impairment gains on reversals/(losses) recognised in the Operating statement	0	(1,155)	0	(35)	0	0	(530)	1,387	0	**(333)**
Capital works in progress completed and transferred to another class of property, plant and equipment	0	0	0	0	0	0	0	0	(973,119)	**(973,119)**
Other movements/reclassifications	11,000	(19,521)	(26,713)	4,873	278	97	13,583	(15,360)	(4,700)	**(36,463)**
Carrying amount at the end of the reporting period	**5,183,449**	**5,488,074**	**706,684**	**381,980**	**37,198**	**175,150**	**9,723,508**	**396,081**	**1,565,389**	**23,657,513**
Carrying amount at the end of the reporting period is represented by:										
Gross book value	5,222,689	5,929,784	1,176,322	847,466	96,317	252,462	9,979,920	410,076	1,565,389	**25,480,425**
Accumulated depreciation	(39,240)	(440,111)	(469,638)	(465,422)	(59,119)	(77,312)	(249,986)	(13,995)	0	**(1,814,823)**
Accumulated impairment losses	0	(1,599)	0	(64)	0	0	(6,426)	0	0	**(8,089)**
Carrying amount at the end of the reporting period	**5,183,449**	**5,488,074**	**706,684**	**381,980**	**37,198**	**175,150**	**9,723,508**	**396,081**	**1,565,389**	**23,657,513**

Notes: (a) In last year's financial statements this note included a separate 'Reconciliation of capital works in progress' and a 'Reconciliation of capital works in progress amount from the notes to the amount on the face of the Balance sheet'. However, in this year's financial statements both reconciliations have been removed given the Capital works in progress line item on the face of the Balance sheet has been removed and a Capital works in progress column has been added to the 'Reconciliation of property, plant and equipment' above.

(b) Other movements/reclassifications largely reflects a reduction in right-of-use buildings due to a reassessment of the lease term for 21 Bowes Place Woden, immaterial adjustments to opening balances and reclassifications between classes of property, plant and equipment.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of property, plant and equipment - Total Territory

The following table shows the movement in each class of Property, Plant and Equipment during 2025-26.

	Land	Service Concession Land Assets	Buildings	Service Concession Building Assets	Right of Use Buildings	Plant and Equipment	Service Concession Plant and Equipment Assets	Right of use Plant and Equipment	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Capital Works in Progress[(a)]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**10,523,612**	**355,396**	**7,861,979**	**333,346**	**708,124**	**596,847**	**162,676**	**61,696**	**175,923**	**13,124,666**	**609,772**	**409,493**	**1,859,299**	**36,782,829**
Additions	13,752	0	5,638	0	45,367	30,573	0	10,374	2,065	42,672	0	406	1,529,896	**1,680,743**
Assets classified as held for sale	(33,734)	(1,838)	(3,113)	(426)	0	0	0	0	0	0	0	0	0	**(39,111)**
Revaluation adjustments	514,765	55,197	(119,079)	(52,878)	0	(2,441)	0	0	13,797	33,121	0	94,451	0	**536,933**
Depreciation	0	0	(286,292)	(9,666)	(56,953)	(109,942)	(5,789)	(22,755)	(14,906)	(294,437)	(13,911)	(28,798)	0	**(843,449)**
Disposals	(18,947)	0	(3,045)	0	0	(2,142)	0	(69)	(122)	(9,921)	0	(1,989)	(8,848)	**(45,083)**
Capital Works in Progress completed and transferred to another class of property, plant and equipment	19,030	0	402,906	4,008	0	117,620	0	12,656	6,284	187,496	0	19,044	(769,044)	**0**
Capital Works in Progress Recognised in a Prior Period but Expensed in the Current Period	0	0	0	0	0	0	0	0	0	0	0	0	(18,096)	**(18,096)**
Impairment (losses) recognised in the operating statement	0	0	0	0	0	(322)	0	0	(3)	0	0	0	0	**(325)**
Other movements/reclassifications[(b)]	84,900	1,743	5,717	862	(16,257)	21,672	0	1,091	673	(23,809)	0	(86,806)	1,074	**(9,140)**
Carrying amount at the end of the reporting period	**11,103,378**	**410,498**	**7,864,711**	**275,246**	**680,281**	**651,865**	**156,887**	**62,993**	**183,711**	**13,059,788**	**595,861**	**405,801**	**2,594,281**	**38,045,301**
Carrying amount at the end of the reporting period is represented by:														
Gross book value	11,103,378	410,498	8,143,167	300,676	1,008,353	1,120,514	165,618	154,452	243,451	13,738,994	609,772	437,262	2,594,281	**40,030,416**
Accumulated depreciation	0	0	(272,025)	(25,430)	(328,072)	(468,649)	(8,731)	(91,459)	(59,740)	(672,914)	(13,911)	(31,461)	0	**(1,972,392)**
Accumulated impairment losses	0	0	(6,431)	0	0	0	0	0	0	(6,292)	0	0	0	**(12,723)**
Carrying amount at the end of the reporting period	**11,103,378**	**410,498**	**7,864,711**	**275,246**	**680,281**	**651,865**	**156,887**	**62,993**	**183,711**	**13,059,788**	**595,861**	**405,801**	**2,594,281**	**38,045,301**

21 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 2024-25.

	Land	Service Concession Land Assets	Buildings	Service Concession Building Assets	Right of Use Buildings	Plant and Equipment	Service Concession Plant and Equipment Assets	Right of use Plant and Equipment	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Capital Works in Progress[(a)]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the reporting period	**10,547,853**	**380,493**	**7,402,039**	**326,761**	**744,967**	**388,528**	**210,794**	**52,521**	**173,013**	**12,870,206**	**534,711**	**407,733**	**1,740,010**	**35,779,629**
Additions	15,999	461	722,287	4,048	46,289	298,986	0	30,615	20,588	346,178	0	29,378	1,458,449	**2,973,278**
Assets classified as held for sale	(40,792)	(5,376)	(4,069)	(1,074)	0	0	0	0	0	0	0	0	0	**(51,311)**
Revaluation adjustments	(16,096)	(842)	34,919	19,719	(307)	(2,554)	(41,138)	0	0	164,831	111,212	15,134	0	**284,878**
Depreciation	(309)	0	(268,503)	(9,363)	(56,118)	(90,874)	(6,980)	(21,345)	(17,774)	(293,507)	(11,374)	(28,543)	0	**(804,690)**
Disposals	(15,598)	0	(8,427)	(1,179)	0	(1,757)	0	(372)	0	(667)	0	(236)	0	**(28,236)**
Impairment gains on reversals/(losses) recognised in the Operating statement	0	0	(241)	0	0	(35)	0	0	0	(530)	0	1,387	0	**581**
Capital works in progress completed and transferred to another class of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	(1,334,243)	**(1,334,243)**
Other movements/reclassifications	32,555	(19,340)	(16,026)	(5,566)	(26,707)	4,553	0	277	96	38,155	(24,777)	(15,360)	(4,917)	**(37,057)**
Carrying amount at the end of the reporting period	**10,523,612**	**355,396**	**7,861,979**	**333,346**	**708,124**	**596,847**	**162,676**	**61,696**	**175,923**	**13,124,666**	**609,772**	**409,493**	**1,859,299**	**36,782,829**
Carrying amount at the end of the reporting period is represented by:														
Gross book value	10,562,852	355,396	8,445,592	349,226	1,178,814	1,118,191	165,618	127,570	255,451	13,586,800	609,772	424,669	1,859,299	**39,039,250**
Accumulated depreciation	(39,240)	0	(577,086)	(15,880)	(470,690)	(521,280)	(2,942)	(65,874)	(79,528)	(455,708)	0	(15,176)	0	**(2,243,404)**
Accumulated impairment losses	0	0	(6,527)	0	0	(64)	0	0	0	(6,426)	0	0	0	**(13,017)**
Carrying amount at the end of the reporting period	**10,523,612**	**355,396**	**7,861,979**	**333,346**	**708,124**	**596,847**	**162,676**	**61,696**	**175,923**	**13,124,666**	**609,772**	**409,493**	**1,859,299**	**36,782,829**

Notes: (a) In last year's financial statements this note included a separate 'Reconciliation of capital works in progress' and a 'Reconciliation of capital works in progress amount from the notes to the amount on the face of the Balance sheet'. However, in this year's financial statements both reconciliations have been removed given the Capital works in progress line item on the face of the Balance sheet has been removed and a Capital works in progress column has been added to the 'Reconciliation of property, plant and equipment' above.

(b) Other movements/reclassifications largely reflects a reduction in right-of-use buildings due to a reassessment of the lease term for 21 Bowes Place Woden, immaterial adjustments to opening balances and reclassifications between classes of property, plant and equipment.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	General Government Sector		Total Territory	
	2025-26 $'000	2024-25 $'000	2025-26 $'000	2024-25 $'000
Depreciation expense (from Note 21 *Property, plant and equipment* above)	645,993	611,640	843,449	804,692
Amortisation expense (from Note 22 *Intangible assets*)	38,046	45,589	43,711	51,924
Total depreciation and amortisation expense on the Operating statement	**684,039**	**657,230**	**887,160**	**856,616**

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

	General Government Sector		Total Territory	
	2025-26 $'000	2024-25 $'000	2025-26 $'000	2024-25 $'000
Buildings	5,842,015	5,488,074	7,864,711	7,861,979
Service concession building assets	0	0	275,246	333,346
Right of use buildings	680,281	706,684	680,281	708,124
Plant and equipment	405,987	381,980	651,865	596,847
Service concession plant and equipment assets	0	0	156,887	162,676
Right of use plant and equipment	41,535	37,198	62,993	61,696
Leasehold improvements	183,092	175,150	183,711	175,923
Infrastructure assets	9,693,866	9,723,508	13,059,788	13,124,666
Service concession infrastructure assets	0	0	595,861	609,772
Heritage and community assets	391,431	396,081	405,801	409,493
Capital works in progress	2,104,002	1,565,389	2,594,281	1,859,299
Total produced property, plant and equipment on the Balance sheet	**19,342,209**	**18,474,064**	**26,531,425**	**25,903,821**
Land	5,449,071	5,183,449	11,103,378	10,523,612
Service concession land assets	0	0	410,498	355,396
Total non-produced property, plant and equipment on the Balance sheet	**5,449,071**	**5,183,449**	**11,513,876**	**10,879,008**
Total property, plant and equipment	**24,791,280**	**23,657,513**	**38,045,301**	**36,782,829**

FAIR VALUE HIERARCHY

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

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

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

Level 3 - inputs that are unobservable for particular assets or liabilities.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Details of the Territory Government's property, plant and equipment at fair value and information about the fair value hierarchy at 30 June 2026 and for the prior reporting period is provided below.

	Classification according to the fair value hierarchy			
General Government Sector - 2025-26	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Property, plant and equipment at fair value				
Land	0	1,913,638	3,534,385	**5,448,023**
Buildings[(a)]	0	81,916	5,760,099	**5,842,015**
Plant and equipment	0	3,268	20,526	**23,794**
Leasehold improvements	0	0	48,740	**48,740**
Infrastructure assets	0	(5)	9,693,871	**9,693,866**
Heritage and community assets	0	198,925	192,368	**391,293**
Total property, plant and equipment at fair value	**0**	**2,197,742**	**19,249,989**	**21,447,731**

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

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Total Territory - 2025-26	Classification according to the fair value hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Property, plant and equipment at fair value				
Land	0	7,551,735	3,550,595	**11,102,330**
Service concession land assets	0	410,498	0	**410,498**
Buildings[(a)]	0	2,053,385	5,811,326	**7,864,711**
Service concession building assets	0	170,003	105,243	**275,246**
Plant and equipment	0	3,405	265,775	**269,180**
Service concession plant and equipment assets	0	0	156,887	**156,887**
Leasehold improvements	0	0	48,881	**48,881**
Infrastructure assets	0	(5)	13,059,794	**13,059,789**
Service concession infrastructure assets	0	0	595,861	**595,861**
Heritage and community assets	0	198,945	206,276	**405,221**
Total property, plant and equipment at fair value	**0**	**10,387,966**	**23,800,638**	**34,188,604**

Total Territory - 2024-25	Classification according to the fair value hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Property, plant and equipment at fair value				
Land	0	7,173,309	3,349,925	**10,523,234**
Service concession land assets	0	355,396	0	**355,396**
Buildings	0	2,451,884	5,410,095	**7,861,979**
Service concession building assets	0	225,646	107,700	**333,346**
Plant and equipment	0	4,271	275,041	**279,312**
Service concession plant and equipment assets	0	0	162,676	**162,676**
Leasehold improvements	0	0	146,381	**146,381**
Infrastructure assets	0	616	13,086,349	**13,086,965**
Service concession infrastructure assets	0	0	609,772	**609,772**
Heritage and community assets	0	228,409	180,642	**409,051**
Total property, plant and equipment at fair value	**0**	**10,439,531**	**23,328,581**	**33,768,112**

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

Transfers between categories

Assets related to Exhibition Park, Manuka Oval land and land held by the City Renewal Authority were transferred from level 2 to level 3 during 2025-26 reflecting an increased use of significant unobservable inputs and professional judgement in determining fair value.

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

Valuation techniques, inputs and processes:

Level 2 valuation techniques and inputs

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

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

Level 3 valuation techniques and significant unobservable inputs

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

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

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

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

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

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

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

2025-26	Land $'000	Buildings $'000	Plant and Equipment $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**3,349,888**	**5,361,011**	**60,824**	**146,193**	**9,685,191**	**172,851**	**18,775,958**
Additions	0	319,732	1,412	2,584	178,679	18,590	**520,997**
Assets classified as held for sale	0	(416)	0	(93)	(1)	(6)	**(516)**
Revaluation (decrements) recognised in the Operating statement	(6,826)	0	0	0	0	0	**(6,826)**
Revaluation increments recognised in other comprehensive income	93,394	284,903	481	13,797	27,762	89,781	**510,118**
Transfers from level 2	25,110	0	40	0	0	11,760	**36,910**
Depreciation	0	(208,092)	(4,855)	(4,147)	(214,100)	(26,982)	**(458,176)**
Acquisition/(disposal) of assets	3,399	4,022	0	(29)	0	1,134	**8,526**
Other movements/reclassifications	69,420	(1,061)	(37,376)	(109,565)	16,340	(74,760)	**(137,002)**
Fair value at the end of the reporting period	**3,534,385**	**5,760,099**	**20,526**	**48,740**	**9,693,871**	**192,368**	**19,249,989**

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

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

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

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

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

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

2025-26	Land $'000	Buildings $'000	Service Concession Building Assets $'000	Plant and Equipment $'000	Service Concession Plant and Equipment Assets $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Service Concession Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**3,349,925**	**5,410,095**	**107,700**	**275,041**	**162,676**	**146,381**	**13,086,349**	**609,772**	**180,642**	**23,328,581**
Additions	0	320,771	0	2,529	0	2,584	229,014	0	19,048	**573,946**
Assets classified as held for sale	0	(416)	0	0	0	(93)	(1)	0	(6)	**(516)**
Revaluation increments/(decrements) recognised in the Operating statement	(6,826)	0	0	0	0	0	1,525	0	287	**(5,014)**
Revaluation Increments/(decrements) recognised in other comprehensive income	93,392	287,918	0	(2,791)	0	13,797	31,596	0	90,933	**514,845**
Transfers from level 2	41,285	89	0	40	0	0	0	0	16,532	**57,946**
Depreciation	0	(210,407)	(2,457)	(21,887)	(5,789)	(4,194)	(296,456)	(13,911)	(27,534)	**(582,635)**
Acquisition/(disposal) of assets	3,399	4,337	0	51,282	0	(29)	(7,890)	0	1,134	**52,233**
Other movements/reclassifications	69,420	(1,061)	0	(38,439)	0	(109,565)	15,657	0	(74,760)	**(138,748)**
Fair value at the end of the reporting period	**3,550,595**	**5,811,326**	**105,243**	**265,775**	**156,887**	**48,881**	**13,059,794**	**595,861**	**206,276**	**23,800,638**

21 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

FAIR VALUE HIERARCHY - CONTINUED

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

2024-25	Land $'000	Buildings $'000	Service Concession Building Assets $'000	Plant and Equipment $'000	Service Concession Plant and Equipment Assets $'000	Leasehold Improvements $'000	Infrastructure Assets $'000	Service Concession Infrastructure Assets $'000	Heritage and Community Assets $'000	Total $'000
Fair value at the beginning of the reporting period	**3,377,532**	**5,059,669**	**90,066**	**147,148**	**210,794**	**144,543**	**12,857,777**	**534,711**	**200,357**	**22,622,597**
Additions	0	585,651	0	142,551	0	16,395	256,844	0	29,340	**1,030,781**
Revaluation increments recognised in the Operating statement	0	5,641	0	0	0	0	145,897	0	17	**151,555**
Revaluation increments recognised in other comprehensive income	(22,875)	11,673	19,643	(2,548)	(41,138)	0	18,934	111,212	15,451	**110,352**
Transfers from/(to) level 2	(9,572)	(39,913)	0	(1,520)	0	0	0	0	(2,467)	**(53,472)**
Reversal of Impairment losses recognised in the Operating statement/(impairment losses)	0	0	0	0	0	0	(465)	0	27	**(438)**
Impairment losses recognised in other comprehensive income	0	0	0	0	0	0	(65)	0	0	**(65)**
Depreciation	(309)	(202,291)	(2,009)	(21,364)	(6,980)	(12,967)	(217,447)	(11,374)	(26,823)	**(501,564)**
Acquisition/(disposal) of assets	(201)	(5,073)	0	(885)	0	0	(667)	0	(13,668)	**(20,494)**
Other movements/reclassifications	5,350	(5,262)	0	11,659	0	(1,590)	25,541	(24,777)	(21,592)	**(10,671)**
Fair value at the end of the reporting period	**3,349,925**	**5,410,095**	**107,700**	**275,041**	**162,676**	**146,381**	**13,086,349**	**609,772**	**180,642**	**23,328,581**

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

22 INTANGIBLES

Description and material accounting policies relating to intangibles

The Territory Government has internally generated, externally purchased software and software works in progress. The internally generated software includes the Digital Health Record, finance system software, ACT Digital Account and Services, and iConnect Digital Platform, while externally purchased software includes Territory Revenue Software (TREV) and the Rego ACT system. Other intangibles include large-scale generation certificates held by the City and Environment Directorate. Software Works in Progress is software that is in the process of being developed and as such is not yet in use or available for use. That is, software which is not in a location and condition necessary for it to be capable of operating in a manner intended by management.

Recognition

Externally acquired software is recognised and capitalised when:

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

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

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

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

Software works in progress is recognised when expenditure incurred during the development phase meets the asset recognition criteria and is expected to generate future economic benefits or service potential.

Measurement

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

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

Amortisation

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

22 INTANGIBLES - CONTINUED

Description and material accounting policies relating to intangibles - continued

Amortisation - continued

Amortisation for intangible assets is determined as follows:

Class of Intangible Asset	Amortisation Method	Useful Life (Years)
Externally Purchased Software	Straight-line	2-20
Internally Generated Software	Straight-line	2-20
Externally Purchased Other Intangibles	Straight-line	3

Impairment

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

Impairment losses for intangible assets are recognised in the Operating Statement (see Note 15 'Waivers, impairment losses and write-offs'), as intangibles are carried at cost. The carrying amount of the intangible asset is reduced to its recoverable amount.

Large-scale generation certificates

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

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

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

In 2025-26, the Territory surrendered 2,115,816 certificates (2024-25: 1,970,313).

22 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - General Government Sector (GGS)

The following table shows the movement of each class of intangible assets held by the GGS during 2025-26.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**112,837**	**26,946**	**22,576**	**48,613**	**210,972**
Additions	50	199	17,967	25,740	**43,956**
Disposals	(157)	0	(18,749)	0	**(18,906)**
Amortisation	(29,747)	(8,223)	(76)	0	**(38,046)**
Revaluation (decrements)	0	0	(5,742)	0	**(5,742)**
Amortisation write back for asset disposals	0	0	0	0	**0**
Software works in progress completed and transferred to another class of intangible assets or property, plant and equipment	12,480	1,414	0	(13,895)	**0**
Assets transferred	5,570	(5,570)	(8,615)	8,615	**0**
Other changes[(a)]	(1)	1	8,615	(12,251)	**(3,636)**
Carrying amount at the end of the reporting period	**101,032**	**14,767**	**15,976**	**56,822**	**188,597**

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

Carrying amount at the end of the reporting period is represented by:					
Gross book value	301,884	116,781	16,052	56,822	491,539
Accumulated amortisation	(200,852)	(102,014)	(76)	0	(302,942)
Carrying amount at the end of the reporting period	**101,032**	**14,767**	**15,976**	**56,822**	**188,597**

22 INTANGIBLES - CONTINUED

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

The following table shows the movement of each class of intangible assets held by the GGS during 2024-25.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**124,138**	**30,353**	**42,044**	**76,335**	**272,870**
Additions	20,477	10,691	63,217	38,200	**132,585**
Disposals	(12,065)	(7,375)	(32,510)	0	**(51,950)**
Amortisation	(31,777)	(13,782)	0	0	**(45,559)**
Revaluation (decrements)	0	0	(50,147)	0	**(50,147)**
Amortisation write back for asset disposals	12,065	7,375	0	0	**19,440**
Software works in progress completed and transferred to another class of intangible assets or property, plant and equipment	0	0	0	(34,686)	**(34,686)**
Other changes	0	(314)	(31)	(31,233)	**(31,578)**
Carrying amount at the end of the reporting period	**112,837**	**26,946**	**22,576**	**48,613**	**210,972**
Carrying amount at the end of the reporting period is represented by:					
Gross book value	256,904	144,506	22,576	48,613	**472,599**
Accumulated amortisation	(144,067)	(117,560)	0	0	**(261,627)**
Carrying amount at the end of the reporting period	**112,837**	**26,946**	**22,576**	**48,613**	**210,972**

22 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - Total Territory

The following table shows the movement of each class of intangible assets held by the Territory Government during 2025-26.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**113,165**	**41,098**	**24,663**	**76,270**	**255,196**
Additions	50	224	17,967	30,996	**49,237**
Disposals	(157)	0	(18,749)	0	**(18,906)**
Amortisation	(29,843)	(13,792)	(76)	0	**(43,711)**
Revaluation (decrements)	0	0	(5,742)	0	**(5,742)**
Software works in progress completed and transferred to another class of intangible assets or property, plant and equipment	12,480	1,521	0	(14,002)	**0**
Assets Transferred	5,570	(5,570)	(8,615)	8,615	**0**
Other changes[(a)]	(1)	2	8,615	(12,251)	**(3,635)**
Carrying amount at the end of the reporting period	**101,264**	**23,483**	**18,063**	**89,627**	**232,437**

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

Carrying amount at the end of the reporting period is represented by:					
Gross book value	302,364	182,763	18,139	89,627	592,893
Accumulated amortisation	(201,100)	(159,280)	(76)	0	(360,456)
Carrying amount at the end of the reporting period	**101,264**	**23,483**	**18,063**	**89,627**	**232,437**

22 INTANGIBLES - CONTINUED

Reconciliation of intangible assets - Total Territory - continued

The following table shows the movement of each class of intangible assets held by the Territory Government during 2024-25.

	Internally generated software $'000	Externally purchased software $'000	Other intangibles $'000	Software works in progress $'000	Total intangible assets $'000
Carrying amount at the beginning of the reporting period	**124,562**	**50,265**	**44,131**	**96,634**	**315,592**
Additions	20,477	13,566	63,217	49,795	147,055
Disposals	(12,065)	(7,375)	(32,510)	0	(51,950)
Amortisation	(31,873)	(20,021)	0	0	(51,894)
Revaluation (decrements)	0	0	(50,147)	0	(50,147)
Amortisation write back for asset disposals	12,065	7,375	0	0	19,440
Software works in progress completed and transferred to another class of intangible assets or property, plant and equipment	0	0	0	(38,924)	(38,924)
Other changes[(a)]	0	(2,710)	(31)	(31,233)	(33,974)
Carrying amount at the end of the reporting period	**113,165**	**41,098**	**24,663**	**76,270**	**255,196**
Carrying amount at the end of the reporting period is represented by:					
Gross book value	257,622	210,355	24,663	76,270	568,910
Accumulated amortisation	(144,457)	(169,257)	0	0	(313,714)
Carrying amount at the end of the reporting period	**113,165**	**41,098**	**24,663**	**76,270**	**255,196**

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

LIABILITIES

23 ADVANCES RECEIVED

Description and material accounting policies relating to advances received

Advances received are interest-bearing liabilities comprising loans issued by the Commonwealth Government to the Territory Government at the time of self-government for policy purposes, including the provision of public housing under the Commonwealth State Housing Agreement. These loans are held to maturity and are initially measured at the fair value of the consideration received and at amortised cost subsequent to initial recognition using the effective interest rate method. The associated interest expense is recognised in the reporting period in which it occurs.

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Current advances from the Commonwealth Government	5,123	4,903	8,142	8,209
Non-current advances from the Commonwealth Government	26,146	31,269	48,595	56,737
Total advances received	**31,269**	**36,172**	**56,737**	**64,946**

24 LEASE LIABILITIES

Description and material accounting policies relating to lease liabilities

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

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

Territory Government as a lessee

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

24 LEASE LIABILITIES - CONTINUED

Description and material accounting policies relating to lease liabilities - continued

Territory Government as a lessee - continued

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

This involves an assessment of whether:

* the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;

* the Territory Government has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

* the Territory has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

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

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

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

Terms and conditions of leases

Motor vehicles	The Territory Government holds numerous motor vehicle and bus leases whose term duration vary. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses.
Plant and equipment	Leases for plant and equipment have lease terms which vary from 3-10 years and there is generally no extension or renewal options. Where the lease contains a purchase option, the purchase price is included in the lease liability where the Territory believes it is reasonably certain that the purchase option will be exercised.

24 LEASE LIABILITIES - CONTINUED

Description and material accounting policies relating to lease liabilities - continued

Territory Government as a lessee - continued

Terms and conditions of leases - continued

Public Private Partnership (PPP)	The Territory Government has entered into a PPP agreement with Juris Partnership for the design, construction and financing of the Supreme Court and Magistrates Court buildings as well as the subsequent provision of facilities management and support services. The Territory Government determined that this arrangement was not a service Concession Arrangement under AASSB 1059 'Service Concession Arrangements: Grantors' but instead the arrangement fell within the requirements of the leasing standard (AASB 16: 'Leases'). The Commercial Acceptance for Stage 1 occurred on 8 October 2018 and Stage 2 was completed in January 2020. The Territory Government has recognised a lease liability and leased asset since 2018-19 in line with staged completion. The finance lease term will expire in 2043.
Building leases - office buildings	The Territory Government has 32 leases for office buildings with lease terms of up to 30 years, including lease extension options that are likely to be exercised. The leases have varying terms, escalation clauses and renewal rights in order to provide flexibility to the Territory Government and the extension options are exercisable only by the Territory Government. There are conditions in the lease agreements requiring the Territory Government to restore the site which the lease building is situated. The leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.
ICT equipment	The Territory Government has numerous leases for ICT equipment which have been assessed as low value assets with no lease liability recognised. The cost of these leases are recognised as an expense in the Operating statement when incurred.

24 LEASE LIABILITIES - CONTINUED

Description and material accounting policies relating to lease liabilities - continued

Territory Government as a lessee - continued

Extension options

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

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

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

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

Exemptions to lease accounting

The Territory has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets.

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

24 LEASE LIABILITIES - CONTINUED

Description and material accounting policies relating to lease liabilities - continued

Territory Government as a lessee - continued

	2025-26 $'000	2024-25 $'000
Current lease liabilities - General Government Sector		
Motor vehicles	18,296	14,601
Plant and equipment	4,459	136
Building leases - office buildings	48,853	56,092
Public Private Partnership (PPP)	0	3,954
ICT equipment	0	15
Total current lease liabilities	**71,609**	**74,798**
Non-current lease Liabilities - General Government Sector		
Motor vehicles	23,762	23,811
Plant and equipment	190	257
Building leases - office buildings	754,621	764,889
Public Private Partnership (PPP)	142,652	146,923
ICT equipment	0	6
Total non-current lease liabilities	**921,225**	**935,886**
Total lease liabilities General Government Sector	**992,834**	**1,010,684**
Current lease liabilities - Total Territory		
Motor vehicles	22,617	17,074
Plant and equipment	4,459	1,714
Building leases - office buildings	48,853	56,092
Public Private Partnership (PPP)	0	3,954
ICT equipment	0	15
Total current lease liabilities	**75,930**	**78,849**
Non-current lease liabilities - Total Territory		
Motor vehicles	43,176	29,870
Plant and equipment	190	14,629
Building leases - office buildings	754,621	766,344
Public Private Partnership (PPP)	142,652	146,923
ICT equipment	0	6
Total non-current lease liabilities	**940,639**	**957,772**
Total lease liabilities Total Territory	**1,016,569**	**1,036,621**

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - continued

Reconciliation of lease liabilities - General Government Sector

	2025-26 $'000	2024-25 $'000
Opening balance of lease liabilities	1,010,684	1,036,615
Add: additional lease liabilities taken up in the current reporting period	68,479	72,354
Less: derecognised on early termination	18,280	34,651
Less: payments to reduce the principal of the liability	68,049	63,634
Closing balance of lease liabilities	**992,834**	**1,010,684**

Reconciliation of lease liabilities - Total Territory

Opening balance of lease liabilities	1,036,621	1,061,557
Add: additional lease liabilities taken up in the current reporting period	70,015	80,905
Less: derecognised on early termination	18,280	34,651
Less: payments to reduce the principal of the liability	71,787	71,190
Closing balance of lease liabilities	**1,016,569**	**1,036,621**

Lease liabilities - General Government Sector

The maturity analysis of lease liabilities at 30 June 2026 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet $'000
	94,644	321,705	837,288	**1,253,637**	992,834

The maturity analysis of lease liabilities at 30 June 2025 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet $'000
	87,430	281,224	765,907	**1,134,561**	1,010,684

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - continued

Lease liabilities - Total Territory

The maturity analysis of lease liabilities at 30 June 2026 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet $'000
	100,044	341,096	840,032	**1,281,172**	1,016,569

The maturity analysis of lease liabilities at 30 June 2025 based on contractual undiscounted cash flows is shown in the table below.

	<1 year $'000	1 - 5 years $'000	>5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in the Balance Sheet $'000
	91,963	301,977	769,122	**1,163,062**	1,036,621

Operating statement - General Government Sector

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

	2025-26 Actual $'000	2024-25 Actual $'000
Depreciation on right of use assets	75,241	71,623
Interest on lease liabilities	20,575	18,611
Variable lease payments based on usage not included in the lease liability	1,043	972
Expenses relating to short term leases	0	0
Expenses relating to low value leases	1,035	8,177

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessee - continued

Operating statement - Total Territory

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

	2025-26 Actual $'000	2024-25 Actual $'000
Depreciation on right of use assets	79,708	77,463
Interest on lease liabilities	23,175	19,199
Variable lease payments based on usage not included in the lease liability	1,043	972
Expenses relating to short term leases	0	14
Expenses relating to low value leases	1,035	8,177

Statement of cash flows - General Government Sector

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

	2025-26 Actual $'000	2024-25 Actual $'000
Repayment of lease liabilities – principal	68,049	63,634

Territory Government as a lessor

Statement of cash flows - Total Territory

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

	2025-26 Actual $'000	2024-25 Actual $'000
Repayment of lease liabilities – principal	71,787	71,190

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

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

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessor - continued

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

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

Description	Lease type	Type
The GGS leases office accommodation to other Public Non-Financial Corporations Sector agencies and commercial and community organisations. These leases have been classified as operating leases as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	Operating	Office accommodation

Operating leases

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

The amounts recognised in the Operating statement relating to operating leases where the Territory Government is a lessor are shown below.

Operating leases - General Government Sector

	2025-26 Actual $'000	2024-25 Actual $'000
Lease income (excluding variable lease payments not dependent on an index or rate)	11,101	19,747
Lease income relating to variable lease payments not dependent on an index or a rate	0	123
Total income relating to operating leases	**11,101**	**19,870**

24 LEASE LIABILITIES - CONTINUED

Territory Government as a lessor - continued

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

	2025-26 Actual $'000	2024-25 Actual $'000
>1 year	10,016	10,343
Between 1 -5 years	14,223	28,827
Greater than 5 years	44,013	11,656
Total	**68,252**	**50,826**

Operating leases - Total Territory

	2025-26 Actual $'000	2024-25 Actual $'000
Lease income (excluding variable lease payments not dependent on an index or rate)	7,361	14,852
Lease income relating to variable lease payments not dependent on an index or a rate	0	123
Total income relating to operating leases	**7,361**	**14,975**

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

	2025-26 Actual $'000	2024-25 Actual $'000
>1 year	7,022	5,969
Between 1 -5 years	11,893	28,220
Greater than 5 years	43,376	11,594
Total	**62,291**	**45,783**

25 OTHER BORROWINGS

Description and material accounting policies relating to other borrowings

Interest-bearing liabilities

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

Borrowing costs

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Current borrowings				
Banks and financial institutions[(a)]	0	0	0	42,308
Bonds and bills[(b)]	0	1,015,028	0	1,015,028
Service concession arrangements financial liability	3,123	949	17,235	14,236
Total current borrowings	***3,123***	***1,015,977***	***17,235***	***1,071,572***
Non-current borrowings				
Bonds and bills[(c)]	15,364,546	12,356,333	15,364,546	12,356,333
Service concession arrangements financial liability[(d)]	457,216	214,839	688,713	460,448
Total non-current borrowings	***15,821,762***	***12,571,172***	***16,053,259***	***12,816,781***
Total other borrowings	**15,824,885**	**13,587,149**	**16,070,494**	**13,888,353**

Notes: (a) The Total Territory decrease reflects changes in the financing arrangements of both the Suburban Land Agency (SLA) and the City Renewal Authority (CRA) during 2025-26. SLA maintained sufficient cash balances and therefore did not require borrowings. CRA previously received financing of $16.75 million (plus notional interest) through the upfront payment for the sale of land to the Australian National University. The financial liability was extinguished during the reporting period as the associated performance obligations were satisfied and revenue was recognised.

(b) The decrease is due to no maturing borrowings in 2026-27.

(c) The increase is due to the net increase in new fixed rate borrowings issued during the year, being new $3.1 billion face value, offset by the repayment of $500 million of electronic promissory notes in December 2025 and $525 million in fixed rate bonds in May 2026. The higher level of borrowings are to support the Territory's prevailing cash flow requirements.

(d) The increase largely reflects service concession financial liabilities in relation to the Light Rail Stage 2A project and the Materials Recovery Facility.

26 SUPERANNUATION

Description and material accounting policies relating to superannuation

Superannuation

The Territory Government recognises its superannuation liability in respect of current and former employees who are members of Commonwealth Government defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). The total superannuation liability represents the estimated financial obligation of the Territory to make payments to the Commonwealth Government in respect of superannuation arising from Territory Government employment.

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

The CSS and PSS are types of defined benefit superannuation schemes, in which some or all of the benefits payable to members are defined in advance according to a set of formulas which are linked to factors such as years of service, final average salary and level of individual member contribution over time. The defined benefit superannuation liability is valued on an annual basis using the most recent financial and demographic assumptions and membership data. The employer financed component of entitlements is unfunded and is not required to be paid until a member receives their benefit entitlement. As the employer financial obligations may be settled many years in the future, the estimated financial obligation is measured on a discounted basis. The ultimate cost of the financial obligation will be influenced by many factors and actuarial assumptions of future events that are required to measure the liability and expense.

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

The Territory has applied significant judgments based on information provided by Willis Towers Watson (appointed actuary) in estimating the CSS/PSS defined benefit employer superannuation liability as at 30 June 2026. The estimated liability for these benefits requires consideration of both financial assumptions including salary inflation, CPI and discount rate as well as demographic assumptions including the number of active contributors, deferred beneficiaries and pensioners, experience of employee resignations, retrenchment and retirement, experience of employee death and invalidity, longevity, and final retirement benefit stream election (lump sum, pension or both).

The carrying amount of the estimated superannuation liability is based on estimates and assumptions of future events. The actuarial assumptions are the best estimates of the variables that will determine the ultimate cost of providing post-employment benefits.

Data

The estimate of the superannuation liability incorporates Territory Government employee CSS/PSS membership data at 30 June 2025 with the Commonwealth Superannuation Corporation supplying data of those members who are currently employed by the Territory Government (Group A) and those members who are not currently employed by the Territory Government (Group B).

As the CSC is unable to provide membership data at 30 June 2026 in time for the valuation of the estimated superannuation liability at 30 June 2026, the valuation estimate incorporates membership data at 30 June 2025, but projected forward to 30 June 2026 using a projected unit credit valuation approach. This allows for projected service and salaries at 30 June 2026, expected exits over the 2025-26 financial year, actual crediting rates on member and productivity accounts to 30 June 2026, as well as actual pension indexation rates.

26 SUPERANNUATION - CONTINUED

Description and material accounting policies relating to superannuation - continued

Method

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

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

Limitations in salary and membership data

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

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

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

Demographic assumptions

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

Financial assumptions	2026	2025
Discount rate	5.24%	4.80%
Salary inflation	3.00%	3.00%
Consumer Price Index (CPI)	2.50%	2.50%

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

Sensitivity

The following sensitivity analysis is based off the liability valuation at 30 June 2026, which incorporated a discount rate of 5.24 per cent, and the liability valuation at 30 June 2025, which incorporated a discount rate of 4.80 per cent.

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

26 SUPERANNUATION - CONTINUED

Liability valuation sensitivity analysis as at 30 June 2026

Financial assumptions		
Discount rate (+/- 1 per cent)	(1,294,000)	1,609,000
CPI (+/- 1 per cent)	1,282,000	(1,078,000)
Salary inflation (+/- 1 per cent)	266,000	(243,000)
Demographic assumptions		
PSS pensioner election rate (+/- 5 per cent)	125,000	(126,000)

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

	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Superannuation liability at the beginning of the reporting period	**10,699,327**	**10,499,497**	**10,699,327**	**10,499,497**
Expense accrued during the period for CSS/PSS superannuation expense	665,373	668,693	665,373	668,693
Other superannuation expenses	398,525	349,726	428,610	375,415
Superannuation expense	**1,063,898**	**1,018,419**	**1,093,983**	**1,044,108**
Less: actuarial gain from actuarial review	460,992	27,388	460,992	27,388
Less: payments during the reporting period for superannuation	861,807	793,006	881,330	822,180
Plus: amounts recognised as employee benefits	446	1,805	(10,116)	5,290
Superannuation liability at the end of the reporting period	**10,440,872**	**10,699,327**	**10,440,872**	**10,699,327**
Represented by:				
Current estimated employee superannuation liability	479,372	451,859	479,372	451,859
Non-current estimated employee superannuation liability	9,961,500	10,247,468	9,961,500	10,247,468
Total superannuation liabilities	**10,440,872**	**10,699,327**	**10,440,872**	**10,699,327**

27 EMPLOYEE BENEFITS

Description and material accounting policies relating to employee benefits

Accrued wages and salaries

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

27 EMPLOYEE BENEFITS - CONTINUED

Description and material accounting policies relating to employee benefits - continued

Annual and long service leave

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period, when the employees render the service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual and long service leave are estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. Annual leave liabilities are estimated on the assumption that they will be wholly settled within three years. At 30 June 2026, the rate used to estimate the value of future payments for long service leave is 95.5 per cent for not-for-profit agencies (100.1 per cent at 30 June 2025). The rate used to estimate the future payments of annual leave is 98 per cent for not-for-profit agencies at 30 June 2026 (99.5 per cent at 30 June 2025).

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 (i.e. 7 years for employees under 55 years and 1 year for employees 55 years or older), the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

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

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

Significant judgments have been applied in estimating the annual and long service leave liabilities given the Territory uses a present value factor, a probability factor and an on-cost factor in measuring these liabilities. These factors are based on an actuarial review which is undertaken once every three years by the Australian Government Actuary. The latest assessment was undertaken in December 2024 and early 2025, with the next review expected to be undertaken by late 2027.

27 EMPLOYEE BENEFITS - CONTINUED

Flextime liability

The Flextime liability is expected to be settled within 12 months and is measured at nominal value using expected remuneration rates at settlement. It is estimated using the Whole-of-Government Flextime Shorthand Method, which applies a maximum flextime entitlement based on normal weekly hours of duty to eligible employees, reflecting the amount payable on cessation under the relevant Enterprise Agreements.

The flextime liability is classified as a current liability as the Territory cannot unconditionally defer its settlement for at least 12 months.

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Employee benefits				
Current employee benefits				
Accrued wages and salaries	158,013	153,879	169,755	163,763
Annual leave[(a)]	504,428	476,371	540,144	506,930
Long service leave	580,823	570,957	621,838	616,565
Flextime	27,671	29,323	29,123	30,570
Other employee benefits[(b)]	32,997	25,866	37,821	27,202
Total current employee benefits	***1,303,932***	***1,256,396***	***1,398,681***	***1,345,030***
Non-current employee benefits				
Long service leave	77,449	73,016	82,995	78,319
Other employee benefits	17	9	17	9
Total non-current employee benefits	***77,466***	***73,025***	***83,012***	***78,328***
Total employee benefits	**1,381,398**	**1,329,421**	**1,481,693**	**1,423,358**
Estimated amount payable within 12 months				
Accrued wages and salaries	159,357	155,028	171,099	164,471
Annual leave	289,932	278,105	315,622	298,538
Sick leave	0	0	1,413	1,283
Long service leave	54,887	54,604	70,269	74,843
Flextime	27,671	29,323	29,123	30,570
Other employee benefits	34,630	28,112	38,041	28,165
Total employee benefits payable within 12 months	**566,477**	**545,172**	**625,567**	**597,870**
Estimated amount payable after 12 months				
Annual leave	212,454	195,821	222,482	205,949
Long service leave	602,467	588,428	633,644	619,539
Total employee benefits payable after 12 months	**814,921**	**784,249**	**856,126**	**825,488**
Total employee benefits	**1,381,398**	**1,329,421**	**1,481,693**	**1,423,358**

Notes: (a) The increase is mainly due to higher staffing levels and pay rises. The increase was partially offset by the decrease in the annual leave present value factor from 99.5 per cent at 30 June 2025 to 98.0 per cent at 30 June 2026.

(b) The increase is primarily due to higher staffing levels.

The General Government Sector had approximately 28,788 full time equivalent employees (FTEs) as at 30 June 2026 (28,180 FTEs as at 30 June 2025). The Territory had approximately 30,846 FTEs as at 30 June 2026 (30,245 FTEs as at 30 June 2025).

28 PAYABLES AND CONTRACT LIABILITIES

Description and material accounting policies relating to payables and contract liabilities

Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating statement.

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

Contract liabilities

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

Contract liabilities arising from contracts with customers

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

	General Government Sector		Total Territory	
	2025-2026 Actual $'000	2024-2025 Actual $'000	2025-2026 Actual $'000	2024-2025 Actual $'000
Current Payables and Contract Liabilities				
Current payables				
Trade payables	129,223	155,986	139,846	165,807
Accrued expenses	244,433	209,218	323,978	266,663
GST liability	414	2,330	414	3,312
Revenue received in advance	1,974	1,771	1,974	2,721
Other payables	30,719	45,529	89,445	71,223
Total current payables	**406,763**	**414,834**	**555,657**	**509,726**
Current contract liabilities				
Amounts received related to contracts with customers where the performance obligations have not yet been satisfied	50,696	51,365	85,785	82,342
Rent received in advance	534	13,083	534	8
Total current contract liabilities	**51,230**	**64,448**	**86,319**	**82,350**
Total current payables and contract liabilities	***457,993***	***479,282***	***641,976***	***592,076***
Non-current payables				
Other payables	0	0	1,090	1,554
Total non-current payables	**0**	**0**	**1,090**	**1,554**

28 PAYABLES AND CONTRACT LIABILITIES - CONTINUED

	General Government Sector		Total Territory	
	2025-2026 Actual $'000	2024-2025 Actual $'000	2025-2026 Actual $'000	2024-2025 Actual $'000
Non-current contract liabilities				
Amounts received related to contracts with customers where the performance obligations have not yet been satisfied	0	0	24,693	26,005
Total non-current contract liabilities	**0**	**0**	**24,693**	**26,005**
Total non-current payables and contract liabilities	***0***	***0***	***25,783***	***27,559***
Total payables and contract liabilities	**457,993**	**479,282**	**667,759**	**619,635**
Payables are aged as follows:				
Not overdue	396,679	403,240	537,768	499,827
Overdue for less than 30 days	5,103	10,485	13,576	10,322
Overdue for 30 to 60 days	4,236	525	4,477	528
Overdue for more than 60 days	745	584	926	603
Total payables	**406,763**	**414,834**	**556,747**	**511,280**

	General Government Sector		Total Territory	
	2025-2026 Actual	2024-2025 Actual	2025-2026 Actual	2024-2025 Actual
Reconciliation of contract liabilities	**$'000**	**$'000**	**$'000**	**$'000**
Contract liabilities at the beginning of the reporting period	**64,448**	**55,785**	**108,355**	**89,885**
Add: payments received for performance obligations which have not yet been completed at the end of the reporting period	47,448	100,763	59,341	105,437
Less: revenue recognised for performance obligations which had been completed during the year	(60,666)	(92,100)	(56,684)	(86,967)
Contract liabilities at the end of the reporting period	**51,230**	**64,448**	**111,012**	**108,355**

29 COMMITMENTS

Description and material accounting policies relating to commitments

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

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

CAPITAL COMMITMENTS

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

29 COMMITMENTS - CONTINUED

CAPITAL COMMITMENTS - CONTINUED

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25[(a)] Actual $'000	2025-26 Actual $'000	2024-25[(a)] Actual $'000
Payable:				
Within one year	561,316	718,325	674,097	1,301,021
Later than one year but not later than five years	188,336	155,799	514,030	164,126
Later than five years	576	436	576	436
Total property, plant and equipment capital commitments[(b)]	**750,228**	**874,560**	**1,188,703**	**1,465,583**

Notes: (a) Comparative capital commitments for 2024-25 have been restated to correct a formula error that resulted in an overstatement of the previously reported amount.

(b) The decrease is mainly due to the progression of Tier 1 (high risk, high value or complex projects), Tier 2 (medium risk or moderately complex) capital works projects, including Watson Health Hub and Conder Health Centre, alongside the progressive delivery of the ticketing system and completion of the 90-bus procurement contracts.

PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS

The Territory has PPP Commitments that relate to both Service Concession Arrangements and Non-Service Concession Arrangements. Both these types of PPP Commitments are outlined below.

PPP commitments relating to non-service concession arrangements

During 2015, the Territory entered into a PPP arrangement which will run for 25 years and therefore expires in August 2043. The arrangement involves a private sector consortium financing, constructing, maintaining and operating the ACT Law Court facilities. The Territory will make service payments over the life of the arrangement, intended to cover the costs incurred by the consortium. There are no extension rights included under the arrangement. At the end of the arrangement, the buildings will become Territory assets. Further details on the commitments associated with the ACT Law Court facilities can be found in Note 22 'Capital and Other Expenditure Commitments' of the Justice and Community Safety Directorate financial statements.

PPP commitments relating to service concession arrangements

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

29 COMMITMENTS - CONTINUED

PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS - CONTINUED

On 14 December 2023, the Territory (grantor) entered into a contract with Canberra Metro 2A Pty Ltd (Canberra Metro 2A) and Canberra Metro Pty Limited (Canberra Metro) for the delivery of Light Rail Stage 2A as an augmentation to the existing Light Rail Stage 1 Project Agreement. Canberra Metro 2A will finance, design, build, test and commission the Light Rail Stage 2A project as an extension to the existing light rail network from Canberra's central business district at Alinga Street to Commonwealth Park. Further details on the commitments associated with the Canberra Metro 2A can be found in Note 21 'Commitments' of the Transport Canberra Operations financial statements and Note 25 of the Infrastructure Canberra financial statements.

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Payable:				
Within one year	37,362	31,007	75,271	71,252
Later than one year but not later than five years	364,964	582,121	535,833	745,055
Later than five years	993,613	1,099,154	1,378,299	1,529,684
Total public private partnership commitments[(a)]	**1,395,939**	**1,712,282**	**1,989,403**	**2,345,991**

Note: (a) The decrease is mainly due to the progression of capital works for Light Rail Stage 2A and the reduction of one year remaining under the PPP contract for the ACT Law Court facilities.

OTHER COMMITMENTS

These commitments include contracts for the ACT Policing agreement, National Disability Insurance Scheme contribution, investment capital subscription agreements and deeds to subscribe for securities in accordance with the terms of the relevant Constituent Documents, economic development grant programs, repairs and maintenance, grants and purchased services to Non-Government Organisations and software licences and ICT support and maintenance.

29 COMMITMENTS - CONTINUED

OTHER COMMITMENTS - CONTINUED

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25[(a)] Actual $'000	2025-26 Actual $'000	2024-25[(a)] Actual $'000
Payable:				
Within one year	1,464,066	1,572,583	1,522,414	1,727,528
Later than one year but not later than five years	1,603,719	2,110,410	1,745,514	2,154,560
Later than five years	699,714	781,448	708,871	798,060
Total other commitments[(b)]	**3,767,499**	**4,464,441**	**3,976,799**	**4,680,148**

Notes: (a) Comparative other commitments for 2024-25 have been restated to correct a formula error that resulted in an overstatement of the previously reported amount.

(b) The decrease is mainly due to lower outstanding investment capital commitments held by Territory Banking Account and lower Infrastructure Canberra commitments relating to office accommodation, ICT support and maintenance, and cladding remediation contracts.

30 CONTINGENCIES, GUARANTEES AND INDEMNITIES

Description and material accounting policies relating to contingencies, guarantees and indemnities

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

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Contingent liabilities				
Land restoration[(a)]	134,610	59,308	134,610	59,308
Personal injury claims	28,782	30,280	28,782	30,280
Taxation and other related claims	802	451	802	451
Public liability claims	7,828	2,365	8,438	2,895
Economic loss claims	6,093	10,152	6,373	10,172
Professional development training funds	920	859	920	859
Total contingent liabilities	**179,035**	**103,415**	**179,925**	**103,965**
Contingent assets				
Property damage claims	2,569	3,559	2,569	3,559
Other	66	0	66	0
Total contingent assets	**2,635**	**3,559**	**2,635**	**3,559**

Note: (a) The increase in the number of contaminated sites, and the corresponding increase in the estimated contingent liability, is primarily attributable to a revised assessment methodology.

30 CONTINGENCIES, GUARANTEES AND INDEMNITIES - CONTINUED

Description and material accounting policies relating to contingencies, guarantees and indemnities - continued

Contingent liabilities of the GGS and the Total Territory as at 30 June 2026 include:

Land restoration : the Territory Government manages 318 sites that contain contaminated materials. The contamination includes fuel tanks, sheep dips, chemical contaminations, asbestos and other hazardous materials. Remediation of these sites is contingent on various factors.

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

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

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

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

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

The Territory has a number of bank guarantees provided by the ActewAGL partnerships for the normal operations of Icon Water Limited's business. Each of the partners in the ActewAGL Partnerships is jointly and severally liable for the debts of the partnership.

31 THIRD PARTY MONIES

Description and material accounting policies relating to third party monies

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Third party monies held in trust by the Territory				
ACT Long Service Leave Authority	97,779	92,313	97,779	92,313
Rental Bonds Board	119,128	116,064	119,128	116,064
Default Insurance Fund	64,887	58,855	64,887	58,855
Nominal Defendant Insurance Fund	54,955	49,244	54,955	49,244
Road User Services Trust	7,757	6,558	7,757	6,558
Health Private Practice Fund	80,520	94,874	80,520	94,874
Public Trustee Common Fund	565,820	502,067	565,820	502,067
Unconditional undertakings held from contractors[(a)]	115,965	178,158	115,965	178,158
Other third party monies	16,251	17,003	16,251	17,003
Total monies held in trust	**1,123,062**	**1,115,136**	**1,123,062**	**1,115,136**

Note: (a) The decrease is due to a review of contractor security balances and reporting classifications to ensure the disclosure appropriately reflects active bank guarantees and excludes cash-backed security balances.

32 RELATED PARTY DISCLOSURES

Description and material accounting policies relating to related party disclosures

A related party is a person that controls or has significant influence over the Territory Government, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

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

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

Key management personnel compensation

KMP compensation is set out below:

	2025-26	2024-25
	$'000	$'000
Short-term employee benefits	2,967	2,982
Post employment benefits	451	453
Termination benefits	0	101
Total compensation	**3,418**	**3,536**

Note: (a) The number of Territory Key Management Personnel (KMP) reported for 2025-26 is 8, the number of KMP reported for 2024-25 was 12.

Related party transactions

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

33 INTEREST IN JOINT ARRANGEMENTS

Description and material accounting policies relating to interest in joint arrangements

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

33 INTEREST IN JOINT ARRANGEMENTS - CONTINUED

Description and material accounting policies relating to interest in joint arrangements - continued

Joint ventures

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

Joint operations

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

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

Joint venture – General Government Sector (GGS)

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

Joint venture – Total Territory

Icon Water, through its wholly-owned subsidiaries, Icon Distribution Investments Limited and Icon Retail Investments Limited, is a 50 per cent partner in the ActewAGL Joint Venture. Icon Distribution Investments Limited has entered into a joint venture partnership with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the ACT, Queanbeyan and Nowra gas networks. Icon Retail Investments Limited has entered into a joint venture partnership with AGL ACT Retail Investments Pty Ltd to manage the retail operations of the ACT electricity and gas networks.

33 INTEREST IN JOINT ARRANGEMENTS - CONTINUED

Description and material accounting policies relating to interest in joint arrangements - continued

Joint operation – Total Territory - continued

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Share of joint arrangement profit:				
Revenue	212	165	525,190	508,243
Expenses	388	179	420,514	406,352
Operating profit / (Loss)	**(176)**	**(14)**	**104,676**	**101,891**
Summarised Balance Sheet				
Current assets	28	113	227,568	216,061
Non-current assets	4,167	3,855	996,763	975,893
Total assets	**4,195**	**3,968**	**1,224,331**	**1,191,954**
Current liabilities	5	3	161,755	148,981
Non-current liabilities	0	0	62,588	55,054
Total liabilities	**5**	**3**	**224,343**	**204,035**
Total net assets	**4,190**	**3,965**	**999,988**	**987,919**
Share of joint arrangements commitments				
Capital and other commitments	0	0	6,690	9,032
Total share of joint arrangements commitments	**0**	**0**	**6,690**	**9,032**

34 AUDITOR'S REMUNERATION

Description and material accounting policies relating to auditor's remuneration

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

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

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

	General Government Sector		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Audit services paid or payable				
Financial audit service provided to the General Government Sector and Total Territory	5,234	5,008	6,321	5,905
Other service provided to external parties	1,219	1,250	1,219	1,250
Total Auditor's remuneration	**6,453**	**6,258**	**7,540**	**7,155**

The ACT Audit Office paid $18,600 including GST for the independent audit of its own 2025-26 financial statements (2024-25: $17,600 including GST).

No other services were provided by the ACT Audit Office.

35 EVENTS AFTER THE REPORTING PERIOD

Lifetime Care and Support Scheme

There was one potential participant who had not yet been assessed for acceptance into the Lifetime Care and Support (LTCS) Scheme as at 30 June 2026. At the date of signing of the financial statements this person had been assessed to be eligible and had been accepted into the LTCS Scheme.

An estimated average cost for the relevant injury and age of the potential participant is included (on a proportionate basis to allow for the probability of their acceptance into LTCS Scheme) in the provision for treatment and care costs at 30 June 2026. The estimate is based on the same economic assumptions applied by the actuary in estimating the provision for the current scheme participants as at 30 June 2026.

Suburban Land Agency

On 10 July 2026 the SLA entered into a contract with the CSIRO to purchase land at Ginninderra East for an acquisition price of $385 million including GST.

Public Sector Workers Compensation Fund

The Territory has applied for an extension of its self-insurance licence, which is due to expire on 28 February 2027. The Safety, Rehabilitation and Compensation Commission considered the extension against the endorsed timeframes and protocols at its meeting on 17 September 2026. While outcomes from the meeting have not been announced at the reporting date, there are currently no matters indicating that the extension may not be granted based on the Territory's history of compliance with its licence conditions and ongoing engagement with Comcare.

36 FINANCIAL INSTRUMENTS

Description and material accounting policies relating to financial instruments

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

Financial assets are those that derive value because of a contractual claim. The Territory Government's financial assets comprise of cash and deposits, advances paid, receivables and financial investments. Advances paid include concessional loans such as the Sustainable Household Scheme and Icon Water loans. For further information on advances paid, refer to Note 18 'Advances paid'.

Other financial assets include derivative financial instruments arising from an arrangement whereby the Territory receives 50 per cent of the net revenue generated by the operation of a Battery Energy Storage System (BESS) asset in exchange for fixed quarterly payments to Williamsdale BESS Project Co Pty Ltd, as trustee for the Williamsdale BESS Project Trust. The arrangement is classified as a fixed for variable revenue swap and is measured at fair value through profit or loss in accordance with AASB 9: 'Financial Instruments' (AASB 9).

36 FINANCIAL INSTRUMENTS

Description and material accounting policies relating to financial instruments - continued

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

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

The most significant investments and cash and deposits of the GGS and Territory are the investments and cash held by the Territory Banking Account. A significant portion of these investments are maintained for the purpose of managing the Territory's employee superannuation liability. For further information on investments and loans, refer to Note 19 'Investments'.

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

The following represents the classification of the Territory Government's financial assets under AASB 9.

Items	Business model held to collect principal and interest/sell	Solely for payment of principal and interest SPPI test (basic lending characteristics)	Classification
Cash and deposits	Held to collect	Yes	Amortised cost
Advances paid	Held to collect	Yes	Amortised cost
Receivables	Held to collect	Yes	Amortised cost
Investments	Held to collect/sell	No	Fair value through profit or loss
Other financial assets	Not applicable	No	Fair value through profit or loss

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

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

Interest rate risk

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

36 FINANCIAL INSTRUMENTS - CONTINUED

Description and material accounting policies relating to financial instruments - continued

Interest rate risk - continued

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

Sensitivity analysis is performed on directly held debt securities of investments and variable rate borrowings.

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

	Fixed rate instruments		Variable rate instruments	
	2025-26 $'000	2024-25 $'000	2025-26 $'000	2024-25 $'000
Investments	1,226,078	1,223,754	3,197,945	2,811,552
Borrowings	0	0	500,000	0
Total exposure	**1,226,078**	**1,223,754**	**2,697,945**	**2,811,552**

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

The table below demonstrates 'reasonably possible' sensitivity to a 0.85 per cent (2024-25: 0.5 per cent) on cash at bank and directly held debt securities of investments, floating rate borrowings and the impact on profit or loss and equity. Had interest rates been lower or higher at reporting date, and all other variables were held constant, the results would have improved/(deteriorated) as follows:

2025-26	Fixed rate instruments		Variable rate instruments	
	+0.85 per cent Operating Result and Equity Impact $'000	-0.85 per cent Operating Result and Equity Impact $'000	+0.85 per cent Operating Result and Equity Impact $'000	-0.85 per cent Operating Result and Equity Impact $'000
Investments	(10,422)	10,422	27,183	(27,183)
Borrowings	0	0	4,250	(4,250)
Net (decrease)/ increase	**(10,422)**	**10,422**	**22,933**	**(22,933)**

36 FINANCIAL INSTRUMENTS - CONTINUED

Interest rate risk - continued

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

Price risk and inflation risk

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

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

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

Derivative financial instruments held by the GGS and the Territory are exposed to market risk. Market risk is the risk that the fair value gains or losses on the derivative financial instruments will fluctuate because of changes in electricity market prices (spot and ancillary services). The Territory is exposed to market risk primarily through the operational revenue risk of the BESS asset.

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

The below table summarises the main exposure to price risk and inflation risk at 30 June 2026 and 30 June 2025.

36 FINANCIAL INSTRUMENTS - CONTINUED

Price risk and inflation risk - continued

	2025-26 $'000	2024-25 $'000
Price risk		
Investment assets		
Fixed income	545,312	344,206
Equities	4,380,414	4,169,105
Property	527,876	338,077
Infrastructure	747,067	594,860
Total exposure	**6,200,669**	**5,446,248**
Inflation risk		
Financial assets (inflation linked bonds)	815,716	799,011
Financial liabilities (inflation linked bonds)	815,166	798,499
Net exposure	**550**	**512**

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

General Government Sector and Total Territory				
30 June 2026	**% increase in index**		**% decrease in index**	
	Profit/ (loss) impact	**Equity impact**	**Profit/ (loss) impact**	**Equity impact**
	$'000	**$'000**	**$'000**	**$'000**
Investment assets				
Fixed income (+/-3%)	16,359	16,359	(16,359)	(16,359)
Equities (+/-13-16%)	668,518	668,518	(668,518)	(668,518)
Property (+/-7%)	36,951	36,951	(36,951)	(36,951)
Infrastructure (+/-10%)	74,707	74,707	(74,707)	(74,707)
Inflation Rate (+/-1%)	165	165	(165)	(165)

General Government Sector and Total Territory				
30 June 2025	**% increase in index**		**% decrease in index**	
	Profit/ (loss) impact	**Equity impact**	**Profit/ (loss) impact**	**Equity impact**
	$'000	**$'000**	**$'000**	**$'000**
Investment assets				
Fixed income (+/-6%)	20,652	20,652	(20,652)	(20,652)
Equities (+/-14-20%)	639,679	639,679	(639,679)	(639,679)
Property (+/-8%)	27,046	27,046	(27,046)	(27,046)
Infrastructure (+/-10%)	59,486	59,486	(59,486)	(59,486)
Inflation Rate (+/-1%)	195	195	(195)	(195)

Note: (a) Investment returns are inherently volatile. Risk assumptions reflect best estimates based on historical performance and market conditions, but actual outcomes may vary due to market movements and changes in asset correlations.

36 FINANCIAL INSTRUMENTS - CONTINUED

Currency risk

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

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

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

Currency as at 30 June 2026 General Government Sector and Total	Cash	Assets at fair value through profit or loss	Other financial assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AUD	71,045	5,395,529	27,267	5,493,841	53,701	683,922	737,623	4,756,218
USD	35,082	2,346,008	15,995	2,397,085	1,023	81	1,104	2,395,981
JPY	3,047	247,637	5,511	256,195	718	0	718	255,477
EUR	6,208	382,892	8,188	397,288	789	1,386	2,175	395,113
GBP	1,463	110,909	1,813	114,185	0	0	0	114,185
Other	3,624	253,134	3,574	260,332	62	679	741	259,591
Total A$'000	**120,469**	**8,736,109**	**62,348**	**8,918,926**	**56,293**	**686,068**	**742,361**	**8,176,565**

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

36 FINANCIAL INSTRUMENTS - CONTINUED

Sensitivity disclosure analysis for currency risk

The table below summarises the reasonably possible impact for 2026 of +/-7 per cent strengthening or weakening of the Australian dollar against foreign currency cash balances on the Territory's operating deficit for the year and on equity after hedging. Foreign exchange risk relating to non-monetary investments is considered a component of price risk (2025: +/- 12 per cent).

30 June 2026	**(+/- impact) 7%**	
General Government Sector and Total Territory	**Profit/ (loss) impact**	**Equity impact**
	$'000	**$'000**
Currency		
USD	18,674	18,674
EUR	10,727	10,727
JPY	6,155	6,155
GBP	2,611	2,611
Other	1,743	1,743
Total increase	**39,910**	**39,910**

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

Credit risk

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

The maximum exposure to credit risk is limited to the carrying amount of the cash and cash equivalents, receivables, investments and concessional loans issued of the Territory. The main concentration of credit risk arises from the Territory's direct exposure to directly held debt securities of investments. For the purposes of sensitivity analysis, the Territory's exposure to credit risk is assessed based on debt securities directly held at the reporting date. This exposure is detailed in the table below, which categorizes investments by credit quality ratings (AAA to BBB) and shows the total value of holdings for each rating as at 30 June 2026 and 30 June 2025.

In relation to investments of the Territory, financial dealings are only undertaken with appropriately rated counterparties. The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the Territory's financial investment assets. No investment assets were impaired at 30 June 2026 (30 June 2025: nil).

36 FINANCIAL INSTRUMENTS - CONTINUED

Credit risk - continued

Credit risk associated with the derivative financial instrument relating to the BESS revenue swap represents the risk that the counterparty may fail to meet its contractual obligations. The fair value of the derivative financial instrument reflects the present value of expected future cash flows under the arrangement, including the Territory's entitlement to 50 per cent of the variable revenue generated by the BESS asset. The maximum exposure to credit risk is the carrying amount of the derivative financial instrument, which represents its fair value at the reporting date.

The Territory also has an exposure to credit risk in relation to concessional loans issued under the Sustainable Household Scheme (SHS) and ACT Private Buildings Cladding Concessional Loan Scheme (Cladding Loan). Under the SHS, low interest loans of up to $20,000 are issued, with repayment terms of up to 10 years, to households and not-for-profit community organisations to assist with the upfront costs of investing in energy efficient building upgrades and zero emissions vehicles. This is limited to one loan product per borrower. Under the Cladding Loan, low interest loans of up to $15 million per Owners' Corporation are issued, with repayment terms up to 10 years, to pay for combustible cladding remediation works.

Credit risk in relation to SHS and Cladding Loan loans receivable is limited to the total value of loans issued, less repayments made to date. As at 30 June 2026, the balance of SHS loans issued since the beginning of the scheme was $256.1 million ($219.6 million as at 30 June 2025), with an associated receivable of $135.3 million ($129.2 million as at 30 June 2025). The balance of Cladding Loan loans issued since the beginning of the scheme was $44.5 million ($26.6 million as at 30 June 2025), with an associated receivable of $38.6 million($18.7 million as at 30 June 2025). Both loan portfolios are regularly reviewed through monthly, quarterly and annual reporting to identify any loans that might be at risk of default. Historical default rates have been low. Credit risk is further managed through assessments of the credit worthiness of debtors and analysis of the concentrations of credit risk within the portfolio. No significant concentrations of credit risk have been identified.

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

General Government Sector and Total Territory	**Credit quality**				
	AAA	**AA**	**A**	**BBB**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
30 June 2026					
Directly held					
Investments	977,270	1,123,172	247,386	167,796	**2,515,624**
Total	**977,270**	**1,123,172**	**247,386**	**167,796**	**2,515,624**
30 June 2025					
Directly held					
Investments	997,705	537,943	513,115	200,530	**2,249,293**
Total	**997,705**	**537,943**	**513,115**	**200,530**	**2,249,293**

Note:
AAA - The issuer has extremely strong capacity to meet its financial commitments.
AA - The issuer has very strong capacity to meet its financial commitments.
A - The issuer has strong capacity to meet its financial commitments.
BBB - The issuer has adequate capacity to meet its financial commitments, but is more subject to adverse economic conditions.

Liquidity risk

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

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

36 FINANCIAL INSTRUMENTS - CONTINUED

Liquidity risk - continued

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

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

The Territory's exposure to liquidity risk relating to derivative financial instruments arises from the potential requirement to settle obligations under the BESS revenue swap arrangement if the derivative is in a liability position. This risk is managed by monitoring expected cash flows arising from the derivative financial instrument and maintaining sufficient liquidity to meet financial obligations as they fall due. Exposure is also limited by ensuring the Territory does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities.

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

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

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

30 June 2026 **General Government Sector**	**Less than 3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Non-Derivatives					
Payables	203,382	203,382	0	0	**406,763**
Borrowings (current/non-current)	16,216	569,138	9,432,191	9,520,226	**19,537,771**
Superannuation liabilities	119,843	359,529	2,760,461	25,527,262	**28,767,095**
Total non-derivatives	**339,441**	**1,132,049**	**12,192,652**	**35,047,488**	**48,711,629**
Derivatives					
Net-settled derivatives (interest rate swaps and futures)	(42,528)	(2,444)	(4,871)	(6,450)	**(56,293)**
Total derivatives	**(42,528)**	**(2,444)**	**(4,871)**	**(6,450)**	**(56,293)**

36 FINANCIAL INSTRUMENTS - CONTINUED

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

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

30 June 2026 Total Territory	Less than 3 months $'000	3-12 months $'000	1-5 years $'000	> 5 years $'000	Total $'000
Non-derivatives					
Payables	278,374	278,374	0	0	**556,747**
Borrowings (current/non-current)	16,216	569,138	9,432,191	9,520,226	**19,537,771**
Superannuation liabilities	119,843	359,529	2,760,461	25,527,262	**28,767,095**
Total non-derivatives	**414,433**	**1,207,041**	**12,192,652**	**35,047,488**	**48,861,613**
Derivatives					
Net-settled derivatives (interest rate swaps and futures)	(42,528)	(2,444)	(4,871)	(6,450)	**(56,293)**
Total derivatives	**(42,528)**	**(2,444)**	**(4,871)**	**(6,450)**	**(56,293)**

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

36 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	2025-26		2024-25	
	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000
Financial assets				
Cash and deposits[(a)]	2,885,937	2,885,937	2,668,928	2,668,928
Advances paid	2,257,569	2,194,857	2,115,584	2,101,821
Investments and loans[(b)]	8,195,223	8,195,223	7,552,342	7,552,342
Receivables[(c)]	1,198,011	1,198,011	924,556	924,556
Equity investments in other public sector entities	11,427,012	11,427,012	11,345,127	11,345,127
Other financial assets	19,514	19,514	0	0
Total financial assets	**25,983,266**	**25,920,554**	**24,606,537**	**24,592,774**
Financial liabilities				
Advances received	31,269	31,269	36,172	36,172
Other borrowings	15,824,885	15,294,981	13,587,149	13,362,915
Payables	406,763	406,763	414,834	414,834
Other liabilities	13,437	13,437	79,918	79,918
Total financial liabilities	**16,276,354**	**15,746,450**	**14,118,073**	**13,893,839**
Net financial assets	**9,706,912**	**10,174,104**	**10,488,464**	**10,698,935**

Total Territory	2025-26		2024-25	
	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000
Financial assets				
Cash and deposits[(a)]	3,180,591	3,180,591	2,881,682	2,881,682
Advances paid	175,017	175,017	147,822	147,822
Investments and loans[(b)]	8,269,223	8,269,223	7,624,342	7,624,342
Receivables[(c)]	1,005,119	1,005,119	791,834	791,834
Investments accounted for using the equity method	1,135,744	1,135,744	1,106,385	1,106,385
Other financial assets	19,514	19,514	0	0
Total financial assets	**13,785,208**	**13,785,208**	**12,552,065**	**12,552,065**
Financial liabilities				
Advances received	56,737	56,737	64,946	64,946
Other borrowings	16,070,494	15,540,590	13,888,353	13,664,119
Payables	556,747	556,747	511,280	511,280
Other liabilities	13,003	13,003	87,222	87,222
Total financial liabilities	**16,696,981**	**16,167,077**	**14,551,801**	**14,327,567**
Net financial (liabilities)/assets	**(2,911,773)**	**(2,381,869)**	**(1,999,736)**	**(1,775,502)**

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

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

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

36 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, or for which fair values are disclosed, grouped into Levels 1 to 3 based on the degree to which the fair value is observable considering the lowest level input that is significant to the fair value measurement as a whole.

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

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

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

General Government Sector

30 June 2026	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets and liabilities at fair value				
Financial assets				
Investment assets	4,348,017	3,444,121	451,515	**8,243,653**
Other financial assets	0	0	19,514	**19,514**
Assets and liabilities for which fair values are disclosed				
Financial assets				
Loans and receivables	0	2,905,761	0	**2,905,761**
Financial liabilities				
Borrowings	0	14,865,758	0	**14,865,758**
Net assets/(liabilities)	**4,348,017**	**(8,515,876)**	**471,029**	**(3,696,830)**

General Government Sector

30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets and liabilities at fair value				
Financial assets				
Investment assets	4,050,799	2,974,785	380,732	**7,406,316**
Assets and liabilities for which fair values are disclosed				
Financial assets				
Loans and receivables	0	2,581,326	0	**2,581,326**
Financial liabilities				
Borrowings	0	13,183,392	**0**	**13,183,392**
Net assets/(liabilities)	**4,050,799**	**(7,627,281)**	**380,732**	**(3,195,750)**

36 FINANCIAL INSTRUMENTS - CONTINUED

Fair value measurement

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

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

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

For unlisted infrastructure unit trusts, the fair value of the underlying investments is determined at least annually or more frequently as required by an external valuer using the most appropriate valuation approach for each investment. The fair value methodologies adopted include discounted cash flow and comparative analysis. The fair values of unlisted infrastructure units are included within level 2.

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. Derivatives are classified as either Level 1 or Level 2.

Fair value for fixed for variable revenue swap derivative instrument (BESS) is measured using a discounted cash flow model based on expected future net cash flows. As the valuation includes significant unobservable inputs, this derivative is classified as Level 3.

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

Valuation process for level 3 valuations

The investments in unlisted unit trusts deemed as level 3 are recorded at redemption value per unit as reported by the investment manager of these investments. In the absence of quoted values, securities are valued using appropriate valuation techniques as determined by the investment manager of the unlisted unit trusts. The investment manager performs monthly, quarterly and annual valuations.

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

The BESS revenue swap deemed as level 3 is measured by discounting the expected future net cash flows to present value. These cash flows comprise of fixed quarterly payments and the Territory's 50 per cent share of future BESS net revenues. The forecasted BESS revenues are based on projected electricity market prices (eg. wholesale spot prices, ancillary service prices), BESS capacity, degradation rates and operational assumptions for dispatch optimisation. Significant unobservable inputs include forecast long-term BESS arbitrage and ancillary service revenues, which are based on assumptions where observable active market data, and specific operational assumptions for the BESS asset is not available.

36 FINANCIAL INSTRUMENTS - CONTINUED

Sensitivity analysis for other financial assets

The table below summarises a hypothetical 10 per cent increase/decrease in the estimated future net revenues of the BESS asset (relative to current assumptions) would result in an approximate $21.4 million increase/decrease in the fair value of the derivative instruments, with the movement in fair value recognised in the Operating statement. This sensitivity is based on re-estimating the future variable receipts and holding all other variables constant, including the discount rate.

30 June 2026 **General Government Sector and Total Territory**	**Increase in fair value of BESS**	**Decrease in fair value of BESS**
	$'000	**$'000**
Other financial assets - BESS revenue swap		
Future electricity price forecasts (+/- 10 per cent)[(a)]	21,423	(21,423)
Total increase/(decrease)	**21,423**	**(21,423)**

Note: (a) There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Level 3 reconciliations for movements in Level 3 instruments

30 June 2026	**Listed securities**	**Unit trusts**	**Other financial assets**
	$'000	**$'000**	**$'000**
Balance at 1 July 2025	**197**	**380,534**	**0**
Purchases during year	0	2,125	0
Settlements during the year	(198)	52,921	0
Transfers into level 3	1,362	0	0
Total gains	133	14,440	19,514
Balance at 30 June 2026	**1,494**	**450,020**	**19,514**

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

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

The Territory Government's Credit Rating as updated in September 2026

The Territory has maintained a long-term issuer credit rating of AA and short-term issuer credit rating of A-1+. The outlook on the long-term rating remains stable. The issuer credit rating is assigned by S&P Global Ratings. This reflects the Territory's strong economic fundamentals, supported by a resilient labour market, a stable public sector and sustained demand for government services. It also recognises the Territory Government's ongoing commitment to fiscal repair.

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

37 SECURITISATION ARRANGEMENTS

Description and material accounting policies relating to securitisation arrangements

The Territory currently has securitisation arrangements in place in relation to the Sustainable Household Scheme and ACT Private Buildings Cladding Concessional Loan Scheme.

Sustainable Household Scheme

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

In 2024-25, the Scheme was restructured to include a securitised trust arrangement to mitigate risk and ensure continuity of the Scheme in the event of an insolvency to Brighte. Under this arrangement, the ACT Sustainable Household Scheme Trust (the SHS Trust) was established, with Perpetual Corporate Trust Limited acting as the trustee and Perpetual Nominees Limited acting as the trust manager. The Territory pays management, accounting, and standby servicer fees to Perpetual Services Pty Ltd for the delivery of these services. Please refer to the Special Purpose Financial Statement – Sustainable Household Scheme for further details of this arrangement.

ACT private buildings cladding concessional loan scheme

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

Since September 2024, the concessional loans are facilitated through a securitised trust arrangement. Lannock Strata Finance has been appointed as the Contractor to administer the loans on behalf of the Territory, with the loan scheme securitised by the Trustee, Perpetual Limited. Please refer to the Special Purpose Financial Statement – Private Building Cladding Concessional Loan Scheme for further details of this arrangement.

The Territory wholly controls the SHS Trust and ACT Private Building Cladding Scheme Loans Trust and consolidates it into its financial statements in accordance with AASB 10: 'Consolidated Financial Statements' as the ultimate entity as it has power over the relevant activities of the trusts and is exposed to substantially all variable returns resulting from the trusts activities.

The relationship with two Trusts at the end of financial year is outlined below:

Name	Country of Establishment	2025-2026 % Owned	2024-2025 % Owned
Sustainable Household Scheme	Australia	100%	100%
Private Building Cladding Scheme Loans	Australia	100%	100%

37 SECURITISATION ARRANGEMENTS - CONTINUED

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

Assets held in the trusts are restricted in use to the administration and operation of the schemes.

As of 30 June 2026, the Territory held $165.8 million in trust notes ($169.4 million as at 30 June 2025) under the Sustainable Household Scheme and received $31.8 million in repayments ($21.6 million as at 30 June 2025). Under the Private Buildings Cladding Scheme, the Territory held $20.7 million in trust notes ($26 million as at 30 June 2025) and received $1.5 million in repayments ($0.5 million as at 30 June 2025).

The Territory's main exposure through the trusts is credit risk associated with the underlying loan portfolios. The Sustainable Household Scheme is characterised by a large and diversified portfolio of household loans, while the Private Buildings Cladding Scheme comprises a smaller number of higher-value loans, resulting in a greater concentration of credit risk. The Territory retains substantially all economic exposure to the performance of the loan portfolios through its investment in the trusts. Accordingly, any losses arising from borrower defaults are ultimately borne by the Territory through a reduction in the value of the trust assets and trust notes.

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

	2025-26 $'000	2024-25 $'000
Assets		
Cash and cash equivalents	7,980	15,209
Loan receivables	210,431	187,312
Other assets	482	168
Total assets	**218,893**	**202,689**
Liabilities		
Fees payable	164	181
Other payables	4,292	103
Capital payable (eliminated)	217,616	202,360
Total liabilities	**222,072**	**202,644**

38 SERVICE CONCESSION ARRANGEMENTS

Description and material accounting policies relating to service concession arrangements

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

Refer Note 21: 'Property, Plant and Equipment' for further information regarding the service concession assets and Note 25: 'Other Borrowings' regarding the service concession financial liabilities.

Housing Asset Assistance Program (HAAP)

HAAP arrangements are long term leases entered into between Housing ACT and Community Housing Providers to provide affordable housing solutions and specialist homelessness services over the term of the lease. Housing ACT owns 836 properties with head leases to operators on which services are provided in accordance with the services agreements in place (2024-25: 841). The service agreements with the Community Housing Providers outline the services that are to be provided and do not limit the services that can be provided by the operators.

These assets are recorded as service concession arrangement assets under the relevant Property, Plant and Equipment asset class, initially recognised at current replacement cost in accordance with the cost approach to fair value in AASB 13: 'Fair Value Measurement'. After initial recognition or reclassification, they are measured at fair value in accordance with AASB 116: 'Property, Plant and Equipment'. Service concession assets are depreciated over their useful lives except for service concession land assets, which are not depreciated.

Land and buildings, including service concession assets, are scheduled for regular revaluations every three years or sooner when supported by market evidence. A revaluation was conducted in 2026 by an appropriately qualified independent valuer.

Light rail service concession arrangement - Light Rail Stage 1

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

38 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Description and material accounting policies relating to service concession arrangements - continued

Light rail service concession arrangement - Light Rail Stage 1 - continued

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

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

Light rail service concession arrangement - Light Rail Stage 2A

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

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

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

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

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

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

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

Upon achieving services completion (expected January 2028), the service concession assets and remaining liabilities will be transferred from the GGS sector to the PNFC sector.

38 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Light rail service concession arrangement - Light Rail Stage 2A - continued

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

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

* operation of the light rail system;

* light rail vehicle maintenance and whole of life management;

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

* compliance with utility requirements;

* provision of customer service;

* compliance with relevant work health and safety legislation;

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

* community engagement and stakeholder management activities;

* adherence to project plans and ongoing reporting requirements; and

* end-of-term handover.

Termination clauses

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

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

38 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Light rail service concession arrangement - Light Rail Stage 2A - continued

Termination clauses - continued

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

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

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

Accounting treatment - light rail

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

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

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

38 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Accounting treatment - light rail - continued

The value of the financial liability is determined using an effective interest rate. Given that even small changes in the effective interest rate can significantly affect the present value of the liability and the interest expense recognised, the rate set at financial close is benchmarked against market rates and remains unchanged unless the liability is subject to substantial modification under AASB 9: 'Financial Instruments' (AASB 9).

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

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

New recycling facility service concession arrangement

In January 2025, the Territory (grantor) entered into a contract with Veolia Environmental Services (Australia) for the financing, design, construction, commissioning, operation, and maintenance of the Material Recovery Facility (MRF), formerly known as New Recycling Facility (NRF). On-site delivery activities commenced in the second half of 2025.

The MRF operating phase commences on the day after the MRF date of services completion and will continue until April 2048. During the MRF operating phase, the ongoing operation and maintenance of the MRF will be in the GGS. The services provided during the operating phase of the project include primarily processing recyclables, bulk cardboard and CDS eligible material.

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

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

Termination clauses

The project agreement can be terminated under a number of scenarios. The three types of termination scenarios set out in the agreement are summarised below:

* Termination for convenience – The Territory may terminate the project agreement at any time for its convenience and for any reason, by giving six months' notice in writing to Veolia Environmental Services. For termination for convenience, the Territory will pay Veolia Environmental Services a termination for convenience payment. This amount is calculated as the out-of-pocket costs and expenses incurred as a result of the agreement and which Veolia Environmental Services is unable to recover or mitigate.

38 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Termination clauses - continued

* Force majeure event - Where the project agreement is terminated for force majeure event (e.g. an earthquake) which prevents Veolia Environmental Services from carrying out partially or wholly the project activities Veolia Environmental Services must issue a notice to the Territory. The Territory may terminate the project agreement if the force majeure event results in substantial interference with the activities for a continuous period of four months. Veolia Environmental Services may terminate the project agreement if the substantial interference continues for a period of ten months. The Territory will pay Veolia Environmental Services a force majeure termination payment. This amount is generally calculated as the cost of any remaining debt, and other reasonable costs incurred as a result of the termination, less any insurance proceeds.

* Termination for default - The Territory will pay Veolia Environmental Services the fair market value of the project determined by an independent expert or as a result of a re-tender of the contract to the market.

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

Accounting treatment

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

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

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

The value of the financial liability is determined using an effective interest rate. Given that even small changes in the effective interest rate can significantly affect the present value of the liability and the interest expense recognised, the rate set at financial close is benchmarked against market rates and remains unchanged unless the liability is subject to substantial modification under AASB 9.

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

39 EXPENSES AND ASSETS BY FUNCTION

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

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

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

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

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

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

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

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

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

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

39 EXPENSES AND ASSETS BY FUNCTION - CONTINUED

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

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

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

Expenses by function

		General Government Sector		Total Territory	
		2025-26 Actual	2024-25 Actual	2025-26 Actual	2024-25 Actual
COFOG	Description	$'000	$'000	$'000	$'000
01	General public services	2,095,594	1,957,944	2,083,893	1,950,178
03	Public order and safety	767,971	752,947	766,648	751,575
04	Economic affairs	160,055	169,085	163,706	168,046
05	Environmental protection	265,826	255,376	397,983	391,858
06	Housing and community amenities[(a)]	89,091	85,038	389,649	340,546
07	Health	2,832,131	2,813,844	2,823,275	2,808,941
08	Recreation, culture and religion	251,662	249,493	259,581	261,969
09	Education	2,018,879	1,896,292	2,036,293	1,920,073
10	Social protection	615,852	577,953	738,487	715,458
11	Transport	597,571	611,595	630,604	588,676
Total expenses		**9,694,632**	**9,369,567**	**10,290,119**	**9,897,320**

Note: (a) The increase in the Total Territory is mainly due to an increase in cost of land sold reflecting higher land settlements.

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

Assets by function

		General Government Sector		Total Territory	
		2025-26 Actual	2024-25 Actual	2025-26 Actual	2024-25 Actual
COFOG	Description	$'000	$'000	$'000	$'000
01	General public services	24,512,602	23,507,995	12,857,212	12,024,860
03	Public order and safety[(a)]	874,989	739,396	871,861	733,342
04	Economic affairs	2,601,978	2,461,293	513,272	489,141
05	Environmental protection	479,280	442,213	2,665,479	2,519,069
06	Housing and community amenities	118,165	112,990	3,991,088	3,810,905
07	Health	2,786,009	2,729,458	2,773,876	2,706,218
08	Recreation, culture and religion	1,934,379	1,835,169	1,932,715	1,831,962
09	Education[(a)]	3,884,657	3,371,403	4,184,282	3,660,379
10	Social protection	515,368	503,749	8,647,535	8,639,097
11	Transport	13,429,847	12,925,939	14,487,117	13,950,339
Total assets		**51,137,274**	**48,629,605**	**52,924,437**	**50,365,312**

Note: (a) The increase is mainly due to revaluation of land and building assets.

40 DISAGGREGATED SECTOR INFORMATION

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

Consolidated Operating Statement by sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Revenue								
Grants and subsidies	0	0	351,854	338,465	(351,854)	(338,465)	0	0
Taxation revenue	2,913,913	2,710,709	0	0	(64,931)	(58,225)	2,848,982	2,652,484
Commonwealth grants revenue	3,993,965	3,483,190	8,257	7,123	(6,149)	(4,998)	3,996,073	3,485,315
Sales of goods and services								
Revenue from associates and joint ventures	0	0	77,569	91,810	0	0	77,569	91,810
Other sales of goods and services	822,811	762,969	526,615	496,231	(125,019)	(106,731)	1,224,407	1,152,469
Investment revenue	135,121	141,502	0	0	0	0	135,121	141,502
Interest revenue	325,877	315,452	14,150	17,142	(94,447)	(79,681)	245,580	252,913
Dividend and income tax equivalents income	274,084	157,407	0	0	(274,084)	(157,407)	0	0
Other revenue								
Land revenue (value-add component)	0	0	403,292	212,675	0	0	403,292	212,675
Other revenue	280,607	261,405	27,059	26,273	(38,449)	(35,877)	269,217	251,801
Gains from contributed assets	83,712	138,619	34,190	74,635	(49,555)	(88,309)	68,347	124,945
Total revenue	**8,830,090**	**7,971,253**	**1,442,986**	**1,264,354**	**(1,004,488)**	**(869,693)**	**9,268,588**	**8,365,914**
Expenses								
Employee expenses	3,765,236	3,588,384	269,488	258,336	(3,875)	(3,989)	4,030,849	3,842,731
Superannuation expenses								
Superannuation interest cost	501,989	493,924	0	0	0	0	501,989	493,924
Other superannuation expense	561,909	524,495	39,859	37,750	(9,774)	(12,061)	591,994	550,184
Depreciation and amortisation	684,039	657,230	203,121	199,386	0	0	887,160	856,616

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Operating Statement by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Expenses - continued								
Interest expense	641,128	493,628	116,146	104,804	(94,447)	(79,681)	662,827	518,751
Other property expenses (income tax equivalents)	0	0	76,821	38,253	(76,821)	(38,253)	0	0
Other operating expenses								
Supplies and services	1,555,273	1,638,650	385,759	381,768	(95,465)	(76,254)	1,845,567	1,944,164
Other operating expenses	459,549	457,442	243,820	176,139	(147,980)	(113,103)	555,389	520,478
Grants and purchased services	1,525,509	1,515,814	80,862	64,258	(392,027)	(409,600)	1,214,344	1,170,472
Total expenses	**9,694,632**	**9,369,567**	**1,415,876**	**1,260,694**	**(820,389)**	**(732,941)**	**10,290,119**	**9,897,320**
					0			
UPF net operating balance	**(864,542)**	**(1,398,314)**	**27,110**	**3,660**	**(184,099)**	**(136,752)**	**(1,021,531)**	**(1,531,406)**
Other economic flows - included in the operating result								
Dividends (market gains on land sales)	13,898	97	0	0	(13,898)	(97)	0	0
Land revenue (market gains on land sales)	0	0	20,406	141	0	0	20,406	141
Net land revenue (undeveloped land value)	987	2,426	0	1,860	(13,164)	(1,506)	(12,177)	2,780
Net gain/(loss) on sale of non-financial assets	33,096	(73,577)	(8,058)	(2,403)	0	0	25,038	(75,980)
Net gain on financial assets or liabilities at fair value	482,842	621,818	206	1	0	0	483,048	621,819
Doubtful and bad debts	(23,611)	(33,377)	(10,386)	348	0	0	(33,997)	(33,029)
Operating result	**(357,330)**	**(880,927)**	**29,278**	**3,607**	**(211,161)**	**(138,355)**	**(539,213)**	**(1,015,675)**

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Operating Statement by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Other economic flows - other comprehensive income								
Items that will not be subsequently reclassified to operating statement								
Capital payments to ACT Government agencies	(232,705)	(189,667)	0	0	232,705	189,667	0	0
Capital distributions	511	0	0	0	(511)	0	0	0
Transfer of assets to the public non-financial corporations (PNFC) sector	(56,717)	(57,525)	0	0	56,717	57,525	0	0
Superannuation actuarial gain	460,992	27,388	0	0	0	0	460,992	27,388
Other movements	(69,783)	(6,712)	(1,336)	(26,505)	0	0	(71,119)	(33,217)
Increase/(decrease) in asset revaluation surplus	630,769	67,427	(53,768)	240,773	47,787	64,431	624,788	372,631
Increase/(decrease) in other reserves	216	(348)	0	0	0	0	216	(348)
Items that may be subsequently reclassified to operating statement								
Increase/(decrease) in net assets of PNFC sector	81,885	353,745	0	0	(81,885)	(353,745)	0	0
Total comprehensive result	**457,838**	**(686,619)**	**(25,826)**	**217,875**	**43,652**	**(180,477)**	**475,664**	**(649,221)**
Key fiscal aggregates								
UPF net operating balance	**(864,542)**	**(1,398,314)**	**27,110**	**3,660**	**(184,099)**	**(136,752)**	**(1,021,531)**	**(1,531,406)**
***less* net acquisition of non-financial assets**								
Payments for non-financial assets	927,554	1,107,468	350,147	314,648	(8,613)	(19,528)	1,269,088	1,402,588
Sales of non-financial assets	(14,153)	(18,084)	(28,431)	(48,632)	0	472	(42,584)	(66,244)
Change in inventories	(1,278)	5,422	27,150	37,427	0	0	25,872	42,849
Depreciation and amortisation	(684,039)	(657,230)	(203,121)	(199,386)	0	0	(887,160)	(856,616)
Other movements in non-financial assets	67,784	73,301	(16,723)	38,694	0	0	51,061	111,995
Total net acquisition of non-financial assets	*295,868*	*510,877*	*129,022*	*142,751*	*(8,613)*	*(19,056)*	*416,277*	*634,572*
Net (borrowing)	**(1,160,410)**	**(1,909,191)**	**(101,912)**	**(139,091)**	**(175,486)**	**(117,696)**	**(1,437,808)**	**(2,165,978)**

40 DISAGGREGATED SECTOR INFORMATION

Consolidated Balance Sheet by sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Financial assets								
Cash and deposits	2,885,937	2,668,928	294,654	212,754	0	0	3,180,591	2,881,682
Advances paid	2,257,569	2,115,584	0	0	(2,082,552)	(1,967,762)	175,017	147,822
Investments	8,195,223	7,552,342	74,000	72,000	0	0	8,269,223	7,624,342
Receivables	1,246,518	966,271	48,156	62,802	(218,602)	(180,958)	1,076,072	848,115
Equity investments						0		
Investments in other public non-financial corporations	11,427,012	11,345,127	0	0	(11,427,012)	(11,345,127)	0	0
Investments accounted for using the equity method	20	20	1,135,744	1,106,385	(20)	(20)	1,135,744	1,106,385
Other financial assets	19,514	0	0	0	0	0	19,514	0
Total financial assets	**26,031,793**	**24,648,272**	**1,552,554**	**1,453,941**	**(13,728,186)**	**(13,493,867)**	**13,856,161**	**12,608,346**
Non-financial assets								
Produced assets								
Property, plant and equipment	19,342,209	18,474,064	7,189,216	7,457,414	0	(27,657)	26,531,425	25,903,821
Investment properties	5,300	5,020	25,655	26,252	0	0	30,955	31,272
Intangibles	188,597	210,972	43,840	16,567	0	27,657	232,437	255,196
Inventories	44,488	45,766	598,264	571,114	0	0	642,752	616,880
Assets held for sale	13,209	11,647	5,660	8,728	0	0	18,869	20,375
Non-produced assets								
Property, plant and equipment	5,449,071	5,183,449	6,064,805	5,695,559	0	0	11,513,876	10,879,008
Biological assets	60,870	48,649	0	0	0	0	60,870	48,649
Other non-financial assets					0	0		
Deferred tax assets	0	0	0	28,689	0	(28,689)	0	0
Other non-financial assets	1,737	1,765	35,355	0	0	0	37,092	1,765
Total non-financial assets	**25,105,481**	**23,981,332**	**13,962,795**	**13,804,323**	**0**	**(28,689)**	**39,068,276**	**37,756,966**
Total assets	**51,137,274**	**48,629,604**	**15,515,349**	**15,258,264**	**(13,728,186)**	**(13,522,556)**	**52,924,437**	**50,365,312**

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Balance Sheet by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Liabilities								
Advances received	31,269	36,172	2,108,020	1,996,536	(2,082,552)	(1,967,762)	56,737	64,946
Borrowings								
Lease liabilities	992,834	1,010,684	23,735	25,937	0	0	1,016,569	1,036,621
Other borrowings	15,824,885	13,587,149	245,609	301,204	0	0	16,070,494	13,888,353
Superannuation	10,440,872	10,699,327	0	0	0	0	10,440,872	10,699,327
Employee benefits	1,381,398	1,329,421	100,556	94,089	(261)	(152)	1,481,693	1,423,358
Other provisions	1,346,167	1,217,070	359,766	348,926	(16,259)	(32,118)	1,689,674	1,533,878
Payables	406,763	414,834	191,501	151,871	(41,517)	(55,425)	556,747	511,280
Contract Liabilities	51,230	64,448	62,879	58,606	(3,097)	(14,699)	111,012	108,355
Other liabilities								
Current tax liability	0	0	66,992	19,883	(66,992)	(19,883)	0	0
Deferred tax liability	0	0	790,237	846,124	(790,237)	(846,124)	0	0
Other liabilities	13,437	79,918	139,042	69,961	(139,476)	(62,657)	13,003	87,222
Total liabilities	**30,488,855**	**28,439,023**	**4,088,337**	**3,913,137**	**(3,140,391)**	**(2,998,820)**	**31,436,801**	**29,353,340**
Net assets	**20,648,419**	**20,190,581**	**11,427,012**	**11,345,127**	**(10,587,795)**	**(10,523,736)**	**21,487,636**	**21,011,972**
Equity in public non-financial corporations sector	11,427,012	11,345,127	0	0	(11,427,012)	(11,345,127)	0	0
Accumulated funds	(1,816,370)	(1,596,849)	4,225,411	4,049,830	(15,942)	14,019	2,393,099	2,467,000
Asset revaluation surplus	11,036,679	10,441,421	7,201,601	7,295,297	855,159	807,372	19,093,439	18,544,090
Other reserves	1,098	882	0	0	0	0	1,098	882
Net worth	**20,648,419**	**20,190,581**	**11,427,012**	**11,345,127**	**(10,587,795)**	**(10,523,736)**	**21,487,636**	**21,011,972**
Key fiscal aggregates								
Net financial worth	(4,457,062)	(3,790,751)	(2,535,783)	(2,459,196)	(10,587,795)	(10,495,047)	(17,580,640)	(16,744,994)
Net financial liabilities[(a)]	15,884,074	15,135,878	0	0	2,832,310	2,715,501	18,716,384	17,851,379
Net debt (excluding superannuation related investments)	10,976,707	9,150,694	2,008,710	2,038,923	0	0	12,985,417	11,189,617

Note (a): Net financial liabilities is not separately presented for the Public Non-Financial Corporations sector and is therefore shown as zero.

40 DISAGGREGATED SECTOR INFORMATION

Consolidated Statement of Changes in Equity by sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Opening equity								
Opening equity in public non-financial corporations (PNFC)	11,345,127	10,991,382	0	0	(11,345,127)	(10,991,382)	0	0
Opening accumulated funds	(1,596,849)	(551,889)	4,049,830	3,873,063	14,019	41,052	2,467,000	3,362,226
Opening asset revaluation surplus	10,441,421	10,436,477	7,295,297	7,118,319	807,372	742,941	18,544,090	18,297,737
Opening other reserves	882	1,230	0	0	0	0	882	1,230
Opening balance	**20,190,581**	**20,877,200**	**11,345,127**	**10,991,382**	**(10,523,736)**	**(10,207,389)**	**21,011,972**	**21,661,193**
Comprehensive income								
Included in accumulated funds:								
Operating result for the period	(357,330)	(880,927)	29,278	3,607	(211,161)	(138,355)	(539,213)	(1,015,675)
Capital payments to ACT government agencies	(232,705)	(189,667)	0	0	232,705	189,667	0	0
Capital distributions	511	0	0	0	(511)	0	0	0
Transfer of assets to the PNFC sector	(56,717)	(57,525)	0	0	56,717	57,525	0	0
Superannuation actuarial gain	460,992	27,388	0	0	0	0	460,992	27,388
Other movements	(69,783)	(6,712)	(1,336)	(26,505)	0	0	(71,119)	(33,217)
Included in equity in PNFC sector:					0	0		
Increase in net assets of PNFC sector	81,885	353,745	0	0	(81,885)	(353,745)	0	0
Included in the asset revaluation surplus:					0	0		
Increase/(decrease) in the asset revaluation surplus	630,769	67,427	(53,768)	240,773	47,787	64,431	624,788	372,631
Included in other reserves:					0	0		
Increase/(decrease) in other reserves	216	(348)	0	0	0	0	216	(348)
Total comprehensive result	**457,838**	**(686,619)**	**(25,826)**	**217,875**	**43,652**	**(180,477)**	**475,664**	**(649,221)**

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Changes in Equity by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Other								
Transfer to accumulated funds	35,511	62,483	39,928	63,795	0	0	75,439	126,278
Transfer from the asset revaluation surplus	(35,511)	(62,483)	(39,928)	(63,795)	0	0	(75,439)	(126,278)
Total other	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transactions involving owners' affecting accumulated funds								
Capital injections	0	0	232,705	189,667	(232,705)	(189,667)	0	0
Transfer of assets from the General Government Sector	0	0	56,717	57,525	(56,717)	(57,525)	0	0
Dividends approved	0	0	(181,200)	(111,322)	181,200	111,322	0	0
Total transactions involving owners' affecting accumulated funds	**0**	**0**	**107,711**	**135,870**	**(107,711)**	**(135,870)**	**0**	**0**
Closing equity								
Closing equity in PNFC sector	11,427,012	11,345,127	0	0	(11,427,012)	(11,345,127)	0	0
Closing accumulated funds	(1,816,370)	(1,596,849)	4,225,411	4,049,830	(15,942)	14,019	2,393,099	2,467,000
Closing asset revaluation surplus	11,036,679	10,441,421	7,201,601	7,295,297	855,159	807,372	19,093,439	18,544,090
Closing other reserves	1,098	882	0	0	0	0	1,098	882
Closing balance	**20,648,419**	**20,190,581**	**11,427,012**	**11,345,127**	**(10,587,795)**	**(10,523,736)**	**21,487,636**	**21,011,972**

40 DISAGGREGATED SECTOR INFORMATION

Consolidated Statement of Cash Flows by sector

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Cash flows from operating activities								
Cash receipts								
Taxes received	2,915,058	2,635,929	0	0	(67,013)	(46,181)	2,848,045	2,589,748
Receipts from sales of goods and services	775,826	712,815	901,026	729,400	(119,763)	(118,903)	1,557,089	1,323,312
Grants received	4,010,844	3,487,577	353,297	340,304	(351,290)	(338,163)	4,012,851	3,489,718
Investment receipts	134,106	142,278	0	0	0	0	134,106	142,278
Interest receipts	298,030	293,896	14,752	15,972	(77,078)	(68,100)	235,704	241,768
Dividends and income tax equivalents	179,821	248,847	0	0	(179,821)	(248,847)	0	0
Other receipts	733,158	448,675	159,840	150,139	(42,131)	(34,687)	850,867	564,127
Total receipts from operating activities	***9,046,843***	***7,970,017***	***1,428,915***	***1,235,815***	***(837,096)***	***(854,881)***	***9,638,662***	***8,350,951***
Cash payments								
Employee payments	(4,537,196)	(4,297,941)	(328,522)	(293,787)	13,709	15,985	(4,852,009)	(4,575,743)
Supplies and services	(1,760,622)	(1,708,204)	(327,955)	(363,232)	83,723	73,132	(2,004,854)	(1,998,304)
Grants and purchased services	(1,495,042)	(1,414,716)	(40,932)	(39,613)	352,989	333,074	(1,182,985)	(1,121,255)
Borrowing costs	(558,473)	(439,768)	(98,681)	(88,801)	77,309	67,934	(579,845)	(460,635)
Other payments	(610,594)	(539,372)	(327,720)	(304,351)	120,674	97,111	(817,640)	(746,612)
Total payments from operating activities	***(8,961,927)***	***(8,400,001)***	***(1,123,810)***	***(1,089,784)***	***648,404***	***587,236***	***(9,437,333)***	***(8,902,549)***
Net cash inflows/(outflows) from operating activities	**84,916**	**(429,984)**	**305,105**	**146,031**	**(188,692)**	**(267,645)**	**201,329**	**(551,598)**

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Cash Flows by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Cash flows from investing activities								
Cash flows from investments in non-financial								
Proceeds from sales of non-financial assets	14,153	18,084	28,431	48,632	0	(472)	42,584	66,244
Purchase of non-financial assets	(927,554)	(1,107,468)	(350,147)	(314,648)	8,613	19,528	(1,269,088)	(1,402,588)
Net cash (outflows) from investments in non-financial assets	***(913,401)***	***(1,089,384)***	***(321,716)***	***(266,016)***	***8,613***	***19,056***	***(1,226,504)***	***(1,336,344)***
Cash flows from investments in financial assets for policy purposes								
Cash receipts								
Loan receivable repayment received	34,006	34,987	0	10,983	(74)	(74)	33,932	45,896
Capital injections	0	0	232,705	189,668	(232,705)	(189,668)	0	0
Dividends (market gains on land sales)	795	97	0	0	(795)	(97)	0	0
Total receipts from investment in financial assets for policy purposes	***34,801***	***35,084***	***232,705***	***200,651***	***(233,574)***	***(189,839)***	***33,932***	***45,896***
Cash payments								
Loan receivable provided	(56,560)	(61,788)	0	0	0	0	(56,560)	(61,788)
Capital payments to government agencies	(232,705)	(189,668)	0	0	232,705	189,668	0	0
Dividends (market gains on land sales)	0	0	(795)	(97)	795	97	0	0
Total payments from investment in financial assets for policy purposes	***(289,265)***	***(251,456)***	***(795)***	***(97)***	***233,500***	***189,765***	***(56,560)***	***(61,788)***
Net cash (outflows)/inflows from investments in financial assets for policy purposes	***(254,464)***	***(216,372)***	***231,910***	***200,554***	***(74)***	***(74)***	***(22,628)***	***(15,892)***

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Cash Flows by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Cash flows from investments in financial assets for liquidity purposes								
Proceeds from sales of investments	2,457	15,314	663	363	0	0	3,120	15,677
Payments for investments	(478,582)	(31)	0	0	0	0	(478,582)	(31)
Net cash (outflows)/inflows from investments in financial assets for liquidity purposes	***(476,125)***	***15,283***	***663***	***363***	***0***	***0***	***(475,462)***	***15,646***
Net cash (outflows) from investing activities	**(1,643,990)**	**(1,290,473)**	**(89,143)**	**(65,099)**	**8,539**	**18,982**	**(1,724,594)**	**(1,336,590)**
Cash flows from financing activities								
Cash receipts								
Proceeds from borrowings	2,131,480	1,966,909	281,459	30,317	(460,334)	(6,713)	1,952,605	1,990,513
Total receipts from financing activities	***2,131,480***	***1,966,909***	***281,459***	***30,317***	***(460,334)***	***(6,713)***	***1,952,605***	***1,990,513***
Cash payments								
Repayment of borrowings	(285,276)	(4,871)	(229,704)	(26,608)	460,408	6,787	(54,572)	(24,692)
Repayment of lease liabilities - principal	(68,049)	(63,634)	(3,738)	(7,556)	0	0	(71,787)	(71,190)
Dividends paid	0	0	(120,406)	(194,501)	120,406	194,501	0	0
Other financing	0	0	(59,673)	(54,088)	59,673	54,088	0	0
Total payments from financing activities	***(353,325)***	***(68,505)***	***(413,521)***	***(282,753)***	***640,487***	***255,376***	***(126,359)***	***(95,882)***
Net cash inflows/(outflows) from financing activities	**1,778,155**	**1,898,404**	**(132,062)**	**(252,436)**	**180,153**	**248,663**	**1,826,246**	**1,894,631**
Net increase/(decrease) in cash and cash equivalents	**219,081**	**177,947**	**83,900**	**(171,504)**	**0**	**0**	**302,981**	**6,443**

40 DISAGGREGATED SECTOR INFORMATION - CONTINUED

Consolidated Statement of Cash Flows by sector - continued

	General Government Sector		Public Non-Financial Corporations Sector		Eliminations		Total Territory	
	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000	2025-26 Actual $'000	2024-25 Actual $'000
Cash and cash equivalents at the beginning of reporting period	**2,685,669**	**2,507,722**	**284,752**	**456,256**	**0**	**0**	**2,970,421**	**2,963,978**
Cash and cash equivalents at the end of reporting period	**2,904,750**	**2,685,669**	**368,652**	**284,752**	**0**	**0**	**3,273,402**	**2,970,421**
Key fiscal aggregates								
Net cash from operating activities	84,916	(429,984)	305,105	146,031	(188,692)	(267,645)	201,329	(551,598)
Net cash from investments in non-financial assets	(913,401)	(1,089,384)	(321,716)	(266,016)	8,613	19,056	(1,226,504)	(1,336,344)
Distributions paid	0	0	(180,079)	(248,589)	180,079	248,589	0	0
Cash (deficit)	**(828,485)**	**(1,519,368)**	**(196,690)**	**(368,574)**	**0**	**0**	**(1,025,175)**	**(1,887,942)**

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

41 RECONCILIATIONS TO ABS GFS MEASURES

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

GFS net operating balance:

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

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

GFS net lending/(borrowing):

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

GFS net worth:

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

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

GFS net financial worth:

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

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

42 Variance Explanations for the General Government Sector 2025-26 Actual compared to 2025-26 Budget Addendum

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

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

	2025-26 Actual $'000	2025-26 Budget $'000	Variance $'000	Variance %
Other sales of goods and services This variance is mainly due to growth in health cross border revenue as a result of increases in the National Efficient Price (NEP) and the number of interstate residents treated in ACT public hospitals.	822,811	701,721	121,090	17%
Investment revenue Lower investment revenue is reflective of lower distributions from investments which fluctuate year on year subject to the amount of income available for distribution from the underlying investment asset class sector exposures.	135,121	198,475	(63,354)	-32%
Interest revenue Interest revenue reflects the average cash balances maintained for operational and liquidity purposes, as well as the applicable interest rates on those balances. Investment interest income is influenced by the portfolio's actual exposure to interest-bearing securities. The increase in interest is also due to the impact of higher inflation on inflation-linked loans and an increase in loans provided to Icon Water.	325,877	269,337	56,540	21%
Other revenue The variance is attributed to lower than expected revenue associated with lower than anticipated Commonwealth grant revenue for capital delivery projects and lower forecast revenue from the Big Canberra Battery project arising from a delay to the commencement of commercial operation and revised forward energy price forecasts.	280,607	385,267	(104,660)	-27%
Gains from contributed assets This variance is mainly due to a lower than expected estimated value for large-scale generation certificates, with the spot price for certificates being lower than budgeted. The variance is also attributed to lower than expected asset contributions from the Suburban Land Agency and private developers.	83,712	137,535	(53,823)	-39%
Depreciation and amortisation The higher than budgeted result is primarily attributable to revaluation increments of the Territory's assets, and the completion of capital projects and acquisitions of plant and equipment.	684,039	620,618	63,421	10%

42 Variance Explanations for the General Government Sector 2025-26 Actual compared to 2025-26 Budget Addendum

	2025-26 Actual $'000	2025-26 Budget $'000	Variance $'000	Variance %
Other operating expenses This variance is mainly due to higher insurance claims expenses reflecting higher notifications of historical abuse claims and worsening claims experience in workers compensation, medical negligence and public liability, leading to increased reserves and outstanding claims liabilities.	459,549	413,745	45,804	11%
Dividends (market gains on land sales) Lower than budgeted dividends (market gains on land sales) are due to the deferral of land settlements to the 2026-27 financial year. Market gains on land sales is recognised as other economic flows as part of the total returns to the General Government Sector.	13,898	61,980	(48,082)	-78%
Net gain on financial assets or liabilities at fair value This variance is largely due to higher investment gains driven primarily by market gains in the investment portfolio valuation.	482,842	264,021	218,821	83%
Superannuation actuarial gain The variance reflects the annual superannuation liability valuation review and changes in financial assumptions for the 30 June 2026 AASB119 liability valuation, primarily as a result of a higher discount rate of 5.24 per cent at 30 June 2026 compared to the budget assumption of 5 per cent. A higher discount rate reduces the present value of the liability.	460,992	0	460,992	100%
Other movements The variance is mainly due to the recognition and revaluation of the Victim Services Scheme (VSS), Financial Assistance Scheme (FAS) and Big Canberra Battery following actuarial assessments and prior period error corrections.	(69,783)	1	(69,784)	#
Increase in the asset revaluation surplus The increase is primarily driven by the revaluation of land, buildings and heritage and community assets across the Territory as at 30 June 2026.	630,769	27,446	603,323	#
Increase in net assets of PNFC The lower-than-budgeted increase in PNFC net assets was attributed to lower assets, reflecting revised capital works and property acquisition timeframes under the Growing and Renewing Public Housing Program, with a number of projects now expected to be completed in 2026-27 rather than 2025-26 alongside revaluation decrements to the Territory's public housing buildings.	81,885	201,062	(119,177)	-59%

42 Variance Explanations for the General Government Sector 2025-26 Actual compared to 2025-26 Budget Addendum

	2025-26 Actual $'000	2025-26 Budget $'000	Variance $'000	Variance %
Cash and deposits The variance in cash and deposits largely reflects the operational and liquidity needs of the Territory.	2,885,937	2,127,624	758,313	36%
Intangibles The variance is attributed to the timing of completing capitalised software assets and a lower than expected estimated value for large-scale generation certificates, with the spot price for certificates being lower than budgeted.	188,597	264,074	(75,477)	-29%
Employee benefits Increased staffing levels for demand-driven services such as health services led to higher accrued employee benefits. The increase is also due to an increase in the present value factor used to calculate future annual and long service leave liabilities.	1,381,398	1,243,888	137,510	11%
Other provisions Provision liabilities were higher than budget primarily due to the recognition and revaluation of the Victim Services Scheme (VSS) and Financial Assistance Scheme (FAS) obligations following actuarial assessments and prior period error corrections. The increase is also due to higher outstanding insurance claims liabilities due to large claims experience across the medical malpractice, property and public liability portfolios.	1,346,167	1,212,802	133,365	11%
Payables The variance is attributed to a lower level of interest payable on borrowings and the payment of liabilities relating to the settlement of a civil dispute. The variance is also attributed to a classification error in budgeted intragovernmental balances. The impact is offset by receivables and has no effect on net assets or key balance sheet metrics.	406,763	563,477	(156,714)	-28%
Receipts from sales of goods and services This variance is mainly due to growth in Cross Border Revenue as a result of increases in the National Efficient Price (NEP) and the number of interstate residents treated in ACT public hospitals.	775,826	701,427	74,399	11%
Investment receipts Investment receipts were lower than budget primarily due to lower distributions received from investments.	134,106	187,668	(53,562)	-29%
Interest receipts Interest receipts were influenced by the average cash balances maintained for operational and liquidity purposes throughout the year, together with the prevailing interest rates applicable to those balances.	298,030	236,623	61,407	26%

42 Variance Explanations for the General Government Sector 2025-26 Actual compared to 2025-26 Budget Addendum

	2025-26 Actual $'000	2025-26 Budget $'000	Variance $'000	Variance %
Dividends and income tax equivalents The variance primarily reflects the deferral of land settlements to the 2026-27 financial year that relate to market gains on land sales which are recognised as dividends (market gains on land sales) in investing activities. The variance is also attributed to higher returns from Icon Water and the Suburban Land Agency.	179,821	118,437	61,384	52%
Other receipts The variance is attributed to the receipts of Investment gains mainly relating to foreign exchange hedging activities for international investments.	733,158	587,623	145,535	25%
Other payments The variance is mainly due to a higher than budgeted Goods and Services Tax paid to suppliers due to higher GST payments associated with capital works expenditure. The variance primarily reflects differences between the original budget assumptions and the actual timing and value of capital project expenditure incurred during the year.	(610,594)	(533,871)	(76,723)	14%
Proceeds from sales of non-financial assets The variance is primarily due to lower-than-budget sales of land rent blocks, together with delays in the sale of the Woden Community Centre site.	14,153	56,771	(42,618)	-75%
Purchase of non-financial assets The lower than budgeted Purchase of non-financial assets is mainly due to lower than budgeted purchase of capital works, which primarily reflects delays and deferrals in the delivery of capital infrastructure projects, resulting in expenditure occurring later than originally anticipated.	(927,554)	(1,050,700)	123,146	-12%
Dividends (market gains on land sales) The lower than budgeted cash receipts for dividends (market gains on land sales) primarily reflects the deferral of land settlements to the 2026-27 financial year.	795	61,980	(61,185)	-99%
Loans receivable provided Loans receivable were lower than budget primarily due to lower than anticipated loans issued under the ACT Private Buildings Cladding Concessional Loan Scheme.	(56,560)	(80,481)	23,921	-30%
Net cash flows from investments in financial assets for liquidity purposes The variance is largely driven by underlying investment purchases to support Government agency activities.	(476,125)	(311,683)	(164,442)	53%
Net cash flows from financing activities The increase mainly reflects higher net borrowings to meet budget funding requirements of the Territory and higher than budgeted repayment of lease liabilities principally reflects the timing and value of principal repayments under lease arrangements, including motor vehicle and office accommodation leases.	1,778,155	1,483,788	294,367	20%

APPENDIX A – GLOSSARY

KEY FISCAL AGGREGATES

Cash Surplus/(Deficit)

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

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

Net Debt (excluding superannuation related investments)

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

Net debt is a useful measure to assess the overall strength of the Government's fiscal position. A positive position indicates that cash reserves and investments are lower than gross liabilities placing a call on future revenues to service these liabilities. A negative position indicates that cash reserves and investments are greater than gross liabilities.

The ACT measure of net debt excludes the impact of superannuation related investments.

Net Financial Liabilities

Net financial liabilities take into account unfunded superannuation liabilities and provide a broader measure of debt than net debt. Net financial liabilities are calculated as total liabilities less financial assets, excluding Investments in other public non-financial corporations.

Net Financial Worth

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

Net Increase/(Decrease) in Cash Held

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

Net Lending/(Borrowing)

The financing requirement of government, calculated as the Uniform Presentation Framework (UPF) net operating balance less the net acquisition of non-financial assets. The net acquisition of non-financial assets includes the following:

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

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

Net Worth

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

APPENDIX A – GLOSSARY – CONTINUED

Uniform Presentation Framework Net Operating Balance

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

OTHER DEFINITIONS

Australian Bureau of Statistics (ABS)

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

ABS GFS Manual

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

Advances Paid

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

Advances Received

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

Capital Injection

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

Concessional Loan

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

Contract Asset

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

Contract Liability

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

Controlled Recurrent Payments

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

APPENDIX A – GLOSSARY – CONTINUED

Current Assets

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

- it is expected to be realised or is intended for sale or consumption in the Territory entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period as defined in AASB 107 'Statement of Cash Flows'.

Current Liabilities

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

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

Debt

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

Financial Assets

A financial asset is any asset that is:

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

Financial Management Act 1996 (FMA)

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

APPENDIX A – GLOSSARY – CONTINUED

General Government Sector (GGS)

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

Government Finance Statistics (GFS)

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

Harmonised Financial Statements

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

Headline Net Operating Balance (HNOB)

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

Lease Asset

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

Lease Liabilities

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

Lessee

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

Lessor

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

Materiality

Materiality is the concept of establishing the importance of financial data. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The size or nature of the item, or a combination of both, could be a determining factor in whether it is material.

National Partnership Payment (NPP)

A NPP is a Commonwealth payment to the States and Territories under the Intergovernmental Agreement on Federal Financial Relations (IGA-FFR), in respect of a Federation Funding Agreement, National Partnership Agreement or Project Agreement, to support the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.

National Specific Purpose Payment (SPP)

A Commonwealth financial contribution to support State and Territory delivery of services in a particular sector within the scope of the Intergovernmental Agreement on Federal Financial Relations (IGA-FFR). There is currently only one National SPP which is associated with the National Skills Agreement, previously known as the National Agreement on Skills and Workforce Development.

APPENDIX A – GLOSSARY – CONTINUED

Non-Financial Assets

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

Non-Financial Non-Produced Assets

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

Non-Financial Produced Assets

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

Operating Leases

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

Other Economic Flows

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

Public Non-Financial Corporations (PNFCs) Sector

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

Public Private Partnerships (PPP)

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

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

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

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

APPENDIX A – GLOSSARY – CONTINUED

Revenue from Contracts with Customers

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

Right of Use (ROU) Asset

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

Service Concession Arrangements

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

The service concession arrangement is effective in the reporting period between a grantor and an operator in which:

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

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

Total Comprehensive Result

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

Total Territory

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

Treasurer's Advance

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

Trust Money

Trust money is money that belongs to or is owing to any person and is collected by the Territory because of an agreement between the Territory and that person or unclaimed money that is owing to or belongs to anyone and is deposited with the Territory.

Trust money can include:

- money that a Territory entity holds in trust on behalf of a third party;
- money deposited with the Territory pending the completion of a transaction or the determination of a dispute and that may become repayable to the depositor or payable to the Territory or anyone else; or
- money that is paid into a Territory court for possible repayment to the payee or a third party because of any Act, order, instruction or authority.

APPENDIX A – GLOSSARY – CONTINUED

Underlying Asset

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

Uniform Presentation Framework (UPF)

By agreement between the Commonwealth Government and the States and Territories, each jurisdiction presents financial information on a UPF basis in their budget papers, and in mid-year budget updates and in budget outcome reporting. The primary objective of the UPF is to ensure that the Commonwealth, State and Territory governments provide a common 'core' of financial information in their budget papers to enable direct comparisons of each government's budget and financial results. The UPF is based on AASB 1049 '*Whole of Government and General Government Sector Financial Reporting*'.