



**MODEL FINANCIAL STATEMENTS
FOR
DIRECTORATES
&
TERRITORY AUTHORITIES
FOR THE REPORTING PERIOD
ENDED 30 JUNE 2019**

ISSUED MAY 2019

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Produced by:
Financial Framework Management & Insurance (FFMI)
ACT Chief Minister, Treasury and Economic Development Directorate (CMTEDD)

Contact:
FFMI - Financial Framework (Accountants)
Email: geoff.britt@act.gov.au
Telephone: +61 2 6207 0259

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Table of Contents

Table of Contents	iii
Financial Statement Guidelines for Agencies	1
1.1 Preface	1
1.2 Materiality Guidance	1
1.2.1 Benefits of Streamlined Financial Reporting	1
1.2.2 General Guidance	2
1.2.3 Requirement for Separate Line Items on the Face of the Financial Statements	2
1.2.4 Requirement for Separate Note Disclosures	2
1.2.5 Detail in Separate Note Disclosures	3
1.2.6 Variance Explanations between Current and Prior Year Figures	3
1.2.7 Exceptions to the Simplification Guidance Rules	3
1.2.8 Consultation with Audit Committee and the Audit Office	3
1.3 What’s New	3
1.3.1 Changes to the Model Resulting from Accounting Standard Changes	3
1.3.2 Changes to the Model resulting from ACT Accounting and Disclosure Policies issued since the last Model	4
1.3.3 Other Changes to the Model not resulting from changes to Accounting Standards or ACT Accounting and Disclosure Policies	4
1.4 Additional Sections	4
1.4.1 Territory Authority Section (TAS)	4
1.4.2 Model Supplement	5
1.5 Reporting Requirements	5
1.6 Application	5
1.7 Accounting Standards and Guidance Releases	6
1.8 Adapting the Model to Individual Agency Requirements	6
1.8.1 Decluttering Financial Statements	6
1.8.2 Presentation	6
1.8.3 Operating Statement	6
1.8.4 Output Classes	6
1.8.5 Note Disclosures	7
1.8.6 Concise Explanations of Major Variations	7
1.8.7 Comparative Figures for New Agencies	7
1.9 Financial Statement Requirements	8

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

1.9.1	Currency, Language and Comparative Amounts	8
1.9.2	Consolidation	8
1.10	Certification	8
1.10.1	Independent Audit Report	8
1.10.2	Statement by Director-General/Chief Executive Officer (or Chair Person)	9
1.10.3	Statement by the Chief Finance Officer	9
1.11	Submission Date for Financial Statements	9
MODEL FINANCIAL STATEMENTS		10
Independent Audit Report		11
Statement of Responsibility		12
Statement by the Chief Finance Officer		13
CONTROLLED FINANCIAL STATEMENTS		14
Operating Statement		15
Balance Sheet		20
Statement of Changes in Equity		24
Cash Flow Statement		27
Summary of Agency Output Classes		31
Operating Statement for Output Class 1 – Management of Land		32
Operating Statement for Output Class 2 – Municipal Services		33
Operating Statement for Output Class 3 – Environment and Heritage		34
Disaggregated Disclosure of Assets and Liabilities [Directorates Only]		36
Controlled Statement of Appropriation		40
CONTROLLED NOTE INDEX		42
Note 1. Objectives of ‘Example Agency’		44
Note 2. Significant Accounting Policies		44
Note 3. Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error ..		44
Note 4. Controlled Recurrent Payments		45
Note 5. User Charges		46
Note 6. Interest		46
Note 7. Distribution from investments with the Territory Banking Account		47

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Note 8. Resources Received Free of Charge	47
Note 9. Other Revenue	48
Note 10. Gains on Investments	48
Note 11. Other Gains	49
Note 12. Employee Expenses	51
Note 13. Superannuation Expenses	51
Note 14. Supplies and Services	52
Note 15. Depreciation and Amortisation	53
Note 16. Grants and Purchased Services	54
Note 17. Borrowing Costs	55
Note 18. Other Expenses	55
Note 19. Waivers, Impairment Losses and Write-offs	57
Note 20. Act of Grace Payments	58
Note 21. Auditor’s Remuneration	59
Note 22. Cash and Cash Equivalents	60
Note 23. Receivables	61
Note 24. Investments	64
Note 25. Inventories	65
Note 26. Assets Held For Sale	66
Note 27. Property, Plant and Equipment	67
Note 28. Investment Properties	78
Note 29. Intangible Assets	81
Note 30. Capital Works in Progress	83
Note 31. Other Assets	85
Note 32. Payables	85
Note 33. Interest-Bearing Liabilities and Finance Leases	87
Note 34. Employee Benefits	90
Note 35. Other Provisions	92
Note 36. Other Liabilities	94
Note 37. Equity	95

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Note 38. Restructure of Administrative Arrangements [Directorates Only]	96
Note 39. Financial Instruments	99
Note 40. Commitments.....	108
Note 41. Contingent Liabilities and Contingent Assets	110
Note 42. Interest in a Joint Venture	112
Note 43. Interest in A Joint Operation.....	115
Note 44. Cash Flow Reconciliation.....	117
Note 45. Events Occurring after Balance Date	118
Note 46. Third Party Monies	119
Note 47. Related Party Disclosures	120
Note 48. Budgetary Reporting.....	126
Commentary – Discontinuing Operations.....	129
TERRITORIAL FINANCIAL STATEMENTS¹	130
Statement of Income and Expenses on Behalf of the Territory.....	131
Statement of Assets and Liabilities on Behalf of the Territory	132
Statement of Changes in Equity on Behalf of the Territory	133
Cash Flow Statement on Behalf of the Territory	135
Territorial Statement of Appropriation	136
TERRITORIAL NOTE INDEX	137
Note 49. Significant Accounting Policies – Territorial	138
Note 50. Payment for Expenses on behalf of the Territory – Territorial	138
Note 51. Taxes, Fees and Fines – Territorial	138
Note 52. Grants and Purchased Services – Territorial.....	139
Note 53. Transfer to Government – Territorial.....	140
Note 54. Other Expenses – Territorial.....	140
Note 55. Waivers, Impairment Losses and Write-offs – Territorial	140
Note 56. Cash and Cash Equivalents – Territorial	141
Note 57. Receivables -Territorial	142
Note 58. Other Assets – Territorial	143
Note 59. Payables – Territorial	143

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Note 60. Other Liabilities – Territorial	144
Note 61. Disaggregated Income and Expense – Territorial.....	145
Note 62. Restructure of Administrative Arrangements – Territorial.....	146
Note 63. Cash Flow Reconciliation – Territorial	147
Note 64. Financial Instruments – Territorial.....	148
Note 65. Commitments – Territorial.....	150
Note 66. Contingent Liabilities and Contingent Assets – Territorial.....	150
Note 67. Events Occurring after Balance Date – Territorial	151
Note 68. Related Party Disclosures - Territorial.....	151
Note 69. Budgetary Reporting – Territorial	151
Appendix A - Basis of Preparation of the Financial Statements	154
Appendix B –Significant Accounting Policies.....	158
Appendix C – Impact of Accounting Standards Issued But Yet to Be Applied	171
Appendix D - Change in Accounting Policy, Accounting Estimates, and Correction of a Prior Period Error	176

Financial Statement Guidelines for Agencies

1.1 PREFACE

The Model Financial Statements (Model) have been developed to assist agencies with the preparation of their annual financial statements.

The Model is designed to clearly explain presentational requirements within the current reporting framework of the Territory. Disclosures contained in the Model should only be included in an agency's financial statements if they are applicable and material. For example, where an agency does not have any investment properties, the investment property note disclosure contained in the Model should not be included in the agency's financial statements. Additional disclosure should also be included where the information is considered to enhance the comprehension of the financial statements and is of relevance to readers. The requirements in this Model are effective for the year ending 30 June 2019.

The Model 'Example Agency' is a fictitious agency and has only been used for the purposes of illustrating the financial reporting requirements for ACT Government agencies.

1.2 MATERIALITY GUIDANCE

Agencies are encouraged to consider materiality in preparing and streamlining their financial statements.

The AASB Practice Statement 2 *Making Materiality Judgements* (December 2017) should be used by agencies in their assessment of materiality. Making materiality judgements involves both quantitative and qualitative considerations. A quantitative threshold - a specified level, rate or amount used in assessing size - can be a helpful tool in making a materiality judgement. However, a quantitative assessment alone is not always sufficient to conclude that an item of information is not material. The entity should further assess the presence of qualitative factors.

The Australian Accounting Standards Board (AASB) issued AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* to streamline and simplify financial statements. It clarifies that entities should not disclose immaterial information in their financial statements and that the presentation of information in notes can and should be tailored to provide users with the clearest story of an entity's financial performance and financial position.

1.2.1 BENEFITS OF STREAMLINED FINANCIAL REPORTING

Benefits of financial statement simplification include:

- improving the readability of the financial statements by reducing the level of detail included in relation to immaterial balances in separate note disclosures that does not add value to the readers' understanding of agencies' financial results, in order to focus on material areas;
- reducing financial statement preparation time – due to the ability to use system solutions to assist with the identification of notes and line items that are material from those that may not be material, as well as reducing the size of the financial statements that need preparation and review; and
- reducing the level of unnecessary work required during the audit process.

1.2.2 GENERAL GUIDANCE

Agencies need to exercise judgement when assessing whether information is material to the financial statements. The following quantitative and qualitative criteria may be applied in the assessment process:

- size or dollar amount of the item;
- nature of the item;
- whether the entity's results cannot be understood without the specific disclosure;
- reporting requirement associated with the item (i.e. it needs to be disclosed to comply with a reporting requirement, regardless of the amount); and/or
- it is required to meet the needs of a key stakeholder.

The following generally accepted quantitative benchmarks may be applied by agencies in assessing materiality:

- below 5 per cent of the applicable benchmark is assumed to be immaterial, unless disclosure is required by legislation, policy or specific stakeholder requirement;
- between 5 per cent and 10 per cent of the applicable benchmark needs to be considered in the context of qualitative materiality criteria or specific stakeholder requirement; and
- over 10 per cent of the applicable benchmark is deemed material.

While there is no 'one size fits all' approach to streamlining financial statements, the following guidance should be considered, to determine when to:

- provide separate line items on the face of the financial statements (i.e. Operating Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement);
- provide separate note disclosures for a face statement line item;
- reduce immaterial detail provided in separate note disclosures; and
- provide explanations for variances between prior and current year actual figures.

As circumstances change over time, materiality judgements should be reassessed at each reporting date.

1.2.3 REQUIREMENT FOR SEPARATE LINE ITEMS ON THE FACE OF THE FINANCIAL STATEMENTS

Face statement line items which are less than 10 per cent of the relevant category total (a category is for instance total Income, Expenses or Equity) maybe aggregated with other line items. An item that is not sufficiently material to warrant separate presentation on the face of the statements may still warrant separate presentation in the notes.

Agencies may also consider re-naming line items where it represents only one type of transaction (e.g. where 'other assets' only include prepayments, agencies may change the name of the line item to 'prepayments').

Agencies need to refer to the commentary in the Model Financial Statements for further guidance on aggregation of line items on the face of the financial statements.

1.2.4 REQUIREMENT FOR SEPARATE NOTE DISCLOSURES

Face statement line items which are less than 10 per cent of that category's total (a category is for instance total Income, Expenses or Equity), may not require separate note disclosure. The intention being that small value line items will be shown at the face statement level only. However, for these line items, if the variance between the current and prior year actual values is greater than the threshold for variance explanations (refer section on '*Variance explanations between Current and Prior Year Figures*'), a separate note with the variance explanation may be required.

A separate note is not required if the item is assessed as not material (following evaluation of quantitative and qualitative materiality factors) and/or note only restates the information on the face of the financial statements and does not provide any additional information.

These thresholds are a guide only and agencies need to determine the most appropriate thresholds specific to their financial statements.

1.2.5 DETAIL IN SEPARATE NOTE DISCLOSURES

Within notes, any line item less than 10 per cent of that note total, may be moved to another appropriate line and grouped and labelled accordingly. Where the line 'Other' is used, it should not represent any more than 10 per cent of the Note total. The intention is that line items in notes are reduced and material items remain visible.

Agencies may restate prior year line items within the notes to accommodate for this simplification (i.e. a higher level of aggregation), however, the totals in each note will remain the same as the published prior year amount.

1.2.6 VARIANCE EXPLANATIONS BETWEEN CURRENT AND PRIOR YEAR FIGURES

Generally, for large agencies, within notes any variances between the current and prior year actual figures that are below \$1 million dollars and 10 per cent variation from the prior year value (\$250,000 and 5 per cent for small agencies) may not be explained unless considered necessary due to qualitative materiality factors. A large agency is one which has about \$10m of either total expenses or capital injection expenditure.

These thresholds are indicative to assist agencies' judgement in assessing whether an explanation is required.

Where variance explanations are not required within separate note disclosures, agencies may still consider it necessary to apply the same degree of rigor in verifying the information to be used in other fora, and variance related information retained in supporting documents. This additional information will allow information to be sourced quickly to respond to questions for further detail such as through the Legislative Assembly Annual Report Hearings process.

1.2.7 EXCEPTIONS TO THE SIMPLIFICATION GUIDANCE RULES

As specified in the Model Financial Statements, some disclosures are required by the ACT disclosure policy regardless of the amount or the threshold for disclosure, such as waivers and compensation to key management personnel.

Exceptions may also need to be made despite the threshold tests to ensure the most appropriate information is presented in agencies financial statements for the benefit of users. However, this is a matter for agency judgement on specific disclosures.

1.2.8 CONSULTATION WITH AUDIT COMMITTEE AND THE AUDIT OFFICE

Each agency will need to exercise judgement in determining appropriate thresholds for disclosures in their financial statements. Agencies are encouraged to agree their specific thresholds for disclosures along with exceptions with their Audit Committee and the Audit Office in the process of developing their financial statements.

1.3 WHAT'S NEW

1.3.1 CHANGES TO THE MODEL RESULTING FROM ACCOUNTING STANDARD CHANGES

AASB 9 *Financial Instruments*

Financial Framework Memo 2018/23 AASB 9 *Financial Instruments* – Further Guidance for Agencies issued on 18 December 2018 set out the various issues that agencies need to address in implementing AASB 9.

In particular agencies need to address the classification and measurement of financial assets based on their business model for managing their financial assets and the contractual cash flow characteristics of the financial asset.

Also, AASB 9 replaces the 'incurred loss basis' under AASB 139 *Financial Instruments: Recognition and Measurement* with a forward looking 'expected loss basis' for determining impairment losses. An expected credit loss matrix can be used to calculate the impairment losses on trade receivables.

1.3.1 Changes to the Model Resulting from Accounting Standard Changes - AASB 9 continued

Although AASB 9 must be applied retrospectively in accordance with AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors*, as per Territory policy, comparatives are not required to be restated on initial application. Any difference between the previous carrying amounts and the new carrying amounts under AASB 9 at the date of initial application (which for a 30 June year end agency is 1 July 2018) must be recognised in opening retained earnings (AASB 9.7.2.15). The impact of the initial application of AASB 9 should be shown in Notes: 18 Other Expenses; 23 Receivables; 39 Financial Instruments; and Appendices A and D. Note that for 2018-19 reporting AASB 9 does not apply to statutory receivables which are reported in the Territorial accounts. Contractual territorial receivables fall within AASB 9.

Impact of Accounting Standards Issued but yet to be Applied

Also included is an updated table listing the standards, which are applicable but yet to be applied as at 30 June 2019, in accounting policy Note 2 (see Appendix C). This includes brief commentary on the financial impact of these standards.

Agencies are required to disclose known or reasonably estimable information relevant to assessing the possible impact that the application of these standards will have on the agency's financial statements in the period of initial application (AASB 108.30).

1.3.2 CHANGES TO THE MODEL RESULTING FROM ACT ACCOUNTING AND DISCLOSURE POLICIES ISSUED SINCE THE LAST MODEL.

Agencies should review the accounting policy on Treatment of AASB Standards issued which are not yet effective as at 30 June 2019 (to be issued in July 2019) when assessing the likely impact of those standards.

1.3.3 OTHER CHANGES TO THE MODEL NOT RESULTING FROM CHANGES TO ACCOUNTING STANDARDS OR ACT ACCOUNTING AND DISCLOSURE POLICIES

All changes to the Model are outlined in the "Addendum to the 2018-19 Model Financial Statements". Please refer to instructions in the Addendum detailing the treatment of each coloured item located throughout the Addendum.

1.4 ADDITIONAL SECTIONS

1.4.1 TERRITORY AUTHORITY SECTION (TAS)

This section details all of the changes from the main Model that a territory authority may need to consider/implement. As part of this section the following has been provided:

- An exhaustive table, detailing which notes are applicable to directorates and/or territory authorities, and which notes are treated differently by territory authorities. This table will act as a quick reference for authorities.
- **Red** coloured text, in the TAS section, highlights the areas that are different (i.e. additional text to that appearing in the main Model or deleted text from that already appearing in the main Model) for territory authorities.
- **Purple** coloured text, placed throughout the main Model, prompts users to be aware of when there is an alteration/consideration to be made by territory authorities, and where authorities can quickly locate details of that alteration in the TAS. For example a reference appearing at the start of the commentary to the operating statement states '**For additional information pertaining to territory authorities - please refer to TAS 2. Operating Statement**'. This reference indicates that for territory authorities there is something additional to implement/consider which could be an alteration to the actual statement (or note) and/or commentary to the statement (or note). For statements (or notes) that don't have this reference line appearing at the start of the commentary, it means that there is no additional information required and that the content as appearing in the statement or note is applicable for territory authorities and directorates.
- **Blue** coloured text indicates text that was not in last year's TAS.
- Notes appearing in the main Model that apply solely to directorates are labelled [Directorates Only] within the title of the note. Territory authorities may disregard the entire contents of these notes and any attached commentary in these instances.

1.4.2 MODEL SUPPLEMENT

A Supplement to the Model has been provided which will assist agencies in the treatment and presentation of instances where a restatement of comparatives is required. This Supplement deals with situations where an agency is required to restate their comparatives as a result of a change in accounting policy, correction of a prior period error or other reclassifications. Along with other associated changes, the Supplement incorporates the requirements contained in AASB 101 *Presentation of Financial Statements* to include an additional restated comparative year in the balance sheet. This Supplement, if required by an agency, may be downloaded directly from the Accounting website at www.act.gov.au/accounting.

1.5 REPORTING REQUIREMENTS

The Model illustrates the consistency and quality of financial information considered necessary to meet the information needs of users. The Model is a complete set of 'general purpose financial statements' which are concerned with providing information to meet the common needs of external users who rely on information communicated to them by an agency's financial statements. The main user is considered to be the Legislative Assembly.

The Model is based on the following principles:

- Accountability- Directors-General are accountable for the efficient and effective use of resources for which they are responsible and the safekeeping of public monies. The financial statements are to disclose information relevant to assessing their performance in this respect.
- Compliance - The financial statements must disclose the information required by legislation and the applicable accounting standards.
- Comparability- The financial statements are to provide operational information that is comparable between periods and between agencies.

1.6 APPLICATION

Prescription of a common format for financial statements assists with the comparability of information across ACT Government agencies. The format and content prescribed in the Model is to be followed taking into account relevance and materiality considerations. It is recognised that disclosure of information in notes will need to be adapted to the specific needs of each agency; however, the content and format requirements are to be complied with, where applicable.

Section 27 and section 63 of the *Financial Management Act 1996* (FMA) requires directorates and territory authorities respectively to prepare their annual financial statements in accordance with Australian Accounting Standards. The Model is considered to meet the reporting requirements of the FMA.

Where the Model refers to an agency, this shall be taken to include directorates and territory authorities.

ACT Accounting Policies relating to recognition and measurement are incorporated in ACT Accounting Policy Papers, which are available on the Accounting website at www.act.gov.au/accounting. However, ACT Accounting Policies relating to disclosures are included in the Model; for instance, under Note 23 *Receivables*, ACT Accounting Policy dictates that the split between Government/Non-Government Receivables is to be shown separately as part of the financial statements. In these instances, the reference indicates that it is an 'ACT Disclosure Policy'.

1.7 ACCOUNTING STANDARDS AND GUIDANCE RELEASES

The Model incorporates, as appropriate, Australian Accounting Standards and Accounting Interpretations as prepared by the Australian Accounting Standards Board (AASB).

If an agency is of the view that the Model does not comply with the accounting standards, accounting interpretations, or the FMA, this should be brought to the attention of Financial Framework Management and Insurance in the Chief Minister and Treasury and Economic Development Directorate immediately.

1.8 ADAPTING THE MODEL TO INDIVIDUAL AGENCY REQUIREMENTS

1.8.1 DECLUTTERING FINANCIAL STATEMENTS

Agencies need to continue their efforts in further streamlining and decluttering their financial statements by removing immaterial, duplicate or irrelevant disclosures that have built up over time. Agencies need to apply judgement in determining which disclosures could be omitted. Agencies need to consider the Materiality Guidance at Section 1.2 in making this assessment.

1.8.2 PRESENTATION

When an agency is formatting its financial statements, the 'reference' column on the left-hand side of the Model and the commentary notes are not to be included.

Where the Model contains a line item for which there are no figures displayed, the line has been displayed as an example only. Where an accounting standard requires a line item to be included in the financial statements, but the agency does not have current year, prior year or original budget figures against this line item, the line item need not be disclosed in the financial statements. The exceptions to this are the net cash inflows / (outflows) sub-totals in the Cash Flow Statement and where indicated in the commentary to a statement or note. For completeness, all 3 subtotals (for operating, investing and financing activities) should be displayed.

If an item is not material, it need not be shown as a separate line item in the statements.

1.8.3 OPERATING STATEMENT

The Model Operating Statement reflects the wording '*Operating Deficit*' or '*Operating Surplus*'. The use of '*Operating Surplus/(Deficit)*' is required when budget, actual and prior year actual sub-totals reflect both surpluses and deficits. This wording is used in preference to '*Operating Result*' as it assists the reader to easily interpret the result. In the event that the current year actual (i.e. the first column on the left) is a deficit, and the other columns are in surplus, the line should read as follows: '*Operating (Deficit)/Surplus*'.

Similarly, for Total Other Comprehensive Income and Total Comprehensive Income the terms 'Income'/'(Deficit)' should be used as applicable.

1.8.4 OUTPUT CLASSES

The output class information contained in the '*Summary of Agency Output Classes*' is an example only. The Summary must be customised to reflect the number of output classes of the agency. Similarly, the output class names and descriptions used in the Operating Statement for each Output Class are examples only that also need to be tailored to the agency.

1.8.5 NOTE DISCLOSURES

The primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements for ACT Government agencies can be met. The Model contains some disclosures that may not be overall material to 'Example Agency' but the disclosure is included because it may be material to an ACT Government agency (agencies). Agencies should consider their own specific circumstances when determining which disclosures to include.

Not all note disclosures in the Model will apply to every agency, so agencies must decide which notes are necessary. While the Model has been developed to be as inclusive as possible, not all situations that may be encountered by agencies have been addressed. Therefore, agencies must ensure that their financial statements meet the requirements outlined in the relevant accounting standards bearing in mind the materiality guidance in Section 1.2.

The notes contained in the Model are considered to be 'best practice'. Agencies do have discretion to alter the Model notes to meet specific needs, so long as the applicable content requirements are still complied with. This is particularly the case with definitions and line item descriptions.

The breakdown of statement line items contained in various notes (e.g. Note 14 Supplies and Services and Note 18 Other Expenses) need to be tailored to the requirements of each agency. All material amounts are to be individually disclosed in these notes.

Throughout the notes in the Model, brackets have been used to prompt preparers to adopt agency specific policy. The following brackets < > have been used to highlight that the numbers in them are not specific accounting policy requirements and hence each agency needs to insert its applicable accounting policy. Agencies may adopt the number used in the brackets where it is appropriate to do so. An example of this is property, plant and equipment with a minimum value of <\$5,000> being capitalised. Agencies are required to substitute the \$5,000 amount if they use a different capitalisation threshold.

1.8.6 CONCISE EXPLANATIONS OF MAJOR VARIATIONS

Agencies are to continue to include concise explanations of major variances between the current and prior year for significant amounts in the financial statements. The explanations are in addition to the Management Discussion and Analysis, which tends to be more strategic in nature.

The Model includes some examples of these variance explanations in the notes. The Model does not include variance explanations in every situation one may be required and as such agencies should not use the Model as a guide for determining when an explanation should be included based on the size of the variance.

Variance explanations included in the notes form part of the audited financial statements. Variance explanations must be able to be independently verified.

1.8.7 COMPARATIVE FIGURES FOR NEW AGENCIES

Where an agency first commences activities in the current financial reporting period, that agency need not disclose comparative figures in its financial statements. Where a new agency has been created and other agencies have been merged or amalgamated into the new agency, advice regarding comparatives should be sought from Financial Framework Management and Insurance (FFM &I) in the Chief Minister, Treasury and Economic Development Directorate (CMTEDD).

1.9 FINANCIAL STATEMENT REQUIREMENTS

1.9.1 CURRENCY, LANGUAGE AND COMPARATIVE AMOUNTS

There are a number of general requirements in relation to the presentation and disclosure of financial statements.

AASB 101 Presentation of Financial Statements requires the following:

- a) the reporting date or the period covered by the financial statements (AASB 101.51 (c));
- b) financial statements should be presented on an annual basis. However, where an agency's reporting period changes and where the financial period for the current or prior year covered in the financial statements is less, or more, than 12 months, the agency must disclose the reason for a period other than 12 months being used and that comparative amounts are not entirely comparable (AASB 101.36);
- c) agencies must disclose comparative information for the preceding reporting period in the financial statements except where an Australian Accounting Standard permits or requires otherwise (AASB 101.38); and
- d) Presentation and classification of items is retained from one period to the next unless:
 - i. it is apparent, following a significant change in the nature of the operations of the agency, that another presentation or classification would be more appropriate (having regard to the requirement in AASB 108) (AASB 101.45 (a)); or
 - ii. a change in presentation or classification is required by Australian Accounting Standards (AASB 101.45 (b)).

ACT Disclosure Policy requires all agencies to use the English language and Australian currency in the presentation of their financial statements.

Amounts may be rounded to the nearest \$1,000 in the financial statements, provided:

- rounding is applied consistently; and
- the level of rounding is clearly indicated.

Rounding of amounts for financial statement purposes should not alter actual amounts in agencies' financial systems.

Directorates and territory authorities must also prepare financial statements in a form that facilitates a comparison with the budget contained in the Budget Papers for directorates (section 27(2) of the FMA) and with the budget information contained in a Territory Authority's Statement of Intent (section 63 (2) of the FMA) for authorities.

1.9.2 CONSOLIDATION

Agencies with control over another entity must prepare consolidated financial statements in accordance with AASB 10 *Consolidated Financial Statements* for the agency and all entities it controls.

'An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee' (AASB 10.6).

1.10 CERTIFICATION

1.10.1 INDEPENDENT AUDIT REPORT

The independent audit report on an agency's financial statements must be attached to the front of the statements, directly before the Statement of Responsibility by the Director-General/Chief Executive Officer or Chair Person.

1.10.2 STATEMENT BY DIRECTOR-GENERAL/CHIEF EXECUTIVE OFFICER (OR CHAIR PERSON)

Section 28 of the FMA requires a Statement of Responsibility, which is signed by the responsible Director-General (D-G), to be attached to the financial statements. The FMA (section 64) also requires a 'Statement of Responsibility' to be attached to a territory authority's financial statements. The statement is to be signed by the Chief Executive Officer (CEO) where the authority does not have a governing board. However, where the authority has a governing body the Chair of that board must sign the statement. The Statement of Responsibility is to be located directly after the independent audit report.

The statement must state whether, in the opinion of the responsible D-G/CEO (or Chair Person), the financial statements fairly reflect the financial operations of the agency during the reporting period and the financial position of the agency at the end of the reporting period. The name of the DG/CEO or Chair Person of the agency must be clearly printed on the statement.

1.10.3 STATEMENT BY THE CHIEF FINANCE OFFICER

ACT Disclosure Policy requires Chief Finance Officers of agencies to sign a separate statement stating the following: In their opinion, the financial statements have been prepared in accordance with Australian Accounting Standards, are in agreement with the agency's accounts and records, and fairly reflect the financial operations of the agency for the reporting period and the financial position of the agency at the reporting date. Note that this is not a requirement of the FMA.

1.11 SUBMISSION DATE FOR FINANCIAL STATEMENTS

The Chief Minister's Annual Report Directions requires agencies to submit their annual financial statements to the Auditor-General and CMTEDD no later than the dates specified in the timetable issued by CMTEDD, in order to meet the whole-of-government financial reporting deadline. Amendments to the FMA now allow the Statement of Responsibility to be signed by the D-G/CEO or Chair Person any time before the audit opinion, is provided by the Auditor-General. However, to ensure there is no loss of quality, the draft financial statements need to be reviewed by the relevant Internal Audit Committee and authorised for issue to the Auditor-General by the D-G/CEO or Chair Person.

CMTEDD has issued a timetable in a Memorandum 2019/02 *2018-19 Timetable for Agency Financial Statements and the Consolidated Financial Statements for the Territory* providing the dates when:

- agencies are to provide annual financial statements to the Audit Office; and
- the final audit report is issued.

MODEL FINANCIAL STATEMENTS
of
'Example Agency'

For the Year Ended
30 June 2019

Independent Audit Report

[Insert the Report from the ACT Audit Office.]

**‘Example Agency’
Financial Statements
For the Year Ended 30 June 2019**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Agency’s accounts and records and fairly reflect the financial operations of the Agency for the year ended 30 June 2019 and the financial position of the Agency on that date.

Chloe Smith
Director-General
‘Example Agency’
July 2019

Reference	Commentary – Statement of Responsibility
FMA Section 28	<p>For additional information pertaining to territory authorities - please refer to TAS 1 <i>Statement of Responsibility</i>.</p> <p>The <i>Financial Management Act 1996</i> (FMA) requires the Director-General to attach a ‘Statement of Responsibility’ to the financial statements. The statement is to be signed by the Director-General and must state whether, in the opinion of the responsible Director-General, the financial statements fairly reflect the financial operations of the agency during the reporting period and the financial position of the agency at the end of the reporting period. The name of the Director-General of the agency must be clearly printed on the statement.</p>

**‘Example Agency’
Financial Statements
For the Year Ended 30 June 2019**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the Agency’s accounts and records and fairly reflect the financial operations of the Agency for the year ended 30 June 2019 and the financial position of the Agency on that date.

Kimberley Wilson
Chief Finance Officer
‘Example Agency’
July 2019

Reference	Commentary – Statement by the Chief Finance Officer
ACT Disclosure Policy	Although the FMA only requires that a Statement of Responsibility be provided by the Director-General, it is ACT Disclosure Policy that the Chief Finance Officer must also provide a statement. This statement should say that the financial statements have been prepared in accordance with Australian Accounting Standards, and are in agreement with the agency’s accounts and records and fairly reflect the financial operations of the agency. This statement is usually signed prior to the Director-General signing the Statement of Responsibility, and is to provide a level of assurance to the Director-General. The name of the Chief Finance Officer of the agency must be clearly printed on the statement.

‘Example Agency’
CONTROLLED FINANCIAL STATEMENTS

For the Year Ended
30 June 2019

Note: A ‘Controlled Financial Statements’ Title page is not required for ACT Territory Authorities

‘Example Agency’ Operating Statement For the Year Ended 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
AASB 101.85	Income				
AASB 101.82(a)	<i>Revenue</i>				
AASB 101.85 & AASB 1004.63(a)	Controlled Recurrent Payments	4	304,815	303,354	295,430
AASB 101.85	User Charges	5	29,650	22,467	27,016
AASB 118.35(b)(iii)	Interest	6	1,272	538	642
AASB 101.85	Distribution from Investments with the Territory Banking Account	7	703	149	538
AASB 1004.62	Resources Received Free of Charge	8	2,025	116	610
AASB 101.85	Other Revenue	9	4,945	238	4,204
AASB 101.82(a)	<i>Total Revenue</i>		343,410	326,862	328,440
AASB 101.85	<i>Gains</i>				
AASB 101.34(a)	Gains on Investments	10	1,970	2,689	2,630
AASB 101.85	Other Gains	11	15,997	13,200	21,500
AASB 101.85	<i>Total Gains</i>		17,967	15,889	24,130
AASB 101.85	Total Income		361,377	342,751	352,570
AASB 101.85	Expenses				
AASB 101.85 & 102	Employee Expenses	12	74,794	75,153	72,114
AASB 101.85 & 102	Superannuation Expenses	13	11,912	12,039	11,132
AASB 101.85 & 102	Supplies and Services	14	110,750	92,045	108,018
AASB 101.85 & 102	Depreciation and Amortisation	15	97,039	98,089	93,564
AASB 101.85 & 102	Grants and Purchased Services	16	72,348	73,665	62,928
AASB 101.82(b)	Borrowing Costs	17	1,411	1,416	1,749
AASB 101.85 & 102	Other Expenses	18	14,826	8,530	7,669
AASB 101.85	Total Expenses		383,080	360,937	357,174
AASB 101.82(c)	Share of Operating Profit from Joint Venture accounted for using the Equity Method	43	4,104	5,110	6,831
AASB 101.81A(a)	Operating (Deficit)/Surplus		(17,599)	(13,076)	2,227
AASB 101.85	Other Comprehensive Income <i>Items that will not be reclassified subsequently to profit or loss</i>				
AASB 101.82A(a)(i)	Increase/(decrease) in the Asset Revaluation Surplus		27,396	18,847	182,058
AASB 101.82A(b)(i)	Increase/(decrease) in the Asset Revaluation Surplus attributable to Joint Ventures		2,500	-	2,000
AASB 101.81A(b)	Total Other Comprehensive Income		29,896	18,847	184,058
AASB 101.81A(c)	Total Comprehensive Income		12,297	5,771	186,285
The above Operating Statement should be read in conjunction with the accompanying notes.					

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Operating Statement
	For additional information pertaining to territory authorities - please refer to TAS 2 Operating Statement.
AASB 101.5, 10(b) & 10A AASB 101.81A ACT Disclosure Policy	AASB 101 <i>Presentation of Financial Statements</i> requires agencies to include either a Statement of Profit or Loss and Other Comprehensive Income or, a Statement of Profit or Loss and a Statement of Other Comprehensive Income. ACT Disclosure Policy requires an agency to include one Statement of Profit or Loss and Other Comprehensive Income in their financial statements. The Statement of Profit or Loss and Other Comprehensive may be called the Statement of Comprehensive Income.
AASB 101.5 & 10(b)) AASB 101.10 ACT Disclosure Policy	AASB 101 allows not-for-profit agencies to change the title of their financial statements. As such, ACT Disclosure Policy requires that the single Statement of Profit or Loss and Other Comprehensive Income be called an Operating Statement to maintain consistency and to reflect the fact that most agencies do not operate solely with the intention to generate a profit, but to provide services to the community in an efficient and effective manner. The Operating Statement will now disclose items of profit and loss as well as other comprehensive income as appropriate.
AASB 101.81A – 105	Format AASB 101 sets out the format for the Operating Statement, including certain line items that must be disclosed in the statement.
FMA Section 27(2) FMA Section 63(2)	The FMA requires that the annual financial statements of an agency be prepared in accordance with generally accepted accounting principles and in a form that facilitates a comparison between financial operations of the agency during the reporting period and the estimates of those operations contained in the budget for the agency for the reporting period.
ACT Disclosure Policy	AASB 101 provides two options regarding the presentation of income and expenses, that is, income and expenses can be presented as totals in the Operating Statement, with further disaggregation in the notes, or income and expenses can be disaggregated in the Operating Statement. The ACT Government has chosen the latter option.
AASB 101.82	AASB 101 requires that the total amounts of the following line items be disclosed in the Income or Expenses section of the Operating Statement: <ul style="list-style-type: none"> • revenue; • finance costs; • share of profit or (loss) of joint ventures accounted for using the equity method; and • tax expense.
AASB 101.82A	AASB 101 requires the other comprehensive income section to present line items for amounts of other comprehensive income classified by nature (including the share of the other comprehensive of associates and joint ventures accounted for using the equity method) and grouped into those that in accordance with other Australian Accounting Standards: <ul style="list-style-type: none"> • will not be reclassified subsequently to profit or loss (income or expense); and • will be reclassified subsequently to profit or loss (income or expense) when specific conditions are met.
AASB 101.96	Examples of other comprehensive income items that would never be reclassified to profit or loss are changes in the revaluation surplus recognised in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets and actuarial gains and losses on defined benefit pension plans recognised in accordance with AASB 119 Employee Benefits. Examples of other comprehensive income items that may be reclassified subsequently to profit or loss are foreign currency differences on disposal of a foreign operation under AASB 121, The Effects of Changes in Foreign Exchange Rates and realised gains or losses on cash flow hedges of financial assets under AASB 9 <i>Financial Instruments</i> . It is unlikely that agencies would have items of other comprehensive income that may subsequently be reclassified to profit or loss.
AASB 101.95	

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary – Operating Statement Continued
AASB 101.85	AASB 101 requires additional line items (including by disaggregating the line items listed above), headings and sub-totals to be presented in the Operating Statement when such presentation is relevant to an understanding of the agency’s financial performance. These additional sub-totals must:
AASB 101.85A	<ul style="list-style-type: none"> • be made up of items recognised and measured in accordance with Australian Accounting Standards; • be presented and labelled in a manner that makes the sub-totals clear and understandable and consistent from period to period; and • not be displayed with more prominence than the sub-totals and totals required in Australian Accounting Standards.
AASB 101.85B	<p>An agency must present the line items in the Operating Statement that reconcile any sub-totals presented in accordance with AASB 101.85 with the sub-totals or totals required in Australian Accounting Standards for the Operating Statement.</p> <p>Note that where an agency has no amounts applicable to any individual line item, that line item should not be included in the Operating Statement.</p> <p>Also note that the disaggregation of Original Budget line items in the financial statements may cause issues in relation to the Budgetary Reporting Note. This is because the disaggregated budget figures (i.e. split/components) in the Budgetary Reporting Note are not able to be cross checked against the Original Budget/ SOI figures (total) presented to the Legislative Assembly.</p> <p>This has been addressed by allowing agencies to include the breakdown of the budget figure (where required for the purposes of the annual financial statements) in the Notes to the Budgeted Financial Statements section of the Budget/SOI. This provided the relevant further disaggregated budget figures to the Legislative Assembly at the time of the Original Budget.</p> <p>The use of the wording <i>Operating Surplus/(Deficit)</i> should reflect the order of the result in the columns. If the current year actual is a deficit and the other columns in surplus the line should be represented as <i>Operating (Deficit)/Surplus</i> as demonstrated in the Operating Statement above.</p>
AASB 101.51(c), 51(e) & 53	The reporting date and rounding used in the Operating Statement must be identified.
AASB 101.113	The Operating Statement must be cross-referenced to relevant notes included, based on materiality considerations.
FMA Section 27(2)	<p>Budget</p> <p>The budget numbers appearing in the Operating Statement are the numbers published in the 2018-19 Budget Papers.</p> <p>Income</p> <p>Income is comprised of revenue and gains. Gains are to be displayed separately to revenue in the Operating Statement as this separate identification is useful for the purpose of making economic decisions. Gains are often reported net of related expenses. Note that where a net loss occurs in relation to a particular transaction, it is disclosed as part of Other Expenses.</p> <p><i>Disclosure of Revenue</i></p> <p>AASB 118 <i>Revenue</i> and AASB 1004 <i>Contributions</i> require the following revenue to be separately disclosed in the Operating Statement:</p>
AASB 1004.63(a)	
AASB 1004.62	<ul style="list-style-type: none"> • appropriations and/or user charges, fines and fees recognised by class; • goods and services received free of charge or for nominal consideration;
AASB 118.35(b)(i)	<ul style="list-style-type: none"> • sale of goods;
AASB 118.35(b)(ii)	<ul style="list-style-type: none"> • rendering of services;
AASB 118.35(b)(iii)	<ul style="list-style-type: none"> • interest; and
AASB 118.35(b)(v)	<ul style="list-style-type: none"> • dividends.
AASB 118.35(c)	Disclosure is also required for the amount of revenue arising from exchanges of goods or services included in each significant category of revenue.

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary – Operating Statement Continued
ACT Disclosure Policy	<p>Income - continued</p> <p>ACT Disclosure Policy requires agencies to classify income by nature.</p> <p>Cash distributions to agencies from the Territory Banking Account relating to the Cash Enhanced Portfolio and the Fixed Interest Portfolio should be treated as distribution income and the net returns from the changes in the unit price should be recognised as either gains (i.e. income - see Note 10 <i>Gains on Investments</i>) or for losses as an expense (see Note 18 <i>Other Expenses</i>) in the operating statement.</p> <p><i>Disclosure of Gains</i></p> <p>Gains will be disclosed separately in the Operating Statement or in the notes to the financial statements depending on materiality. These gains may include:</p> <ul style="list-style-type: none"> • gain on investment; • gain on sale of property, plant and equipment; • gain on contribution of assets; • gain on forgiveness of liabilities; • reversal of impairment loss; • reversal of asset revaluation previously expensed; • re-recognition of assets written off; • gain from change in accounting estimates; • reversal in the write-down in inventories; • reversal of the impairment of receivables; and • donations.
ACT Disclosure Policy	
AASB 101.99	<p>Classification of Expenses</p> <p>Under AASB 101, expenses shall be classified by using either:</p> <ul style="list-style-type: none"> • the nature of expenses method; or • the function of expenses method.
AASB 101.100 ACT Disclosure Policy	<p>The standard encourages this classification to be disclosed in the Operating Statement. ACT Disclosure Policy requires agencies to classify expenses by their nature.</p>
Interpretation 1031.6	<p>Goods and Services Tax (GST)</p> <p>In accordance with Interpretation 1031 <i>Accounting for the Goods and Services Tax (GST)</i>, revenue and expenses must be recognised net of the GST except where the amount of GST incurred is not recoverable from the taxation authority. In this case, the GST must be recognised as part of the item of expense.</p>
AASB 101.30A	<p>Materiality and Aggregation</p> <p>Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Operating Statement, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.</p>
AASB 101.29 & 31	<p>The concept of materiality means that a specific disclosure requirement in an Australian Accounting Standard need not be satisfied if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standard contains a list of specific requirements or describes them as minimum requirements. Alternatively, where an item is not specifically required to be disclosed by an Australian Accounting Standard but is material, it shall be disclosed in either the Operating Statement or in the notes to the financial statements, whichever one is appropriate to enable users of financial statements to understand the impact of particular transactions, other events and conditions.</p>

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Operating Statement Continued
	Materiality and Aggregation - continued
AASB 101.7 AASB108.5	An item of information is considered material if its omission or misstatement could individually or collectively: <ul style="list-style-type: none"> influence the economic decisions of users taken on the basis of the financial statements.
Framework 29 &30	Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.
Framework.25	Assessing whether an omission or misstatement could influence economic decisions of users, and so be material, requires consideration of the characteristics of those users. The <i>Framework for the Preparation and Presentation of Financial Statements</i> states in paragraph 25 that ‘users are assumed to have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information with due diligence’. Therefore, the assessment needs to take into account how users with such attributes could reasonably be expected to be influenced in making economic decisions.
AASB 101.97 & 98	Where items of income and expense are material, their nature and amount shall be separately disclosed either in the Operating Statement or in the notes to the financial statements. Examples of circumstances that would give rise to separate income and expense items include:
AASB 101.98(a)	<ul style="list-style-type: none"> write down of inventories to net realisable value or property, plant and equipment to recoverable amount;
AASB 101.98(b)	<ul style="list-style-type: none"> restructuring activities and reversals of provisions for the cost of restructuring;
AASB 101.98(c)	<ul style="list-style-type: none"> disposals of items of property, plant and equipment;
AASB 101.98(d)	<ul style="list-style-type: none"> disposals of investments;
AASB 101.98(f)	<ul style="list-style-type: none"> litigation settlements; and
AASB 101.98(g)	<ul style="list-style-type: none"> other reversals of provisions.
AASB 101.30	An item that is not sufficiently material to warrant separate presentation in the Operating Statement may nevertheless be sufficiently material for it to be presented separately in the notes to the financial statements.
	Offset of Income and Expenses
AASB 101.32 AASB 116.71	Income and expenses must not be offset unless required or permitted by an Australian Accounting Standard. For example, AASB 116 <i>Property, Plant and Equipment</i> allows the offset of the income and expense from de-recognition of an item of property, plant and equipment.
	Extraordinary Items
AASB 101.87	AASB 101 does not allow any items of income or expense to be classified as extraordinary either in the Operating Statement or in the notes to the financial statements.

‘Example Agency’ Balance Sheet As at 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
AASB 101.60	Current Assets				
AASB 101.54(i)	Cash and Cash Equivalents	22	11,456	5,780	6,548
AASB 101.54(d)	Investments	24	8,423	4,249	1,923
AASB 101.54(h)	Receivables	23	6,254	3,080	2,596
AASB 101.54(g)	Inventories	25	1,852	2,284	1,965
AASB 101.54(j)	Assets Held for Sale	26	5,021	1,100	750
AASB 101.55	Other Assets	31	2,164	4,650	2,312
AASB 101.55	Total Current Assets		35,170	21,143	16,094
AASB 101.60	Non-Current Assets				
AASB 101.54(h)	Receivables	23	25,217	16,979	16,385
AASB 101.54(d)	Investments	24	1,711	3,842	1,141
AASB 101.54(e)	Investment – Joint Venture	43	84,340	80,329	73,581
AASB 101.54(a)	Property, Plant and Equipment	27	3,696,213	3,703,513	3,699,882
AASB 101.54(b)	Investment Properties	28	29,344	28,543	25,751
AASB 101.54(c)	Intangible Assets	29	635	1,918	720
AASB 101.55	Capital Works in Progress	30	73,393	49,468	57,123
AASB 101.55	Other Assets	31	413	294	625
AASB 101.55	Total Non-Current Assets		3,911,266	3,884,886	3,875,208
AASB 101.55	Total Assets		3,946,436	3,906,029	3,891,302
AASB 101.60	Current Liabilities				
AASB 101.54(k)	Payables	32	10,108	15,682	10,360
AASB 101.54(m)	Interest-Bearing Liabilities	33	384	314	428
AASB 101.54(m)	Finance Leases	33	2,800	2,451	2,855
AASB 101.54(l)	Employee Benefits	34	30,437	22,009	22,486
AASB 101.54(l)	Other Provisions	35	5,158	2,243	1,213
AASB 101.55	Other Liabilities	36	9,379	11,896	5,820
AASB 101.55	Total Current Liabilities		58,266	54,595	43,162
AASB 101.60	Non-Current Liabilities				
AASB 101.54(k)	Payables	32	2,581	3,997	2,582
AASB 101.54(m)	Interest-Bearing Liabilities	33	7,740	9,083	8,676
AASB 101.54(m)	Finance Leases	33	4,200	5,010	4,283
AASB 101.54(l)	Employee Benefits	34	1,123	721	798
AASB 101.54(l)	Other Provisions	35	1,768	1,154	449
AASB 101.55	Other Liabilities	36	407	214	255
AASB 101.55	Total Non-Current Liabilities		17,819	20,179	17,043
AASB 101.55	Total Liabilities		76,085	74,774	60,205
	Net Assets		3,870,351	3,831,255	3,831,097
AASB 101.55	Equity				
	Accumulated Funds		3,484,753	3,487,015	3,490,625
	Asset Revaluation Surplus	37	246,113	219,985	216,217
	Other Reserves		139,485	124,255	124,255
	Total Equity		3,870,351	3,831,255	3,831,097
The above Balance Sheet is to be read in conjunction with the accompanying notes.					

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary – Balance Sheet
	<p>For additional information pertaining to territory authorities - please refer to TAS 3 Balance Sheet.</p> <p>Format</p> <p>AASB 101.54 - 80 AASB 101.5 ACT Disclosure Policy</p> <p>AASB 101 states that a Statement of Financial Position is to be included in the financial statements. However, AASB 101 allows not-for-profit agencies to change the title of their financial statements. It is ACT Disclosure policy that the Statement of Financial Position be called the Balance Sheet to maintain consistency. AASB 101 sets out the format for the Balance Sheet, including certain line items that must be disclosed in the statement.</p> <p>AASB 101.60</p> <p>AASB 101 requires all assets and all liabilities to be presented as current or non-current except where a presentation based on liquidity provides information that is more relevant and reliable. Current assets should be presented separately from non-current assets and current liabilities should be presented separately from non-current liabilities in the Balance Sheet.</p> <p>AASB 101.54</p> <p>AASB 101 requires the following items be disclosed separately in the Balance Sheet:</p> <p>Assets:</p> <ul style="list-style-type: none"> • cash and cash equivalents; • trade and other receivables; • inventories; • assets held for sale and assets included in disposal groups classified as held for sale; • investment property; • biological assets; • investments accounted for using the equity method; • current tax assets; • deferred tax assets; • financial assets (excluding cash and cash equivalents, trade and other receivables, and investments accounted for using the equity method); • property, plant and equipment; and • intangible assets. <p>Liabilities:</p> <ul style="list-style-type: none"> • trade and other payables; • liabilities included in a disposal group classified as held for sale; • current tax liabilities; • deferred tax liabilities; • financial liabilities (excluding trade and other payables, and provisions); and • provisions. <p>AASB 101.55</p> <p>Additional line items (including by disaggregating the line items listed above), headings and sub-totals shall be presented in the Balance Sheet when their presentation is relevant to the understanding of the agency's financial position. These additional sub-totals must:</p> <p>AASB 101.55A</p> <ul style="list-style-type: none"> • be made up of items recognised and measured in accordance with Australian Accounting Standards; • be presented and labelled in a manner that makes the sub-totals clear and understandable and consistent from period to period; and • not be displayed with more prominence than the sub-totals and totals required in Australian Accounting Standards. <p>Note that where an agency has no amounts applicable to any individual line item, that line item should not be included in the Balance Sheet.</p> <p>Also note that the disaggregation of Original Budget line items in the financial statements may cause issues in relation to the Budgetary Reporting Note. This is because the disaggregated budget figures (i.e. split/components) in the Budgetary Reporting Note are not able to be cross checked against the Original Budget/ SOI figures (total) presented to the Legislative Assembly.</p>

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary Balance Sheet - Continued
	<p>Format - continued</p> <p>This has been addressed by allowing agencies to include the breakdown of the budget figure (where required for the purposes of the annual financial statements) in the Notes to the Budgeted Financial Statements section of the Budget/SOI. This provided the relevant further disaggregated budget figures to the Legislative Assembly at the time of the Original Budget.</p> <p>AASB 101.51(c), 51(e) & 53 AASB 101.113</p> <p>The reporting date and rounding used in the Balance Sheet must be identified.</p> <p>The Balance Sheet must be cross-referenced to relevant notes included, based on materiality considerations.</p> <p>Budget</p> <p>FMA Section 27(2)</p> <p>The budget numbers appearing in the Balance Sheet are those published in the 2018-19 Budget Papers.</p> <p>Classification of Assets</p> <p>AASB 101.66</p> <p>An asset is classified as current when it satisfies any one of the following criteria:</p> <ul style="list-style-type: none"> • it is expected to be realised in, or is intended for sale or consumption in, the agency’s normal operating cycle; • it is held primarily for the purpose of being traded; • it is expected to be realised within 12 months after the reporting date; or • it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. <p>All other assets are classified as non-current.</p> <p>Classification of Liabilities</p> <p>AASB 101.69</p> <p>A liability is classified as current when it satisfies any one of the following criteria:</p> <ul style="list-style-type: none"> • it is expected to be settled in the agency’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 date; or • the agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. <p>All other liabilities are classified as non-current.</p> <p>Operating Cycle</p> <p>AASB 101.68 & 70</p> <p>Where the operating cycle is greater than 12 months, assets that are sold, consumed or realised as part of that operating cycle, or liabilities that are part of the working capital used in the agency’s normal operating cycle, are classified as current. When the agency’s normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.</p> <p>Goods and Services Tax (GST)</p> <p>Interpretation 1031.7</p> <p>Interpretation 1031 <i>Accounting for the Goods and Services Tax (GST)</i> requires the amount of GST incurred by a purchaser that is not recoverable from the taxation authority to be recognised as part of the cost of the acquisition of an asset.</p> <p>Interpretation 1031.8</p> <p>Interpretation 1031 requires receivables and payables to be stated with the amount of GST included.</p> <p>Apart from the above circumstances, assets must be recognised net of the amount of GST.</p> <p>Interpretation 1031.6 & 9</p> <p>Interpretation 1031 requires the net amount of GST recoverable from, or payable to, the taxation authority to be included as part of receivables or payables in the Balance Sheet.</p>

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary Balance Sheet - Continued
	Materiality and Aggregation
AASB 101.30A	Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Balance Sheet, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
AASB 101.30	
AASB 101.29 & 31	An item that is not sufficiently material to warrant separate presentation in the Balance Sheet may nevertheless be sufficiently material for it to be presented separately in the notes to the financial statements.
	The concept of materiality means that a specific disclosure requirement in an Australian Accounting Standard need not be satisfied if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standards contains a list of specific requirements or describes them as minimum requirements. Alternatively, where an item is not specifically required to be disclosed by an Australian Accounting Standard but is material, it shall be disclosed in the Balance Sheet or in the notes to the financial statements, whichever one is appropriate to enable users of the financial statements to understand the impact of particular transactions, other events and conditions.
AASB 101.7 AASB108.5	An item of information is considered material if its omission or misstatement has the potential individually or collectively to influence the economic decisions of users taken on the basis of the financial statements.
	Offset of Assets and Liabilities
AASB 101.32	Assets and liabilities shall not be offset unless required or permitted by an Australian Accounting Standard.

‘Example Agency’ Statement of Changes in Equity For the Year Ended 30 June 2019

Reference			Accumulated Funds	Asset Revaluation Surplus	Other Reserves	Total Equity	Original
	Note No.	Actual 2019 \$'000	Actual 2019 \$'000	Actual 2019 \$'000	Actual 2019 \$'000	Budget 2019 \$'000	
		Balance at 1 July 2018	3,490,625	216,217	124,255	3,831,097	3,794,482
AASB 108.19(b) AASB 101.106 (b)	Appx D	Change in accounting policy	(8)			(8)	
		Restated Balance at 1 July 2018	3,490,617	216, 217	124,255	3,831,089	
		Comprehensive Income					
AASB 101.106(d)(i)		Operating (Deficit)	(17,599)	-	-	(17,599)	(13,076)
AASB 101.106(d)(ii)	37	Increase/(Decrease) in the Asset Revaluation Surplus	-	29,896	-	29,896	18,847
		Other Comprehensive Income	-	-	-	-	-
AASB 101.106(a)		Total Comprehensive (Deficit)/ Income	(17,599)	29,896	-	12,297	5,771
		Transfers (from)/to reserves	(15,230)	-	15,230	-	-
		Transactions Involving Owners Affecting Accumulated Funds					
AASB 101.106(d)(iii)		Capital Injections	13,500	-	-	13,500	15,952
AASB 101.106(d)(iii)		Capital (Distributions)	(5,500)	-	-	(5,500)	(5,000)
AASB 101.106(d)(iii)	39	Net Assets transferred in as part of an Administrative Restructure	19,195	-	-	19,195	20,050
AASB 101.106(d)(iii)	39	Net Assets transferred out as part of an Administrative Restructure	-	-	-	-	-
AASB 101.107 AASB 101.106(d)(iii)		Dividend Approved	(230)	-	-	(230)	-
		Total Transactions Involving Owners Affecting Accumulated Funds	26,965	-	-	26,965	31,002
		Balance at 30 June 2019	3,484,753	246,113	139,485	3,870,351	3,831,255
The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.							

‘Example Agency’

Statement of Changes in Equity - Continued

For the Year Ended 30 June 2019

Reference			Accumulated Funds	Asset Revaluation Surplus	Other Reserves	Total Equity
	Note No.		Actual 2018 \$'000	Actual 2018 \$'000	Actual 2018 \$'000	Actual 2018 \$'000
		Balance at 1 July 2017	3,470,432	32,159	108,510	3,611,101
		Comprehensive Income				
AASB 101.106(d)(i)		Operating Surplus	2,227	-	-	2,227
AASB 101.106(d)(ii)		Increase/(Decrease) in the Asset Revaluation Surplus				
	37		-	184,058	-	184,058
		Other Comprehensive Income	-	-	-	-
AASB 101.106(a)		Total Comprehensive Income	2,227	184,058	-	186,285
		Transfers (from)/to reserves	(15,745)	-	15,745	-
		Transactions Involving Owners Affecting Accumulated Funds				
AASB 101.106(d)(iii)		Capital Injections	7,500	-	-	7,500
AASB 101.106(d)(iii)		Capital (Distributions)	(17,453)	-	-	(17,453)
AASB 101.106(d)(iii)		Net Assets transferred in as part of an Administrative Restructure				
	38		43,894	-	-	43,894
AASB 101.106(d)(iii)		Net Assets transferred out as part of an Administrative Restructure				
	38		-	-	-	-
AASB 101.107 AASB 101.106(d)(iii)		Dividend Approved	(230)	-	-	(230)
		Total Transactions Involving Owners Affecting Accumulated Funds	33,711	-	-	33,711
		Balance at 30 June 2018	3,490,625	216,217	124,255	3,831,097
		The above Statement of Changes in Equity is to read in conjunction with the accompanying notes.				

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Statement of Changes in Equity
	<p>For additional information pertaining to territory authorities - please refer to TAS 4 <i>Statement of Changes in Equity</i>.</p> <p>Format</p> <p>AASB 101.106 – 110 AASB 101 <i>Presentation of Financial Statements</i> sets out the format for the Statement of Changes in Equity, including certain line items that must be disclosed in the statement.</p> <p>AASB 101.106 An agency shall present a Statement of Changes in Equity showing in the statement:</p> <ul style="list-style-type: none"> • total Comprehensive Income for the period; • for each component of equity (i.e. accumulated funds, reserves and contributed equity), the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and • for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from: <ul style="list-style-type: none"> ○ profit or loss; ○ other comprehensive income; and ○ transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control. <p>Note that where an agency has no amounts applicable to any individual line item, that line item should not be included in the Statement of Changes in Equity.</p> <p>AASB 101.51(c), 51(e) & 53 The reporting date and rounding used in the Statement of Changes in Equity must be identified.</p> <p>AASB 101.113 The Statement of Changes in Equity must be cross-referenced to relevant notes included, based on materiality considerations.</p> <p>AASB 101.106,106A AASB 101 allows for the reconciliation of items of other comprehensive income to be presented either in the Statement of Changes in Equity or in the notes. ACT Disclosure policy requires the reconciliation of other comprehensive income to be presented in the notes.</p> <p>ACT Disclosure Policy</p> <p>FMA Section 27(2) The budget numbers appearing in the Statement of Changes in Equity are those numbers published in the 2018-19 Budget Papers.</p> <p>Dividend</p> <p>AASB 101.107 AASB 101 allows dividends recognised as distributions to owners during the year to be disclosed in the Statement of Changes in Equity or in the notes. ACT Disclosure policy requires that agencies include dividends in the Statement of Changes in Equity.</p> <p>ACT Disclosure Policy</p> <p>Materiality and Aggregation</p> <p>AASB 101.30A Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Statement of Changes in Equity, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.</p> <p>AASB 101. 30 An item that is not sufficiently material to warrant separate presentation in the Statement of Changes in Equity may nevertheless be sufficiently material for it to be presented separately in the notes to the financial statements.</p> <p>AASB 101 29 &31 The concept of materiality means that a specific disclosure requirement in an Australian Accounting Standard need not be satisfied if the information resulting from that disclosure is not material. Alternatively, where an item is not specifically required to be disclosed by an Australian Accounting Standard but is material, it shall be disclosed either in the Statement of Changes in Equity or in the notes to the financial statements, whichever is appropriate to enable users of the financial statements to understand the impact of particular transactions, other events and conditions.</p> <p>AASB 101.7 An item of information is considered material if its omission or misstatement has the potential individually or collectively to influence the economic decisions of users taken on the basis of the financial statements.</p> <p>AASB108.5</p>

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

‘Example Agency’ Cash Flow Statement For the Year Ended 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
AASB 107.10	Cash Flows from Operating Activities				
	Receipts				
AASB 107.14(a)	Controlled Recurrent Payments		304,815	283,041	294,055
AASB 107.14(a)	User Charges		30,803	20,377	27,760
AASB 107.31	Interest Received		1,272	140	818
	Distribution from Investments with the Territory Banking Account		703	78	452
AASB 107.31	Dividends Received		825	302	800
AASB 107.38	Distribution from Joint Ventures		1,000	1,000	1,000
	Goods and Services Tax Input Tax Credits from the Australian Taxation Office		5,570	-	5,423
	Goods and Services Tax Collected from Customers		1,886	-	1,720
AASB 107.14(b)	Other		8,782	9,698	8,425
	Total Receipts from Operating Activities		355,656	314,636	340,453
	Payments				
AASB 107.14(d)	Employee		69,678	72,731	67,015
AASB 107.14(d)	Superannuation		11,912	8,616	11,132
AASB 107.14(c)	Supplies and Services		112,087	117,014	111,952
	Grants and Purchased Services		70,874	73,083	57,644
AASB 107.31	Borrowing Costs		1,408	3,047	1,747
	Goods and Services Tax Paid to Suppliers		7,000	-	6,742
	Other		2,219	5,804	975
	Total Payments from Operating Activities		275,178	280,295	257,207
	Net Cash Inflows/(Outflows) from Operating Activities	44	80,478	34,341	83,246
AASB 107.10	Cash Flows from Investing Activities				
	Receipts				
AASB 107.16(b)	Proceeds from Sale of Property, Plant and Equipment		4,007	-	889
	Proceeds from Sale of Investment Property		-	-	-
AASB 107.16(b)	Proceeds from Sale/Maturity of Investments		1,400	2,000	2,540
AASB 107.16(d)	Proceeds from Sale of Investment in Joint Venture		545	-	1,500
AASB 107.16(f)	Loan Receivable Repayment Received		1,625	98	1,501
	Total Receipts from Investing Activities		7,577	2,098	6,430
	Payments				
AASB 107.16(a)	Purchase of Property, Plant and Equipment		66,615	44,704	69,923
	Purchase of Investment Property		777	-	-
AASB 107.16(a)	Purchase of Investments		6,500	917	4,928
AASB 107.16(c)	Purchase of Investment in Joint Venture		5,700	-	8,600
AASB 107.16(e)	Loans Provided (Loans Receivable)		12,500	-	14,950
	Total Payments from Investing Activities		92,092	45,621	98,401
	Net Cash Inflows/(Outflows) from Investing Activities		(84,515)	(43,523)	(91,971)

‘Example Agency’ Cash Flow Statement - Continued For the Year Ended 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
AASB 107.10	Cash Flows from Financing Activities				
	Receipts				
	Capital Injections		13,500	16,922	8,000
AASB 107.17(c)	Proceeds from Borrowings		880	-	1,564
	Receipts of Transferred Cash Balances		1,935	-	450
	Total Receipts from Financing Activities		16,315	16,922	10,014
	Payments				
	Distributions to Government		5,500	6,000	3,400
AASB 107.17(d)	Repayment of Borrowings		740	534	1,540
	Repayment of Finance Lease Liabilities		900	650	-
AASB 107.31	Payment of Dividend		230	-	230
	Total Payments from Financing Activities		7,370	7,184	5,170
	Net Cash Inflows/(Outflows) from Financing Activities		8,945	9,738	4,844
	Net Increase/(Decrease) in Cash and Cash Equivalents		4,908	556	(3,881)
	Cash and Cash Equivalents at the Beginning of the Reporting Period		6,548	9,473	10,429
	Cash and Cash Equivalents at the End of the Reporting Period	44	11,456	10,029	6,548
	The above Cash Flow Statement is to be read in conjunction with the accompanying notes.				

Reference	Commentary – Cash Flow Statement
	For additional information pertaining to territory authorities - please refer to TAS 5 Cash Flow Statement.
	Classification of Cash Flows
AASB 107.10	AASB 107 <i>Cash Flow Statements</i> requires that cash flows be classified as arising from operating, investing or financing activities.
AASB 107.31	AASB 107 also requires the following cash flows to be separately disclosed on the Cash Flow Statement: <ul style="list-style-type: none"> • interest received; • dividends received; • dividends paid; and • borrowing costs.
ACT Disclosure Policy AASB 107.33	For consistency across the ACT Government, agencies should classify interest received and paid, and dividends received as an operating cash flow.
AASB 107.34 ACT Disclosure Policy	AASB 107 allows dividends paid to be classified as either a financing cash flow or an operating cash flow. ACT Disclosure Policy requires agencies to classify dividends paid as a financing cash flow.

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Reference	Commentary – Cash Flow Statement Continued
AASB 107.42A	<p>Cash flows arising from changes in ownership interests where control is neither lost nor obtained are classified as finance transactions.</p> <p>Where an agency has no amounts applicable to any individual line item, these line items should not be included in the Cash Flow Statement.</p>
AASB 101.51(c),(e) & 53	The reporting date and rounding used in the Cash Flow Statement must be identified.
AASB 101.113	The Cash Flow Statement must be cross-referenced to relevant notes included, depending upon materiality considerations.
	Reporting of Cash Flows
AASB 107.18 & 21 ACT Disclosure Policy	<p>AASB 107 allows cash flows arising from operating activities to be reported in the Cash Flow Statement using either the direct or indirect method. ACT Disclosure Policy requires that agencies use the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. Major classes of investing and financing cash flows shall be presented on a gross basis.</p> <p>However, the following items, may be reported on a net basis:</p>
AASB 107.22	<ul style="list-style-type: none"> • items where the agency is, in substance, holding or disbursing cash on behalf of its customers; and • items where turnover is quick, the amounts are large, and the maturities are short i.e. less than 3 months. <p>These two situations will not apply to agencies with the possible exception of the Territory Banking Account and/or the Superannuation Provision Account.</p>
	Budget
FMA Section 27(2)	The budget numbers appearing in the Cash Flow Statement are the numbers published in the 2017-18 Budget Papers.
	Definitions
AASB 107.6 & 9	Cash flows are inflows and outflows of cash and cash equivalents. Cash flows exclude movements between items that constitute cash or cash equivalents because these components are part of the cash management of an agency rather than part of its operating, investing and financing activities.
AASB 107.6	AASB 107 defines cash as cash on hand and demand deposits. Cash on hand refers to notes and coins held on premises and demand deposits are deposits held at call with a financial institution.
AASB 107.6	Cash equivalents are highly liquid investments with short periods to maturity, and are subject to an insignificant risk of changes in value.
AASB 107.6	Operating activities are the principle revenue-producing activities of an agency and other activities that are not investing or financing activities.
AASB 107.6	Investing activities are the acquisition and disposal of long-term assets, and other investments not included in cash equivalents.
AASB 107.6	Financing activities are activities that relate to changes in the size and composition of the contributed capital (accumulated funds) and borrowings of the agency.
	Bank Overdraft
AASB 107.8	Where a bank overdraft is repayable on demand and therefore forms an integral part of an agency’s cash management, these overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Where a bank overdraft is not repayable on demand it would be treated as a cash flow from financing activities.
	Different Cash Flows in One Transaction
AASB 107.12	A single transaction may include cash flows that are classified differently. For example, when the cash repayment of a loan includes both an interest element and a capital element, the interest element can be classified as operating and the capital element as financing.

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Reference	Commentary Cash Flow Statement - Continued
Interpretation 1031.10 Interpretation 1031.11	<p>Goods and Services Tax(GST)</p> <p>Cash flows relating to the GST must be included in the Cash Flow Statement on a gross basis.</p> <p>The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority must be classified as operating cash flows.</p>
AASB 107.38	<p>Interest in a Joint Venture</p> <p>Where applicable, an agency shall include the following cash flows, relating to a Joint Venture, in its Cash Flow Statement:</p> <ul style="list-style-type: none"> • its investment in the Joint Venture; • distributions from the Joint Venture; and • other payments or receipts between it and the Joint Venture.
AASB 101.30A	<p>Materiality and Aggregation</p> <p>Agencies need to consider the Materiality Guidance for Financial Statements Simplification under Section 1.2 Materiality Guidance. An agency should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the Cash Flow Statement, which includes the notes. It must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.</p>
AASB 101 30	<p>An item that is not sufficiently material to warrant separate presentation in the Cash Flow Statement may nevertheless be sufficiently material for it to be presented separately in the notes to the financial statements.</p>
AASB 101 29 &31	<p>The concept of materiality means that a specific disclosure requirement in an Australian Accounting Standard need not be satisfied if the information resulting from that disclosure is not material. Alternatively, where an item is not specifically required to be disclosed by an Australian Accounting Standard but is material, it shall be disclosed in the Cash Flow Statement or in the notes to the financial statements, whichever one is appropriate to enable users of financial statements to understand the impact of particular transactions, other events and conditions.</p> <p>Also note that the disaggregation of Original Budget line items in the financial statements may cause issues in relation to the Budgetary Reporting Note. This is because the disaggregated budget figures (i.e. split/components) in the Budgetary Reporting Note are not able to be cross checked against the Original Budget/ SOI figures (total) presented to the Legislative Assembly.</p> <p>This has been addressed by allowing agencies to include the breakdown of the budget figure (where required for the purposes of the annual financial statements) in the Notes to the Budgeted Financial Statements section of the Budget/SOI. This provided the relevant further disaggregated budget figures to the Legislative Assembly at the time of the Original Budget.</p>
AASB 101.7 AASB108.5	<p>An item of information is considered material if its omission or misstatement has the potential individually or collectively to influence the economic decisions of users taken on the basis of the financial statements.</p>

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

‘Example Agency’ Summary of Agency Output Classes For the Year Ended 30 June 2019

Reference		Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Intra-Agency Eliminations \$'000	Total \$'000
ACT Disclosure Policy	2019					
	Total Income	118,032	149,845	93,500	-	361,377
	Total Expenses	99,442	174,203	109,435	-	383,080
	Share of Operating Profit from Joint Venture accounted for using the Equity Method	4,104	-	-	-	4,104
	Operating Surplus/(Deficit)	22,694	(24,358)	(15,935)	-	(17,599)
	2018					
	Total Income	116,606	145,712	90,252	-	352,570
	Total Expenses	93,971	160,790	102,413	-	357,174
	Share of Operating Profit from Joint Venture accounted for using the Equity Method	6,831	-	-	-	6,831
	Operating Surplus/(Deficit)	29,466	(15,078)	(12,161)	-	2,227

Reference	Commentary – Summary of Agency Output Classes
ACT Disclosure Policy	For additional information pertaining to territory authorities - please refer to TAS 6 Summary of Agency Output Classes and Output Class Operating Statements.
	Comparative information for the previous year must be disclosed.
	The Intra-Agency Eliminations column will only be needed where an agency has reported their output class statements on a gross basis.
	If there are no intra-agency eliminations the ‘Intra-Agency Eliminations’ column does not need to be included.

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Operating Statement for Output Class 1 – Management of Land For the Year Ended 30 June 2019

Reference	Operating Statement for Output Class 1 – Management of Land			
	Description			
AASB 1052.15(a)	Output Class 1: ‘Management of Land’ includes the coordination of integrated land use, metropolitan planning, Land Act compliance, lease management services, land surveying and the management of land and infrastructure.			
FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines -2017 Section 7(2)		Actual 2019 \$’000	Original Budget 2019 \$’000	Actual 2018 \$’000
	Income			
	<i>Revenue</i>			
AASB 1052.15(d)	Controlled Recurrent Payments	96,520	92,720	94,557
AASB 1052.15(d)	User Charges	9,568	9,036	8,645
AASB 1052.15(d)	Interest	388	392	189
AASB 1052.15(d)	Distribution from Investments with the Territory Banking Account	215	109	158
AASB 1052.15(d)	Resources Received Free of Charge	1,425	-	73
AASB 1052.15(d)	Other Revenue	1,502	40	1,345
	<i>Total Revenue</i>	109,618	102,297	104,967
	<i>Gains</i>			
AASB 1052.15(d)	Gains on Investments	631	542	842
AASB 1052.15(d)	Other Gains	7,783	2,542	10,797
	<i>Total Gains</i>	8,414	3,084	11,639
	Total Income	118,032	105,381	116,606
	Expenses			
AASB 1052.15(c)	Employee Expenses	23,934	24,913	23,300
AASB 1052.15(c)	Superannuation Expenses	3,811	3,376	3,569
AASB 1052.15(c)	Supplies and Services	46,167	32,920	45,368
AASB 1052.15(c)	Depreciation and Amortisation	11,645	11,400	11,228
AASB 1052.15(c)	Grants and Purchased Services	8,682	15,603	7,551
AASB 1052.15(c)	Borrowing Costs	451	447	559
AASB 1052.15(c)	Other Expenses	4,752	2,315	2,396
	Total Expenses	99,442	90,974	93,971
	Share of Operating Profit from Joint Venture accounted for using the Equity Method	4,104	5,110	6,831
	Operating Surplus	22,694	19,517	29,466

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Operating Statement for Output Class 2 – Municipal Services For the Year Ended 30 June 2019

Reference	Operating Statement for Output Class 2 – Municipal Services		
	Description		
AASB 1052.15(a)	Output Class 2: ‘Municipal Services’ includes: <ul style="list-style-type: none"> policy advice on industry and regulatory reform, specifically implementing reforms in the energy and water industries, policy development for workplace safety, whole of government purchasing policy advice and workers’ compensation; infrastructure services including bridges, stormwater drains, footpaths and street lights; waste and recycling including waste management advice, services and development control measures; and procurement solutions including on-line procurement services, business opportunity notifications and information on tenders and contracts. 		
FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines -2017 Section 7(2)		Actual 2019 \$’000	Original Budget 2019 \$’000
			Actual 2018 \$’000
	Income		
	<i>Revenue</i>		
AASB 1052.15(d)	Controlled Recurrent Payments	128,417	115,815
AASB 1052.15(d)	User Charges	12,433	9,322
AASB 1052.15(d)	Interest	537	128
AASB 1052.15(d)	Distribution from Investments with Territory Banking Account	297	35
AASB 1052.15(d)	Resources Received Free of Charge	250	17
AASB 1052.15(d)	Other Revenue	1,997	168
	Total Revenue	143,931	125,485
	<i>Gains</i>		
AASB 1052.15(d)	Gains on Investments	827	1,124
AASB 1052.15(d)	Other Gains	5,087	7,542
	Total Gains	5,914	8,666
	Total Income	149,845	134,151
	Expenses		
AASB 1052.15(c)	Employee Expenses	31,414	31,294
AASB 1052.15(c)	Superannuation Expenses	5,027	5,160
AASB 1052.15(c)	Supplies and Services	35,632	24,170
AASB 1052.15(c)	Depreciation and Amortisation	50,460	56,933
AASB 1052.15(c)	Grants and Purchased Services	44,856	23,580
AASB 1052.15(c)	Borrowing Costs	591	565
AASB 1052.15(c)	Other Expenses	6,223	4,835
	Total Expenses	174,203	146,537
	Share of Operating Profit from Joint Venture using Equity Method	-	-
	Operating (Deficit)	(24,358)	(12,386)

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Operating Statement for Output Class 3 – Environment and Heritage For the Year Ended 30 June 2019

Reference	Operating Statement for Output Class 3 – Environment and Heritage		
AASB 1052.15(a) FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines 2017 Section 7(2)}	Description		
	Output Class 3: ‘Environment and Heritage’ includes the sustainable management of natural and cultural resources and the conduct of ecological surveys and the provision of scientific advice for policy development. It also includes the management of designated heritage resources, administration of heritage legislation and the provision of grants to heritage related programs.		
		Actual 2019 \$’000	Original Budget 2019 \$’000
			Actual 2018 \$’000
	Income		
	<i>Revenue</i>		
AASB 1052.15(d)	Controlled Recurrent Payments	79,878	94,819
AASB 1052.15(d)	User Charges	7,649	4,109
AASB 1052.15(d)	Interest	347	18
AASB 1052.15(d)	Distribution from Investments with the Territory Banking Account	191	5
AASB 1052.15(d)	Resources Received Free of Charge	350	99
AASB 1052.15(d)	Other Revenue	1,446	30
	Total Revenue	89,861	99,080
	<i>Gains</i>		
AASB 1052.15(d)	Gains on Investments	512	1,023
AASB 1052.15(d)	Other Gains	3,127	3,116
	Total Gains	3,639	4,139
	Total Income	93,500	103,219
	Expenses		
AASB 1052.15(c)	Employee Expenses	19,446	18,946
AASB 1052.15(c)	Superannuation Expenses	3,074	3,503
AASB 1052.15(c)	Supplies and Services	28,951	34,955
AASB 1052.15(c)	Depreciation and Amortisation	34,934	29,756
AASB 1052.15(c)	Grants and Purchased Services	18,810	34,482
AASB 1052.15(c)	Borrowing Costs	369	404
AASB 1052.15(c)	Other Expenses	3,851	1,380
	Total Expenses	109,435	123,426
	Share of Operating Profit from Joint Venture accounted for using the Equity Method	-	-
	Operating (Deficit)	(15,935)	(12,161)

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary – Operating Statement for Each Output Class
	<p>For additional information pertaining to territory authorities - please refer to TAS 6 Summary of Agency Output Classes and Output Class Operating Statements.</p> <p>Format</p> <p>The FMA states that the <i>Financial Management (Periodic and Annual Financial Statements) Guidelines 2016-7</i> must be complied with when preparing annual financial statements. These guidelines require the financial statements include an Operating Statement for each class of output provided by the agency during the year. However the guidelines specifically exclude other comprehensive income from being included in the Operating Statement for each class of output.</p> <p>In addition to the FMA, AASB 1052 <i>Disaggregated Disclosures</i> requires the following disclosures to be provided in the financial statements of a Government Directorate:</p> <ul style="list-style-type: none"> • in summarised form, the identity and purpose of each major activity undertaken by the Government Directorate during the reporting period; • income reliably attributable to each of the major activities, showing separately user charges, income from government and other income by major class of income; and • expenses reliably attributable to each of the major activities, showing separately each major class of expense. <p>If an agency has no amounts applicable to any line item, the item should not be included in the Operating Statement.</p> <p>Definitions</p> <p>For FMA purposes, ‘outputs’ are defined as goods produced or services provided by a directorate or territory authority or a person producing goods or providing services on behalf of a directorate or territory authority. ‘Class of outputs’ are defined as a group of related outputs. For the purposes of AASB 1052, major activities of a directorate have been defined as ‘output classes’.</p> <p>Budget</p> <p>The budget numbers appearing in the output class operating statements are those numbers published in the 2017-2018 Budget Papers.</p> <p>One Output Class</p> <p>Where an agency only has one output class, a separate operating statement for that output class and the ‘Summary of Agency Output Classes’ is not required to be included in an agency’s financial statements. However, where this is the case, an agency must disclose:</p> <ul style="list-style-type: none"> • the title of the output class; • a description of the output class; and • the fact that there is not an additional Output Class Operating Statement or a Summary of Agency Output Classes. <p>Example wording an agency may use at the bottom of its operating statement, is as follows:</p> <p>‘Example Agency’ only has one output class and as such the above Operating Statement is also the Agency’s Operating Statement for the [Name of Output Class] Output Class. The [Name of Output Class] Output Class includes [Description of Output Class.] As a result, a separate output class Operating Statement and Summary of Agency Output Classes has not been included in these financial statements’.</p>
FMA Section 27(3)(a) Financial Management (Periodic & Annual Financial Statements) Guidelines -2017 Section 7(2)	
AASB 1052.15	
FMA, Dictionary	
AASB 1052	
FMA Section 27(2)	

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reference	DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES [DIRECTORATES ONLY]					
ACT Accounting AASB 1052.16	Year Ended 30 June 2019					
		Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Unallocated \$'000	Total \$'000
	Current Assets					
	Cash and Cash Equivalents ¹	-	-	-	11,456	11,456
	Investments ²				8,423	8,423
	Receivables	3,121	1,880	1,253		6,254
	Inventories	597	777	478	-	1,852
	Assets Held for Sale	2,443	1,597	981	-	5,021
	Other Assets	902	696	566	-	2,164
	Total Current Assets	7,063	4,950	3,278	19,879	35,170
	Non-Current Assets					
	Receivables	25,217	-	-	-	25,217
	Investments	-	-	-	1,711	1,711
	Investment – Joint Venture	84,340	-	-	-	84,340
	Property, Plant and Equipment	443,558	1,922,020	1,330,635	-	3,696,213
	Investment Properties	14,277	9,331	5,736	-	29,344
	Intangible Assets	127	317	191	-	635
	Capital Works in Progress	8,808	38,164	26,421	-	73,393
	Other Assets	172	133	108	-	413
	Total Non-Current Assets	576,499	1,969,965	1,363,091	1,711	3,911,266
	Total Assets	583,562	1,974,915	1,366,369	21,590	3,946,436
	Current Liabilities					
	Payables	5,054	3,032	2,022	-	10,108
	Interest-Bearing Liabilities	187	122	75	-	384
	Finance Leases	897	1,175	728	-	2,800
	Employee Benefits	9,740	12,784	7,913	-	30,437
	Other Provisions	1,626	2,181	1,351	-	5,158
	Other Liabilities	2,848	3,788	2,743	-	9,379
	Total Current Liabilities	20,352	23,082	14,832	-	58,266
Non-Current Liabilities						
Payables	1,291	774	516	-	2,581	
Interest-Bearing Liabilities	3,766	2,461	1,513	-	7,740	
Finance Leases	1,345	1,763	1,092	-	4,200	
Employee Benefits	359	472	292	-	1,123	
Other Provisions	591	727	450	-	1,768	
Other Liabilities	124	164	119	-	407	
Total Non-Current Liabilities	7,476	6,361	3,982	-	17,819	
Total Liabilities	27,828	29,443	18,814	-	76,085	
Net Assets	555,734	1,945,472	1,347,555	21,590	3,870,351	

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reference	Disaggregated Disclosure of assets and liabilities [Directorates Only] – Continued				
AASB 1052.16	Year Ended 30 June 2018				
		Output Class	Output Class	Output Class	Unallocated
		1	2	3	
		\$'000	\$'000	\$'000	\$'000
	Current Assets				
	Cash and Cash Equivalents ¹	-	-	-	6,548
	Investments ²				1,923
	Receivables	1,298	779	519	-
	Inventories	629	825	511	-
	Assets Held for Sale	377	228	145	-
	Other Assets	971	740	601	-
	Total Current Assets	3,275	2,572	1,776	8,471
	Non-Current Assets				
	Receivables	16,385	-	-	-
	Investments	-	-	-	1,141
	Investment – Joint Venture	73,581	-	-	-
	Property, Plant and Equipment	443,998	1,923,928	1,331,956	-
	Investment Properties	12,932	7,847	4,972	-
	Intangible Assets	144	360	216	-
	Capital Works in Progress	6,855	29,704	20,564	-
	Other Assets	262	200	163	-
	Total Non-Current Assets	554,157	1,962,039	1,357,871	1,141
	Total Assets	557,432	1,964,611	1,359,647	9,612
	Current Liabilities				
	Payables	5,180	3,108	2,072	-
	Interest-Bearing Liabilities	215	130	83	-
	Finance Leases	913	1,200	742	-
	Employee Benefits	7,265	9,318	5,903	-
	Other Provisions	389	529	295	-
	Other Liabilities	1,862	2,445	1,513	-
	Total Current Liabilities	15,824	16,730	10,608	-
	Non-Current Liabilities				
	Payables	1,292	774	516	-
	Interest-Bearing Liabilities	4,357	2,644	1,675	-
	Finance Leases	1,371	1,799	1,113	-
	Employee Benefits	258	331	209	-
	Other Provisions	130	176	143	-
	Other Liabilities	82	107	66	-
	Total Non-Current Liabilities	7,490	5,831	3,722	-
	Total Liabilities	23,314	22,561	14,330	-
	Net Assets	534,118	1,942,050	1,345,317	9,612

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Disaggregated Disclosure of assets and liabilities [Directorates Only] - continued
	<p>¹Unallocated Cash and Cash Equivalents</p> <p>Cash and cash equivalents have been included in the ‘Unallocated’ column above, as this class cannot be ‘reliably attributed’ to the Directorate’s output classes. As the amount of cash and cash equivalents held by the Directorate is comprised of a number of disparate components, no single allocation driver can be used to ‘reliably attribute’ this asset class. The components are as follows:</p> <ul style="list-style-type: none"> • working capital which is not held for any specific output class but is instead held for unforeseen operational expenditures; • cash held for unpresented cheques. There is no correlation between output class expenditure and actual cheques which are unpresented at any given point in time. Also, a single unpresented cheque could relate to multiple output classes; • cash held for a specific purpose; and • cash held in anticipation of an imminent payment. <p>²Unallocated Investments</p> <p>Cash Enhanced Portfolio and Fixed Interest Portfolio Investments with the Territory Banking Account cannot be ‘reliably attributed’ to the Directorate’s output classes. Investments with the Territory Banking Account are only for the purpose of meeting short term cash commitments.</p> <p>Commentary – Disaggregated Disclosure of Assets and Liabilities [Directorates Only]</p> <p>This is not a new financial statement. It was previously included in the Notes to the financial statements and has now been moved to directly follow the disaggregated operating statement for Output Classes.</p> <p>One Output Class</p> <p>Where a directorate only has one output class, this disaggregated disclosure note is not required to be included in the directorate’s financial statements. However, where this is the case, the directorate must disclose this fact at the bottom of its balance sheet.</p> <p>Example wording a Directorate may use at the bottom of its balance sheet, is as follows:</p> <p><i>‘Example Agency’ only has one output class and as such the above Balance Sheet is also the Directorate’s Balance Sheet for the [Name of Output Class] Output Class. A separate disaggregated disclosure note has not been included in these financial statements.</i></p> <p>Reliably Attributable</p> <p>AASB 1052 <i>Disaggregated Disclosures</i> states that the financial statements of a government Department shall disclose the assets deployed and liabilities incurred that are ‘reliably attributable’ to each Department’s output class. However, AASB 1052 does not provide guidance on what assets or liabilities it generally considers to be ‘reliably attributable’ to a particular output class. It does state that it may not be possible to reliably attribute all assets and liabilities.</p>
AASB 1052.16	
AASB 1052.19	

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Disaggregated Disclosure of Assets and Liabilities [Directorates Only] - Continued
ACT Accounting Policy	<p>The ACT Accounting Policy Paper on Disaggregated Disclosures states that, in most cases, cash and cash equivalents cannot be reliably attributed to a Directorate’s output classes. Where this is the case, directorates do not have to allocate this to output classes.</p> <p>The paper states that the following asset and liability classes can be allocated:</p> <ul style="list-style-type: none"> • Property, Plant and Equipment; • Intangibles; • Capital Works in Progress; • Employee Benefits; and • Finance Lease Liabilities. <p>As such, directorates must allocate these asset classes to each of their output classes.</p> <p>For all other asset and liability classes, the ultimate decision regarding whether or not these classes can be reliably attributed to an appropriate output class rests with the directorate, and as such directorates will need to analyse their assets and liabilities to determine which classes can be reliably attributed. As directorates are to determine if an asset or liability class is ‘reliably attributable’, directorates should not base their allocations on the note above, as the allocation is an example only. Guidance regarding allocations is outlined in the ACT Accounting Policy Paper on Disaggregated Disclosures (as discussed above).</p> <p>Explanation of Unallocated Amount</p> <p>Directorates should disclose the reason why cash and cash equivalents cannot be ‘reliably attributed’ and as such cannot be allocated to an output class. An example disclosure has been included in this note. A similar note will need to be included for a material asset or liability class that cannot be ‘reliably attributed’. However, a similar disclosure is not required for immaterial asset and liability classes which cannot be ‘reliably attributed’ to an output class.</p> <p>Disclosure of Comparative Information</p>
AASB 101.38	AASB 101 <i>Presentation of Financial Statements</i> requires comparative information be disclosed in respect of the prior reporting period for all amounts reported in the financial statements, except where another Australian
AASB 1052.15	Accounting Standard permits or requires otherwise. AASB 1052 does not specifically address comparative figures for disaggregated disclosures but, as stated above, it only requires the allocation of asset and liability classes where they can be ‘reliably attributable’ to an output class. As such, directorates must include comparative figures for this disaggregated disclosure unless not ‘reliably attributable’.
AASB 101.7 & 43	AASB 101 also states that in some circumstances it maybe impracticable to reclassify comparative information for a particular prior reporting period to achieve comparability with the current reporting period. AASB 101 states that a requirement is impracticable when the directorate cannot apply it after making every reasonable effort to do so. For example, data may not have been collected in the prior period(s) in a way that allows reclassification, and it may not be practicable to recreate the information.
AASB 101.42	<p>When it is impracticable to reclassify comparative amounts, a directorate shall disclose:</p> <ul style="list-style-type: none"> • the reason for not reclassifying the amounts; and • the nature of the adjustments that would have been made if the amounts had been reclassified.

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Controlled Statement of Appropriation For the Year Ended 30 June 2019

Reference		Original Budget 2019 \$'000	Total Appropriated 2019 \$'000	Appropriation Drawn 2019 \$'000	Appropriation Drawn 2018 \$'000
	Controlled				
AASB 1004.64(a)	Controlled Recurrent Payments	283,041	307,023	304,815	295,430
AASB 1004.64(a)	Capital Injections	16,922	17,820	13,500	7,500
	Total Controlled Appropriation	299,963	324,843	318,315	302,930
<p>The above Controlled Statement of Appropriation should be read in conjunction with the accompanying notes.</p> <p>Column Heading Explanations:</p> <p>The Original Budget column shows the amounts that appear in the Cash Flow Statement in the Budget Papers. This amount also appears in the Cash Flow Statement.</p> <p>The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.</p> <p>The Appropriation Drawn is the total amount of appropriation received by the Agency during the year. This amount appears in the Cash Flow Statement.</p> <p>Variances between ‘Original Budget’, ‘Total Appropriated’ and ‘Appropriation Drawn’.</p>					
Reconciliation of Appropriation for 2018-19		Controlled Recurrent Payments \$,000	Capital Injections \$,000		
Original Appropriation		283,041	16,922		
Administrative Arrangements Transfer (FMA s.16) ¹		16,523			
Rollover of Undisbursed Appropriation (FMA s.16B)			898		
Treasurer's Advance (FMA s.18)		7,459			
Total Appropriated		307,023	17,820		
Budget Rollovers ²		(2,208)	(4,320)		
Controlled Appropriation Drawn		304,815	13,500		
<p>1. The difference between the Original Budget and the Total Appropriated is mainly due to an Administrative Arrangement that occurred on 7 January 20XX, where the Agency gained the Heritage and Environment Division from the ABC Directorate.</p> <p>The heritage function is responsible for the development of heritage policy as well as the maintenance of a number of large heritage assets.</p> <p>The environment function is responsible for the development of policy frameworks and providing advice on the management and protection of the environment. For further details see Note 38 <i>Restructure of Administrative Arrangements</i>.</p>					
<p>2. The difference between the Total Appropriated and the Appropriation Drawn down is largely due to design delays associated with a major project scheduled to commence in 20XX. Appropriation was not drawn down for this project and has been rolled over to the following reporting period. ‘Project X’-(\$6,528,000) was due to start in February 20XX, however, it is expected that it will not commence until August 20XX. This project has both recurrent and capital injection elements.</p>					

**‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Reference	Commentary – Controlled Statement of Appropriation
FMA Section 6 FMA Section 8	<p>For additional information pertaining to territory authorities - please refer to TAS 7 Statement of Appropriation.</p> <p>The FMA requires no payment of public money be made other than in accordance with an appropriation. Appropriation reconciliations are reconciliations of cash flow rather than reconciliations of accrued revenue. The FMA requires an Appropriation Act make separate appropriations in relation to each Directorate for:</p> <ul style="list-style-type: none"> • any controlled recurrent payments to be provided to the Directorate; • any capital injection to be provided to the Directorate; and • any payments to be made by the Directorate on Behalf of the Territory (i.e. administered expenses)
FMA Section 37A	<p>If an agency receives an amount of appropriation that is excess to its requirements, it may repay the excess amount, or part of the excess amount, to the territory banking account. The appropriation from which the excess amount was paid to the agency is restored by the amount it repaid to the territory banking account. The balance of the appropriation, including the amount repaid, may be applied for the purposes for which it was appropriated.</p>
AASB 1004.64	<p>Agencies should disclose appropriation amounts returned (if any) in a footnote to the ‘Appropriation Drawn’ in the Controlled Statement of Appropriation.</p> <p>AASB 1004 Contributions requires the following be disclosed in the financial statements of a government Directorate:</p> <ul style="list-style-type: none"> • a summary of the major categories of appropriations, disclosing separately the original amounts appropriated for the reporting period and the total amounts appropriated for the reporting period; • the expenditures for the reporting period in respect of each of the above items; and <p>any reasons for material variances between the amounts appropriated or otherwise authorised and the associated expenditures for the reporting period.</p> <p>A tabular presentation of the variance explanation should be used if it would assist understanding of the reasons for the variance.</p>

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Financial Statements

CONTROLLED NOTE INDEX

Note	Controlled Note Index list	Page
Note 1	Objectives of ‘Example Agency’	44
Note 2	Significant Accounting Policies (see Appendices A, B and C)	44
	Appendix A – Basis of Preparation of the Financial Statements	154
	Appendix B – Significant Accounting Policies	158
	Appendix C – Impact of Accounting Standards Issued But Yet to be Applied	171
Note 3	Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error (see Appendix D)	44
	Appendix D – Change in Accounting Policy, Accounting Estimates, Correction of Prior Period Error	176
	Income Notes	
Note 4	Controlled Recurrent Payments	45
Note 5	User Charges for Goods and Services	46
Note 6	Interest	46
Note 7	Distribution from investments with the Territory Banking Account	47
Note 8	Resources Received Free of Charge	47
Note 9	Other Revenue	48
Note 10	Gains on Investments	48
Note 11	Other Gains	49
Note 42	Interest in a Joint Venture	112
	Expense Notes	
Note 12	Employee Expenses	51
Note 13	Superannuation Expenses	51
Note 14	Supplies and Services	52
Note 15	Depreciation and Amortisation	53
Note 16	Grants and Purchased Services	54
Note 17	Borrowing Costs	55
Note 18	Other Expenses	55
Note 19	Waivers, Impairment Losses and Write-Offs	57
Note 20	Act of Grace Payments	58
Note 21	Auditor’s Remuneration	59
Note 42	Interest in a Joint Venture	112
	Asset Notes	
Note 22	Cash and Cash Equivalents	60
Note 23	Receivables	61
Note 24	Investments	64
Note 25	Inventories	65
Note 26	Assets Held for Sale	66
Note 27	Property, Plant and Equipment	67
Note 28	Investment Properties	78
Note 29	Intangible Assets	81
Note 30	Capital Works in Progress	83
Note 31	Other Assets	85
	Liability Notes	
Note 32	Payables	85
Note 33	Interest-Bearing Liabilities and Finance Leases	87
Note 34	Employee Benefits	90
Note 35	Other Provisions	92
Note 36	Other Liabilities	94

‘EXAMPLE AGENCY’
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note	Controlled Note Index List – Continued	Page
	Equity Notes	
Note 37	Equity	95
	Other Notes	
Note 38	Restructure of Administrative Arrangements	96
Note 39	Financial Instruments	99
Note 40	Commitments	108
Note 41	Contingent Liabilities and Contingent Assets	110
Note 42	Interest in a Joint Venture	112
Note 43	Interest in a Joint Operation	115
Note 44	Cash Flow Reconciliation	115
Note 45	Events Occurring after Balance Date	118
Note 46	Third Party Monies	119
Note 47	Related Party Disclosures	120
Note 48	Budgetary Reporting	120
	Commentary – Discontinuing Operations	129

Reference	Commentary – Controlled Note Index
AASB 101.113	<p>Presentation of Notes</p> <p>An index to the notes to the financial statements helps users to quickly access a particular note. AASB 101 <i>Presentation of Financial Statements</i> only requires that notes in the financial statements be presented in a systematic manner. In determining a systematic manner, an agency must consider the effect on the understandability and comparability of its financial statements. Each item in a financial statement must be cross-referenced to any directly related information in the notes.</p> <p>Page numbers are used in the Models for ease of reference. Agencies are not required to include page numbers in the Note Index due to the difficulty in knowing what page numbers the financial statements will have in the annual report.</p>
AASB 101.114	<p>Examples of systematic ordering or grouping of the notes include:</p> <ul style="list-style-type: none"> giving prominence to the areas of activities that the agency considers most relevant to an understanding of its operating statement and balance sheet, such as grouping together information about particular operating activities; grouping together information about items measured similarly such as assets measured at fair value; or following the order of the line items in the operating statement and the balance sheet, such as: <ul style="list-style-type: none"> (i) a statement of compliance with IFRSs*; (ii) significant accounting policies applied;
AASB 101.16	<ul style="list-style-type: none"> (iii) supporting information for items presented in the Operating Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement, in the order in which each statement and each line item is presented; and (iv) other disclosures, including: <ul style="list-style-type: none"> contingent liabilities and unrecognised contractual commitments; and non-financial disclosures, for example the agency’s financial risk management objectives and policies. <p>*Note: ACT Government agencies cannot make a statement of compliance with IFRSs but can make a statement of compliance with Australian Accounting Standards. The Model includes this statement of compliance in Note 2 <i>Significant Accounting Policies</i>.</p>
AASB 101.112(b) &(c)	<p>Additional Information</p> <p>The notes must disclose additional information that is not presented in the financial statements as required by Australian Accounting Standards and where it is necessary to enable an assessment of the agency’s financial performance and financial position to be made.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 1. OBJECTIVES OF ‘EXAMPLE AGENCY’
AASB 101.138(b) AASB 1052.15(b)	<p>Operations and Principal Activities</p> <p>The Agency delivers services to the ACT community including municipal services, land information, procurement and property services, undertaking, promoting and coordinating the development and management of land and the provision and maintenance of major infrastructure such as bridges, streetlights and stormwater drains.</p> <p>The Agency provides policy advice to Government on land use planning and environmental impacts, urban infrastructure, strategic management of ACT land and property and municipal services. The Agency also collects a number of different taxes, fees and fines for the ACT Government.</p>
AASB 1052.15(b)	<p>Commentary – Note 1: Objectives of ‘Example Agency’</p> <p>AASB 1052 <i>Disaggregated Disclosures</i> requires directorates to disclose their objectives if this information has not been disclosed elsewhere in the Annual Report. Territory authorities should also provide a note disclosing their objectives.</p>
AASB 101.138(b)	<p>AASB 101 <i>Presentation of Financial Statements</i> requires a description of the nature of the agency’s operations and its principal activities.</p>
Chief Minister’s Annual Report Directions	<p>As the Chief Minister’s Annual Report Directions requires details of the organisation and its major achievements to appear elsewhere within the Annual Report, Note 1 can be simplified and be more concise. The information required by the Directions includes details of the reporting entity and its organisational profile.</p>
	NOTE 2. SIGNIFICANT ACCOUNTING POLICIES
AASB 101.10(e)	<p>Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.</p> <p>Appendix A - Basis of Preparation of the Financial Statements</p> <p>Appendix B- Significant Accounting Policies</p> <p>Appendix C -Impact of Accounting Standards Issued But Yet to Be Applied</p>
	NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION OF A PRIOR PERIOD ERROR
AASB 101.10(e)	<p>Refer to Appendix D – Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 4. CONTROLLED RECURRENT PAYMENTS		
	<p>Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs.</p> <p>Community Service Obligations (CSO) are received by the Agency for the provision of waste management services to the public at subsidised rates.</p>		
		2019	2018
		\$'000	\$'000
ACT Disclosure Policy	Revenue from the ACT Government		
AASB 118.35(b)(i) AASB118.35(b)(ii) AASB 1004.63(a)	Controlled Recurrent Payments	269,215	258,660
ACT Disclosure Policy	Community Service Obligations	35,600	36,770
	Total Controlled Recurrent Payments	304,815	295,430
	<p>a) The increase in CRP was due to the transfer of the Heritage and Environment function from ABC to ‘Example Agency’. Please refer to Note 39 <i>Restructure of Administrative Arrangements</i> for further details.</p>		
	Commentary – Note 4: Controlled Recurrent Payments		
	<p>For additional information pertaining to territory authorities – please refer to TAS 9 Note 4: <i>Controlled Recurrent Payments</i>.</p>		
FMA Section 8	<p>The FMA requires an Appropriation Act make separate appropriations in relation to each agency for:</p> <ul style="list-style-type: none"> any controlled recurrent payments (CRP) to be provided to the Directorate; any capital injection to be provided to the Directorate; and any payments to be made by a Directorate on behalf of the Territory. <p>Controlled Recurrent Payments are recognised as revenue when an agency gains control over the funding. Control over appropriated funds is normally obtained upon the receipt of cash.</p>		
ACT Disclosure Policy	<p>Although CSO revenue is not separately identified in the Appropriation Act, CSO revenue is an identifiable sub-category of CRP revenue and is separately disclosed in the CRP note.</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 5. USER CHARGES		
ACT Disclosure Policy	User charge revenue is derived by providing goods and services to other ACT Government agencies and to the public. User charges revenue is legally retained by the agency and driven by consumer demand.		
		2019	2018
		\$'000	\$'000
	User Charges – ACT Government		
	User Charges – ACT Government ^a	17,208	15,707
	Total User Charges – ACT Government	17,208	15,707
	User Charges – Non – ACT Government		
	Sales	352	269
	Service Revenue (Non – ACT Government) ^b	10,570	9,880
	Other	1,520	1,160
	Total User Charges – Non – ACT Government	12,442	11,309
	Total User Charges for Goods and Services	29,650	27,016
	a) User Charges – ACT Government primarily relates to property management. The increase largely reflects the rise in rental schedules.		
	b) Service Revenue (Non – ACT Government) relates to facilities management for private sector clients. The increase is largely due to an increase in the amount being charged for providing this service to the private sector.		
	Commentary – Note 5: User Charges for Goods and Services The breakdown shown in this note disclosure is an example only. Agencies should also include a breakdown of all material line items included within user charges. A sufficiently detailed description of both User Charges-ACT Government and User Charges Non-ACT Government item(s) should be adopted to ensure that the nature of the arrangement is readily apparent to readers of the financial statements. ACT Government agencies are agencies that form part of the ACT government or which the ACT Government controls. A list of these agencies is contained in the Australian Capital Territory Government Consolidated Annual Financial Statements, which can be found at the Treasury website under publications (http://apps.treasury.act.gov.au/publications).		

	NOTE 6. INTEREST		
ACT Disclosure Policy	Revenue from Non-ACT Government Entities		
AASB 7.20(b)	Interest from Loan Receivable ^a	1,247	620
AASB 7.20(b)	Other Interest Revenue	25	22
	Total Interest Revenue from Non-ACT Government Entities	1,272	642
AASB 118.35(b)(iii)	Total Interest Revenue	1,272	642
AASB 7.20(b)	Total interest revenue from financial assets not at fair value through profit and loss.	1,272	642
	a) The increase in interest received from loan receivable reflects the issuing of more loans throughout the reporting period.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 7. DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT		
ACT Disclosure Policy		2019	2018
	Revenue from ACT Government Entities	\$'000	\$'000
	Distribution from Investments with the Territory Banking Account	703	538
	Total Distribution from Investment with the Territory Banking Account	703	538
Commentary – Note 7: Distribution from Investments with the Territory Bank Account			
Distribution revenue from Cash Enhanced Portfolio and Fixed Interest Funds held with the Territory Bank Account is no longer classified as interest.			

Reference	NOTE 8. RESOURCES RECEIVED FREE OF CHARGE		
ACT Disclosure Policy		2019	2018
	Revenue from ACT Government Entities	\$'000	\$'000
AASB 1004.62	Legal Services ^a	2,025	610
	Total Resources Received Free of Charge	2,025	610
a) The Agency disposed of waste material by burying it in landfill, however, it was discovered that the waste had leaked and contaminated the area and nearby farmland. The increase in legal services was due to the litigation arising from related claims. These legal services were provided free of charge by the ACT Government Solicitor's Office.			
Commentary – Note 8: Resources Received Free of Charge			
AASB 1004.44 ACT Disclosure Policy	AASB 1004 <i>Contributions</i> requires contribution of services (resources received free of charge) to be recognised at their fair value if:		
	<ul style="list-style-type: none"> the fair value can be reliably measured; and the services would have been purchased if not received free of charge. 		
ACT Disclosure Policy	Resources received free of charge comprise resources received from other ACT Government agencies. It does not include resources received from external parties. Resources received from external parties are classified as donations (see Note 11 Other Gains).		
	ACT Government agencies are agencies that form part of the ACT government or which the ACT Government controls. A list of these agencies is contained in the Australian Capital Territory Government Consolidated Annual Financial Statements, which can be found at the Treasury website under publications (http://apps.treasury.act.gov.au/publications).		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 9. OTHER REVENUE		
	Other Revenue arises from the core activities of the Agency.		
ACT Disclosure Policy	Revenue from ACT Government Entities	2019 \$'000	2018 \$'000
AASB118.35(b)(v)	Dividends	825	800
	Total Other Revenue from ACT Government Entities	825	800
ACT Disclosure Policy	Revenue from Non-ACT Government Entities		
	Sale of Goods	520	480
AASB 140.75(f)(i)	Rental Revenue from Investment Properties	3,544	2,845
	Other	56	79
	Total Other Revenue from Non-ACT Government Entities	4,120	3,404
	Total Other Revenue	4,945	4,204
	Commentary – Note 9: Other Revenue		
AASB 101.7 AASB 108.5 ACT Disclosure Policy	<p>The notion of materiality in applies to the classification of other revenue. The line item other revenue should not be disproportionately large compared to total revenue. Within the other revenue note each material class of revenue must be disclosed separately and the total of unclassified revenue must not exceed 10% of Total ‘Other Revenue’.</p> <p>ACT Government agencies are agencies that form part of the ACT government or which the ACT Government controls. A list of these agencies is contained in the Australian Capital Territory Government Consolidated Annual Financial Statements, which can be found at the Treasury website under publications (http://apps.treasury.act.gov.au/publications).</p>		

Reference	NOTE 10. GAINS ON INVESTMENTS		
		2019 \$'000	2018 \$'000
AASB 7.20(a)	Gains on Investments ^a	1,970	2,630
	Total Gains on Investments	1,970	2,630
	<p>a) The decrease in gains is due to ‘Example Agency’ having fewer investments in the ‘Fixed Interest Portfolio’.</p>		
	Commentary – Note 10: Gains on Investments		
	<p>If an agency makes a net loss on investments with the Territory Banking Account, this amount will appear in Note 18 Other Expenses.</p> <p>If an agency is in the business of selling investments, then these items would be included in other revenue, or if material, included in a separate line item in the Operating Statement, and not in gains on investments.</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 11. OTHER GAINS		
	Other gains are transactions that are not part of the Agency’s core activities.		
		2019	2018
		\$’000	\$’000
	Gains from the Sale of Assets	550	680
	Gains from the Contribution of Assets	6,086	11,092
AASB 1004.63(b)	Gains from the Forgiveness of Liability	1,120	1,920
	Gain from a Change in Accounting Estimates	290	-
	Gains from the Revaluation of Investment Properties	2,468	1,000
	Restructure Fund Receipts	345	290
AASB 117.31(d)	Sub-Lease Rentals	852	900
	Donations	1,800	2,754
	Donations of Property, Plant and Equipment	1,523	1,610
AASB 102.36(f)	Reversal of the Write-down in Inventory	18	24
	Other	945	1,230
	Total Other Gains	15,997	21,500
AASB 102.36(g)	The reversal of the write-down of inventory was due to a reassessment of the net realisable value of that inventory.		
	Contribution Analysis		
AASB 1004.60(a)	Contributions which have conditions of expenditure still required to be met	450	689
AASB 1004.60(d)	‘Example Agency’ has received donations from the public, which must be spent on the restoration of a heritage asset which is held by the Agency.		
	Commentary – Note 11: Other Gains		
	For additional information pertaining to territory authorities – please refer to TAS 10 Note 11: Other Gains.		
	The breakdown shown in this note disclosure is an example only. Agencies should only include line items that are applicable to them where material.		
AASB 101.35	Gains and losses arising from a group of similar transactions should be reported on a net basis. However, if the gains and losses are material they should be reported separately.		
	Agencies should be aware that if they have material amounts against the line items listed below, they should be included in the Other Gains note:		
	<ul style="list-style-type: none"> reversal of asset revaluation decrements previously expensed; or re-recognition of assets previously written-off. 		
AASB 101.7 AASB 108.5 ACT Disclosure Policy	The notion of materiality applies to the classification of other gains. Each material class of gains must be disclosed separately and the total of unclassified gains must not exceed 10% of total gains disclosed in the note.		
	If an agency is in the business of selling assets, then the gain on these assets would be included in other revenue, or if material, included in a separate line item in the Operating Statement and not in other gains.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 11: Other Gains – Continued
	<p>Restructure Fund Receipts</p> <p>Restructure Fund Receipts should be classified as Other Gains rather than Other Revenue and should be shown gross rather than netted off against the related termination expense.</p> <p>Reversal of Impairment Loss</p> <p>An agency shall disclose, for each class of assets, the amount of reversals of impairment losses recognised in the Operating Statement during the reporting period and the line item(s) of the Operating Statement in which those impairment losses are reversed. However, given that agencies are now required to measure most Property, Plant and Equipment at fair value, most reversals of impairment losses will now go through the Asset Revaluation Surplus. Any balance not able to be met by the Asset Revaluation Surplus would be recognised in the Operating Statement.</p> <p>Contributions (Non-reciprocal transfers)</p> <p>A contribution occurs when an agency receives an asset, including the right to receive cash or other forms of assets without directly giving approximately equal value back to the other party.</p> <p>Contributions (other than contributions by owners) are required to be recognised as revenue when the contributed assets qualify for recognition and the following conditions are all satisfied:</p> <ul style="list-style-type: none"> • the agency obtains control of the contribution or the right to receive the contribution; • it is probable that the economic benefits comprising the contribution will flow to the agency; and • the amount can be measured reliably. <p>Control</p> <p>Control over an asset is deemed to arise when the agency can benefit from funds/goods transferred to it and deny or regulate the access of others to those benefits.</p> <p>Disclosure of Contributions</p> <p>Financial statements shall disclose, separately by way of note, the amounts and nature of contributions recognised as income:</p> <p>(a) during the reporting period in respect of which expenditure in a manner specified by a transferor contributor had yet to be made as at the reporting date, details of those contributions and the conditions attaching to them;</p> <p>(b) during the reporting period that were provided specifically for the provision of goods or services over a future period;</p> <p>(c) during the reporting period that were obtained in respect of a future rating or taxing period identified by the local government, GGS or whole of government for the purpose of establishing a rate or tax;</p> <p>(d) the nature of the amounts referred to in (a), (b) and (c) above and, in respect of (b) and (c) above, the periods to which they relate; and</p> <p>(e) in a previous reporting period that were obtained in respect of the current reporting period.</p>
AASB 136.126(b)	
AASB 1004.13	
AASB 1004.12	
AASB 1004.27	
AASB 1004.60	

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 12. EMPLOYEE EXPENSES		
		2019	2018
		\$'000	\$'000
	Wages and Salaries	69,522	68,098
	Annual Leave Expense	1,923	1,701
	Long Service Leave Expense	650	655
	Workers' Compensation Insurance Premium	1,461	1,320
	Termination Expense	558	320
	Other Employee Benefits and On-Costs	680	20
	Total Employee Expenses	74,794	72,114
	Commentary – Note 12: Employee Expenses		
AASB 119.5	Employee benefits include:		
	<ul style="list-style-type: none"> • short-term employee benefits, such as wages, salaries, annual leave loading and non-monetary benefits(e.g. vehicles), if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services; • post employment benefits (e.g. pensions and post employment life insurance); • other long-term employee benefits (e.g. annual leave, long service leave, sabbatical leave, long-term disability benefits and deferred compensation); and • termination benefits. 		
AASB 119.11	Where an employee has rendered services to the agency during a reporting period, the agency must recognise as an expense (and a liability) the undiscounted amount of short-term employee benefits, including non-monetary benefits, expected to be settled in exchange for that service. Wages and salaries include the cost of any components of a wage or salary package and related Fringe Benefits Tax.		
	Termination expense represents the movement in the provision for termination benefits outlined in Note 34 Employee Benefits. This provision relates solely to redundancies paid to employees as a result of positions being abolished due to a restructuring of the agency.		

Reference	NOTE 13. SUPERANNUATION EXPENSES		
		2019	2018
		\$'000	\$'000
AASB 119.53	Superannuation Contributions to the Territory Banking Account	9,054	8,752
	Productivity Benefit	1,655	1,480
	Superannuation to External Providers	1,203	900
	Total Superannuation Expenses	11,912	11,132

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 14. SUPPLIES AND SERVICES		
		2019	2018
		\$'000	\$'000
	Rental Expenses	5,761	5,130
	Legal Expenses ^a	7,805	5,041
	Contractors and Consultants ^b	8,842	10,753
	Consumable Stores and Supplies ^c	520	1,077
	Valuation Services	4,900	5,600
	Hire Charges	6,888	6,751
	Utilities	8,553	8,954
	Insurance ^d	7,524	6,125
	Computing Costs	1,527	2,275
	Repairs and Maintenance ^e	21,540	18,575
	Printing	4,110	4,845
	Communications	3,523	3,965
	Publications	3,380	3,985
	Postage and Courier	1,500	1,650
	Staff Development	2,030	1,980
	Stationery	2,550	2,100
	IT Services	8,002	8,204
	Travel	2,560	2,500
AASB 117.35(c)	Operating Lease Rental Payments	1,203	1,312
AASB 117.35(c)	Rental Expense Arising from Sub-leases	182	211
	Other	7,850	6,985
	Total Supplies and Services	110,750	108,018
	<p>a) The Agency disposed of waste material by burying it in landfill, however, it was discovered that the waste had leaked and contaminated the area, including nearby farmland. The increase in legal expenses was due to the litigation arising from related claims. These legal expenses related to court costs, such as engaging the services of barristers.</p> <p>b) The decrease in contractors and consultants is due to an increase in the number of staff employed resulting in a decreased demand for contracting and consulting services.</p> <p>c) The decrease in consumable stores and supplies is due to the increase in the repairs and maintenance of infrastructure assets.</p> <p>d) The increase in insurance expense is due to the rise in the number and value of assets being insured. The transfer from works in progress to property, plant and equipment resulted in the number of insured assets increasing. In addition, the revaluation of land, buildings, and community and heritage assets resulted in the value of insured assets increasing.</p> <p>e) Major maintenance on infrastructure assets is carried out on a rolling basis over a period of 5 years. The increase in repairs and maintenance is due to this major cyclical maintenance being performed on larger sub-classes of infrastructure assets than last reporting period.</p>		
	Commentary – Note 14: Supplies and Services		
	The breakdown of Supplies and Services shown above is an example only. Agencies will need to include their own breakdown of all material line items in the Supplies and Services expenses note disclosure.		
AASB 117.35(c)	AASB 117 <i>Leases</i> requires a lessee to disclose the total amount of lease and sub-lease payments recognised as an expense in the reporting period for operating leases, with separate amounts for minimum lease payments, contingent rentals and sub-leases payments.		
AASB 117.31(c)	AASB 117 requires a lessee to disclose contingent rentals recognised as an expense in the reporting period for finance leases.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 15. DEPRECIATION AND AMORTISATION		
		2019	2018
		\$'000	\$'000
	Depreciation		
	Buildings	2,208	1,903
	Infrastructure Assets	85,889	84,131
	Plant and Equipment	2,100	2,640
	Community and Heritage Assets	5,650	4,120
	Leasehold Improvements	752	570
AASB 116.75(a)	Total Depreciation	96,599	93,364
	Amortisation		
	Intangible Assets	440	200
AASB 138.118(d)	Total Amortisation	440	200
	Total Depreciation and Amortisation	97,039	93,564
	Revision in Accounting Estimates		
AASB 116.51 AASB 108.34 & 39	The useful lives of some community and heritage assets were reassessed resulting in the depreciation expense increasing by \$140,000.		
	Change in Depreciation due to a Revision of Carrying Amount		
AASB 116.51 AASB 108.39	The residual value of plant and equipment was revised and subsequently increased as it was considered that some items of plant and equipment could be sold for an amount greater than originally anticipated. As a result, the depreciation on the plant and equipment was also revised and consequently decreased by \$180,000 in the current reporting period.		
	Commentary – Note 15: Depreciation and Amortisation		
	Depreciation of Land		
AASB 116.16	The cost of an item of property, plant and equipment comprises: <ul style="list-style-type: none"> • its purchase price; • any directly attributable costs; and • the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. 		
AASB 116.58 & 59	With some exceptions, such as quarries or landfill, land has an unlimited useful life and therefore is not depreciated. Where land is required to be restored after it has been used, this cost must be capitalised into the carrying amount of the land. That portion of the land's cost is then depreciated over the period the land will be used (i.e. until the time the land is restored). For example, where an agency has a landfill site which is required to be restored by law at the end of 10 years, the restoration portion of the land's value will be depreciated over the next 10 years.		
	The totals for depreciation in this Note should be equal to the amounts in the Notes on <i>Property, Plant and Equipment and Intangible Assets</i> .		
	Useful Lives		
AASB 116.51	Agencies must make an assessment of their asset's useful lives at the end of each reporting period and where expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .		
AASB 108.36	AASB 108 requires changes in accounting estimates to be recorded in the Operating Statement.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 16. GRANTS AND PURCHASED SERVICES		
ACT Disclosure Policy	Grants are amounts provided to ACT Government agencies and non-ACT Government agencies for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and the name or category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.		
	Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties.		
		2019	2018
		\$'000	\$'000
	Payments to Service Providers ^a	52,023	45,412
	Recurrent Grants	8,542	7,542
	Capital Grants ^b	4,550	2,120
	Community Service Obligation Payments to Agencies	7,233	7,854
	Total Grants and Purchased Services	72,348	62,928
	<p>a) The increase in payments to service providers is due to the Agency now being responsible for providing services involving the waste management and environmental function. These services were being provided by another agency in prior years.</p> <p>b) The increase in capital grants is due to the Agency receiving an increase in Controlled Recurrent Payments-to fund a new capital grant program being managed by the Agency.</p>		
Chief Minister's Annual Report Directions	Commentary – Note 16: Grants and Purchased Services		
	<i>Grants and Purchased Services are generally not applicable to territory authorities. However, please refer to TAS 11 for an authority only note on Cost of Goods Sold.</i>		
	Agencies should tailor the information in this note to their own circumstances. That is, agencies should list specific 'Payments to Service Providers' and specific grant payments, instead of putting them all in one line item as above.		
Chief Minister's Annual Report Directions	This note requires the disclosure of grants and payments to service providers. In addition, the Chief Minister's Annual Report Directions requires details of service purchasing agreements, community grants, sponsorships and assistance provided by the agency to be reported in the agency's Annual Report.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 17. BORROWING COSTS		
		2019	2018
		\$'000	\$'000
AASB 7.20(b)	Interest Expense on Bank Overdraft / Borrowings	822	989
AASB 7.20(b)	Finance Charges on Finance Leases	586	758
AASB 7.20(b)	Finance Cost on Make Good	3	2
	Total Borrowing Costs	1,411	1,749
Commentary – Note 17: Borrowing Costs			
AASB 123.6	Borrowing costs may include: <ul style="list-style-type: none">• interest on bank overdrafts and short-term and long-term borrowings;• finance charges in respect of finance leases recognised in accordance with AASB 117 <i>Leases</i>; and• the finance cost for the unwinding of the discount on Make Good provisions (recognised in accordance with AASB Interpretation 1.8).		
AASB 123.Aus 26.1	The financial statements shall disclose the accounting policy adopted for borrowing costs. This policy should be included in Note 2 <i>Significant Accounting Policies</i> .		
AASB 123.Aus 8	AASB 123 <i>Borrowing Costs</i> requires an entity to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. All other borrowing costs may be expensed as incurred.		
AASB 123.Aus 8.1	However, a not-for-profit public sector entity may elect to recognise borrowing costs as an expense, regardless of how the borrowings are applied.		
ACT Accounting Policy	ACT Accounting Policy requires all borrowing costs to be expensed in the period in which they occur.		

Reference	NOTE 18. OTHER EXPENSES		
		2019	2018
		\$'000	\$'000
	Losses from the Sale of Assets	995	541
	Losses from Contributed Assets	871	801
	Assets Donated to Third Parties ^a	1,130	-
AASB 102.36(d)	Cost of Inventories Recognised as an Expense	1,268	1,025
AASB 102.36(e) & AASB 101.98(a)	Write-down in Inventory	120	125
	Restoration of Contaminated Sites Expense ^b	3,590	-
	Waivers, Impairment Losses and Write-offs (see Note 19)	3,991	3,216
	Act of Grace Payments (see Note 20)	10	-
AASB 101.98(b)	Restructuring Expenses ^c	1,999	1,617
AASB 138.126	Research and Development Expense – Software	90	40
	Other Expenses	762	304
	Total Other Expenses	14,826	7,669

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 18. OTHER EXPENSES – CONTINUED
	<p>a) The increase in ‘Assets Donated to Third Parties’ expense is due to three community and heritage assets being donated to a Community Organisation.</p> <p>b) The Agency disposed of waste material by burying it in landfill, however, it was discovered that the waste had leaked and contaminated the area, including nearby farmland. The increase in the Restoration of Contaminated Sites Expense is therefore due to the costs associated in cleaning up the site.</p> <p>c) The Agency is restructuring its Maintenance Division. The increased restructure costs relate to consultants reports and the cost of dismantling and disposing of plant and equipment.</p>
	<p>Commentary – Note 18: Other Expenses</p> <p>For additional information pertaining to territory authorities – please refer to TAS 12 Note 18: Other Expenses.</p> <p>The breakdown shown in this note disclosure is an example only. Agencies should only include line items that are applicable to them where material.</p>
AASB 101.35	<p>Gains and losses arising from a group of similar transactions should be reported on a net basis. However, if the gains and losses are material they should be reported separately.</p> <p>If an agency has made a net gain on investments held with the Territory Banking Account it will appear as Gains on Investments in Note 10. If a net loss has been made, then it should be included in this <i>Other Expenses</i> note.</p> <p>Agencies should also include losses from the Forgiveness of Liabilities in the <i>Other Expenses</i> note where applicable.</p>
AASB 116.Aus 40.1	<p>Revaluation decrements are expensed when a class of assets, as a whole, has been revalued downwards and there is no amount in the Asset Revaluation Surplus for that asset class for the revaluation to be offset against.</p>
AASB 136.9, 10 & 61	<p>Agencies are required to assess at each reporting date whether there is an indication that non-current assets may be impaired and if so, to assess assets for impairment. Where an agency has an impairment loss against an asset, which has no Asset Revaluation Surplus against the class it is in, the impairment loss is recognised in the Operating Statement. However, an impairment loss, on an asset, which has an Asset Revaluation Surplus against the asset class it is in, is recognised directly against that Asset Revaluation Surplus to the extent that the impairment loss does not exceed the amount in the Asset Revaluation Surplus for that asset class.</p>
AASB 101.7 AASB108.5 ACT Disclosure Policy	<p>Materiality</p> <p>The notion of materiality applies to the classification of other expenses. The line item other expenses should not be disproportionately large compared to total expenses. Within the other expenses note each material class of other expenses must be disclosed separately and the total of unclassified other expenses must not exceed 10% of Total ‘Other Expenses’.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 19. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS				
FMA Section 131 (1)(a)	Under Section 131 of the <i>Financial Management Act 1996</i> , the Treasurer may in writing, waive the right to payment of an amount payable to the Territory. The Treasurer waived loans owing to the Agency from third parties. The waivers, impairment losses and write-offs listed below have occurred during the reporting period for the Agency.				
		No.	2019 \$'000	No.	2018 \$'000
	Waivers				
	Stimulus Waivers	10	1,500	9	1,642
	Other Waivers	2	250	-	-
	Total Waivers	12	1,750	9	1,642
	Impairment Losses				
	<i>Impairment Loss from Receivables</i>				
	Trade Receivables (2018)		-		235
	Other Trade Receivables (2018)		-		10
AASB 7.20(e)	<i>Total Impairment Loss from Receivables</i>		-		245
AASB 7.20(a)(vi)	Expected Credit Loss Expense (2019)		276		-
	<i>Impairment Loss from Property, Plant and Equipment</i>				
AASB 136.126(a)	Plant and Equipment	4	950	2	430
	<i>Total Impairment Loss from Property, Plant and Equipment</i>	4	950	2	430
	Total Impairment Losses	4	1,226	2	675
	Write-offs				
ACT Disclosure Policy	Losses or Deficiencies in Public Monies	23	50	27	45
ACT Disclosure Policy	Irrecoverable Debts	11	820	9	730
ACT Disclosure Policy	Obsolete Stock	33	145	31	124
	Total Write-offs	67	1,015	67	899
	Total Waivers, Impairment Losses and Write-offs	83	3,991	78	3,216
	Commentary – Note 19: Waivers, Impairment Losses and Write-Offs				
	For additional information pertaining to territory authorities – please refer to TAS 13 Note 19: Waivers, Impairment Losses and Write-Offs.				
	A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Agency to recover the amount. The write-off of debts may occur for reasons other than waivers.				
FMA 131 (3)	Section 131 of the FMA requires that a waiver relating to an amount payable to the Territory shall be reported in the notes to the financial statements of the relevant agency that relate to the year in which the right to payment was waived.				
ACT Disclosure Policy	If an agency has waivers associated with a government policy, then the note should provide details by policy type. Individual recipients of waivers should not be identified unless they have agreed to such disclosure.				
	The disclosures required by this note are material by nature and disclosure is required regardless of the amount of the waiver. Agencies can choose to include these disclosures under the ‘Other Expenses’ note if they are not material.				

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 19: Waivers, Impairment Losses and Write-Offs – Continued
<p>ACT Disclosure Policy</p> <p>Chief Minister’s Annual Report Directions</p>	<p>Losses or Deficiencies in Public Monies</p> <p>The ‘Losses or Deficiencies in Public Monies’ line item will include a number of different items including, but not limited to, the following:</p> <ul style="list-style-type: none"> • decrease in monies due to fraud; • monies which cannot be accounted for; and • monies which have been lost. <p>The Chief Minister’s Annual Report Directions requires further disclosure of fraud in the Annual Report.</p> <p>Agencies should ensure the impairment losses in this Note reconcile with the amounts in the <i>Receivables</i> and <i>Property, Plant and Equipment</i> Notes.</p>

Reference	NOTE 20. ACT OF GRACE PAYMENTS		
FMA Section 130 ACT Disclosure Policy	<p>Under Section 130 of the <i>Financial Management Act 1996</i> the Treasurer may, in writing, authorise Act of Grace Payments be made by a directorate or a territory authority.</p> <p>The Treasurer authorised three Act of Grace Payments. Two of these payments related to an oversight made by ‘Example Agency’ regarding land development applications. The third payment related to a delayed heritage grant payment which resulted in the recipient incurring a penalty for late payment to a third party supplier due to not receiving the grant payment on time. The land development application oversights and the delayed grant payment did not legally entitle the applicant(s)/recipient(s) to compensation, however as all were unfairly disadvantaged the Treasurer approved the Act of Grace Payments.</p>		
		2019 \$’000	2018 \$’000
	Act of Grace Payments		
FMA 130(9)	Payment relating to the oversight regarding land development application	5	-
FMA 130(9)	Payment relating to the oversight regarding land development application	4	-
FMA 130(9)	Payment relating to the delayed heritage grant payment	1	-
	Total Act of Grace Payments	10	

Reference	Commentary – Note 20: Act of Grace Payments
	<p>Financial Management Act Requirements</p>
FMA 130	Section 130 of the FMA covers Act of Grace Payments.
FMA s130(8)	The FMA states that an Act of Grace Payment made by a directorate must be reported in the notes to its financial statements in the reporting period the payments are made.
<p>FMA 130(9)</p> <p>ACT Disclosure Policy</p>	The FMA states that the notes to the financial statements must indicate the amount and grounds for each Act of Grace payment. ACT Disclosure Policy also requires that a description of an Act of Grace Payment be included in the financial statements of the directorate or territory authority where it makes an Act of Grace Payment. Agencies can choose to include these disclosures under the ‘Other Expenses’ note if they are not material.
FMA 130(10)	The FMA states that the financial statements shall not disclose the identity of an Act of Grace Payment recipient unless disclosure was agreed to by the recipient.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 21. AUDITOR’S REMUNERATION		
	Auditor’s remuneration consists of financial audit services provided to the Agency by the ACT Audit Office and any other services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit.		
		2019	2018
		\$’000	\$’000
	Audit Services		
AASB 1054.10(a)	Audit Fees - ACT Audit Office	157	150
	Total Audit Fees	157	150
AASB 1054.10(b)	No other services were provided by the ACT Audit-Office.		
	Commentary – Note 21: Auditor’s Remuneration		
AASB 1054 10 & 11	<p>AASB 1054 Australian Additional Disclosures requires agencies to disclose the-fees to:</p> <ul style="list-style-type: none"> the auditor of the agency for an audit or a review of its financial statements; and the auditor of the agency for non-audit services in relation to the agency, disclosing separately the nature and amount of each of the non-audit services provided by the auditor. <p>These amounts are included in <i>Other</i> within Note 14 <i>Supplies and Services</i>. If these amounts are material (when compared to total Supplies and Services) then agencies should include a separate line item within the Supplies and Services note disclosure.</p> <p>Agencies can choose to reflect auditor’s remuneration as a separate line item under Supplies and Services, where no other services were provided by the ACT Audit Office. In that case the agency is not required to have a separate Note disclosure for this item.</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 22. CASH AND CASH EQUIVALENTS		
ACT Disclosure Policy	The Agency holds a number of bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements. As part of these arrangements, the Agency does not receive any interest on these accounts.		
		2019	2018
		\$'000	\$'000
AASB 107.45	Cash at Bank ^a	11,033	6,075
AASB 107.45	Cash on Hand	423	473
	Total Cash and Cash Equivalents	11,456	6,548
<p>The increase in Cash at Bank was due to a combination of factors including, an increase in proceeds from the sale of property, plant and equipment, a decrease in the amount of property, plant and equipment purchased, together with an increase in capital contributions received from the ACT Government.</p>			
<p>Commentary – Note 22: Cash and Cash Equivalents</p> <p>For additional information pertaining to territory authorities – please refer to TAS 14 Note 22: Cash and Cash Equivalents.</p> <p>Definition of Cash</p> <p>AASB 107.6 Cash is defined in AASB 107 <i>Cash Flow Statements</i> as cash on hand and demand deposits. Cash on hand means notes and coins held and demand deposits are deposits held at call with a financial institution.</p> <p>AASB 107.6 Cash equivalent assets are short-term, highly liquid investments that are readily convertible to known amounts of cash and are not subject to significant risk of movements in value.</p> <p>Agency money held in the Territory Banking Account Cash Fund is classified as a Cash Equivalent.</p> <p>ACT Disclosure Policy Agency money held in the Territory Banking Account Cash Enhanced Portfolio is classified as an <i>Investment</i> (see Note 24).</p> <p>Trust Account Balances</p> <p>FMA Section 49 Any monies held in trust by an agency should not be included in the agency’s cash balance. Monies held in trust are disclosed by way of note only (see Note 47 <i>Third Party Monies</i>).</p>			

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 23. RECEIVABLES																																																																																
		2019 \$'000	2018 \$'000																																																																														
	Current Receivables																																																																																
AASB 101.78(b)																																																																																	
AASB 9.5.1.3 & 5.2.1	Trade Receivables ^a	4,057	1,061																																																																														
AASB 9.5.5.1	Less: Allowance for Impairment Losses	(358)	(190)																																																																														
		3,699	871																																																																														
AASB 101.78(b)	Other Trade Receivables	143	178																																																																														
AASB 9.5.5.1	Less: Allowance for Impairment Losses	(25)	(10)																																																																														
		118	168																																																																														
AASB 101.78(b)	Accrued Revenue	396	371																																																																														
AASB 101.78(b)	Loans Receivable ^b	1,256	841																																																																														
Interpretation 1031.9	Net GST Receivable	715	260																																																																														
AASB 101.78(b)	Other Current Receivables	70	85																																																																														
	Total Current Receivables	6,254	2,596																																																																														
	Non-Current Receivables																																																																																
AASB 101.78(b)																																																																																	
AASB 9.5.1.3 & 5.2.1	Trade Receivables ^a	1,352	354																																																																														
AASB 9.5.5.1	Less: Allowance for Impairment Losses	(120)	(64)																																																																														
		1,232	290																																																																														
AASB 101.78(b)	Loans Receivable ^b	23,870	15,980																																																																														
AASB 101.78(b)	Other Non-Current Receivables	115	115																																																																														
	Total Non-Current Receivables	25,217	16,385																																																																														
	Total Receivables	31,471	18,981																																																																														
AASB 7.35I	a) The increase in Trade Receivables is due to a large number of services being provided late in the reporting period, in comparison with last year. Most of these services were invoiced in June.																																																																																
AASB 7.35I	b) The increase in Loans Receivable is mainly due to the issue of more loans throughout the reporting period.																																																																																
AASB7.35M-N, B8H-J	<table><tr><th>Ageing of Receivables</th><th colspan="6">Days Past Due</th></tr><tr><th></th><th>Total</th><th>Not Overdue</th><th>1-30 days</th><th>31-60 Days</th><th>61-90 Days</th><th>>91days</th></tr><tr><th></th><th>\$</th><th>\$</th><th>\$</th><th>\$</th><th>\$</th><th>\$</th></tr><tr><td>30 June2019</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Expected credit loss rate</td><td></td><td>0.15%</td><td>2%</td><td>12%</td><td>35%</td><td>60%</td></tr><tr><td>Estimated total gross carrying amount at default</td><td>27,892</td><td>23,475</td><td>2,454</td><td>1,395</td><td>360</td><td>208</td></tr><tr><td>Expected credit losses</td><td>(503)</td><td>(36)</td><td>(49)</td><td>(167)</td><td>(126)</td><td>(125)</td></tr><tr><td>1 January 2018 (remeasurement)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Expected credit loss rate</td><td></td><td>0.15%</td><td>1.80%</td><td>10%</td><td>30%</td><td>50%</td></tr><tr><td>Estimated total gross carrying amount at default</td><td>17,846</td><td>15,157</td><td>1,434</td><td>896</td><td>227</td><td>132</td></tr><tr><td>Expected credit losses</td><td>(272)</td><td>(23)</td><td>(26)</td><td>(90)</td><td>(68)</td><td>(66)</td></tr></table>				Ageing of Receivables	Days Past Due							Total	Not Overdue	1-30 days	31-60 Days	61-90 Days	>91days		\$	\$	\$	\$	\$	\$	30 June2019							Expected credit loss rate		0.15%	2%	12%	35%	60%	Estimated total gross carrying amount at default	27,892	23,475	2,454	1,395	360	208	Expected credit losses	(503)	(36)	(49)	(167)	(126)	(125)	1 January 2018 (remeasurement)							Expected credit loss rate		0.15%	1.80%	10%	30%	50%	Estimated total gross carrying amount at default	17,846	15,157	1,434	896	227	132	Expected credit losses	(272)	(23)	(26)	(90)	(68)	(66)
Ageing of Receivables	Days Past Due																																																																																
	Total	Not Overdue	1-30 days	31-60 Days	61-90 Days	>91days																																																																											
	\$	\$	\$	\$	\$	\$																																																																											
30 June2019																																																																																	
Expected credit loss rate		0.15%	2%	12%	35%	60%																																																																											
Estimated total gross carrying amount at default	27,892	23,475	2,454	1,395	360	208																																																																											
Expected credit losses	(503)	(36)	(49)	(167)	(126)	(125)																																																																											
1 January 2018 (remeasurement)																																																																																	
Expected credit loss rate		0.15%	1.80%	10%	30%	50%																																																																											
Estimated total gross carrying amount at default	17,846	15,157	1,434	896	227	132																																																																											
Expected credit losses	(272)	(23)	(26)	(90)	(68)	(66)																																																																											

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 23: Receivables – Continued																																																																																																									
AASB 9.5.5.8, 5.5.15 & B5.35Financial Framework Memo 2018/23 AASB 9 Financial Instruments - Further Implementation Guidance to Agencies AASB 7.35(c)	<p>An impairment loss from receivables was recognised in 2017-18 and prior years on an incurred loss basis. From 2018-19, ‘Expected Credit Loss Expense ’ is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. “Example Agency” has established a provision matrix based on its historical credit loss experience, adjusted for forward –looking factors specific to the debtors and the economic environment.</p> <p>Loss rates are calculated separately for groupings of customers with similar loss patterns. “Example Agency” has determined there is <one> material group for measuring expected credit losses based on the sale of services and the sale of goods reflecting customer profiles for revenue streams. The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last <3> years preceding 30 June 2019. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.</p>																																																																																																									
AASB 7.35G																																																																																																										
AASB 7.35H	<table><tr><td>Reconciliation of the Allowance for Impairment Losses</td><td>2019</td><td>2018</td></tr><tr><td></td><td>\$’000</td><td>\$’000</td></tr><tr><td>Allowance for Impairment Losses at the Beginning of the Reporting Period</td><td>264</td><td>94</td></tr><tr><td>Remeasurement under AASB 9</td><td>8</td><td>-</td></tr><tr><td>Restated Allowance for Impairment Losses at the Beginning of the Reporting Period</td><td>272</td><td>94</td></tr><tr><td>Additional Allowance Recognised During the Reporting Period</td><td>-</td><td>330</td></tr><tr><td>Reduction in Allowance from Amounts Recovered During the Reporting Period</td><td>(65)</td><td>(85)</td></tr><tr><td>AASB 9.5.4.4</td><td>Reduction in Allowance from Amounts Written off During the Reporting Period</td><td>(45)</td><td>(75)</td></tr><tr><td>AASB 9.5.5.8</td><td>Expected Credit Loss Expense</td><td>341</td><td>-</td></tr><tr><td></td><td>Allowance for Impairment Losses at the End of the Reporting Period</td><td>503</td><td>264</td></tr><tr><td></td><td>Classification of ACT Government/Non-ACT Government Receivables</td><td></td><td></td></tr><tr><td>ACT Disclosure Policy</td><td>Receivables with ACT Government Entities</td><td></td><td></td></tr><tr><td></td><td>Net Trade Receivables</td><td>3,209</td><td>753</td></tr><tr><td></td><td>Net Other Trade Receivables</td><td>46</td><td>64</td></tr><tr><td></td><td>Accrued Revenue</td><td>222</td><td>208</td></tr><tr><td></td><td>Other Receivables</td><td>102</td><td>110</td></tr><tr><td></td><td>Total Receivables with ACT Government Entities</td><td>3,579</td><td>1,135</td></tr><tr><td>ACT Disclosure Policy</td><td>Receivables with Non-ACT Government Entities</td><td></td><td></td></tr><tr><td></td><td>Net Trade Receivables</td><td>1,719</td><td>408</td></tr><tr><td></td><td>Net Other Trade Receivables</td><td>75</td><td>104</td></tr><tr><td></td><td>Accrued Revenue</td><td>174</td><td>163</td></tr><tr><td></td><td>Net Goods and Services Tax Receivable</td><td>715</td><td>260</td></tr><tr><td></td><td>Loans Receivable</td><td>25,126</td><td>16,821</td></tr><tr><td></td><td>Other Receivables</td><td>83</td><td>90</td></tr><tr><td></td><td>Total Receivables with Non-ACT Government Entities</td><td>27,892</td><td>17,846</td></tr><tr><td>AASB 7.35K</td><td>Total Receivables</td><td>31,471</td><td>18,981</td></tr><tr><td>AASB 7.35K</td><td>The maximum exposure to credit risk at the end of the reporting period for Receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table above.</td><td></td><td></td></tr><tr><td>AASB 7.35H-I</td><td>Also refer to Appendix A (Note 23) and Appendix D for the impact of the change in accounting policy following the adoption of AASB 9.</td><td></td><td></td></tr></table>	Reconciliation of the Allowance for Impairment Losses	2019	2018		\$’000	\$’000	Allowance for Impairment Losses at the Beginning of the Reporting Period	264	94	Remeasurement under AASB 9	8	-	Restated Allowance for Impairment Losses at the Beginning of the Reporting Period	272	94	Additional Allowance Recognised During the Reporting Period	-	330	Reduction in Allowance from Amounts Recovered During the Reporting Period	(65)	(85)	AASB 9.5.4.4	Reduction in Allowance from Amounts Written off During the Reporting Period	(45)	(75)	AASB 9.5.5.8	Expected Credit Loss Expense	341	-		Allowance for Impairment Losses at the End of the Reporting Period	503	264		Classification of ACT Government/Non-ACT Government Receivables			ACT Disclosure Policy	Receivables with ACT Government Entities				Net Trade Receivables	3,209	753		Net Other Trade Receivables	46	64		Accrued Revenue	222	208		Other Receivables	102	110		Total Receivables with ACT Government Entities	3,579	1,135	ACT Disclosure Policy	Receivables with Non-ACT Government Entities				Net Trade Receivables	1,719	408		Net Other Trade Receivables	75	104		Accrued Revenue	174	163		Net Goods and Services Tax Receivable	715	260		Loans Receivable	25,126	16,821		Other Receivables	83	90		Total Receivables with Non-ACT Government Entities	27,892	17,846	AASB 7.35K	Total Receivables	31,471	18,981	AASB 7.35K	The maximum exposure to credit risk at the end of the reporting period for Receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table above.			AASB 7.35H-I	Also refer to Appendix A (Note 23) and Appendix D for the impact of the change in accounting policy following the adoption of AASB 9.		
Reconciliation of the Allowance for Impairment Losses	2019	2018																																																																																																								
	\$’000	\$’000																																																																																																								
Allowance for Impairment Losses at the Beginning of the Reporting Period	264	94																																																																																																								
Remeasurement under AASB 9	8	-																																																																																																								
Restated Allowance for Impairment Losses at the Beginning of the Reporting Period	272	94																																																																																																								
Additional Allowance Recognised During the Reporting Period	-	330																																																																																																								
Reduction in Allowance from Amounts Recovered During the Reporting Period	(65)	(85)																																																																																																								
AASB 9.5.4.4	Reduction in Allowance from Amounts Written off During the Reporting Period	(45)	(75)																																																																																																							
AASB 9.5.5.8	Expected Credit Loss Expense	341	-																																																																																																							
	Allowance for Impairment Losses at the End of the Reporting Period	503	264																																																																																																							
	Classification of ACT Government/Non-ACT Government Receivables																																																																																																									
ACT Disclosure Policy	Receivables with ACT Government Entities																																																																																																									
	Net Trade Receivables	3,209	753																																																																																																							
	Net Other Trade Receivables	46	64																																																																																																							
	Accrued Revenue	222	208																																																																																																							
	Other Receivables	102	110																																																																																																							
	Total Receivables with ACT Government Entities	3,579	1,135																																																																																																							
ACT Disclosure Policy	Receivables with Non-ACT Government Entities																																																																																																									
	Net Trade Receivables	1,719	408																																																																																																							
	Net Other Trade Receivables	75	104																																																																																																							
	Accrued Revenue	174	163																																																																																																							
	Net Goods and Services Tax Receivable	715	260																																																																																																							
	Loans Receivable	25,126	16,821																																																																																																							
	Other Receivables	83	90																																																																																																							
	Total Receivables with Non-ACT Government Entities	27,892	17,846																																																																																																							
AASB 7.35K	Total Receivables	31,471	18,981																																																																																																							
AASB 7.35K	The maximum exposure to credit risk at the end of the reporting period for Receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table above.																																																																																																									
AASB 7.35H-I	Also refer to Appendix A (Note 23) and Appendix D for the impact of the change in accounting policy following the adoption of AASB 9.																																																																																																									

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Commentary – Note 23: Receivables

AASB 7.25	An agency shall disclose the fair value of each class of financial assets and financial liabilities in a way that permits it to be compared with its carrying amount.
ACT Disclosure Policy	An agency is not required to include disclosures associated with ageing of their receivables where it has no receivables that are past due or impaired. They can simply state that ‘No receivables are past due or impaired.’
AASB 9.5.5.17	<p>An agency shall measure expected credit losses of a financial instrument in a way that reflects:</p> <ul style="list-style-type: none"> • an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • 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.
AASB 9B5.5.35 AASB 9B5.5.51-52	Agencies need not undertake an exhaustive search for information but should consider all reasonable and supportable information that is available without undue cost or effort and that is relevant to the estimate of expected credit losses, including the effect of expected prepayments. The information used should include factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Agencies may use various sources of data, that may be both internal (agency-specific) and external. Possible data sources include internal historical credit loss experience, internal ratings, credit loss experience of other agencies and external ratings, reports and statistics. Agencies that have no, or insufficient, sources of entity-specific data may use peer group experience for the comparable financial instrument (or groups of financial instruments).
ACT Disclosure Policy Financial Framework Memo 2018/23 AASB 9 Financial Instruments – Guidance to Agencies.	<p>Inter-agency loans and receivables between ACT Government agencies are expected to have low credit risks. Consequently Treasury’s policy is that directorates, territory authorities and territory-owned corporations consolidated into the whole-of-Government financial statements will not measure any loss allowance for receivables collectible from other ACT Government agencies consolidated into the whole-of-government financial statements. Inter-agency receivables should be assessed individually and confirmed with the relevant agency to ensure agreement between the agencies on the underlying amount of the receivable.</p> <p>Most ACT Government agencies will not have loans to parties external to the ACT Government. Where applicable relevant agencies should apply the expected credit loss Model to external loans as well as trade receivables.</p> <p>The loss allowance (calculated under AASB 139) must be reconciled to the loss allowance (calculated under AASB 9) in the year of initial application of AASB 9.</p> <p>The agency has a net Goods and Services Tax (GST) receivable. A net GST receivable will be reported in most Controlled financial statements as no GST is payable to the Australian Taxation Office for Controlled Recurrent Payments funding. However, agencies will receive input tax credits for most expenses incurred.</p> <p>If a net GST payable arises then this amount would be disclosed at Note 32 <i>Payables</i> rather than in this receivables note.</p>
AASB 7.31-42	<i>AASB 7 Financial Instruments: Disclosures</i> requires quantitative and qualitative disclosures for each type of risk (i.e. credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks from financial instruments to which the agency is exposed, including financial assets that are either past due or impaired (see Note 40 <i>Financial Instruments</i>).
ACT Disclosure Policy	<p>ACT Government agencies are agencies that form part of the ACT government or which the ACT Government controls. A list of these agencies is contained in the Australian Capital Territory Government Consolidated Annual Financial Statements, which can be found at the Treasury website under publications (http://apps.treasury.act.gov.au/publications).</p> <p>The model provides the minimum disclosure requirements under AASB 9. Agencies need to adapt this note to fit their circumstances and materiality.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 24. INVESTMENTS		
ACT Disclosure Policy	<p>Short-term investments were held with the Territory Banking Account in the Cash Enhanced Portfolio throughout the year. These funds are able to be withdrawn upon request.</p> <p>The purpose of the investment in the Fixed Interest Portfolio is to hold it for a period of longer than 12 months. The total carrying amount of the Fixed Interest Portfolio investment below has been measured at fair value.</p>		
		2019	2018
		\$'000	\$'000
	Current Investments		
AASB 101.66	Investments with the Territory Banking Account – Cash Enhanced Portfolio	8,423	1,923
	Total Current Investments	8,423	1,923
	Non-Current Investments		
AASB 101.66	Investments with the Territory Banking Account – Fixed Interest Portfolio	1,711	1,141
	Total Non-Current Investments	1,711	1,141
	Total Investments	10,134	3,064
	<p>Cash Enhanced Portfolio Investments with the Territory Banking Account are expected to be utilised within the next 12 months.</p>		
	Commentary – Note 24: Investments		
	Cash Management Reforms		
ACT Treasury Directorate Finance Memorandum 2006/11	<p>After the implementation of the cash management reforms most agencies do not have surplus cash to invest, and as such do not have any investments with the Territory Banking Account in the cash enhanced portfolio or the fixed interest portfolio. Where this is the case, the ‘Investments with the Territory Banking Account – Cash Enhanced Portfolio’ and the ‘Investments with the Territory Banking Account – Fixed Interest Portfolio’ line items should not be included in the agency’s financial statements.</p> <p>Note that where an agency does not have any current or non-current investments this note disclosure is not required.</p>		
AASB 7.25-42 AASB 13.91-99	<p>AASB 7 <i>Financial Instruments: Disclosures</i> requires quantitative and qualitative disclosures for each type of risk (i.e. credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks from financial instruments to which the agency is exposed, including financial assets that are either past due or impaired. AASB 7 and AASB 13 also require certain disclosures regarding fair value measurement (see Note 40 <i>Financial Instruments</i>).</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 25. INVENTORIES		
		2019 \$'000	2018 \$'000
	Current Inventories		
	Purchased Items – Cost	1,052	1,110
AASB 102.9 & 36(b)	Purchased Items – Net Realisable Value	800	855
	Total Current Inventories	1,852	1,965
AASB 102.36(b)	Total Inventories	1,852	1,965
AASB102.36(d)	Inventories recognised as an expense during the year amounted to \$1,268,000 (2017 \$1,025,000) and are recognised in Other Expenses.		
AASB10236(e)	Write-downs of inventories to net realisable value amounted to \$210,000 (2017 \$125,000) and were recognised as an expense and included in Other Expenses.		
	Commentary – Note 25: Inventories		
	For additional information pertaining to territory authorities - please refer to TAS 15 Note 25: Inventories.		
	Definition		
AASB 102.6	Inventories are assets:		
	<ul style="list-style-type: none">held for sale in the ordinary course of business;in the process of production for such sale; orin the form of materials or supplies to be consumed in the production process or in the rendering of services.		
AASB 102.Aus 6.1	Inventories held for distribution are assets:		
	<ul style="list-style-type: none">held for distribution at no or nominal consideration in the ordinary course of operations;in the process of production for distribution at no or nominal consideration in the ordinary course of operations; orin the form of materials or supplies to be consumed in the production process or in the rendering of services at no or nominal consideration.		
	Measurement		
AASB 102.9 & Aus 9.1	Under AASB 102 <i>Inventories</i> , inventories are to be measured at the lower of cost or net realisable value. Not-for-profit agencies with ‘inventories held for distribution’ are to measure them at cost, adjusted when applicable for any loss of service potential. Agencies shall disclose the basis on which any loss of service potential of inventories held for distribution is assessed or the bases when more than one basis is used.		
	Classification		
AASB 102.36(b) & Aus 36.1(b) AASB 102.37	AASB 102 states that each category of inventories should be further sub-classified in a manner appropriate to the agency’s operations. Common sub-classifications are merchandise, production supplies, raw materials, work in progress and finished goods.		
	Inventories Pledged as Security		
AASB 102.36(h) & Aus 36.1(g)	AASB 102 also requires specific disclosure of the carrying amount of inventories pledged specifically and separately from other assets of the agency as security for liabilities, and the nature of the security. This is also required where an agency holds ‘inventories held for distribution’.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 26. ASSETS HELD FOR SALE			
AASB 5.41	The Agency has 3 investment properties that are expected to be sold during the middle of the next reporting period. The Agency is also disposing of plant and equipment as a result of a restructuring of its maintenance division.			
		2019	2018	
		\$'000	\$'000	
AASB 5.38	Plant and Equipment Held for Sale ^a	1,616	750	
	Investment Property Held for Sale ^b	3,405	-	
	Total Assets Held for Sale	5,021	750	
	<p>a) The increase in plant and equipment held for sale can be attributed to the Agency disposing of plant and equipment as a result of a restructuring of its maintenance division.</p> <p>b) There were no investment properties held for sale at the end of the previous reporting period.</p>			
	<p>Fair Value Hierarchy Details of the Agency's assets held for sale at fair value and information about the Fair Value Hierarchy as at 30 June is as follows:</p>			
AASB 13.93 (a) & (b)		Classification According to Fair Value Hierarchy 2019		
AASB 13.94	Assets Held for Sale at Fair Value	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000
	Plant and Equipment		1,616	1,616
	Investment Property	-	3,405	3,405
		-	5,021	5,021
AASB 13.93 (a) & (b)		Classification According to Fair Value Hierarchy 2018		
AASB 13.94	Assets Held for Sale at Fair Value	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000
	Plant and Equipment		750	750
		-	750	750
	The Fair Value Hierarchy is discussed in Note 27 <i>Property, Plant and Equipment</i> .			
AASB 13.93(c) & (e)(iv)	<p>Transfers Between Categories There were no transfers between Levels 1, 2 and 3 during the current and previous reporting period.</p>			
	Valuation techniques, inputs and processes			
AASB 18.93(d)	Level 2 fair values of assets held for sale are derived using the market approach. These assets have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets. Assets held for sale represent a non-recurring fair value measurement.			
AASB 5.7	<p>Commentary – Note 26: Assets Held for Sale</p> <p>For an asset to be classified as held for sale it must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and the sale must be highly probable.</p>			
AASB 5.8	<p>For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except where circumstances beyond the agency's control extend the period of sale, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.</p> <p>Fair Value Concepts and Disclosures Fair value concepts and disclosures relevant to <i>AASB 13 Fair Value Measurement</i> are discussed in detail in the commentary to Note 27 <i>Property, Plant and Equipment</i>.</p>			

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 27. PROPERTY, PLANT AND EQUIPMENT		
ACT Accounting Policy	<p>Property, plant and equipment includes the following classes of assets. Property, plant and equipment does not include assets held for sale or investment property.</p> <ul style="list-style-type: none"> • Land includes leasehold land held by the Agency, but excludes land under infrastructure. • Buildings include office buildings, warehouses and land improvements. Land improvements include parking lots, retaining walls and purpose built children’s playground structures adjoining a building. • Leasehold improvements represent fit-outs in leased buildings. • Plant and equipment includes plant and equipment under a finance lease, mobile plant, air conditioning and heating systems, office and computer equipment, furniture and fittings, and other mechanical and electronic equipment. • Infrastructure assets held by the Agency include bridges, stormwater drains, footpaths and street lighting. Land under infrastructure is not included in infrastructure assets. • Heritage assets held by the Agency include art, historical buildings, and memorials. • Community assets held by the Agency include public parks and gardens, public sporting reserves, public nature reserves and land under infrastructure. 		
		2019	2018
		\$’000	\$’000
	Land and Buildings		
AASB 116.73(a)	Land at Fair Value ^a	44,874	26,146
	Total Land Assets	44,874	26,146
AASB 116.73(a) &(d)	Buildings at Fair Value ^b	93,575	72,759
AASB 116.73(d)	Less: Accumulated Depreciation	(7,295)	(5,087)
AASB 116.73(d)	Less: Accumulated Impairment Losses	(2,204)	(554)
	Total Written Down Value of Buildings	84,076	67,118
	Total Land and Written Down Value of Buildings	128,950	93,264
	Leasehold Improvements		
AASB 116.73(a) &(d)	Leasehold Improvements at Fair Value	10,152	9,552
AASB 116.73(d)	Less: Accumulated Depreciation	(4,346)	(3,594)
AASB 116.73(d)	Less: Accumulated Impairment Losses	-	-
	Total Written Down Value of Leasehold Improvements	5,806	5,958
	<p>a) The increase in land resulted from the Agency purchasing land in order to build a new warehouse for the storage of large items of plant and equipment and land to build a shopfront. The increase also resulted from a revaluation of the Agency’s existing land, which occurs once every 3 years.</p> <p>b) The increase in buildings resulted from two buildings located in Fyshwick and Canberra City being completed and transferred out of Capital Works in Progress. The increase also resulted from a revaluation of the Agency’s existing buildings, which occurs once every 3 years, and from a surplus building being transferred to the Agency from the Property Group, which will be used in the delivery of municipal services.</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued	2019 \$'000	2018 \$'000
	Plant and Equipment		
AASB 116.73(a) &(d)	Plant and Equipment at Cost	19,514	19,801
AASB 116.73(d)	Less: Accumulated Depreciation	(10,075)	(10,149)
AASB 116.73(d)	Less: Accumulated Impairment Losses	(1,380)	(430)
	Total Written Down Value of Plant and Equipment	8,059	9,222
	Infrastructure Assets		
AASB 116.73(a) &(d)	Infrastructure Assets at Fair Value	5,214,396	5,182,146
AASB 116.73(d)	Less: Accumulated Depreciation	(1,805,736)	(1,719,847)
AASB 116.73(d)	Less: Accumulated Impairment Losses	-	-
	Total Written Down Value of Infrastructure Assets	3,408,660	3,462,299
	Community and Heritage Assets		
AASB 116.73(a) &(d)	Community and Heritage Assets at Fair Value c	172,899	152,150
AASB 116.73(d)	Less: Accumulated Depreciation	(28,161)	(23,011)
AASB 116.73(d)	Less: Accumulated Impairment Losses	-	-
	Total Written Down Value of Community and Heritage Assets	144,738	129,139
	Total Written Down Value of Property, Plant and Equipment	3,696,213	3,699,882
	c) The increase in Community and Heritage assets has resulted from a revaluation of Community and Heritage assets undertaken by ‘Example Agency’. The increase is also a result of a restructure of administrative arrangements, whereby ‘Example Agency’ received, amongst other assets, a number of public parks and gardens from ABC Directorate. Please refer to Note 38 Restructure of Administrative Arrangements for further details.		
	Assets under a Finance Lease		
	Carrying Amount of Assets under a Finance Lease		
	Plant and Equipment under a Finance Lease	5,044	5,480
	Accumulated Depreciation of Plant and Equipment under a Finance Lease	(2,604)	(2,108)
AASB 117.31(a)	Total Written Down Value of Plant and Equipment under a Finance Lease	2,440	3,372
	Total Written Down Value of Assets under a Finance Lease	2,440	3,372
	Valuation of Non-Current Assets		
AASB 116.77(a) &(b)	XYZ Valuers, an independent valuer, performs all revaluations of the Agency’s assets. The latest valuation of infrastructure assets was performed as at 30 June 2018. The latest valuation of land, buildings, and community and heritage assets was performed as at 30 June 2019.		
	Plant and Equipment Pledged as Security		
AASB 116.74(a)	The carrying amount of Plant and Equipment pledged separately and specifically as security for liabilities at 30 June 2019 was \$194,000 (\$157,000 in 2018).		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued							
	Reconciliation of Property, Plant and Equipment - 2018-19							
		Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Community and Heritage Assets \$'000	Total \$'000
AASB 116.73(e) AASB 116.73(e)(i)	Carrying Amount Beginning of Reporting Period	26,146	67,118	5,958	9,222	3,462,299	129,139	3,699,882
	Additions	6,400	5,820	600	5,682	32,250	-	50,752
AASB 116.73(e)(ii) AASB 116.73(e)(iv)	Assets Classified as Held for Sale	-	-	-	(5,318)	-	-	(5,318)
	Revaluation Increment/(Decrement)	8,660	12,776	-	-	-	7,610	29,046
AASB 116.73(e)(iv)	Impairment Losses Recognised in Other Comprehensive Income	-	(1,650)	-	-	-	-	(1,650)
AASB 116.73(e)(vii)	Depreciation	-	(2,208)	(752)	(2,100)	(85,889)	(5,650)	(96,599)
AASB 116.73(e)(ix)	Acquisition/(Disposal) through Administrative Restructuring	1,640	1,260	-	-	-	15,640	18,540
AASB 116.73(e)(ix)	Acquisition/(Disposal) from Transfers	3,120	1,560	-	-	-	(871)	3,809
AASB 116.73(e)(v)	Impairment Losses Recognised in the Operating Surplus/(Deficit)	-	-	-	(950)	-	-	(950)
AASB 116.73(e)(vi)	Reversal of Impairment Losses Recognised in the Operating Surplus/(Deficit)	-	-	-	-	-	-	-
AASB 116.73(e)(ix)	Other Movements	(1,092)	(600)	-	1,523	-	(1,130)	(1,299)
AASB 116.73(e)	Carrying Amount at the End of Reporting Period	44,874	84,076	5,806	8,059	3,408,660	144,738	3,696,213

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued							
	Reconciliation of Property, Plant and Equipment – 2017-18							
		Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Community and Heritage Assets \$'000	Total \$'000
AASB 116.73(e)	Carrying Amount Beginning of Reporting Period	19,343	59,352	5,863	8,710	3,335,400	97,502	3,526,170
AASB 116.73(e)(i)	Additions	1,548	4,054	665	4,022	28,418	-	38,707
AASB 116.73(e)(ii)	Assets Classified as Held for Sale	-	-	-	(2,050)	-	-	(2,050)
AASB 116.73(e)(iv)	Revaluation Increment/(Decrement)	-	-	-	-	182,612	-	182,612
AASB 116.73(e)(iv)	Impairment Losses Recognised Directly in Other Comprehensive Income	-	(554)	-	-	-	-	(554)
AASB 116.73(e)(vii)	Depreciation	-	(1,903)	(570)	(2,640)	(84,131)	(4,120)	(93,364)
AASB 116.73(e)(ix)	Acquisition/(Disposal) through Administrative Restructuring	3,205	5,875	-	-	-	31,048	40,128
AASB 116.73(e)(ix)	Acquisition/(Disposal) from Transfers	2,821	925	-	-	-	5,510	9,256
AASB 116.73(e)(v)	Impairment Losses Recognised in the Operating Surplus/(Deficit)	-	-	-	(430)	-	-	(430)
AASB 116.73(e)(vi)	Reversal of Impairment Losses Recognised in the Operating Surplus/(Deficit)	-	-	-	-	-	-	-
AASB 116.73(e)(ix)	Other Movements	(771)	(631)	-	1,610	-	(801)	(593)
AASB 116.73(e)	Carrying Amount at the End of Reporting Period	26,146	67,118	5,958	9,222	3,462,299	129,139	3,699,882

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued																																								
AASB 13.93(b)	<p>Fair Value Hierarchy</p> <p>The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:</p> <ul style="list-style-type: none">• Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date;• Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and• Level 3 - inputs that are unobservable for particular assets or liabilities. <p>Details of the Agency’s property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June is as follows:</p>																																								
AASB 13.76																																									
AASB 13.81																																									
AASB 13.86																																									
	<p style="text-align: center;">Classification According to Fair Value Hierarchy 2019</p> <table><tr><th></th><th>Level 1 \$’000</th><th>Level 2 \$’000</th><th>Level 3 \$’000</th><th>Total \$’000</th></tr><tr><td>Property, Plant and Equipment at Fair Value</td><td></td><td></td><td></td><td></td></tr><tr><td>Land</td><td></td><td>38,350</td><td>6,524</td><td>44,874</td></tr><tr><td>Buildings</td><td>-</td><td>61,375</td><td>22,701</td><td>84,076</td></tr><tr><td>Leasehold Improvements</td><td></td><td></td><td>5,806</td><td>5,806</td></tr><tr><td>Infrastructure Assets</td><td></td><td></td><td>3,408,660</td><td>3,408,660</td></tr><tr><td>Community and Heritage Assets</td><td></td><td></td><td>144,738</td><td>144,738</td></tr><tr><td></td><td>-</td><td>99,725</td><td>3,588,429</td><td>3,688,154</td></tr></table>		Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Total \$’000	Property, Plant and Equipment at Fair Value					Land		38,350	6,524	44,874	Buildings	-	61,375	22,701	84,076	Leasehold Improvements			5,806	5,806	Infrastructure Assets			3,408,660	3,408,660	Community and Heritage Assets			144,738	144,738		-	99,725	3,588,429	3,688,154
	Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Total \$’000																																					
Property, Plant and Equipment at Fair Value																																									
Land		38,350	6,524	44,874																																					
Buildings	-	61,375	22,701	84,076																																					
Leasehold Improvements			5,806	5,806																																					
Infrastructure Assets			3,408,660	3,408,660																																					
Community and Heritage Assets			144,738	144,738																																					
	-	99,725	3,588,429	3,688,154																																					
AASB 13.93(a)&(b)																																									
AASB 13.94																																									
	<p style="text-align: center;">Classification According to Fair Value Hierarchy 2018</p> <table><tr><th></th><th>Level 1 \$’000</th><th>Level 2 \$’000</th><th>Level 3 \$’000</th><th>Total \$’000</th></tr><tr><td>Plant and Equipment at Fair Value</td><td></td><td></td><td></td><td></td></tr><tr><td>Land</td><td></td><td>22,338</td><td>3,808</td><td>26,146</td></tr><tr><td>Buildings</td><td></td><td>49,265</td><td>17,853</td><td>67,118</td></tr><tr><td>Leasehold Improvements</td><td></td><td></td><td>5,958</td><td>5,958</td></tr><tr><td>Infrastructure Assets</td><td></td><td></td><td>3,462,299</td><td>3,462,299</td></tr><tr><td>Community and Heritage Assets</td><td></td><td></td><td>129,139</td><td>129,139</td></tr><tr><td></td><td></td><td>71,603</td><td>3,619,057</td><td>3,690,660</td></tr></table>		Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Total \$’000	Plant and Equipment at Fair Value					Land		22,338	3,808	26,146	Buildings		49,265	17,853	67,118	Leasehold Improvements			5,958	5,958	Infrastructure Assets			3,462,299	3,462,299	Community and Heritage Assets			129,139	129,139			71,603	3,619,057	3,690,660
	Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Total \$’000																																					
Plant and Equipment at Fair Value																																									
Land		22,338	3,808	26,146																																					
Buildings		49,265	17,853	67,118																																					
Leasehold Improvements			5,958	5,958																																					
Infrastructure Assets			3,462,299	3,462,299																																					
Community and Heritage Assets			129,139	129,139																																					
		71,603	3,619,057	3,690,660																																					
AASB 13.93(a)&(b)																																									
AASB 13.94																																									

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued
AASB 13.93(c) & e) (iv)	<p>Transfers Between Categories</p> <p>There have been no transfers between Levels 1, 2 and 3 during the current and previous reporting period.</p> <p>Valuation Techniques, Inputs and Processes:</p> <p>Level 2 Valuation Techniques and Inputs</p> <p>Valuation Technique: The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).</p> <p>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.</p> <p>Level 3 Valuation Techniques and Significant Unobservable Inputs</p> <p>Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.</p> <p>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.</p> <p>Valuation Technique: Buildings, Leasehold Improvements, Infrastructure Assets and Community and Heritage Assets were considered specialised assets by the Valuers and measured using the cost approach.</p> <p>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 community and heritage 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 ‘Example Agency’.</p> <p>There has been no change to the above valuation techniques during the year.</p>
AASB 13.91(a) & 93(d)	
AASB 13.91(a) & 93(d)	
AASB 13.91(a) & 93(d)	
AASB 13.91(a) & 93(d)	
AASB 13.91(a) & 93(d)	
AASB 13.93(d)	
AASB 13.95	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.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued				
AASB.93(e)	Fair value measurements using significant unobservable inputs (Level 3)				
		Land	Buildings	Leasehold Improvements	Infrastructure Assets
					Community and Heritage Assets
	2019	\$'000	\$'000	\$'000	\$'000
	Fair Value at beginning of the reporting period	3,808	17,853	5,958	3,462,299
	Additions	928	1,571	600	32,250
	Assets Classified as Held for Sale				
	Revaluation increments/(decrements) recognised in Profit or Loss	-	-	-	-
AASB 13.93(e)(ii)	Revaluation increments/(decrements) recognised in Other Comprehensive Income	1,256	3,450		7,610
AASB 13.93(e)(iv)	Transfers (from/(to) Level 2)	-	-	-	-
	Impairment Losses Recognised in Other Comprehensive Income		(176)		
	Depreciation	-	(596)	(752)	(85,889)
	Acquisition/(Disposal) through Administrative Restructuring	238	340		
	Acquisition/Disposal From Transfers	452	421		
	Impairment Losses Recognised in the Operating Surplus/Deficit				(871)
	Reversal of Impairment Losses Recognised in the Operating Surplus/Deficit				
	Other Movements	(158)	(162)		(1,130)
AASB 13.93(e)(i)	Fair Value at end of the reporting period	6,524	22,701	5,806	3,408,660
	Total gains or losses for the period included in profit or loss, under 'Other Gains'				
	2018				
	Fair Value at beginning of the reporting period	2,916	14,838	5,863	3,335,400
	Additions	232	1,014	665	24,418
	Assets Classified as Held for Sale				
	Revaluation increments/(decrements) recognised in Profit or Loss				
	Revaluation increments/(decrements) recognised in Other Comprehensive Income				181,612
AASB 13.93(e)(ii)	Transfers (from/(to) Level 2)				
AASB 13.93(e)(iv)	Impairment Losses Recognised in Other Comprehensive Income		(114)		
	Depreciation		(425)	(570)	(84,131)
	Acquisition/(Disposal) through Administrative Restructuring	481	2,077		
	Acquisition/Disposal From Transfers	423	561		
	Impairment Losses Recognised in the Operating Surplus/Deficit				(4,120)
	Reversal of Impairment Losses Recognised in the Operating Surplus/Deficit				
	Other Movements	(244)	(98)		(801)
AASB 13.93(e)(i)	Fair Value at end of the reporting period	3,808	17,853	5,958	3,462,299
	Total gains or losses for the period included in profit or loss, under 'Other Gains'				

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 27. Property, Plant and Equipment - Continued
AASB 13.93(i)	<p>Assets where current use is not highest and best use</p> <p>Example Agency has a block of land with a three story building near the Belconnen Town Centre that is mainly used as a shopfront. Given recent commercial and residential development in the immediate area, management is of the view, based on expert advice, that the highest and best use of this property would be to sell it on the open market for construction of a high-rise residential tower, to meet the accommodation needs of students and young families. An alternative site for the shopfront has been identified. There is no physical, legal or financial barrier to this sale and the Government will be proceeding with this course of action. Accordingly, the fair value of this property reflects its estimated selling price, in its current condition, to a developer.</p>
ACT Disclosure Policy AASB 116.37	<p>Commentary – Note 27: Property, Plant and Equipment For additional information pertaining to territory authorities - please refer to TAS 16 Note 27: <i>Property, Plant and Equipment</i>.</p> <p>Classes</p> <p>Consistent with the <i>ACT Accounting Policy on Property, Plant and Equipment</i>, ACT Disclosure Policy requires the following classes of Property, Plant and Equipment be disclosed in an agency’s financial statements where applicable:</p> <ul style="list-style-type: none"> • land; • buildings; • leasehold improvements; • plant and equipment; • community and heritage assets; and • infrastructure assets.
AASB 116.73(e)	<p>Reconciliations</p> <p>AASB 116 <i>Property, Plant and Equipment</i> requires a reconciliation of the carrying amounts of each class of Property, Plant and Equipment at the beginning and end of the reporting period to be disclosed in an agency’s financial statements. Where applicable, the reconciliation must show details of movements as follows:</p> <ul style="list-style-type: none"> • additions; • assets classified as held for sale or included in a disposal group held for sale; • acquisitions through business combinations; • increases or decreases in other comprehensive income resulting from revaluations, impairment losses and impairment losses reversed; • impairment losses, or impairment losses reversed, in profit and loss; • depreciation; and • other changes.
AASB 116.74(a)	<p>AASB 116 requires the disclosure of information about the carrying amount of any non-current assets pledged as security for liabilities and the existence and amounts of any restrictions on title.</p>
AASB 116.74(d)	<p>Compensation from Third Party</p> <p>Agencies must disclose the amount of compensation received from third parties for items of property, plant and equipment that were impaired, lost or given up during the reporting period that have not already been separately disclosed in the Operating Statement.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 27: Property, Plant and Equipment - Continued
	<p>Voluntary Disclosures</p> <p>AASB 116.79 To assist users of financial statements, AASB 116 recommends the following voluntary disclosures:</p> <ul style="list-style-type: none"> • the carrying amount of temporarily idle property, plant and equipment; • the gross carrying amount of any fully depreciated property, plant and equipment that is still in use; and • the carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>. <p>Depreciation of Land</p> <p>AASB 116.16 The cost of an item of property, plant and equipment comprises:</p> <ul style="list-style-type: none"> • its purchase price; • any directly attributable costs; and • the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. <p>Where land is required to be restored after it has been used, this cost needs to be capitalised into the carrying amount of the land. That portion of the land’s cost is then depreciated over the period the land will be used (i.e. until the time the land is restored) resulting in accumulated depreciation being recognised.</p> <p>For example, where an agency has a tip which is required to be restored by law at the end of 10 years, the restoration portion of the land’s value will be depreciated over the next 10 years.</p> <p>Measurement</p> <p>ACT Accounting Policy Agencies are required to measure all land, buildings, infrastructure assets and community and heritage assets at fair value. Plant and equipment, and leasehold improvements are to be measured at fair value when the value of these assets is used in making management decisions, and measured at cost or fair value when the value of these assets is not used to make management decisions. For more information see the ACT Accounting Policy Paper on Property, Plant and Equipment.</p> <p>Treatment of Revaluation Decrements</p> <p>AASB 116.Aus 40.1 Revaluation decrements are expensed when a class of assets, as a whole, has been revalued downwards and there is no amount in the Asset Revaluation Surplus for that asset class for the revaluation to be offset against.</p> <p>FAIR VALUE DISCLOSURES</p> <p>Valuation Techniques</p> <p>AASB 13.B.5</p> <ul style="list-style-type: none"> • Market approach – uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities such as a business. <p>AASB 13.B8</p> <ul style="list-style-type: none"> • Cost approach – reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as the current replacement cost). <p>AASB 13.B10</p> <ul style="list-style-type: none"> • Income approach – converts future amounts (e.g. cash flows or income and expenses) to a single (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 27: Property, Plant and Equipment - Continued
	<p>Fair Value Disclosures - Continued</p> <p>Fair Value Hierarchy</p> <p>Agencies are required to classify assets and liabilities measured at fair value 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:</p> <ul style="list-style-type: none"> • Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date; • Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and • Level 3 - inputs that are unobservable for particular assets or liabilities. <p>Fair Value Disclosures - General</p> <p>Agencies need to classify assets and liabilities on the basis of the following:</p> <ul style="list-style-type: none"> • the nature, characteristics and risks of the asset or liability; • the level of the Fair Value Hierarchy within which the fair value measurement is categorised. <p>Agencies shall disclose and consistently follow its policy for determining when transfers between levels of the Fair Value Hierarchy are deemed to have occurred. The policy about the timing of recognising transfers shall be the same for transfers into the levels as for transfers out of the levels. Examples of policies for determining the timing of transfers include the following:</p> <ul style="list-style-type: none"> • the date of the event or change in circumstance that caused the transfer; • the beginning of the reporting period; or • the end of the reporting period. <p>For assets and liabilities that are measured at fair value in the balance sheet after initial recognition agencies shall disclose the valuation techniques and inputs used to determine fair value.</p> <p>Agencies shall disclose the fair value measurement of assets and liabilities at the end of the reporting period.</p> <p>Agencies shall disclose the level of the Fair Value Hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3)</p> <p>Agencies shall present the quantitative disclosures required by AASB 13 in a tabular format unless another format is more appropriate.</p> <p>Disclosure Dependent Upon Input Valuation Level</p> <p>Levels 1 and 2 Valuation Inputs</p> <p>Agencies shall disclose for assets and liabilities held at the end of the reporting period that are measured at fair value, the amounts of any transfers between Level 1 and Level 2 of the Fair Value Hierarchy, the reasons for the transfers and the agency’s policy for determining when transfers between levels are deemed to have occurred. Transfers into each level shall be disclosed separately from transfers out of each level.</p> <p>Levels 2 and 3 Valuation Inputs</p> <p>Agencies shall disclose for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in the valuation technique (e.g. changing from a market approach to an income approach or the use of an additional valuation technique), agencies shall disclose that change and the reason(s) for making it.</p>
AASB 13.93(b)	
AASB 13.76	
AASB 13.81	
AASB 13.86	
AASB 13.94(a)&(b)	
AASB 13.95	
AASB 13.91(a)	
AASB 13.93(a)	
AASB 13.93(b)	
AASB 13.99	
AASB 13.93(c)	
AASB 13.93(d)	

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 27: Property, Plant and Equipment - Continued Disclosure Dependent Upon Input Valuation Level Level 3 Valuation Inputs
AAB 13.91(b)	For fair value measurements using significant unobservable inputs, agencies shall disclose the effect of the measurements on the operating result or other comprehensive income for the reporting period.
AASB 13.93(b)	Agencies shall provide quantitative information about significant unobservable inputs used in the fair value measurement. Agencies are not required to create quantitative information to comply with this disclosure requirement if they have not developed quantitative unobservable inputs when measuring fair value (e.g. when an entity uses prices from prior transactions or third-party pricing information without adjustment. However, when providing this disclosure agencies cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to them.
AASB 13.93(e)	<p>Agencies shall provide a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:</p> <ul style="list-style-type: none"> • total gains or losses for the period recognised in the operating result by line item; • total gains or losses for the period recognised in other comprehensive income by line item; • purchases, sales, issues and settlements (each disclosed separately); • the amounts of any transfers into or out of level 3, the reasons for those transfers and the policy for determining when transfers between levels are deemed to have occurred. Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.
AASB 13.93(g)	Agencies shall provide a description of their valuation process (including, for example, how they decide their valuation policies and procedures and analyses changes in fair value measurements from period to period).
AASB 13.93(i)	If the highest and best use of a non-financial asset differs from its current use, agencies shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.
AASB 13.27 & 28	The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible (given location and size), legally permissible (given zoning regulations), and financially feasible (generates adequate income or cash flows).

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 28. INVESTMENT PROPERTIES		
AASB 140.75(g)	The investment properties are held primarily for rental income. There are no restrictions on investment properties held or any restrictions on the income generated.		
AASB 140.75(h)	There are no contractual obligations to construct, purchase or develop investment properties. Further there is no contractual obligation for the repair, maintenance or enhancement of the investment properties.		
AASB 140.75(e)	The fair value of investment properties was determined by an independent valuation undertaken by ‘XYZ Valuers’ as at 30 June 2019. ‘XYZ Valuers’ hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties involved.		
		2019 \$’000	2018 \$’000
	Land at Fair Value ^a	18,645	16,982
	Less: Accumulated Impairment Losses	-	-
	Total Land at Fair Value	18,645	16,982
	Buildings at Fair Value ^a	10,699	8,769
	Less: Accumulated Impairment Losses	-	-
	Total Buildings at Fair Value	10,699	8,769
	Total Investment Properties	29,344	25,751
	The increase in investment properties is due to the purchase of more investment properties, an increase in the value of existing investment properties due to revaluation and investment properties being transferred from other ACT Government agencies to the Agency.		
	Income and Expense from Investment Properties		
AASB 140.75(f)(i)	Rental Income	3,544	2,845
AASB 140.75(f)(ii)	Less: Direct Operating Expenses of Investment Properties that Generated Investment Income	246	231
AASB 140.75(f)(iii)	Less: Direct Operating Expenses of Investment Properties that did not Generate Investment Income	-	12
	Total Operating Profit from Investment Properties	3,298	2,602
	Leasing of Investment Properties		
AASB 117.56(c) AASB 117.56(a)	Investment Properties are leased to private sector entities under long-term operating leases with rental income being received quarterly. These operating leases are non-cancellable. The minimum lease payments resulting from the leasing of investment properties that are not recognised in the financial statements are as follows:		
	Within One Year	2,421	2,133
	Later than One Year but not Later than 5 Years	9,684	9,422
	Later than 5 Years	2,611	2,341
	Total	14,716	13,896
AASB 140.77	Reconciliation of the Revaluation Amount and the Carrying Amount of Buildings		
	Independent Valuation Amount Obtained for the Buildings	11,838	10,020
	Less:		
	Furniture	150	165
	Fittings	989	1,086
	Total Adjusted Amount of Buildings at Fair Value	10,699	8,769

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 28: Investment Properties - Continued				
		Land	Buildings	Total	
	Reconciliation of Investment Properties 2018-19	\$'000	\$'000	\$'000	
	Carrying Amount Beginning of Reporting Period	16,982	8,769	25,751	
AASB 140.76(a)	Additions	-	777	777	
AASB 140.76(a)	Subsequent Capitalised Expenditure	-	-	-	
AASB 140.76(c)	Assets Classified as Held for Sale	(2,134)	(1,271)	(3,405)	
AASB 140.76(d)	Net Gain or Loss on Revaluation	1,500	968	2,468	
AASB 140.76(f)	Transfers to/from Inventories and Owner-Occupied Property	1,092	600	1,692	
AASB 140.76(g)	Acquisition/(Disposal) through Administrative Restructuring	655	-	655	
AASB 140.76(g)	Acquisition/(Disposal) from Transfers	550	856	1,406	
AASB 140.76(g)	Impairment Losses	-	-	-	
AASB 140.76(g)	Reversal of Impairment Losses	-	-	-	
AASB 140.76(g)	Other Movements	-	-	-	
	Carrying Amount at the End of Reporting Period	18,645	10,699	29,344	
	Reconciliation of Investment Properties 2017-18				
	Carrying Amount Beginning of Reporting Period	10,844	6,471	17,315	
AASB 140.76(a)	Additions	-	432	432	
AASB 140.76(a)	Subsequent Capitalised Expenditure	-	-	-	
AASB 140.76(c)	Assets Classified as Held for Sale	-	-	-	
AASB 140.76(d)	Net Gain or Loss on Revaluation	750	250	1,000	
AASB 140.76(f)	Transfers to and from Inventories and Owner-Occupied Property	771	631	1,402	
AASB 140.76(g)	Acquisition/(Disposal) through Administrative Restructuring	3,766	-	3,766	
AASB 140.76(g)	Acquisition/(Disposal) from Transfers	851	985	1,836	
AASB 140.76(g)	Impairment Losses	-	-	-	
AASB 140.76(g)	Reversal of Impairment Losses	-	-	-	
AASB 140.76(g)	Other Movements	-	-	-	
	Carrying Amount at the End of Reporting Period	16,982	8,769	25,751	
	Classification According to Fair Value Hierarchy at 30 June 2019				
	Investment Properties at Fair Value	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000
AASB 13.93(a)(b)	Land		18,645		18,645
AASB 13.94	Buildings		10,699		10,699
			29,344		29,344
	Transfers Between Categories				
AASB 13.93(c) & (e) (iv)	There have been no transfers between Levels 1, 2 and 3 during the current and previous reporting period.				
	Classification According to Fair Value Hierarchy 30 June 2018				
	Investment Properties at Fair Value	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000
AASB 13.93(a)(b)	Land		16,982		16,982
AASB 13.94	Buildings		8,769		8,679
AASB 13.93(a)(b)			25,751		25,751
AASB13.94					
	Level 2 Valuation Inputs				
AASB 13.91(a) & 93(d)	Valuation Technique: The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties.				
AASB 13.91(a) & 93(d)	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.				

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 28: Investment Properties - Continued
	<p>Commentary – Note 28: Investment Properties For additional information pertaining to territory authorities - please refer to TAS 17 Note 28: Investment Properties.</p> <p>Definition</p> <p>AASB 140.5 Investment property is property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:</p> <ul style="list-style-type: none"> • use in the production or supply of goods or services or for administrative purposes; or • sale in the ordinary course of business. <p>AASB 140.Aus 9.1 However, for agencies, property may be held to meet service delivery objectives rather than to earn rental or for capital appreciation. In such situations, the property will not meet the definition of investment property and will be accounted for under AASB 116 <i>Property, Plant and Equipment</i>, for example:</p> <ul style="list-style-type: none"> • property held for strategic purposes; and • property held to provide a social service, including those which generate cash inflows where the rental revenue is incidental to the purpose for holding the property. <p>Reconciliations</p> <p>AASB 140.76 An agency that applies the fair value model in accordance with AASB 140 <i>Investment Property</i> shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:</p> <ul style="list-style-type: none"> • additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset; • additions resulting from acquisitions through business combinations; • assets classified as held for sale or included in a disposal group and other disposals; • net gains or losses from fair value adjustments; • transfers to and from inventories and owner-occupied property; and • other changes. <p>AASB 140.75(c) Where it is difficult for an agency to determine whether a property should be classified as an investment property, the criteria it uses to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business must be disclosed.</p> <p>Operating Lease Disclosures for Lessors</p> <p>AASB 117.49 Lessors shall present assets subject to operating leases in the Balance Sheets according to the asset’s nature</p> <p>AASB 117.52 Initial direct costs incurred by Lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.</p> <p>AASB 117.53 The depreciation policy for depreciable assets under a finance lease shall be consistent with the lessor’s normal depreciation policy for similar assets, and depreciation shall be calculated in accordance with AASB 116 and AASB 138 <i>Intangible Assets</i>.</p> <p>AASB 117.56(b) Lessors shall disclose the total contingent rents recognised as income in the reporting period for operating leases.</p> <p>AASB 140.75(b) Where agencies apply the fair value model, they shall disclose whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property.</p> <p>Fair Value Disclosures</p> <p>A detailed discussion of the concepts, methodologies and disclosures relating to AASB 13 <i>Fair Value Measurement</i> is found in the Commentary to Note 27 <i>Property, Plant and Equipment</i>. The use of Level 2 valuations in this Note is for illustrative purposes only and if agencies have Level 3 disclosures for Investment Properties then the Fair Value Disclosures set out in Note 27 need to be shown.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 29. INTANGIBLE ASSETS		
	The Agency has internally generated software and externally purchased software. The internally generated software consists of two large software systems, while the externally purchased software consists of 520 software licences. Other Intangibles recognised below are all externally purchased.		
		2019	2018
		\$'000	\$'000
ACT Acting Policy	Computer Software		
AASB 138.118	<i>Internally Generated Software</i>		
AASB 138.118(c)	Computer Software at Cost	1,281	926
AASB 138.118(c)	Less: Accumulated Amortisation	(741)	(384)
AASB 138.118(c)	Less: Accumulated Impairment Losses	-	-
	<i>Total Internally Generated Software</i>	540	542
ACT Acting Policy	<i>Externally Purchased Software</i>		
AASB 138.118			
AASB 138.118(c)	Computer Software at Cost	52	52
AASB 138.118(c)	Less: Accumulated Amortisation	(26)	(13)
AASB 138.118(c)	Less: Accumulated Impairment Losses	-	-
	<i>Total Externally Purchased Software</i>	26	39
	Total Computer Software	566	581
	Other Intangibles		
AASB 138.118	<i>Externally Purchased Other Intangibles</i>		
AASB 138.118(c)	Other Intangible Assets at Cost	209	209
AASB 138.118(c)	Less: Accumulated Amortisation	(140)	(70)
AASB 138.118(c)	Less: Accumulated Impairment Losses	-	-
	<i>Total Externally Purchased Other Intangibles</i>	69	139
	Total Other Intangibles	69	139
	Total Intangible Assets	635	720

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 29. Intangible Assets - Continued				
AASB 138.118(e)	Reconciliation of Intangible Assets 2018-19				
		Internally Generated Software	Externally Purchased Software	Externally Purchased Other Intangibles	Total
		\$'000	\$'000	\$'000	\$'000
AASB 138.118(e)	Carrying Amount Beginning of Reporting Period	542	39	139	720
AASB 138.118(e)(i)	Additions	355	-	-	355
AASB 138.118(e)(iv)	Impairment Losses recognised in the Operating Surplus/(Deficit)	-	-	-	-
AASB 138.118(e)(v)	Reversals of Impairment Losses recognised in the Operating Surplus/(Deficit)	-	-	-	-
AASB 138.118(e)(vi)	Amortisation	(357)	(13)	(70)	(440)
AASB 138.118(e)(viii)	Other Changes	-	-	-	-
AASB 138.118(e)	Carrying Amount at the End of Reporting Period	540	26	69	635
AASB 138.118(e)	Reconciliation of Intangible Assets 2017-18				
AASB 138.118(e)	Carrying Amount Beginning of Reporting Period	559	52	209	820
AASB 138.118(e)(i)	Additions	100	-	-	100
AASB 138.118(e)(iv)	Impairment Losses recognised in the Operating Surplus/(Deficit)	-	-	-	-
AASB 138.118(e)(v)	Reversals of Impairment Losses recognised in the Operating Surplus/(Deficit)	-	-	-	-
AASB 138.118(e)(vi)	Amortisation	(117)	(13)	(70)	(200)
AASB 138.118(e)(viii)	Other Changes	-	-	-	-
AASB 138.118(e)	Carrying Amount at the End of Reporting Period	542	39	139	720

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 29: Intangible Assets
AASB 138.118(e)	<p>Reconciliations</p> <p>AASB 138 <i>Intangible Assets</i> requires the disclosure of a reconciliation of the carrying amount of each class of Intangible Asset at the beginning and end of the reporting period. The reconciliation must show details of movements as follows:</p> <ul style="list-style-type: none"> • additions; • assets classified as held for sale or included in a disposal group held for sale; • increases/decreases in other comprehensive income resulting from revaluations, impairment losses and impairment losses reversed; • impairment losses, or impairment losses reversed, in profit and loss; • amortisation; and • other changes. <p>Material Intangible Assets</p> <p>Where an agency has an individual intangible asset that is material to its financial statements, the agency shall disclose a description of that asset along with the carrying amount and remaining amortisation period.</p> <p>Restricted Assets and Assets Pledged as Security</p> <p>Where an intangible asset is restricted or is pledged as security for a liability the existence and carrying amount must be separately disclosed.</p> <p>Voluntary Disclosure</p> <p>AASB 138 recommends the following voluntary disclosures:</p> <ul style="list-style-type: none"> • a description of any fully amortised intangible asset that is still in use; and • a brief description of significant intangible assets controlled by the agency but not recognised as assets because they did not meet the recognition criteria.

Reference	NOTE 30. CAPITAL WORKS IN PROGRESS		
	Assets under construction include infrastructure assets, buildings, leasehold improvements and software.		
		2019	2018
		\$'000	\$'000
AASB 116.74(b)	Infrastructure Works in Progress ^a	50,267	39,957
AASB 116.74(b)	Building Works in Progress ^a	19,427	14,897
AASB 116.74(b)	Leasehold Improvement Works in Progress	3,464	1,984
ACT Disclosure Policy	Software Works in Progress	235	285
	Total Capital Works in Progress	73,393	57,123
	a) The increase in Infrastructure and Building Works in Progress is due to a number of large projects commencing in 2018 which were not completed at the end of the reporting period.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 30. Capital Works in Progress - continued					
	Reconciliation of Capital Works in Progress 2018-19					
		Infrastructure Works in Progress	Building Works in Progress	Leasehold Improvement Works in Progress	Software Works in Progress	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
AASB 116.73(e)						
AASB 138.118(e)	Carrying Amount Beginning of Reporting Period	39,957	14,897	1,984	285	57,123
AASB 116.73(e)(i)	Additions					
AASB 138.118(e)(i)		42,560	10,350	2,080	305	55,295
AASB 116.73(e)(ix)	Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(32,250)	(5,820)	(600)	-	(38,670)
AASB 138.118(e)(viii)	Capital Works in Progress Completed and Transferred to Intangible Assets	-	-	-	(355)	(355)
AASB 116.73(e)						
AASB 138.118(e)	Carrying Amount at the End of Reporting Period	50,267	19,427	3,464	235	73,393
	Reconciliation of Capital Works in Progress 2017-18					
AASB 116.73(e)						
AASB 138.118(e)	Carrying Amount Beginning of Reporting Period	25,925	7,728	1,642	190	35,485
AASB 116.73(e)(i)	Additions					
AASB 138.118(e)(i)		42,450	11,223	1,007	195	54,875
AASB 116.73(e)(ix)	Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(28,418)	(4,054)	(665)	-	(33,137)
AASB 138.118(e)(viii)	Capital Works in Progress Completed and Transferred to Intangible Assets	-	-	-	(100)	(100)
AASB 116.73(e) & 138.118(e)	Carrying Amount at the End of the Reporting Period	39,957	14,897	1,984	285	57,123

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 31. OTHER ASSETS		
		2019	2018
		\$'000	\$'000
ACT Disclosure Policy	Current Other Assets		
AASB 101.77	Prepayments	1,866	2,057
AASB 101.77	Consumable Stores and Supplies	253	223
AASB 101.77	Other	45	32
	Total Current Other Assets	2,164	2,312
ACT Disclosure Policy	Non-Current Other Assets		
AASB 101.77	Prepayments	-	229
AASB 101.77	Rights to Receive Land and Buildings	357	357
AASB 101.77	Other	56	39
	Total Non-Current Other Assets	413	625
	Total Other Assets	2,577	2,937

	NOTE 32. PAYABLES		
		2019	2018
		\$'000	\$'000
	Current Payables		
AASB 101.77	Trade Payables ^a		
AASB 9.5.1.1 & 5.3.1		4,051	7,767
AASB 101.77	Other Payables ^b	2,799	1,817
AASB 101.77	Accrued Expenses ^c	3,258	776
	Total Current Payables	10,108	10,360
	Non-Current Payables		
AASB 101.77	Trade Payables ^a		
AASB 9.5.1.1 & 5.3.1		715	1,371
AASB 101.77	Other Payables ^b	1,866	1,211
	Total Non-Current Payables	2,581	2,582
	Total Payables	12,689	12,942
<p>a) The decrease in Trade Payables mainly relates to restructuring of the Maintenance Agency.</p> <p>b) The increase in Other Payables is due to a large capital works invoice received late in the reporting period.</p> <p>c) The increase in Accrued Expenses is mainly due to increased capital works and legal expenses.</p>			

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 32. Payables - Continued		
		2019	2018
		\$'000	\$'000
ACT Disclosure Policy	Payables are aged as follows:		
	Not Overdue	12,372	12,618
	Overdue for Less than 30 Days	317	324
	Overdue for 30 to 60 Days	-	-
	Overdue for More than 60 Days	-	-
	Total Payables	12,689	12,942
	Classification of ACT Government/Non-ACT Government Payables		
ACT Disclosure Policy	Payables with ACT Government Entities		
	Trade Payables	1,430	2,741
	Other Payables	1,399	908
	Accrued Expenses	977	233
	Total Payables with ACT Government Entities	3,806	3,882
ACT Disclosure Policy	Payables with Non-ACT Government Entities		
	Trade Payables	3,336	6,397
	Other Payables	3,266	2,120
	Accrued Expenses	2,281	543
	Total Payables with Non-ACT Government Entities	8,883	9,060
	Total Payables	12,689	12,942
	Commentary – Note 32: Payables		
ACT Disclosure Policy	<p>An agency is not required to include disclosures associated with ageing of their payables where no payables are overdue. They can simply state that ‘No payables are overdue.’</p> <p>The agency has a net Goods and Services Tax (GST) Receivable that is shown in Note 23 <i>Receivables</i>. In most cases agencies will have a net GST Receivable. However, if a net GST Payable arises then this amount would be disclosed in this Payables note. For example, a net GST Payable will occur where an agency derives a significant amount of its income from sources other than CRP.</p>		
Government Procurement Act Section 44 & 45	<p>The <i>Government Procurement Act 2001</i> requires interest to be paid where a commercial account is not paid in full by the 25th day of the month after the month in which the payment is due. Therefore agencies should ensure accounts are paid before interest becomes payable.</p>		
AASB 7.31-42	<p>AASB 7 <i>Financial Instruments: Disclosures</i> requires a variety of quantitative and qualitative disclosures for each type of risk (including credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks arising from financial instruments to which the agency is exposed. This includes a maturity analysis for financial liabilities showing the remaining contractual maturities (see note 40 <i>Financial Instruments</i>).</p>		
ACT Disclosure Policy	<p>ACT Government agencies are agencies that form part of the ACT government or which the ACT Government controls. A list of these agencies is contained in the Australian Capital Territory Government Consolidated Annual Financial Statements, which can be found at the Treasury website under publications (http://apps.treasury.act.gov.au/publications).</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 33. INTEREST-BEARING LIABILITIES AND FINANCE LEASES		
ACT Accounting Policy	The Agency has ACT Government borrowings and Commonwealth Government borrowings. The ACT Government borrowings are held at a floating rate of interest. The repayments are made in equal annual instalments of principal and interest to the Territory Banking Account. Instalments are to be repaid from <2009-10> to <2019-20>. The Commonwealth Government borrowings were obtained from the Commonwealth at the time of self-government. These borrowings are being repaid in equal principal and interest repayments. There is no intention of selling this debt. These borrowings will be fully repaid in <2024-25>.		
AASB 117.31(e)	The Agency holds <145> finance leases, all of which, have been taken up as a finance lease liability and an asset under a finance lease. These leases are for plant and equipment. The interest rates implicit in these leases vary from <6.5%> to <8.0%> and the terms vary from <2> years to <3> years. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses.		
		2019	2018
		\$'000	\$'000
AASB 101.77	Current Interest-Bearing Liabilities		
ACT Accounting Policy	Secured		
	Finance Leases	2,800	2,855
	Total Current Secured Interest-Bearing Liabilities	2,800	2,855
ACT Accounting Policy	Unsecured		
	ACT Government Borrowings ^a	110	129
	Commonwealth Borrowings	175	192
	Other Borrowings	99	107
	Total Current Unsecured Interest-Bearing Liabilities	384	428
	Total Current Interest-Bearing Liabilities	3,184	3,283
AASB 101.77	Non-Current Interest-Bearing Liabilities		
ACT Accounting Policy	Secured		
	Finance Leases	4,200	4,283
	Total Non-Current Secured Interest-Bearing Liabilities	4,200	4,283
ACT Accounting Policy	Unsecured		
	ACT Government Borrowings ^a	2,641	3,102
	Commonwealth Borrowings	4,210	4,613
	Other Borrowings	889	961
	Total Non-Current Unsecured Interest-Bearing Liabilities	7,740	8,676
	Total Non-Current Interest-Bearing Liabilities	11,940	12,959
	Total Interest-Bearing Liabilities	15,124	16,242
	a) The overall decrease in ACT Government borrowings is due to a planned reduction in borrowings throughout 2018-19.		
ACT Accounting Policy	Secured Liability		
	The Agency's finance lease liability is effectively secured because if the Agency defaults, the assets under a finance lease revert to the Lessor.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 33. Interest-Bearing Liabilities and Finance Leases - Continued		
		2019	2018
		\$'000	\$'000
	Finance Leases		
AASB 117.31(b)	Finance lease commitments are payable as follows:		
AASB 117.31(b)(i)	Within one year	2,800	2,855
AASB 117.31(b)(ii)	Later than one year but not later than five years	3,780	3,855
AASB 117.31(b)(iii)	Later than five years	700	714
	Minimum Lease Payments	7,280	7,424
	Less: Future Finance Lease Charges	(350)	(357)
	Amount Recognised as a Liability	6,930	7,067
	Add: Lease incentive involved with non-cancellable operating lease	70	71
	Total Present Value of Minimum Lease Payments	7,000	7,138
AASB 117.31(b)	The present value of the minimum lease payments are as follows:		
AASB 117.31(b)(i)	Within one year	2,692	2,745
AASB 117.31(b)(ii)	Later than one year but not later than five years	3,635	3,706
AASB 117.31(b)(iii)	Later than five years	673	687
	Total Present Value of Minimum Lease Payments	7,000	7,138
AASB 117.31(d)	The future minimum lease payments for non-cancellable financing sub-leases expected to be received	52	72
ACT Accounting Policy	Classification on the Balance Sheet		
	Interest-Bearing Liabilities		
	Current Interest-Bearing Liabilities	384	428
	Non-Current Interest-Bearing Liabilities	7,740	8,676
	Finance Leases		
	Current Finance Leases	2,800	2,855
	Non-Current Finance Leases	4,200	4,283
	Total Interest-Bearing Liabilities	15,124	16,242

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 33. Interest-Bearing Liabilities and Finance Leases - Continued
ACT Disclosure Policy	<p>Credit Facilities</p> <p>There are no formal credit facilities in place for the Agency with the Territory's appointed transactional bank. If the Agency's account goes into overdraft throughout the year, the Agency is not charged interest. However, the overdraft position is required to be rectified as soon as possible. The Agency went into overdraft for a short period of time in November 2018, and rectified the situation immediately.</p>
AASB 101.72	<p>Commentary – Note 33: Interest-Bearing Liabilities and Finance Leases</p> <p>For additional information pertaining to territory authorities - please refer to TAS 18 Note 33: Interest-Bearing Liabilities and Finance Leases.</p> <p>AASB 101 <i>Presentation of Financial Statements</i> classifies interest-bearing liabilities as current if the liabilities are due to be settled within 12 months, even if:</p> <ul style="list-style-type: none"> • re-financing or re-scheduling is agreed to prior to completion of the financial statements; and • the original term was for longer than 12 months.
FMA Sec 34B(2)	<p>It is important to note that Directors-General of agencies manage the balance of the Controlled bank account. If at the end of the year the closing balance is negative, the Director-General of that agency will be required to implement a debt reduction strategy, as soon as possible.</p>
AASB 117.31(e)	<p>For finance leases, agencies need to disclose a general description of their leasing arrangements, including but not limited to the following:</p> <ul style="list-style-type: none"> • the basis on which contingent rent payable is determined; • the existence and terms of renewal or purchase options and escalation clauses; and • restrictions imposed by lease arrangements such as: dividends, additional debt and further leasing.
AASB 7.31-42	<p>AASB 7 <i>Financial Instruments: Disclosures</i> requires a variety of quantitative and qualitative disclosures for each type of risk (including credit risk, liquidity risk and market risk) to evaluate the nature and extent of risks arising from financial instruments to which the agency is exposed. This includes a maturity analysis for financial liabilities showing the remaining contractual maturities (see note 40 <i>Financial Instruments</i>).</p> <p>Some agencies have received interest-free loans from the Environment and Planning Directorate under the Carbon Neutral Government Fund. These loans can be disclosed under a separate Note 'Interest-Free Borrowings'.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 34. EMPLOYEE BENEFITS		
		2019	2018
		\$'000	\$'000
ACT Accounting Policy	Current Employee Benefits		
	Annual Leave	11,944	8,221
	Long Service Leave ^a	13,827	11,938
	Accrued Salaries	3,228	1,923
	Termination Benefits due to Restructure ^b	878	320
	Other Benefits	560	84
	Total Current Employee Benefits	30,437	22,486
ACT Accounting Policy	Non-Current Employee Benefits		
	Long Service Leave ^a	883	762
	Other Benefits	240	36
	Total Non-Current Employee Benefits	1,123	798
	Total Employee Benefits	31,560	23,284
AASB 101.61(a)	Estimate of when Leave is Payable		
	Estimated Amount Payable within 12 Months		
	Annual Leave	10,511	7,234
	Long Service Leave	588	508
	Accrued Salaries	3,228	1,923
	Termination Benefits due to Restructure	878	320
	Other Benefits	560	84
	Total Employee Benefits Payable within 12 Months	15,765	10,069
AASB 101.61(b)	Estimated Amount Payable after 12 Months		
	Long Service Leave	14,122	12,192
	Annual Leave	1,433	987
	Other Benefits	240	36
	Total Employee Benefits Payable after 12 Months	15,795	13,215
	Total Employee Benefits	31,560	23,284
	As at 30 June 2019 the Agency employed 947 full time equivalent (FTE) staff. There were 927 FTE staff at 30 June 2018.		
	a) The increase in Long Service Leave liability is due to the present value percentage changing from 100.9% to [XX%].		
	b) The increase in the provision for termination benefits relates to the restructuring of a maintenance division, which will affect 60 employees. See Note 35 <i>Other Provisions</i> .		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary - Note 34: Employee Benefits
AASB 137.5(b)	<p>AASB 137 <i>Provisions, Contingent Assets and Contingent Liabilities</i> does not apply to employee benefit provisions and therefore the disclosure requirements in that standard do not have to be applied to employee benefits.</p>
AASB 101.69	<p>Annual Leave and Long Service Leave Liabilities</p> <p>Classification</p> <p>AASB 101 <i>Presentation of Financial Statements</i> requires that a liability be classified as current when it satisfies any of the following criteria:</p> <ul style="list-style-type: none"> • it is expected to be settled in the agency’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 date; or • the agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. <p>All other liabilities shall be classified as non-current.</p> <p>The effect of the last bullet point above is that all annual leave and unconditional long service leave is to be classified as current. An agency does not have an unconditional right to defer the payment of annual leave or unconditional long service leave. For example, the meeting of these obligations could not be deferred if the employee were to resign. This leave is required to be classified as current when the employee is entitled to the leave rather than when the leave is expected to be taken.</p> <p>Conditional long service leave is classified as a non-current liability as an agency has an unconditional right to defer settlement of the liability for at least 12 months. Agencies should refer to the requirements of their workplace agreements to determine whether leave is conditional or unconditional. For example, for most agencies, employees with a service period of between 1 and 6 years would have conditional long service leave which is to be classified as non-current.</p>
AASB 119.159 AASB 119.162&163	<p>Termination Benefits</p> <p>The revised AASB 119 <i>Employee Benefits</i> has clarified the definition of termination benefits so that a termination benefit only arises if it is provided in direct exchange for the termination of employment; not on any other exchange (e.g. benefits cannot include provisions for future services by an employee). A benefit that is in any way dependent upon providing services in the future is not a termination benefit.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 35. OTHER PROVISIONS		
		2019	2018
		\$'000	\$'000
AASB 101.77	Current Other Provisions		
	Provision for Restoration of Contaminated Site	2,692	-
	Provision for Restructuring	2,466	1,213
	Total Current Other Provisions	5,158	1,213
AASB 101.77	Non-Current Other Provisions		
	Provision for Restoration of Contaminated Site	898	-
	Provision for Restructuring	822	404
	Provision for Make Good	48	45
	Total Non-Current Other Provisions	1,768	449
	Total Other Provisions	6,926	1,662
	Provision for Restructuring		
AASB 137.85(a) &(b)	In May 2019, the Agency announced publicly that it would be undertaking a restructuring of a maintenance division that would result in the closure of the division and in 60 employees being made redundant. A detailed formal restructuring plan has been prepared that outlines the timeframe of the restructure along with the cost, division concerned (and its location) and the number of redundant staff. Restructuring is expected to be completed towards the end of the next reporting period.		
	Reconciliation of the Provision for Restructuring		
AASB 137.84(a)	Provision for Restructuring at the Beginning of the Reporting Period	1,617	-
AASB 137.84(b)	Additional Provision Recognised	1,996	1,617
AASB 137.84(c)	Reduction in Provision as a Result of Payments	(35)	-
	Reduction in Provision due to a Change in Accounting Estimate	(290)	-
AASB 137.84(a)	Provision for Restructuring at the End of the Reporting Period	3,288	1,617
	Provision for Restoration of Contaminated Site		
AASB 137.85(a) &(b)	In November 2018, it was discovered that waste had leaked from containers and contaminated the area in which they were buried and also contaminated nearby farmland. The Agency has undertaken to clean up the contaminated area where the waste was buried and has therefore taken up a provision for the restoration of this contaminated site as the cleanup of this site is expected to be performed over the next two years.		
AASB 137.88	There are currently court proceedings under way to determine the Agency's liability in relation to the farmland (see Note 42 <i>Contingent Liabilities and Contingent Assets</i>).		
	Reconciliation of the Provision for Restoration of Contaminated Site		
AASB 137.84(a)	Provision for Restoration of Contaminated Site at the Beginning of the Reporting Period	-	-
AASB 137.84(b)	Increase in Provision due to a Site becoming Contaminated	3,590	-
AASB 137.84(a)	Provision for Restoration of Contaminated Site at the End of the Reporting Period	3,590	-

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 35.	Other Provisions - Continued	
AASB 137.85(a) &(b)	Provision for Make Good		
	On 1 July 2015 the Agency entered into a lease agreement for some office space in Civic. There are clauses within the lease agreement which require the Agency, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased (this is referred to as ‘make good’). The tenancy runs for 10 years.		
	On 1 July 2015 the Agency also erected \$1m of leasehold improvements in the building. On that date the estimated costs to make good those improvements was \$50,000. At 30 June 2025 (the end of the 10 years tenancy) the approximate cost would be \$67,000 to meet the make good obligation. The present value of \$67,000, using the 10 year Government bond rate as at 1 July 2015 (5.79%), is approximately \$48,000.		
		2019	2018
		\$’000	\$’000
	Reconciliation of the Provision for Make Good		
AASB 137.84(a)	Provision for Make Good at the Beginning of the Reporting Period	45	43
AASB 137.84(b)	Increase in Provision due to Unwinding of Discount	3	2
AASB 137.84(a)	Provision for Make Good at the End of the Reporting Period	48	45
	Commentary – Note 35: Other Provisions		
	For additional information pertaining to territory authorities - please refer to TAS 19 Note 35: Other Provisions.		
AASB 137.85	For each class of provision the following must be disclosed:		
	<ul style="list-style-type: none">• a brief description of the nature of the obligation and the expected timing of any resulting outflow of economic benefits;• an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an agency shall disclose the major assumptions made concerning future events;• the amount of any related estimated reimbursement, stating the amount of any asset recognised for that expected reimbursement; and		
	Movements during the reporting period for each class of provision must be disclosed for the current year only (i.e. comparative information is not required) showing separately:		
AASB 137.84	<ul style="list-style-type: none">• the carrying amount at the beginning and end of the reporting period;• additional provisions made in the period (including increases to existing provisions);• amounts incurred or charged against the provision during the reporting period;• unused amounts reversed during the reporting period; and• increases during the period in the discounted amount arising from the passage of time and the effect of any changes in the discount rate.		
	The above movements must be separately shown for each provision reconciliation where there are material amounts to be disclosed.		
AASB 137.92	In extremely rare cases, where disclosure of information regarding provisions, contingent liabilities or contingent assets is expected to seriously prejudice the position of the agency, in a dispute with other parties, the agency need not disclose the information. However, the agency must provide information regarding the general nature of the dispute, together with the reason for non-disclosure.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 35: Other Provisions - Continued
AASB 137.66 & 68	<p>Onerous Contracts</p> <p>An onerous contract is a contract in which the unavoidable costs of meeting the obligation under the contract exceed the economic benefits expected to be received under it. The present obligation under an onerous contract shall be recognised and measured as a provision. For example, an agency operates from an office building which is under a non-cancellable operating lease. The lease on the office building is for a period of seven years (from December 2013 to December 2020). A condition within the lease is that the office building cannot be re-let to another party. During December 2018, the agency relocated its operations to a new office building. As the lease is non-cancellable, and does not allow the building to be re-let and expires in two years December 2020, the agency will be required to recognise the unavoidable lease payment (from January 2019 to December 2020) as a provision.</p>
AASB 137.78	<p>Restructuring and Sale of an Operation</p> <p>Where an agency is restructuring its operations and as part of the restructuring is selling that operation, no obligation arises for the sale until there is a binding sale agreement as well as a constructive obligation.</p>
AASB 137.Aus 26.1	<p>Recognition of Liabilities</p> <p>The intention to make payments to other parties, whether advised in the form of a government budget policy, election promise or statement of intent, does not of itself create a present obligation which is binding. A liability would be recognised only when the agency is committed in the sense that it has little or no discretion to avoid the sacrifice of future economic benefits. For example, a government does not have a present obligation to sacrifice future economic benefits for social welfare payments that might arise in future reporting periods. A present obligation for social welfare payments arises only when entitlement conditions are satisfied for payment during a particular payment period. Similarly, a government does not have a present obligation to sacrifice future economic benefits under multi-year public policy agreements until the grantee meets conditions such as grant eligibility criteria, or has provided the services or facilities required under the grant agreement. In such cases, only amounts outstanding in relation to current or previous periods satisfy the definition of liabilities.</p>
AASB 137.Aus 26.2	<p>Such transactions or events may give rise to legal, social, political or economic consequences which leave little, if any, discretion to avoid a sacrifice of future economic benefits. In such circumstances, the definition of a liability is satisfied. An example of such an event is the occurrence of a disaster, where a government has a clear and formal policy to provide financial aid to victims of such disasters. In this circumstance, the government has little discretion to avoid the sacrifice of future economic benefits. However, the liability is recognised only when the amount of financial aid to be provided can be measured reliably.</p>

Reference	NOTE 36. OTHER LIABILITIES		
		2019	2018
		\$'000	\$'000
ACT Disclosure Policy	Current Other Liabilities		
AASB 101.77	Revenue Received in Advance	7,734	4,845
AASB 101.77	Rent Received in Advance	997	397
AASB 101.77	Other	648	578
	Total Current Other Liabilities	9,379	5,820
ACT Disclosure Policy	Non-Current Other Liabilities		
AASB 101.77	Revenue Received in Advance	407	255
	Total Non-Current Other Liabilities	407	255
	Total Other Liabilities	9,786	6,075

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 37. EQUITY		
		2019	2018
		\$'000	\$'000
AASB 101.106(d) AASB 116.77(f) AASB 101.79(b)	Asset Revaluation Surplus The Asset Revaluation Surplus is used to record the increments and decrements in the value of property, plant and equipment.		
AASB 116.Aus 39.1	Balance at the Beginning of the Reporting Period	216,217	32,159
	Increment in Land due to Revaluation	8,660	-
	Increment in Buildings due to Revaluation	12,776	-
	Decrement in Buildings due to Impairment Loss	(1,650)	(554)
	Increment in Community and Heritage Assets due to Revaluation	7,610	-
	Increment in Infrastructure Assets due to Revaluation	-	182,612
	Increment in Joint Venture Asset Revaluation Surplus	2,500	2,000
	Total Increase/(Decrease) in the Asset Revaluation Surplus	29,896	184,058
	Balance at the End of the Reporting Period	246,113	216,217
Commentary – Note 37: Equity			
Disclosure Requirements			
AASB 101.106(d) AASB101.106A	Agencies must provide in their financial statements a reconciliation of the opening and closing balance of accumulated funds and each reserve, identifying the nature and amount of any changes. Most of this reconciliation now appears in the Statement of Changes in Equity. However, where agencies feel that greater detail should be provided a more detailed reconciliation should be presented in the Equity note.		
AASB 101.79(b)	A description of the nature and purpose of the reserves must be disclosed along with any restrictions on their distribution or any other important characteristics of the reserves. Note that the Models do not include a description of the nature of <i>Other Reserves</i> as the reason for creating it will be rare and specific to each agency. Agencies are required to provide a description of the nature and purpose of any <i>Other Reserves</i> .		
AASB 116.39 & 40 AASB 116.Aus 39.1 AASB 116.Aus 40.1	AASB 116 <i>Property, Plant and Equipment</i> requires an increase or decrease in the carrying amount of an asset due to a revaluation, to be shown in other comprehensive income and accumulated in equity under the heading of Revaluation Surplus. An increase in the carrying amount shall be credited to other comprehensive income, while a decrease will be debited to other comprehensive income. Note, however, that where a class of assets initially decreases in value this decrement is expensed. Further, where there is a subsequent increase to this class the increase (to the extent of the previous expense) is recognised as revenue.		
AASB 116.Aus 40.2	AASB 116 requires revaluation increases and decreases to be offset against one another within a class of assets only.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 38. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS [DIRECTORATES ONLY]																																												
AASB 1004.57	<p>Restructures of Administrative Arrangements 2018-19</p> <p>On 7 January 2019, a restructuring of administrative arrangements occurred between ‘Example Agency’ and ABC Directorate involving a Heritage and Environment division. The heritage function is responsible for the development of heritage policy as well as the maintenance of a number of large heritage assets. The 180 employees and the heritage assets attached to this function were transferred to ‘Example Agency’ as part of this restructuring of administrative arrangements. The environment function is responsible for the development of policy frameworks and providing advice on the management and protection of the environment. It also administers a small grants program for organisations operating in an environmentally friendly manner. The transfer of this function mainly involved the transfer of 90 staff to ‘Example Agency’.</p> <p>The land and building which the Heritage and Environment division staff are located in was also transferred to ‘Example Agency’.</p> <p>Income and Expenses</p> <p>The following table shows the income and expenses associated with the Heritage and Environment division recognised by ‘Example Agency’ for the year ended 30 June 2019. It also shows the income and expenses relating to when the division belonged to ABC Directorate. These income and expense figures were supplied by ABC Directorate and as such have been relied upon by ‘Example Agency’. Finally, the table shows the total income and expenses of the division for the whole financial year.</p> <table><tr><th></th><th>Amounts Relating to Function when held by ABC Directorate July 2018 to Jan 2019 \$’000</th><th>Amounts Relating to when Function was held by ‘Example Agency’ Jan 2019 to June 2019 \$’000</th><th>Total 2019 \$’000</th></tr><tr><td>Revenue</td><td></td><td></td><td></td></tr><tr><td>Controlled Recurrent Payments</td><td>16,842</td><td>16,523</td><td>33,365</td></tr><tr><td>Total Revenue</td><td>16,842</td><td>16,523</td><td>33,365</td></tr><tr><td>Expenses</td><td></td><td></td><td></td></tr><tr><td>Employee Expenses</td><td>8,975</td><td>8,884</td><td>17,859</td></tr><tr><td>Superannuation Expenses</td><td>1,902</td><td>1,863</td><td>3,765</td></tr><tr><td>Supplies and Services</td><td>2,385</td><td>2,343</td><td>4,728</td></tr><tr><td>Depreciation and Amortisation</td><td>245</td><td>211</td><td>456</td></tr><tr><td>Grants and Purchased Services</td><td>2,687</td><td>2,522</td><td>5,209</td></tr><tr><td>Total Expenses</td><td>16,194</td><td>15,823</td><td>32,017</td></tr></table> <p>Details of the Assets and Liabilities transferred are presented below.</p>		Amounts Relating to Function when held by ABC Directorate July 2018 to Jan 2019 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ Jan 2019 to June 2019 \$’000	Total 2019 \$’000	Revenue				Controlled Recurrent Payments	16,842	16,523	33,365	Total Revenue	16,842	16,523	33,365	Expenses				Employee Expenses	8,975	8,884	17,859	Superannuation Expenses	1,902	1,863	3,765	Supplies and Services	2,385	2,343	4,728	Depreciation and Amortisation	245	211	456	Grants and Purchased Services	2,687	2,522	5,209	Total Expenses	16,194	15,823	32,017
	Amounts Relating to Function when held by ABC Directorate July 2018 to Jan 2019 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ Jan 2019 to June 2019 \$’000	Total 2019 \$’000																																										
Revenue																																													
Controlled Recurrent Payments	16,842	16,523	33,365																																										
Total Revenue	16,842	16,523	33,365																																										
Expenses																																													
Employee Expenses	8,975	8,884	17,859																																										
Superannuation Expenses	1,902	1,863	3,765																																										
Supplies and Services	2,385	2,343	4,728																																										
Depreciation and Amortisation	245	211	456																																										
Grants and Purchased Services	2,687	2,522	5,209																																										
Total Expenses	16,194	15,823	32,017																																										
AASB 1004.57	<p>Restructures of Administrative Arrangements 2017-18</p> <p>On 1 June 2018, a restructuring of administrative arrangements occurred between ‘Example Agency’ and XYZ Directorate involving a Heritage division. The XYZ heritage function is responsible for the management and maintenance of a number of large heritage assets, which are used for educational purposes for ACT Government schools. There were 5 employees and the heritage assets attached to this function were transferred to ‘Example Agency’ as part of this restructuring of administrative arrangements.</p> <p>The land and building which the Heritage staff are located in was also transferred to ‘Example Agency’.</p>																																												

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 38.	Restructure of Administrative Arrangements [Directorates Only] - continued		
	Income and Expenses			
	The following table shows the income and expense items associated with the Heritage division recognised by ‘Example Agency’ for the year ended 30 June 2018. It also shows the income and expenses relating to when the division belonged to XYZ Directorate. These income and expense figures were supplied by XYZ Directorate and as such have been relied upon by ‘Example Agency’. Finally, the table shows the total income and expenses of the division for the whole financial year.			
		Amounts Relating to when Function was held by the XYZ Directorate July 2017 to May 2018 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ June 2018 to June 2018 \$’000	Total 2018 \$’000
	Revenue			
	Controlled Recurrent Payments	1,203	109	1,312
	Total Revenue	1,203	109	1,312
	Expenses			
	Employee Expenses	321	29	350
	Superannuation Expenses	64	6	70
	Supplies and Services	88	8	96
	Depreciation and Amortisation	711	65	776
	Grants and Purchased Services	-	-	-
	Total Expenses	1,184	108	1,292
	Assets and Liabilities			
	The assets and liabilities transferred as part of the restructuring of administrative arrangements at the dates of transfer were as follows:			
		Transferred Amounts 2018-19 \$’000	Transferred Amounts \$’000	
	Assets			
	Cash and Cash Equivalents	1,935	65	
	Receivables	1,337	-	
	Land	1,640	3,205	
	Buildings	1,260	5,875	
	Community and Heritage Assets	15,640	31,048	
	Investment Properties	655	3,766	
	Total Assets Transferred	22,467	43,959	
	Liabilities			
	Payables	112	-	
	Employee Benefits	3,160	65	
	Total Liabilities Transferred	3,272	65	
	Total Net Assets Transferred	19,195	43,894	

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 38: Restructure of Administrative Arrangements [Directorates Only]
AASB 1004.BC29	<p>The Above Disclosure is not Applicable when Individual Assets or a Group of Assets are not a Business</p> <p>The basis of conclusion in AASB 1004 <i>Contributions</i> states that the scope of the requirements relating to restructures of Administrative Arrangements (AAs) is limited to the transfer of a business (as defined in AASB 3 <i>Business Combinations</i>). As such, the requirements do not apply where, for example, an individual asset or a group of assets that are not a business are transferred. Therefore, the example disclosures in this note do not have to be applied in the situation where an individual asset or a group of assets that are not a business are transferred as part of an AA.</p>
AASB 3 Appendix A Defined Terms	<p>AASB 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing:</p> <p>(a) a return in the form of dividends; or</p> <p>(b) lower costs or other economic benefits directly to investors or other owners, members or participants.</p>
ACT Disclosure Policy	<p>As AAs involve a transfer of an integrated set of activities mainly for the purpose of reducing overall costs or providing other economic benefits to the Community (members or participants) and because AAs are a discrete function transferred between agencies, it is considered that all AAs of this nature will satisfy the definition of a business under AASB 3.</p>
AASB 1004.54-56	<p>Accounting Treatment of Transferred Assets and Liabilities</p> <p>AASB 1004 states that assets and/or liabilities transferred as part of an AA should be treated as a contribution by owners or a distribution to owners. As such, transfers should be recognised directly in equity.</p>
AASB 1004.57	<p>Disclosure of Transferred Income and Expenses</p> <p>AASB 1004 states that when activities are transferred as a consequence of an AA, the transferee agency shall disclose the expenses and income attributable to the transferred activities for the reporting period, showing separately those expenses and income recognised by the transferor during the reporting period. If disclosure of this information would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.</p>
AASB 101.38	<p>Disclosure of Comparative Information</p> <p>AASB 101 <i>Presentation of Financial Statements</i> requires comparative information be disclosed in respect of the prior reporting period for all amounts included in the financial statements, except where another Australian Accounting Standard permits or requires otherwise. AASB 1004 does not specifically address the need for comparative figures for an AA; however, as stated above, the disclosure of income and expenses relating to an AA is not required where it is impractical to provide this information.</p>
AASB 1004.57	
AASB 101.7 & 43	<p>Further, AASB 101 also states that, in some circumstances, it maybe impracticable to reclassify comparative information for a particular prior period to achieve comparability with the current period. AASB 101 states that a requirement is impracticable when the directorate cannot apply it after making every reasonable effort to do so. It is likely that agencies will be able to provide income and expense figures for the comparative year where an entire output class is transferred as part of an AA. However, it is unlikely that comparative figures can be provided where only part of an output class is transferred as part of an AA (note that a reasonable effort must be made).</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 39. FINANCIAL INSTRUMENTS
	<p>Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 (see Appendix B) <i>Significant Accounting Policies</i>.</p>
AASB 7 Appendix A	<p>Interest Rate Risk</p> <p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p>
AASB 7.33(a)	<p>A significantly greater proportion of financial assets are held in floating interest rate arrangements, compared to financial liabilities that are subject to floating interest rates. This means that the Agency is not significantly exposed to movements in interest payable; however, it is exposed to movements in interest receivable. Interest rates increased during the year ended 30 June 2019 and, as such, have resulted in an increase in the amount of interest received.</p>
AASB 7.33(b) &(c)	<p>Interest rate risk for financial assets is managed by ‘Example Agency’ by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Agency as there is an immaterial amount of financial liabilities which are exposed to a floating interest rate. There have been no changes in risk exposure or processes for managing risk since last financial reporting period.</p> <p><i>Sensitivity Analysis</i></p> <p>A sensitivity analysis has not been undertaken for the interest rate risk of the Agency as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.</p>
AASB 7 Appendix A AASB 7.33(a)&34(c) AASB 7.36(a) AASB 7.35K	<p>Credit Risk</p> <p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency’s credit risk is limited to the amount of the financial assets it holds net of any provision for impairment, and the amount of a guarantee provided to ‘Example Borrower’ (for further details see Note 42 <i>Contingent Liabilities and Contingent Assets</i>). The Agency expects to collect all financial assets that are not past due or impaired.</p>
AASB 7.35K	<p>Credit risk is managed by the Agency for investments by only investing surplus funds with the Territory Banking Account, which has appropriate investment criteria for the external fund manager engaged to manage the Territory’s surplus funds. Credit risk for loans receivable is managed by ensuring that these loans are secured by a mortgage over the land and buildings the loans were given for, as some individuals receiving these loans have poor credit history.</p>
AASB 7.35F	<p>There is no other collateral held as security for financial assets.</p>
AASB 7.33(b)&(c)	<p>The Agency also manages the credit risk for receivables and loan receivables by undertaking an assessment of the credit worthiness of larger debtors as well as an analysis of the concentration of credit risk to ensure that it is not too high. No concentration of credit risk was identified in this analysis.</p>
AASB 7.35F(a)	<p>There have been no significant changes in credit risk exposure since last reporting period.</p> <p>Trade receivables are always measured at lifetime expected credit losses (the simplified approach).</p> <p>“Example Agency’s” allowance for impairment losses changed following the adoption of the expected credit loss approach under AASB 9. Refer Note 23, Appendix A and D for the impact of this change in accounting policy.</p>
AASB 7 Appendix A AASB 7.33 & 39(b)	<p>Liquidity Risk</p> <p>Liquidity risk is the risk that the Agency will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Agency ensures that it 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. Also, the Agency is able to draw down additional Controlled Recurrent Payments in the next reporting period to cover its financial liabilities when they fall due. This ensures the Agency has enough liquidity to meet its emerging financial liabilities. See the maturity analysis below for further details of when financial assets and liabilities mature.</p> <p>The Agency’s exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 39.	Financial Instruments - Continued																																																																													
AASB 7 Appendix A AASB 7.33	<p>Price Risk</p> <p>Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The only price risk which the Agency is exposed to results from its investment in the fixed interest portfolio. The Agency has units in the fixed interest portfolio that fluctuate in value. The price fluctuations in the units of the fixed interest portfolio are caused by movements in the underlying investments of the portfolio. The underlying investments are managed by an external fund manager who invests in a variety of different bonds, including bonds issued by the Commonwealth Government; the State Government guaranteed treasury corporations and semi-government authorities, as well as investment-grade corporate issues. To limit price risk, all bonds that make up the underlying investments of the fixed interest portfolio must have a long term credit rating of BBB- or greater. Anything rated BBB- or greater is considered ‘investment grade’.</p> <p>The aim of the fund manager is to match the total return of the UBS Australian Composite Bond Index before taking into account fund fees and expenses. The Agency’s exposure to price risk and the management of this risk has not changed since last reporting period.</p> <p><i>Sensitivity Analysis</i></p> <p>A sensitivity analysis has not been undertaken for the price risk of the Agency as it has been determined that the possible impact on profit and loss or total equity from fluctuations in price is immaterial.</p> <p>Fair Value of Financial Assets and Liabilities</p> <p>The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:</p> <table><tr><th></th><th>Note No.</th><th>Carrying Amount 2019 \$’000</th><th>Fair Value 2019 \$’000</th><th>Carrying Amount 2018 \$’000</th><th>Fair Value 2018 \$’000</th></tr><tr><td colspan="6">Financial Assets</td></tr><tr><td>AASB 7.25</td><td>Cash and Cash Equivalents</td><td>22</td><td>11,456</td><td>11,456</td><td>6,548</td></tr><tr><td>AASB 7.25</td><td>Investments with the Territory Banking Account</td><td>24</td><td>10,134</td><td>10,134</td><td>3,064</td></tr><tr><td></td><td>Receivables</td><td>23</td><td>30,756</td><td>30,756</td><td>18,721</td></tr><tr><td colspan="2">Total Financial Assets</td><td></td><td>52,346</td><td>28,333</td><td>28,333</td></tr><tr><td colspan="6">Financial Liabilities</td></tr><tr><td>AASB 7.25</td><td>Payables</td><td>32</td><td>12,689</td><td>12,689</td><td>12,942</td></tr><tr><td>AASB 7.25</td><td>ACT Government Borrowings</td><td>33</td><td>2,751</td><td>2,751</td><td>3,231</td></tr><tr><td>AASB 7.25</td><td>Commonwealth Borrowings</td><td>33</td><td>4,385</td><td>4,805</td><td>4,805</td></tr><tr><td>AASB 7.25</td><td>Other Borrowings</td><td>33</td><td>988</td><td>1,068</td><td>1,068</td></tr><tr><td>AASB 7.25</td><td>Finance Leases</td><td>33</td><td>7,000</td><td>7,138</td><td>7,138</td></tr><tr><td colspan="2">Total Financial Liabilities</td><td></td><td>27,813</td><td>29,184</td><td>29,184</td></tr></table>		Note No.	Carrying Amount 2019 \$’000	Fair Value 2019 \$’000	Carrying Amount 2018 \$’000	Fair Value 2018 \$’000	Financial Assets						AASB 7.25	Cash and Cash Equivalents	22	11,456	11,456	6,548	AASB 7.25	Investments with the Territory Banking Account	24	10,134	10,134	3,064		Receivables	23	30,756	30,756	18,721	Total Financial Assets			52,346	28,333	28,333	Financial Liabilities						AASB 7.25	Payables	32	12,689	12,689	12,942	AASB 7.25	ACT Government Borrowings	33	2,751	2,751	3,231	AASB 7.25	Commonwealth Borrowings	33	4,385	4,805	4,805	AASB 7.25	Other Borrowings	33	988	1,068	1,068	AASB 7.25	Finance Leases	33	7,000	7,138	7,138	Total Financial Liabilities			27,813	29,184	29,184
	Note No.	Carrying Amount 2019 \$’000	Fair Value 2019 \$’000	Carrying Amount 2018 \$’000	Fair Value 2018 \$’000																																																																										
Financial Assets																																																																															
AASB 7.25	Cash and Cash Equivalents	22	11,456	11,456	6,548																																																																										
AASB 7.25	Investments with the Territory Banking Account	24	10,134	10,134	3,064																																																																										
	Receivables	23	30,756	30,756	18,721																																																																										
Total Financial Assets			52,346	28,333	28,333																																																																										
Financial Liabilities																																																																															
AASB 7.25	Payables	32	12,689	12,689	12,942																																																																										
AASB 7.25	ACT Government Borrowings	33	2,751	2,751	3,231																																																																										
AASB 7.25	Commonwealth Borrowings	33	4,385	4,805	4,805																																																																										
AASB 7.25	Other Borrowings	33	988	1,068	1,068																																																																										
AASB 7.25	Finance Leases	33	7,000	7,138	7,138																																																																										
Total Financial Liabilities			27,813	29,184	29,184																																																																										

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 39.	Financial Instruments - Continued				
AASB 7.29(a)	Fair Value Hierarchy					
	The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value are summarised in the table below. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the table below.					
	2019		Classification According to Fair Value Hierarchy			
			Level 1	Level 2	Level 3	Total
			\$'000	\$'000	\$'000	\$'000
	Financial Assets					
	Financial Assets at Fair Value through the Profit and Loss					
	AASB 13.93(a)&(b)	Investment with the Territory Banking Account –Cash Enhanced Portfolio		8,423		8,423
	AASB 13.93(a)&(b)	Investment with the Territory Banking Account – Fixed Interest Portfolio	-	1,711	-	1,711
			-	10,134	-	10,134
AASB 13.93(a)&(b)	2018					
	Financial Assets					
	Financial Assets at Fair Value through the Profit and Loss					
	AASB 13.93(a)&(b)	Investment with the Territory Banking Account –Cash Enhanced Portfolio		1,923		1,923k
	AASB 13.93(a)&(b)	Investment with the Territory Banking Account – Fixed Interest Portfolio	-	1,141	-	1,141
			-	3,064	-	3,064
	Transfer Between Categories					
	There have been no transfers of financial assets or financial liabilities between Level 1 and Level 2 during the current and previous reporting period.					

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 39. Financial Instruments - continued																																																																																																																																																							
AASB 7.34(a) & 39(a) ACT Disclosure Policy	The following tables set out the Agency’s maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2019. Except for non-current payables, financial assets and liabilities, which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.																																																																																																																																																							
AASB 7.B11	<div>2019</div> <table><tr><th></th><th></th><th></th><th colspan="4">Fixed Interest Maturing In:</th><th></th><th></th></tr><tr><th></th><th>Note No.</th><th>Weighted Average Interest Rate</th><th>Floating Interest Rate \$'000</th><th>1 Year or Less \$'000</th><th>Over 1 Year to 5 Years \$'000</th><th>Over 5 Years \$'000</th><th>Non-Interest Bearing \$'000</th><th>Total \$'000</th></tr><tr><td colspan="9">Financial Instruments</td></tr><tr><td colspan="9">Financial Assets</td></tr><tr><td>Cash and Cash Equivalents</td><td>22</td><td></td><td></td><td>-</td><td>-</td><td>-</td><td>11,456</td><td>11,456</td></tr><tr><td>Investments with the Territory Banking Account</td><td>24</td><td></td><td></td><td>-</td><td>-</td><td>-</td><td>10,134</td><td>10,134</td></tr><tr><td>Receivables</td><td>23</td><td>6.00%</td><td>-</td><td>1,538</td><td>13,568</td><td>10,302</td><td>5,348</td><td>30,756</td></tr><tr><td>Total Financial Assets</td><td></td><td></td><td></td><td>1,538</td><td>13,568</td><td>10,302</td><td>26,938</td><td>52,346</td></tr><tr><td colspan="9">Financial Liabilities</td></tr><tr><td>Payables</td><td>32</td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td>12,689</td><td>12,689</td></tr><tr><td>ACT Government Borrowings</td><td>33</td><td>5.25%</td><td>-</td><td>275</td><td>2,063</td><td>413</td><td>-</td><td>2,751</td></tr><tr><td>Commonwealth Borrowings</td><td>33</td><td>5.25%</td><td>-</td><td>439</td><td>2,192</td><td>1,754</td><td>-</td><td>4,385</td></tr><tr><td>Other Borrowings</td><td>33</td><td>7.85%</td><td>988</td><td>-</td><td>-</td><td>-</td><td>-</td><td>988</td></tr><tr><td>Finance Leases</td><td>33</td><td>7.15%</td><td>-</td><td>1,893</td><td>5,023</td><td>364</td><td>-</td><td>7,280</td></tr><tr><td>Total Financial Liabilities</td><td></td><td></td><td>988</td><td>2,607</td><td>9,278</td><td>2,531</td><td>12,689</td><td>28,093</td></tr><tr><td>Net Financial Assets/(Liabilities)</td><td></td><td></td><td>(988)</td><td>(1,069)</td><td>4,290</td><td>7,771</td><td>14,249</td><td>24,253</td></tr></table>											Fixed Interest Maturing In:							Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000	Financial Instruments									Financial Assets									Cash and Cash Equivalents	22			-	-	-	11,456	11,456	Investments with the Territory Banking Account	24			-	-	-	10,134	10,134	Receivables	23	6.00%	-	1,538	13,568	10,302	5,348	30,756	Total Financial Assets				1,538	13,568	10,302	26,938	52,346	Financial Liabilities									Payables	32		-	-	-	-	12,689	12,689	ACT Government Borrowings	33	5.25%	-	275	2,063	413	-	2,751	Commonwealth Borrowings	33	5.25%	-	439	2,192	1,754	-	4,385	Other Borrowings	33	7.85%	988	-	-	-	-	988	Finance Leases	33	7.15%	-	1,893	5,023	364	-	7,280	Total Financial Liabilities			988	2,607	9,278	2,531	12,689	28,093	Net Financial Assets/(Liabilities)			(988)	(1,069)	4,290	7,771	14,249	24,253
			Fixed Interest Maturing In:																																																																																																																																																					
	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000																																																																																																																																																
Financial Instruments																																																																																																																																																								
Financial Assets																																																																																																																																																								
Cash and Cash Equivalents	22			-	-	-	11,456	11,456																																																																																																																																																
Investments with the Territory Banking Account	24			-	-	-	10,134	10,134																																																																																																																																																
Receivables	23	6.00%	-	1,538	13,568	10,302	5,348	30,756																																																																																																																																																
Total Financial Assets				1,538	13,568	10,302	26,938	52,346																																																																																																																																																
Financial Liabilities																																																																																																																																																								
Payables	32		-	-	-	-	12,689	12,689																																																																																																																																																
ACT Government Borrowings	33	5.25%	-	275	2,063	413	-	2,751																																																																																																																																																
Commonwealth Borrowings	33	5.25%	-	439	2,192	1,754	-	4,385																																																																																																																																																
Other Borrowings	33	7.85%	988	-	-	-	-	988																																																																																																																																																
Finance Leases	33	7.15%	-	1,893	5,023	364	-	7,280																																																																																																																																																
Total Financial Liabilities			988	2,607	9,278	2,531	12,689	28,093																																																																																																																																																
Net Financial Assets/(Liabilities)			(988)	(1,069)	4,290	7,771	14,249	24,253																																																																																																																																																

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 39.	Financial Instruments - Continued							
AASB 7.34(a) & 39(a) ACT Disclosure Policy	The following table sets out the Agency’s maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2018. Except for non-current payables, financial assets and liabilities, which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.								
AASB 7.B11	2018								
					Fixed Interest Maturing In:				
			Weighted Average Interest Rate	Floating Interest Rate	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years	Non-Interest Bearing	Total
		Note No.		\$’000	\$’000	\$’000	\$’000	\$’000	\$’000
	Financial Instruments								
	Financial Assets								
	Cash and Cash Equivalents	22			-	-	-	6,548	6,548
	Investments with the Territory Banking Account	24			-	-	-	3,064	3,064
	Receivables	23	6.45%	-	936	9,083	6,897	1,805	18,721
	Total Financial Assets				936	9,083	6,897	11,417	28,333
	Financial Liabilities								
	Payables	32		-	-	-	-	12,942	12,942
	ACT Government Borrowings	33	6.00%	-	323	2,423	485	-	3,231
	Commonwealth Borrowings	33	6.00%	-	481	2,402	1,922	-	4,805
	Other Borrowings	33	7.90%	1,068	-	-	-	-	1,068
	Finance Leases	33	7.95%	-	1,930	5,123	371	-	7,424
	Total Financial Liabilities			1,068	2,734	9,948	2,778	12,942	29,470
	Net Financial Assets/(Liabilities)								
				(1,068)	(1,798)	(865)	4,119	(1,525)	(1,137)

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 39.	Financial Instruments - Continued	2019 \$'000	2018 \$'000
		Carrying Amount of Each Category of Financial Asset and Financial Liability		
		Financial Assets		
AASB 7.8(a)		Financial Assets Measured at Fair Value through the Profit and Loss		
AASB 7.8(a)		Designated upon Initial Recognition	10,134	3,064
AASB 7.8(f)		Financial Assets Measured at Amortised Cost	42,212	18,721
		Financial Liabilities		
AASB 7.8 (g)		Financial Liabilities Measured at Amortised Cost	27,813	29,184
		The Agency does not have any financial liabilities in the ‘Financial Liabilities at Fair Value through Profit and Loss’ category and, as such, this category is not included above.		
		Gains/ (Losses) on Each Category of Financial Asset and Financial Liability		
		Gains /(Losses) on Financial Assets		
AASB 7.20(a)(i)		Financial Assets at Fair Value through the Profit and Loss		
AASB 7.20(a)(i)		Designated upon Initial Recognition	1,970	2,630
		Gains/(Losses) on Financial Liabilities		
AASB 7.20(a)(v)		Financial Liabilities Measured at Amortised Cost	-	-
		Commentary – Note 39: Financial Instruments		
		Definitions		
AASB 132.11		‘Financial asset’ means any asset that is: <ul style="list-style-type: none"> • cash; • a contractual right to receive cash or another financial asset from another entity; • a contractual right to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or • an equity instrument of another entity. 		
AASB 132.11		‘Financial instrument’ means any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.		
AASB 132.AG15		Examples of financial instruments include primary instruments, (such as receivables, payables and equity securities), and derivative financial instruments, (such as financial options, futures and forwards, interest rate swaps and currency swaps).		
AASB 132.11		‘Financial liability’ means any liability that is a contractual obligation: <ul style="list-style-type: none"> • to deliver cash or another financial asset to another entity; or • to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. 		
AASB 132.11		‘Equity Instrument’ means any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 39: Financial Instruments - Continued
AASB 132.13	<p>The terms ‘contract’ and ‘contractual’ refer to an agreement between two or more parties that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable at law. Contracts, and thus financial instruments, may take a variety of forms and need not be in writing. In taking up accruals for financial instruments, only those that have a contractual basis should be recognised. Also, In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements above will not apply. For example, the rights or obligations may have their source in legislation such as in the case of taxation receivables, GST receivables or levy receivables.</p>
AASB 132.AG12	
ACT Disclosure Policy	<p>Disclosures – Quantitative and Qualitative</p> <p>ACT Disclosure Policy requires disclosure of the terms, conditions, timing, accounting policies and certainty of future cash flow for each class of financial asset, financial liability and equity instrument, so that the significance of financial instruments can be determined. Most of these disclosures have not been included in the financial instruments note, instead they have been included in other notes within the Models. Where an instrument is individually significant, its terms and conditions should be disclosed.</p>
AASB 7.25, 31, 32, 33, 34, 36 & 39	<p><i>AASB 7 Financial Instruments: Disclosures</i> requires disclosure of information about an agency’s exposure to credit risk, market risk (which includes interest rate risk, currency risk and price risk), foreign currency risk, liquidity risk and also fair value for each class of financial asset and financial liability. The fair value for each class of financial asset and financial liability should be disclosed in such a way that they can be compared with the corresponding carrying amount in the Balance Sheet.</p>
AASB 7. 32A	<p>Providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall view of the nature and extent of risks arising from financial instruments.</p>
AASB 7. 36, 37	<p>Where an agency holds collateral or other credit enhancements, it will need to disclose the extent to which those arrangements financially mitigate the credit risk by class of instrument (whether or not the carrying amount reflects the maximum exposure to credit risk). Disclosure of amounts that best represent an agency’s maximum exposure to credit risk from its financial instruments will not be required for those instruments whose carrying amount reflects this. Agencies will not need to disclose the carrying amounts of financial assets for which the terms have been renegotiated, which would otherwise be past due or impaired. For those financial assets that is either past due but not impaired, or which have been individually impaired, agencies need not separately disclose details about any associated collateral or other credit enhancements held by the agency.</p>
AASB 7.29(a) ACT Disclosure Policy	<p>Where the carrying amount of financial instruments such as short-term trade receivables and payables is a reasonable approximation of their fair value, AASB 7 states that no disclosure of the fair value is required. However, ACT Disclosure Policy requires these amounts be disclosed in an agency’s financial statements for ease of comparability.</p>
AASB 7.14(a) & (b)	<p>An agency shall disclose the carrying amount of financial assets pledged as collateral for liabilities and contingent liabilities, and any material terms and conditions relating to assets pledged as collateral.</p>
AASB 7. 42A, 42B & 42C	<p>There are additional disclosures for transfers of financial assets where an asset is not derecognised in its entirety or the asset is derecognised in its entirety but the transferor retains some continuing involvement. An agency transfers a financial asset when it:</p> <ul style="list-style-type: none"> • transfers contractual rights to receive cash flows from the asset; or • retains contractual rights to cash flows from an asset but assumes a contractual obligation to pay those cash flows to one or more recipients.
AASB 7.39	<p>Maturity Analysis</p> <p>AASB 7 requires undiscounted amounts to be included in the maturity analysis. This means that in a number of cases the amount included in the Balance Sheet for a financial asset or financial liability will be different to the amount included in the maturity analysis. For most ACT Government agencies the only amount that will differ between the balance sheet and the maturity analysis will be for finance leases. Note that for agencies that have ACT Government borrowings and Commonwealth Government borrowings, the amortised cost for these items approximates their costs and as such there will be no difference between the amount in the Balance Sheet and the amount in the maturity analysis.</p>

‘EXAMPLE AGENCY’

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 39: Financial Instruments - Continued
AASB 7.B11E	Maturity Analysis - continued
ACT Disclosure Policy	Although AASB 7 only requires a maturity analysis to be undertaken for financial liabilities; however, in the Application Guidance for IFRS 7 it suggests that this analysis should also be undertaken for financial assets if that information is necessary to enable users to evaluate liquidity risk. As such, ACT Disclosure Policy is that the maturity analysis contains both financial liabilities and financial assets in the Models, as this is considered to be better practice.
AASB 7.B11	AASB 7 provides an example of the time bands to include in the maturity analysis required by the standard. These time bands are as follows: <ul style="list-style-type: none"> • not later than one month; • later than one month and not later than three months; • later than three months and not later than one year; and • later than one year and not later than five years.
ACT Disclosure Policy	It is considered that these are not the most appropriate time bands for ACT Government agencies as the public sector is not as focused on the short-term liquidity of its financial assets and liabilities. As such, ACT Disclosure Policy requires agencies to use three time bands which are as follows: <ul style="list-style-type: none"> • one year or less; • over one year to five years; and • over five years.
ACT Disclosure Policy	Where an agency does not have any financial assets or financial liabilities maturing beyond the following financial year, it is not required to include a maturity analysis.
	Sensitivity Analysis
	AASB 7 requires a sensitivity analysis to be undertaken for each type of market risk to which the agency is exposed at the reporting date, showing how profit and loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. Market risk includes interest rate risk, price risk and foreign currency risk. An agency must also disclose the methods and assumptions used in preparing the sensitivity analysis and changes from the previous period in the methods and assumptions used, and the reasons for such changes.
	Note that a sensitivity analysis, as disclosed in the Model, does not need to be undertaken for the interest rate risk or price risk, if the agency has determined that the possible impact on profit and loss or total equity from fluctuations in interest rates or price respectively is immaterial.
	Carrying Amount of and Gains on Financial Assets and Financial Liabilities
AASB 7.8	AASB 7 requires the carrying amount and gains to be disclosed for the following classes of financial assets and financial liabilities:
AASB 7.20	<ul style="list-style-type: none"> • Financial Assets at Fair Value through the Profit and Loss showing separately those designated upon Initial Recognition at Fair Value through Profit and Loss; • Financial Liabilities at Fair Value through the Profit and Loss showing separately those designated upon Initial Recognition at Fair Value through Profit and Loss; • Financial Assets measured at Amortised Cost; • Financial Liabilities measured at Amortised Cost; and • Financial Assets measured at Fair Value through Other Comprehensive Income. AASB 7 allows this above disclosure to be included in either the financial statements or in the notes. ACT Disclosure Policy requires this disclosure to be included in the notes.
ACT Disclosure Policy	

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 39: Financial Instruments - Continued
ACT Disclosure Policy	<p>Carrying Amount of and Gains on Financial Assets and Financial Liabilities - continued</p> <p>Note however that most ACT Government agencies will not have all these categories of financial assets and liabilities and as such will not need to disclose all these categories. Most agencies will only have the following categories:</p> <ul style="list-style-type: none"> • Designated upon Initial Recognition at Fair Value through Profit and Loss (e.g. Investments in the Cash Enhanced Portfolio or Fixed Interest Portfolio); and • Financial Assets and Liabilities measured at Amortised Cost. <p>As such these are the only categories which have been included in the Model.</p>
AASB 9 & AASB 2014-7 AASB 7.35M-N AASB 7.36	<p>Credit Risk</p> <p>AASB 7 requires for all financial instruments within its scope, (except those to which the impairment requirements in AASB 9 are not applied) the disclosure by class of financial instrument of the amount that best represents an agency’s maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements. This disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. Also required is a description of collateral held as security and other credit enhancements and their financial effect.</p>
AASB 7.35M-N Financial Framework Memo 2018/23 see Appendix B	<p>Agencies should disclose by credit risk rating grades the gross carrying amount of financial assets and the exposure to credit risk on loan commitments and financial guarantee contracts. For trade receivables contract assets and lease receivables to which an agency applies AASB 9.5.5.15 (i.e. the simplified approach, measuring the loss allowance at an amount equal to lifetime expected credit losses) the information may be based on a provision matrix.</p>
AASB 7.7,31	<p>Concentration of Credit Risk</p> <p>The expression ‘Concentration of Credit Risk’ used in the Financial Instruments note above refers to credit risk being focused in one area. For example, a high concentration of credit risk would occur when all receivables held by an agency are with one debtor. On the other hand, a low concentration of credit risk would occur when all receivables held by an agency are with a large number of unrelated debtors.</p> <p>AASB 7 sets out detailed requirements regarding the agency’s obligations to report the identification and management of financial risks. The standard requires the following:</p> <ul style="list-style-type: none"> • Qualitative and quantitative disclosures for each type of risk (e.g. credit risk, liquidity risk, and market risk) that the agency is exposed to; • Qualitative disclosures on: <ul style="list-style-type: none"> ○ the exposures to risk and how they arise; ○ the objectives, policies and processes for managing the risk and the methods used to measure the risk; and ○ any changes in theses from the previous period. • Quantitative disclosures - summary of quantitative data about the agency’s exposure to a particular risk at the end of the reporting period, including concentrations of risk.
AASB 7.42D	<p>The note included in the Model includes the minimum disclosures by way of example only. Each agency needs to consider their specific financial instruments and modify the disclosures accordingly.</p> <p>Agencies should include disclosures that enable financial statement users to:</p> <ul style="list-style-type: none"> • understand the relationship between transferred financial assets not derecognised in their entirety and associated liabilities; and • evaluate the nature and risks associated with derecognised financial assets. <p>Fair Value Disclosures</p> <p>Where an agency does not have any financial assets or liabilities at fair value, it is not required to include a fair value hierarchy disclosure. A detailed discussion of the concepts, methodologies and disclosures relating to AASB 13 <i>Fair Value Measurement</i> is found in the Commentary to Note 27 <i>Property, Plant and Equipment</i>.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 40. COMMITMENTS		
	Capital Commitments		
	Capital commitments contracted at reporting date that have not been recognised as liabilities are as follows:		
AASB 116.74(c)	Capital Commitments - Property, Plant and Equipment	2019 \$'000	2018 \$'000
	Payable:		
	Within one year	4,420	3,941
	Later than one year but not later than five years	3,120	2,452
	Later than five years	1,603	1,310
	Total Capital Commitments- Property, Plant and Equipment	9,143	7,703
AASB 138.122(e)	Capital Commitments - Intangible Assets		
	Payable:		
	Within one year	285	85
	Later than one year but not later than five years	-	-
	Later than five years	-	-
	Total Capital Commitments - Intangible Asset	285	85
	Total Capital Commitments	9,428	7,788
ACT Disclosure Policy	Other Commitments		
	Other commitments contracted at reporting date but not recognised as liabilities, are payable as follows:		
	Within one year	3,429	2,486
	Later than one year but not later than five years	2,080	1,314
	Later than five years	-	404
	Total Other Commitments	5,509	4,204
	Operating Lease Commitments		
AASB 117.35(d)	The Agency has three non-cancellable operating leases for buildings. Two of the leases expire in three years and the third one expires in six years. The leases have varying terms, escalation clauses and renewal rights. There are no conditions in the lease agreements requiring the Agency to restore the sites which the leased buildings are situated on. The operating lease agreements give the Agency the right to renew the leases. Renegotiations of the lease terms occur on renewal of the leases.		
	Contingent rental payments have not been included in the commitments below.		
AASB 117.35(a)	Non-cancellable operating lease commitments are payable as follows:		
AASB 117.35(a)(i)	Within one year	841	832
AASB 117.35(a)(ii)	Later than one year but not later than five years	1,150	1,010
AASB 117.35(a)(iii)	Later than five years	952	938
	Total Operating Lease Commitments	2,943	2,780
AASB 117.35(b)	The future minimum lease payments for non-cancellable operating sub-leases expected to be received	800	828
	All amounts shown in the commitment note are inclusive of GST.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 40. Commitments - Continued
	<p>Commentary – Note 40: Commitments</p>
ACT Disclosure Policy	<p>Time Bands</p> <p>AASB 101. Aus 138.6 has been deleted which removes the requirement to disclose capital and expenditure commitments in time bands. However AASB 116 <i>Property, Plant and Equipment</i>, AASB 117 <i>Leases</i> and AASB 138 <i>Intangible Assets</i> continue to require disclosure of commitments grouped in time bands. It is ACT Disclosure Policy that we apply the same time bands to capital and expenditure commitments.</p>
AASB 117.4	<p>Implicit Interest Rate</p> <p>AASB 117 <i>Leases</i> defines the interest rate implicit in the lease as the discount rate that, at the inception of the lease, causes the aggregate present value of the minimum lease payments and any unguaranteed residual value to be equal to the sum of the fair value of the asset under a finance lease and any initial direct costs of the lessor.</p>
AASB 117.35(b)	<p>Leasing Arrangements</p> <p>For non-cancellable sub-leases that are operating leases, the total future minimum lease payments expected to be received as at the reporting date needs to be disclosed.</p>
AASB 117.35(d)	<p>For operating leases, agencies need to disclose a general description of their leasing arrangements, including but not limited to the following:</p> <ul style="list-style-type: none"> • the basis on which contingent rent payable is determined; • the existence and terms of renewal or purchase options and escalation clauses; and • restrictions imposed by lease arrangements such as those concerning dividends, additional debt and further leasing.
ACT Accounting Policy	<p>Public Private Partnerships</p> <p>Agencies that have entered into Public Private Partnerships will disclose the commitments under these arrangements, including finance lease commitments (minimum finance lease payments and finances charges) and capital and operating commitments.</p> <p>No Material Commitments</p> <p>If an agency has no material commitments, this note can be excluded.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 41. CONTINGENT LIABILITIES AND CONTINGENT ASSETS
AASB 137.86	<p>Contamination of Land</p> <p>During July 2018, the Agency disposed of waste material by burying it in landfill. In November 2017, it was discovered that the waste had leaked from the containers and contaminated the area in which it was buried. The Agency has undertaken to clean up the contaminated area where the waste was buried. The clean-up of the contaminated area will be completed over the next two years at an approximate cost of \$3,590,000.</p>
AASB 137.88	<p>This amount has been recognised as a provision (for further details see Note 35 <i>Other Provisions</i>).</p> <p>The Agency considers that the environmental impact of the leak will be minimal because of the short amount of time between the waste being buried and the contamination being discovered and also the prompt response to commence the clean-up. The Agency is investigating the matter to determine what caused the incident.</p>
ACT Disclosure Policy	<p>Legal Claims</p> <p>‘Example Agency’ is subject to 15 legal claims (2018 – 13 legal claims). ‘Example Agency’ is potentially liable for \$123,000 (2017 \$118,000) which represents the excess amount payable on these actions as ‘Example Agency’ is covered by the ACT Insurance Authority (ACTIA). If ‘Example Agency’ under the arrangements with ACTIA pays the full amount of a successful claim, the amount less the excess amount is reimbursed to ‘Example Agency’ by ACTIA. The estimated contingent liability has not been provided for in ‘Example Agency’s accounts. The estimated actuarially assessed liability covered by ACTIA is included in ACTIA’s financial statements.</p>
AASB 137.86 AASB 7.35K	<p>Guarantees</p> <p>The Agency has guaranteed a loan taken out in April 2019 by ‘Example Borrower’ for an amount of \$750,000.</p>
	<p>Joint Ventures</p> <p>For contingent liabilities relating to joint ventures see Note 43 <i>Interest in a Joint Venture</i>.</p>
AASB 137.89	<p>Contingent Assets</p> <p>The only contingent assets as at 30 June 2019 relate to ‘Example Agency’s’ insurance arrangements where reimbursement from ACTIA occurs (see Legal Claims above).</p>
	<p>Commentary – Note 41: Contingent Liabilities and Contingent Assets</p>
AASB 137.10	<p>Definitions</p> <p>A contingent liability is:</p> <ul style="list-style-type: none"> • a possible obligation 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 agency; or • a present obligation that arises from past events but is not recognised because: <ul style="list-style-type: none"> ○ 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.
AASB 137.10	<p>A contingent asset is a possible asset that arises from past events, 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 agency.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 41: Contingent Liabilities and Contingent Assets - Continued
AASB 137.86	<p>Disclosure</p> <p>For each class of contingent liability, an agency shall disclose at the reporting date, unless the possibility of any outflow in settlement is remote, a brief description of the nature of the liability and where practicable:</p> <ul style="list-style-type: none"> • an estimate of its financial effect; • an indication of the uncertainties relating to the amount or timing of any outflow; and • the possibility of any reimbursement.
ACT Disclosure Policy	<p>The estimated contingent liability for legal action relating to an agency should be included in this note. The note explanation should reflect the insurance arrangement that the agency has with ACTIA.</p>
AASB 137.89	<p>Where an inflow of economic benefits is probable, an agency shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of the financial effect.</p>
AASB 137.91	<p>Where information regarding contingent liabilities and contingent assets is not disclosed because it is not practicable to do so, that fact must be stated.</p>
AASB 137.92	<p>Disclosure that Might Seriously Prejudice the Position of the Agency</p> <p>In extremely rare cases, disclosure of some or all of the information regarding contingent liabilities and contingent assets may seriously prejudice the position of the agency, and where this is the case, the agency need not disclose that information. However, the agency must provide information regarding the general nature of the dispute, together with the reason for non-disclosure.</p>
FMA Section 47 & 60 ACT Disclosure Policy	<p>Guarantees</p> <p>It is ACT Disclosure Policy that agencies disclose any guarantees and undertakings given by them, including guarantees or undertakings in respect of (but not restricted to) loans, interest payments or overdrafts of the agency which:</p> <ul style="list-style-type: none"> • are within the responsibility of the Minister to whom the agency is responsible; • relate to the functional responsibilities of the agency; and • are not required to be shown as liabilities in either the Balance Sheet or the Statement of Assets and Liabilities Held on Behalf of the Territory. <p>Guarantees that are provided by agencies that are within the policy responsibility of their portfolio must be disclosed in their financial statements.</p>
ACT Disclosure Policy	<p>Disclosure Presentation</p> <p>Where an Agency considers it practical and more informative, a tabular (rather than a narrative) presentation of the disclosure of contingent liabilities and contingent assets could be presented, showing quantifiable amounts of relevant categories as at the reporting date and the immediately previous reporting date.</p> <p>No Material Contingent Liabilities and Contingent Assets</p> <p>If an agency has no material contingent assets and contingent liabilities, this note can be excluded.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 42. INTEREST IN A JOINT VENTURE		
AASB 11.16 AASB 12.21(a) AASB 12.21(b)(i)	The Agency was involved in a joint venture during 2018-19 called ‘Example Joint Venture Entity’. ‘Example Joint Venture Entity’s’ principal activity is the development of land for the construction of a residential development. The principal place of business is the Australian Capital Territory. There are two venturers involved in ‘Example Joint Venture Entity’, the Agency and ‘Example Venturer’, each has a 50% ownership interest and voting power in the joint venture. The reporting date of the Agency and ‘Example Joint Venture Entity’ is 30 June each year. The joint venture is accounted for by the Agency using the equity method.		
AASB 12 B12,B13	Summarised Operating Statement of ‘Example Joint Venture Entity’	2019 \$’000	2018 \$’000
AASB 12. B12(b)(v)	Revenue	44,008	66,456
	Expenses	35,800	52,794
AASB 12.B12(b)(vi)	Operating Profit	8,208	13,662
AASB 12.B12(b) (viii)	Other Comprehensive Income	5,000	4,000
AASB 12.B12(b)(ix)	Total Comprehensive Income	13,208	17,662
AASB 12.B13	The above Operating Profit /(Loss) includes the following:		
AASB 12. B13(d)	Depreciation and Amortisation	4,428	6,667
AASB 12. B13(e)	Interest Income	5,666	7,865
AASB 12.B13(f)	Interest Expense	7,888	8,975
	‘Example Agency’ Share of the Joint Venture Operating Profit (50%)	4,104	6,831
	‘Example Agency’ Share of Joint Venture Other Comprehensive Income (50%)	2,500	2,000
AASB 12. B12,B13	Summarised Balance Sheet of “Example Joint Venture Entity”		
	Current Assets:		
	Current assets other	52,350	77,513
	Cash and Cash Equivalents	150,664	165,443
AASB 12.B12(b)(i), B13(a)	Total Current Assets	203,014	242,956
AASB 12.B12.(b)(ii)	Non-Current Assets	502,468	532,774
	Total Assets	705,482	775,730
	Current Liabilities:		
	Current Liabilities other	27,158	16,454
	Current financial liabilities excluding trade and other payables and provisions	110,532	132,690
AASB 12 B12.(b)(iii),B13 (b)	Total Current Liabilities	137,690	149,144
	Non-Current Liabilities:		
	Non-current liabilities other	248,437	79,159
AASB 12 B12(b)(iv),B13(c)	non-current financial liabilities excluding trade and other payables and provisions	150,675	160,556
	Total Non-Current Liabilities	399,112	239,712
	Total Liabilities	536,802	628,568
	Total Net Assets of ‘Example Joint Venture Entity’	168,680	147,162

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 42. Interest in a Joint Venture - continued		
AASB 12.B14(b)	A reconciliation of the above summarised information to the carrying amount of the investment in ‘Example Joint venture Entity’ is set out below :	2019	2018
		\$’000	\$’000
	Total Net Assets of ‘Example Joint Venture Entity’	168,680	147,162
	Proportion of Ownership of ‘Example Joint Venture Entity	50%	50%
	Carrying amount of investment in ‘Example Joint Venture Entity’	84,830	73,581
AASB 12.B12(a)	No dividends were received from ‘Example Joint Venture Entity’ in 2018-19 or 2017-18.		
AASB 12.21(b)(iii)	‘Example Joint Venture Entity’ is not listed on the stock exchange and has no quoted market price.		
	Risks Associated with Interest in Joint Venture		
AASB 12.23(a),B(18)	Commitments relating to the Joint Venture		
AASB 12 (B19)(a)	Commitments to provide funding for joint venture’s capital commitments, if called	589	518
	Contingent Liabilities		
	The Agency has the following contingent liabilities, which it believes will not result in any material losses.		
AASB 12.23(b)	Contingent Liability arising from the Agency’s interest in the Joint Venture	350	-
AASB 12.23(b)	Contingent Liability arising from the Agency being liable for liabilities of ‘Example Venturer’	150	150
	Total Contingent Liabilities	500	150
Commentary – Note 42: Interest in a Joint Venture			
For additional information pertaining to territory authorities - please refer to TAS 20 Note 42: Interest in a Material Joint Venture.			
Definition			
AASB 11.16	A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.		
Nature, extent and financial effects of an agency’s interests in joint arrangements			
AASB 12.21(a)	Where a joint arrangement is material to an agency an agency shall disclose:		
	<ul style="list-style-type: none">the name of the joint arrangement;the nature of the agency’s relationship with the joint arrangement (by, for example, describing the nature of the activities of the joint arrangement and whether they are strategic to the agency’s activities;the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement; andthe proportion of ownership interest or participating share held by the entity and, if different the proportion of voting rights held (if applicable)		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 42: Interest in a Joint-Venture - Continued
	<p>Nature, extent and financial effects of an agency’s interests in joint arrangements - continued</p> <ul style="list-style-type: none"> • summarised financial information about the joint venture, including but not limited to: <ul style="list-style-type: none"> - current assets; - non-current assets; - current liabilities; - non-current liabilities; - revenue; - profit or loss from continuing operations; - other comprehensive income; - total comprehensive income.
AASB 12.21(b) B12, B13	<p>Where a joint venture is material to an agency the entity discloses - continued;</p> <ul style="list-style-type: none"> • summarised financial information about the joint venture, including but not limited to - continued: <ul style="list-style-type: none"> - cash and cash equivalents; - current financial liabilities (excluding trade and other payables and provisions); - depreciation and amortisation; - interest income; - interest expense.
AASB12.21 (c), B16	<p>Where a joint venture(s) is(are) immaterial to an agency,</p> <ul style="list-style-type: none"> • An Agency shall disclose, in aggregate, the carrying amount of its interests in all individually immaterial joint ventures that are accounted for using the equity method; and • An agency shall also disclose separately the aggregate amount of its share of those joint ventures’: <ul style="list-style-type: none"> - profit or loss from continuing operations - profit or loss from discontinued operations - other comprehensive income - Total comprehensive income.
AASB 12.22(a)	<p>Significant Restrictions on the ability of joint ventures to transfer funds to the agency</p> <p>An agency shall also disclose the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with joint control of or significant influence over a joint venture) on the ability of joint ventures to transfer funds to the agency in the form of cash dividends, or to repay loans or advances made by the agency.</p>
AASB 12.23(a),B(18) AASB 12 (B19)(a), (b)	<p>Risks associated with an agency’s interests in joint ventures</p> <p>Agencies should disclose commitments that the agency has relating to its joint ventures (including its share of commitments made with other investors with joint control of a joint venture) separately from the amount of other commitments. Examples of such commitments include:</p> <ul style="list-style-type: none"> • unrecognised commitments to contribute funding or resources as a result of the constitution, capital intensive projects, unconditional purchase obligations, or unrecognised commitments to provide financial support; and • unrecognised commitments to acquire another party’s ownership interest (or a portion of that ownership interest) in a joint venture if a particular event occurs or does not occur in the future.
AASB 12.23(b)	<p>Agencies should disclose contingent liabilities incurred relating to its interests in joint ventures (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over the joint ventures), separately from the amount of other contingent liabilities, unless the probability of loss is remote.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 43. INTEREST IN A JOINT OPERATION		
ACT Disclosure Policy AASB 12.21(a)	<p>The Agency was involved in one joint operation during 2019 called ‘Example Joint Operation’. ‘Example Joint Operation’s’ principal activity is the development and construction of footpaths, cycle paths and other infrastructure. The principal place of business is the Australian Capital Territory. ‘Example Operations’ is the other venturer involved in ‘Example Joint Venture Operations’. The Agency and ‘Example Operations’ each have a 50% interest in the output of the jointly controlled operation.</p>		
		2019	2018
		\$’000	\$’000
	Assets Employed in the Jointly Controlled Operation		
	Current Assets		
	Cash and Cash Equivalents	745	685
	Receivables	235	225
	Other	115	107
	Total Current Assets	1,095	1,017
	Non-Current Assets		
	Land		
	At Fair Value	1,354	1,354
	Total Land at Fair Value	1,354	1,354
	Buildings		
	At Fair Value	2,137	1,783
	Less: Accumulated Depreciation	(235)	(165)
	Less: Accumulated Impairment Losses	-	-
	Total Buildings at Fair Value	1,902	1,618
	Plant and Equipment		
	At Cost	102	96
	Less: Accumulated Depreciation	(26)	(18)
	Less: Accumulated Impairment Losses	-	-
	Total Plant and Equipment at Cost	76	78
	Infrastructure Assets		
	At Fair Value	2,835	2,835
	Less: Accumulated Depreciation	(897)	(875)
	Less: Accumulated Impairment Losses	-	-
	Total Infrastructure Assets at Fair Value	1,938	1,960
	Total Non-Current Assets	5,270	5,010
	Total Assets	6,365	6,027

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary – Note 43: Interest in a Joint Operation
AASB 11.15	<p>Definition</p> <p>A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.</p>
AASB 12.21(a)	<p>Nature, extent and financial effects of an agency’s interests in joint arrangements</p> <p>Where a joint arrangement is material to an agency an agency shall disclose:</p> <ul style="list-style-type: none"> • the name of the joint arrangement; • the nature of the agency’s relationship with the joint arrangement (by, for example, describing the nature of the activities of the joint arrangement and whether they are strategic to the agency’s activities; • the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement; and • the proportion of ownership interest or participating share held by the entity and, if different the proportion of voting rights held (if applicable)
AASB 11.20.	<p>A joint operator shall recognise in relation to its interests in a joint operation:</p> <ul style="list-style-type: none"> • its assets, including its share of 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 by the joint operation; and • its expenses, including its share of any expenses incurred jointly.
AASB 11.21	<p>A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interests in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 44. CASH FLOW RECONCILIATION				
AASB 107.45	(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet.				
		2019	2018		
		\$'000	\$'000		
	Total Cash and Cash Equivalents Recorded in the Balance Sheet	11,456	6,548		
	Bank Overdraft	-	-		
	Cash and Cash Equivalents at End Reporting Period as Recorded in Cash Flow Statement	11,456	6,548		
AASB 1054.16	(b) Reconciliation Operating Surplus/(Deficit) to Net Cash Inflows Operating Activities.				
	Operating (Deficit)/Surplus	(17,599)	2,227		
	Add/(Less) Non-Cash Items				
	Impairment Loss of Non-Current Assets	950	430		
	Depreciation of Property, Plant and Equipment	96,599	93,364		
	Amortisation of Intangibles	440	200		
	Assets Transferred or Contributed	(5,215)	(2,773)		
	(Gain)/Loss on the Revaluation of Investment Properties	(2,468)	(1,000)		
	Forgiveness of Liabilities	(1,120)	(1,920)		
	Donated Assets	(393)	(1,870)		
	Waivers and Irrecoverable Loans Receivable	2,570	829		
	Add/(Less) Items Classified as Investing or Financing				
	Net Loss/(Gain) on Disposal of Non-Current Assets	445	(139)		
	Gain on Investments	(1,970)	(2,630)		
	Share of Profit from Joint Venture (Not received as a distribution)	(3,104)	(4,831)		
	Cash Before Changes in Operating Assets and Liabilities	69,135	77,433		
	Changes in Operating Assets and Liabilities				
	(Increase)/Decrease in Receivables	(4,193)	(7,509)		
	(Increase)/Decrease in Inventories	113	580		
	(Increase)/Decrease in Other Assets	(1,575)	630		
	Increase/(Decrease) in Payables	(253)	77		
	Increase/(Decrease) in Provisions	13,540	10,102		
	Increase/(Decrease) in Other Liabilities	3,711	1,933		
	Net Changes in Operating Assets and Liabilities	11,343	5,813		
	Net Cash Inflows from Operating Activities	80,478	83,246		
AASB 107.43	(c) Non-Cash Financing and Investing Activities				
	Acquisition of Plant and Equipment by means of Finance Lease	762	522		
AASB 107.44-44E	(d) Reconciliation of liabilities arising from financing activities.				
		2018		2019	
		\$'000	Cash Flows	Non-cash changes	\$'000
				New Leases	Other
	Interest Bearing Liabilities	9,104	880-(740) 140	-	(1,120)
	Finance Leases	7,138	(900)	762	-
	Debt	16,242	(760)	762	(1,120)
					15,124
AASB 107.44A-44E	Amending standard 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i> requires agencies preparing financial statements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Where relevant, agencies should include these additional disclosures in its financial statements i.e. a reconciliation of the opening and closing balance of liabilities arising from financing activities.				

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 45. EVENTS OCCURRING AFTER BALANCE DATE
AASB 110.21(a)	On 1 July 2019, the Executive approved an administrative arrangement that involved restructuring the Agency by moving its land and planning division to ‘Receiving Directorate’. The movement of the land and planning division was undertaken because it was considered that this function was more closely aligned with the existing functions of ‘Receiving Directorate’. The financial effect of the administrative arrangement is not reflected in the financial statements.
AASB 110.21(b)	The total value of net assets transferred between the Agency and ‘Receiving Directorate’ after balance date was \$38,235,000.
	Commentary – Note 45: Events Occurring after Balance Date
AASB 110.3	<p>Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:</p> <ul style="list-style-type: none"> those that provide evidence of conditions that existed at the reporting date (<i>adjusting events after the reporting date</i>); and those that are indicative of conditions that arose after the reporting date (<i>non-adjusting events after the reporting date</i>).
AASB 110.8 & 9	Adjusting events after the reporting date - involve an agency adjusting the amounts recognised in its financial statements for that adjusting event. An example of an adjusting event is the settlement after the reporting date of a court case that confirms the agency had a present obligation at the reporting date. The agency would therefore have to make the appropriate adjustment in its financial statements for the result of the court case.
AASB 110.10 & 11	Non-adjusting events after the reporting date - involve the disclosure of the event; however, no adjustment is made to amounts recognised in the financial report. An example of a non-adjusting event is a decline in market value of investments between the reporting date and the date when the financial report is authorised for issue. The decline in market value does not normally relate to the condition of the investments at the reporting date, but reflects circumstances that have arisen subsequently.
AASB 110.19	If an agency receives information after the reporting date about conditions at the reporting date, disclosures relating to those conditions should be updated in light of the new information.
AASB 110.21	<p>AASB 110 <i>Events after the Balance Sheet Date</i> requires the following information to be disclosed for each material non-adjusting event after the reporting date that does not affect conditions at the reporting date but which need to be disclosed:</p> <ul style="list-style-type: none"> the nature of the event; and an estimate of its financial effect or a statement that such an estimate cannot be made. <p>If an agency does not have any material events occurring after balance date, then this note can be excluded.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 46. THIRD PARTY MONIES		
ACT Disclosure Policy	The Agency holds security deposits for ‘Example Trust’.		
		2019	2018
		\$’000	\$’000
	Security Deposits Held for ‘Example Trust’		
	Balance at the Beginning of the Reporting Period	1,181	1,633
	Cash Receipts	610	1,528
	Cash Payments	(291)	(1,980)
	Balance at the End of the Reporting Period	1,500	1,181
ACT Disclosure Policy	The Agency holds a security deposit for a contractor who is using the Agency’s machinery to perform works in progress for the Agency.		
	Security Deposits Held – Contractors		
	Balance at the Beginning of the Reporting Period	202	261
	Cash Receipts	89	99
	Cash Payments	(78)	(158)
	Balance at the End of the Reporting Period	213	202
	Total Third Party Monies	1,713	1,383
	Commentary – Note 46: Third Party Monies		
ACT Disclosure Policy	ACT Disclosure Policy requires agencies to include a note on third party monies held. The information should include monies held at the end of the reporting period and the purpose for which the monies are held.		
ACT Disclosure Policy	Where a trust has assets and liabilities (other than cash), the financial statements should include an accrual presentation of that trusts activities during the year and financial position at the reporting date. If a trust has no assets or liabilities apart from cash, the financial statements need only provide cash disclosure of the trusts activities during the year, and financial position at the reporting date.		
	Assets held in trust for the benefit of other parties are not controlled by the agency.		
AASB 10.6 AASB 10.5-18	The definition of control in AASB 10 <i>Consolidated Financial Statements</i> is that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Depending upon the circumstances, it may be that an agency has control of the trust funds and relevant trust assets and should consolidate them into its financial statements.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 47. RELATED PARTY DISCLOSURES																					
AASB124.9	<p>A related party is a person that controls or has significant influence over the reporting entity, 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.</p> <p>KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the ‘Example Agency’, directly or indirectly.</p> <p>KMP of the ‘Example Agency’ are the Portfolio Minister, Director-General and certain members of the Senior Management Team.</p> <p>The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of ‘Example Agency’.</p> <p>This note does not include typical citizen transactions between the KMP and ‘Example Agency’ that occur on terms and conditions no different to those applying to the general public.</p> <p>(A) CONTROLLING ENTITY ‘Example Agency’ is an ACT Government controlled entity.</p> <p>(B) KEY MANAGEMENT PERSONNEL</p> <p>B.1 Compensation of Key Management Personnel Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive’s financial statements for the year ended 30 June 2019.</p> <p>Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate’s (CMTEDD) financial statements for the year ended 30 June 2019.</p> <p>Two of the KMP of ‘Example Agency’ are employees of CMTEDD and are compensated by CMTEDD [Amend as Required].</p> <p>Compensation by ‘Example Agency’ to KMP is set out below:</p> <table><tr><th></th><th>2018 \$’000</th><th>2019 \$’000</th></tr><tr><td>Short-term employee benefits</td><td>XXXXX</td><td>XXXXX</td></tr><tr><td>Post-employment benefits</td><td>XXXXX</td><td>XXXXX</td></tr><tr><td>Other long-term benefits</td><td>XXXXX</td><td>XXXXX</td></tr><tr><td>Termination benefits</td><td>XXXXX</td><td>XXXXX</td></tr><tr><td>Board member fees</td><td>XXXXX</td><td>XXXXX</td></tr><tr><td>Total Compensation by ‘Example Agency’ to KMP</td><td>XXXXX</td><td>XXXXX</td></tr></table>		2018 \$’000	2019 \$’000	Short-term employee benefits	XXXXX	XXXXX	Post-employment benefits	XXXXX	XXXXX	Other long-term benefits	XXXXX	XXXXX	Termination benefits	XXXXX	XXXXX	Board member fees	XXXXX	XXXXX	Total Compensation by ‘Example Agency’ to KMP	XXXXX	XXXXX
	2018 \$’000	2019 \$’000																				
Short-term employee benefits	XXXXX	XXXXX																				
Post-employment benefits	XXXXX	XXXXX																				
Other long-term benefits	XXXXX	XXXXX																				
Termination benefits	XXXXX	XXXXX																				
Board member fees	XXXXX	XXXXX																				
Total Compensation by ‘Example Agency’ to KMP	XXXXX	XXXXX																				
AASB124.9 Compensation defined																						
AASB124.17																						
AASB124.18 to 21	<p>B.2 Transactions with Key Management Personnel It is not expected that agencies will have material transactions with KMP. If they do they should make the relevant disclosures in a similar format to the table in B.3 below.</p>																					

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 47. Related Party Disclosures – Continued																																								
AASB124.18 to 21	<p>B.3 Transactions with parties related to Key Management Personnel</p> <p>The following transactions that were material to the financial statements of the ‘Example Agency’ occurred with parties related to KMP including transactions with KMP’s close family members or other related entities:</p> <table><tr><th>Nature of transaction</th><th>Transaction value year ended 30 June 2019 \$’000</th><th>Amount of receivable/(payable) at 30 June 2019 \$’000</th><th>Amount Committed at 30 June 2019 \$’000</th></tr><tr><td>Purchase or Sale of Goods</td><td></td><td></td><td></td></tr><tr><td>Equipment purchased ¹</td><td>8,000</td><td>(100)</td><td>900</td></tr><tr><td>Rendering or Receiving Services</td><td></td><td></td><td></td></tr><tr><td>Services received (aggregate) ^{1,2}</td><td>600</td><td>Nil</td><td>Nil.</td></tr></table> <p>¹ The transactions were procured following ACT Government’s procurement procedures and in the normal course of the operations of ‘Example Agency’s’.</p> <p>² Items of a similar nature have been aggregated, except where separate disclosure is necessary for understanding the effects of related party transactions on the financial statements of the ‘Example Agency’.</p> <p>No allowances for doubtful debts or bad debts expenses were recorded during the current reporting period.</p> <table><tr><th>Nature of transaction</th><th>Transaction value year ended 30 June 2018 \$’000</th><th>Amount of receivable/(payable) at 30 June 2018 \$’000</th><th>Amount Committed at 30 June 2018 \$’000</th></tr><tr><td>Purchase or Sale of Goods</td><td></td><td></td><td></td></tr><tr><td>Equipment purchased ¹</td><td>10,000</td><td>(200)</td><td>1,000</td></tr><tr><td>Rendering or Receiving Services</td><td></td><td></td><td></td></tr><tr><td>Services received (aggregate) ^{1,2}</td><td>500</td><td>Nil</td><td>Nil.</td></tr></table> <p>¹ The transactions were procured following ACT Government’s procurement procedures and in the normal course of the operations of ‘Example Agency’s’.</p> <p>² Items of a similar nature have been aggregated, except where separate disclosure is necessary for understanding the effects of related party transactions on the financial statements of the ‘Example Agency’.</p>	Nature of transaction	Transaction value year ended 30 June 2019 \$’000	Amount of receivable/(payable) at 30 June 2019 \$’000	Amount Committed at 30 June 2019 \$’000	Purchase or Sale of Goods				Equipment purchased ¹	8,000	(100)	900	Rendering or Receiving Services				Services received (aggregate) ^{1,2}	600	Nil	Nil.	Nature of transaction	Transaction value year ended 30 June 2018 \$’000	Amount of receivable/(payable) at 30 June 2018 \$’000	Amount Committed at 30 June 2018 \$’000	Purchase or Sale of Goods				Equipment purchased ¹	10,000	(200)	1,000	Rendering or Receiving Services				Services received (aggregate) ^{1,2}	500	Nil	Nil.
Nature of transaction	Transaction value year ended 30 June 2019 \$’000	Amount of receivable/(payable) at 30 June 2019 \$’000	Amount Committed at 30 June 2019 \$’000																																						
Purchase or Sale of Goods																																									
Equipment purchased ¹	8,000	(100)	900																																						
Rendering or Receiving Services																																									
Services received (aggregate) ^{1,2}	600	Nil	Nil.																																						
Nature of transaction	Transaction value year ended 30 June 2018 \$’000	Amount of receivable/(payable) at 30 June 2018 \$’000	Amount Committed at 30 June 2018 \$’000																																						
Purchase or Sale of Goods																																									
Equipment purchased ¹	10,000	(200)	1,000																																						
Rendering or Receiving Services																																									
Services received (aggregate) ^{1,2}	500	Nil	Nil.																																						
AASB124. 25-27	<p>(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES</p> <p>All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial Statements of the ‘Example Agency’.</p> <p>If there are no material transactions under B.2, B3 or C then no disclosures need to be made.</p>																																								
AASB124.1	<p>Commentary Note 47 Related Party Disclosures</p> <p>The Australian Accounting Standards Board (AASB) has amended the scope of AASB 124 <i>Related Party Disclosures</i> (the Standard) to include related party disclosures for not-for-profit (NFP) public sector entities. Previously this Standard only related to for-profit entities.</p> <p>The objective of this Standard is to ensure that an entity’s financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.</p> <p>A related party is a person that controls or has significant influence over the reporting entity, 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 or/and their close family members individually or jointly have controlling interests.</p>																																								
AASB124.9	<p>Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.</p>																																								

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 47 Related Party Disclosures – Commentary continued
	<p>Primarily, this Standard requires disclosure of summarised details about KMP remuneration, and certain transactions with related parties, in ACT Government-controlled entities’ financial statements.</p> <p>The ACT Executive comprising the Chief Minister and Ministers appointed by the Chief Minister, is the principal decision-making body for the ACT Government and is therefore KMP of the ACT Government (i.e. Whole of Government and the General Government Sector reporting entities). As KMP of the ACT Government (i.e. the parent) the Cabinet Ministers are deemed related parties of all ACT Government controlled entities..</p> <p>Portfolio Ministers are deemed KMP of the ACT Government controlled entities within their portfolio. Territory authorities need to consider their enacting legislation and specific circumstances in assessing whether the relevant Portfolio Minister is a KMP. Considerations may include the existence of a governing board responsible for the management of the territory authority</p> <p>In relation to territory-owned corporations, Ministers holding shares on behalf of the ACT Government may not necessarily have the authority and responsibility over the entity and the shares are not held beneficially by the Ministers. Therefore, shareholding Ministers may not necessarily be KMP of the relevant territory-owned corporation. Regardless of whether shareholding ministers are KMP, they will still be related party of the territory-owned corporations, as they are KMP of the parent (i.e. ACT Government) in their capacity as Cabinet Minister.</p> <p>The Head of Service, being responsible for the service as a whole, is also a KMP of the ACT Government (i.e. Whole of Government and General Government Sector reporting entities) and is therefore a related party of all ACT Government controlled entities.</p> <p>Directors-General and Chief Executive Officers are deemed KMP of the relevant ACT Government controlled entities under their responsibility. Governing Boards of territory authorities are KMP of their territory authority.</p> <p>Officers of the Assembly are deemed KMP of their relevant entity. Other staff may be assessed to fall within the scope of the KMP definition.</p> <p>Close family members of these KMP, including any entities in which they have controlling interests (individually or jointly), are related parties of the relevant ACT Government controlled entities.</p> <p>A Data Collection Form has been developed to collect the related party transaction information from KMP, required by the Standard.</p> <p>In accordance with the <i>Information Privacy Act 2014</i> and the <i>Human Rights Act 2004</i>, the provision of related party transactions information in the Form is on a voluntary basis and requires informed consent from the KMP and from each close family member for their information that has been included in the Data Collection Form.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 47 Related Party Disclosures – Commentary continued										
AASB 124.9	<p>Compensation of Key Management Personnel</p> <p>Compensation includes all employee benefits (as defined in AASB 119 Employee Benefits) including employee benefits to which AASB 2 Share-based Payment applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.</p> <p>Compensation includes:</p>										
AASB124.9	<p>(a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;</p> <p>(b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;</p> <p>(c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the reporting period, profit-sharing, bonuses and deferred compensation;</p> <p>(d) termination benefits; and</p> <p>(e) share-based payments.</p> <p>As a guide the following expenses are to be included for the year or for that part of the year during which the employee was a KMP:</p> <table> <tr> <td>Short-term employee benefits</td><td>Salaries and wages, overtime, allowances, penalties Annual, personal and maternity leave, leave loading Other employee benefits (including motor vehicle lease payments, and non-monetary benefits) Remuneration paid to KMP who are contractors through external service providers</td></tr> <tr> <td>Post employment benefits</td><td>Contribution to superannuation and productivity benefit</td></tr> <tr> <td>Other long-term benefits</td><td>Increase in long service leave provision</td></tr> <tr> <td>Termination benefits</td><td>Termination payouts including redundancy payments</td></tr> <tr> <td>Board member fees</td><td>For Territory Authorities</td></tr> </table> <p>Reimbursement of business related expenses (such as, travel to attend a business meeting) is not compensation for the purpose of related party disclosures. However, a benefit provided to a KMP that is personal in nature is considered to be compensation.</p> <p>Any monetary or non-monetary benefits, for instance, the provision of a car or car park, (together with any FBT) provided by the ‘Example Agency’ to a KMP will also need to be included here.</p> <p>Compensation to KMP must be disclosed regardless of the materiality of the amount to the financial statements. Transactions with KMP and other related parties need to be disclosed only if they are material to the financial statements.</p> <p>Shared Services Finance will be providing reports for compensation to KMP for agencies whose payroll is managed by them. These agencies still also need to consider any compensation to its KMP that may have been processed through the Accounts Payable module.</p>	Short-term employee benefits	Salaries and wages, overtime, allowances, penalties Annual, personal and maternity leave, leave loading Other employee benefits (including motor vehicle lease payments, and non-monetary benefits) Remuneration paid to KMP who are contractors through external service providers	Post employment benefits	Contribution to superannuation and productivity benefit	Other long-term benefits	Increase in long service leave provision	Termination benefits	Termination payouts including redundancy payments	Board member fees	For Territory Authorities
Short-term employee benefits	Salaries and wages, overtime, allowances, penalties Annual, personal and maternity leave, leave loading Other employee benefits (including motor vehicle lease payments, and non-monetary benefits) Remuneration paid to KMP who are contractors through external service providers										
Post employment benefits	Contribution to superannuation and productivity benefit										
Other long-term benefits	Increase in long service leave provision										
Termination benefits	Termination payouts including redundancy payments										
Board member fees	For Territory Authorities										

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 47 Related Party Disclosures – Commentary continued
	<p>Other Related Party Transactions</p> <p>Under AASB124.19 disclosures required by paragraph 18 shall be made separately for each of the following categories:</p> <ul style="list-style-type: none"> (a) the parent; (b) entities with joint control of, or significant influence over, the entity; (c) subsidiaries; (d) associates; (e) joint ventures in which the entity is in a joint venture; (f) key management personnel of the entity or its parent; and (g) other related parties. <p>Accordingly, reporting entities need to tailor their disclosures to include related party transactions with other related parties listed above, such as joint ventures, where relevant.</p>
AASB 124.19	
AASB 124.21	<p>Disclosures under each of the above categories of related parties need to be separately identified by the type of transaction. The following are examples of transactions that are disclosed in the financial statements if they are with a related party:</p> <ul style="list-style-type: none"> (a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other assets; (c) rendering or receiving of services; (d) leases; (e) transfers of research and development; (f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised); and (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party. <p>Agencies need to exercise judgement in assessing what information warrants disclosure.</p> <p>Items of a similar nature can be aggregated, except where separate disclosure is necessary for understanding the effects of related party transactions on the entity’s financial statements.</p>
AASB 124.21	
AASB 124.27	<p>In using judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity must consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:</p> <ul style="list-style-type: none"> (a) significant in terms of size; (b) carried out on non-market terms; (c) outside normal day-to-day business operations, such as the purchase and sale of businesses; (d) disclosed to regulatory or supervisory authorities; (e) reported to senior management; and (f) subject to shareholder approval (in this context Ministerial approval). <p>Transactions conducted on normal terms and conditions with KMP and other related parties may or may not be material for inclusion in the note. However, if the terms and conditions of the transaction are different to those applying to the general public, the transaction is more likely to be included in the note regardless of the underlying transaction amount.</p>

**‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

References	Note 47 Related Party disclosures –Commentary continued
	<p>Other Related Party Transactions - continued</p> <p>Names of close family members and entities controlled (or jointly controlled) by the KMP or the KMP’s close family members <u>are not to be disclosed</u> in the financial statements. Where, the information in the draft disclosure enables the KMP or their close family member(s) to be identified, the KMP and the affected family member must be given the opportunity to review the disclosure prepared for the financial statements and given the opportunity to request that the disclosure be corrected, amended or withdrawn.</p> <p>No disclosure is required for typical citizen transactions between the KMP and ‘Example Agency’ that occur on terms and conditions no different to those applying to the general public, where no discretion is applied and no influence is exerted by the related parties over the terms and conditions of these transactions. Examples include, buying a bus ticket, receiving public health/education services, and paying licence fees.</p> <p>Not all information collected from KMP needs to be disclosed in the financial statements. Disclosure is not required where the transactions are not material to the financial statements. As a guide, the disclosure of transactions with other related parties in the Example Note is based on the following information:</p> <ul style="list-style-type: none"> • Equipment purchased - \$10m Separate disclosure of the individual transaction is made where it is significantly material to the financial statements or is unusual by nature. • Services received - \$500,000 Represents the aggregate value of a number of transactions that are individually material for the reporting entity but may not be significantly material (as in the previous example) or unusual in nature to require separate disclosure.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 48. BUDGETARY REPORTING				
	Actual 2018-19 \$'000	Original Budget¹ 2018-19 \$'000	Variance \$'000	Variance %	Variance Explanation
Operating Statement Line Items					
Supplies and Services	110,750	92,045	18,705	20.3	[Insert major variance explanation]
Share Operating Profit Joint Venture using the Equity Method	4,104	5,110	-1,006	-19.7	[Insert major variance explanation]
Increase/ (decrease) in the Asset Revaluation Surplus	27,396	18847	8,549	45.4	[Insert major variance explanation]
Balance Sheet Line Items					
Cash and Cash Equivalents	11,456	5,780	5,676	98.2	[Insert major variance explanation]
Current Investment	8,423	4,249	4,174	98.2	[Insert major variance explanation]
Current Receivables	6,254	3,080	3,174	103.1	[Insert major variance explanation]
Current Assets Held for Sale	5,021	1,100	3,921	365.5	[Insert major variance explanation]
Current Payables	10,108	15,682	-5,574	-35.5	[Insert major variance explanation]
Current Employee Benefits	30,437	22,009	8,428	38.3	[Insert major variance explanation]
Current Other Liabilities	9,379	11,896	-2,517	-21.2	[Insert major variance explanation]
Non-Current Payables	2,581	3,997	-1,416	-35.4	[Insert major variance explanation]
Non-Current Interest-Bearing Liabilities	7,740	9,083	-1,343	-14.8	[Insert major variance explanation]
Non-Current Finance Leases	4,200	5,010	-810	-16.2	[Insert major variance explanation]
Statement of Changes in Equity - these line items are covered in other financial Statements					
Proceeds from Sale of Property, Plant and Equipment	4,007	-	4,007	#	[Insert major variance explanation]
Proceeds from Sale/Maturity of Investments	1,400	2,000	-600	-30.00%	[Insert major variance explanation]
Loan Receivable Repayment Received	1,625	98	1,527	#	[Insert major variance explanation]
Purchase of Property, Plant and Equipment	66,615	44,704	21,911	49	[Insert major variance explanation]
Loans Provided (Loans Receivable)	12,500	-	12,500	#	[Insert major variance explanation]
Capital Injections	13,500	16,922	-3,422	-20.2	[Insert major variance explanation]
Receipt of Transferred Cash Balances	1,935	-	1,935	#	[Insert major variance explanation]
Cash and Cash Equivalents at Beginning of Reporting Period	6,548	9,473	-2,925	-30.9	[Insert major variance explanation]
¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.					
Note: # in the Line Item Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.					

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary Note 48 Budgetary Reporting
	<p>AASB 1055 <i>Budgetary Reporting</i> sets out the budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS). AASB 1055 does not apply to for-profit agencies. However, it is ACT Disclosure Policy that for-profit Territory Authorities also adopt AASB 1055 for reporting purposes. Disclosures under AASB 1055 are intended to provide users with information relevant to assessing the financial performance of an agency. The main user is considered to be the Legislative Assembly. When a directorate’s or territory authority’s budgeted financial statements are presented to the Legislative Assembly and are separately identified, that directorate or Territory Authority will need to disclose for the reporting period:</p> <ul style="list-style-type: none"> • The original budget figures as presented to the Legislative Assembly, in a form that is consistent with the agency’s annual financial statements; and • Explanations of major variances between actual amounts presented in the financial statements and the corresponding individual original budget amounts. <p>It is ACT Disclosure Policy that budgetary reporting be disclosed for territorial as well as controlled. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Statements). These amounts are not adjusted to reflect revised budgets (resulting from supplementary appropriations or administrative arrangements or other instruments authorised under the provisions of the <i>Financial Management Act 1996</i>). Explanations associated with revised budgets, particularly administrative arrangement changes, are to be reflected in the Management Discussion and Analysis, which provides a high level overview of the financial results of an entity and the factors underlying the development, performance and position of the entity’s business during the reporting period.</p> <p>Under the provisions of AASB 1055, where the original budget is revised by a supplementary budget that is presented to the Legislative Assembly, the revised budget may be disclosed in the financial statements in addition to the original budget and might need to be referred to in explanations of major variances. The explanations of major variances required to be disclosed are those relevant to an assessment of the discharge of accountability and to an analysis of the performance of an entity, and should not merely focus on the numerical differences between original budget and actual amounts. They include high-level explanations of the causes of major variances rather than merely the nature of the variances.</p> <p>Variances from comparative budget information in respect of the previous period need not be disclosed. Variances for the Statement of Changes in Equity do not have to be disclosed because these line items are also contained in other financial statements. Explanations of major variances at the Output Class level are not required.</p> <p>Definition of Major Variances</p> <p>Variances are considered to be major variances if both of the following criteria are met:</p> <ol style="list-style-type: none"> The line item is a significant line item: where either the line item actual amount accounts for <u>more than</u> 10% of the relevant associated category (Income, Expenses and Equity totals) or <u>more than</u> 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and The variances (original budget to actual) are <u>greater than</u> plus (+) or minus (-) 10% of the budget for the financial statement line item.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary Note 48 Budgetary Reporting continued
	<p>Explanations are required for line items only. Explanations are not required for totals. If a line item is a category in its own right (e.g. only one line item in the category) then criteria (a) is not applicable and an explanation is required if criteria (b) is met. Examples of where a line item is a category in its own right are “Share of Operating Profit from Joint Venture” and “Cash and Cash Equivalents” at the Beginning of the Reporting Period.</p> <p>The associated category for the line item is the grouping in the financial statements where the line item appears. A grouping will usually start with a bolded heading and end with a bolded total.</p> <p>The relevant bolded totals for these criteria are:</p> <p>Operating Statement</p> <ul style="list-style-type: none"> • Income • Expenses • Other Comprehensive Income <p>Balance Sheet</p> <ul style="list-style-type: none"> • Current Assets • Non-Current Assets • Current Liabilities • Non-Current Liabilities • Equity <p>Statement of Changes in Equity</p> <p>These line items are disclosed in other financial statements</p> <p>Cash Flow Statement</p> <ul style="list-style-type: none"> • Receipts from Operating Activities • Payments from Operating Activities • Receipts from Investing Activities • Payments from Investing Activities • Receipts from Financing Activities • Payments from Financing Activities <p>Not all the above bolded totals will be applicable to each agency. Agencies should provide to the Audit Office a work paper calculating all the variances of the financial statements, supporting which items have been disclosed as major variances. Work papers will also be required supporting the variance explanations.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Reference	COMMENTARY – DISCONTINUING OPERATIONS
AASB 5.32	Discontinuing operations are not expected to occur frequently within agencies, so no pro forma note has been included in the Models.
AASB 5.Aus 2.1	A discontinued operation is a component of an agency that either has been disposed of, or is classified as held for sale, and:
AASB 5.30	<ul style="list-style-type: none"> • represents a separate major line of business; • is part of a single co-ordinated plan to dispose of a separate major line of business; or • is a subsidiary acquired exclusively with a view to resale. <p>AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> classifies an operation as a discontinued operation at the date when the operation meets the criteria to be classified as held for sale or when the entity has actually disposed of the operation.</p> <p>AASB 5 does not apply to the restructuring of administrative arrangements of Government agencies.</p> <p>AASB 5 requires the presentation and disclosure of information to allow evaluation of the effects of discontinued operations.</p> <p>Disclosures</p>
AASB 5.33	<p>The details of discontinuing operations should be disclosed by way of a note and include:</p> <ul style="list-style-type: none"> • revenue, expenses and pre-tax profit or loss of discontinued operations; • related income tax expense; • gain or loss recognised on the measurement to fair value less costs to sell; • net cash flows attributable to operating, investing and financing activities of discontinued operations; and • the amount of income from continuing operations and from discontinued operations attributable to the parent, i.e. Example Agency. <p>The operating statement shall include a single amount for the total of discontinued operations.</p> <p>An agency shall re-present the above disclosures for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the reporting date for the latest period presented.</p>
AASB 101.82(ea)	
AASB 5.34	AASB 5 prohibits the classification of an operation as discontinued at the reporting date, if it did not meet the classification criteria until after the reporting date.

‘EXAMPLE AGENCY’

TERRITORIAL FINANCIAL STATEMENTS¹

FOR THE YEAR ENDED 30 JUNE 2019

- 1. Territorial Financial Statements are not required by territory authorities.
Any guidance provided in this section will only apply to ACT directorates.**

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’

Statement of Income and Expenses on Behalf of the Territory

For the Year Ended 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
	Income				
	<i>Revenue</i>				
AASB 1050.7(a)(i)	Payment for Expenses on Behalf of the Territory	49	30,513	31,941	28,603
AASB 1050.7(a)(i)	Taxes, Fees and Fines	50	124,509	125,319	116,968
	<i>Total Revenue</i>		155,022	157,260	145,571
	<i>Gains</i>				
	Other Gains		-	-	-
	<i>Total Gains</i>		-	-	-
	Total Income		155,022	157,260	145,571
	Expenses				
AASB 1050.7(b)(i)	Grants and Purchased Services	51	30,408	31,395	27,789
AASB 1050.7(b)(i)	Transfer to Government	52	123,614	125,319	116,968
AASB 1050.7(b)(i)	Other Expenses	53	1,000	546	814
	Total Expenses		155,022	157,260	145,571
	Operating Surplus/(Deficit)		-	-	-
	The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying notes.				

Reference	Commentary – Statement of Income and Expenses on Behalf of the Territory
ACT Disclosure Policy	<p>Line items included in the above statement, which have no amounts against them, have been included as an example only. With the exception of the Operating Surplus/(Deficit) total line, if an agency does not have an amount against a line item it should not be included.</p> <p>In the event that the Operating Surplus/(Deficit) line is not zero, the use of the wording <i>Operating Surplus/(Deficit)</i> should reflect the order of the result in the columns. If the current year actual is a deficit and the other columns in surplus the line should be represented as <i>Operating (Deficit)/Surplus</i> as demonstrated in the Controlled Operating Statement.</p> <p>Agencies that have fair valued Territorial Property, Plant and Equipment may have an increase (decrease) in the Asset Revaluation Surplus which means that Other Comprehensive Income and Total Comprehensive Income is included in the Statement of Income and Expenses on Behalf of the Territory.</p> <p>Budget</p> <p>The budget numbers appearing in the above statement are those published in the 2017-18 Budget Papers.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’

Statement of Assets and Liabilities on Behalf of the Territory

As at 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
	Current Assets				
AASB 1050.7(c)	Cash and Cash Equivalents	55	7,952	2,673	6,987
AASB 1050.7(c)	Receivables	56	7,114	8,668	7,347
AASB 1050.7(c)	Other Assets	57	644	16	244
	Total Current Assets		15,710	11,357	14,578
	Total Assets		15,710	11,357	14,578
	Current Liabilities				
AASB 1050.7(d)	Payables	58	14,360	10,867	13,333
AASB 1050.7(d)	Other Liabilities	59	1,350	490	1,245
	Total Current Liabilities		15,710	11,357	14,578
	Total Liabilities		15,710	11,357	14,578
	Net Assets		-	-	-
	Equity				
	Accumulated Funds		-	-	-
	Total Equity		-	-	-
	This Statement should be read in conjunction with the accompanying notes.				

Reference	Commentary – Statement of Assets and Liabilities on Behalf of the Territory
ACT Disclosure Policy	Agencies must include an Accumulated Funds line item in the Statement of Assets and Liabilities on Behalf of the Territory regardless of whether there are figures against it. Agencies must also include the Net Assets total line and the Total Equity total line in the Statement of Assets and Liabilities on Behalf of the Territory regardless of whether there are figures against them.
ACT Disclosure Policy	Agencies include this statement in order to present administered assets and liabilities as required by AASB 1050 <i>Administered Items</i> . For ease of comparison to the budget, it is ACT Disclosure Policy that Equity items are included. This statement is not intended to be a Balance Sheet and therefore does not meet all disclosure requirements that a Balance Sheet would
	Agencies that have fair valued Territorial Property, Plant and Equipment may have an Asset Revaluation Surplus to be included in the Equity section of the table above.
	Budget The budget numbers appearing in the above Statement are those published in the 2017-18 Budget Papers.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Statement of Changes in Equity on Behalf of the Territory For the Year Ended 30 June 2019

Reference		Note No.	Accumulated Funds Actual 2019 \$'000	Total Equity Actual 2019 \$'000	Original Budget 2019 \$'000
	Opening Balance		-	-	-
	Comprehensive Income				
AASB 101.106(d)(i)	Operating Surplus/(Deficit)		-	-	-
AASB 101.106(d)(ii)	Increase /(Decrease) in Asset Revaluation Surplus		-	-	-
	Other Comprehensive Income		-	-	-
AASB 101.106(a)	Total Comprehensive Income		-	-	-
	Transfers to/(from) reserves		-	-	-
	Transactions with Owners Affecting Accumulated Funds				
	Capital Injections		-	-	-
	Capital (Distributions)		-	-	-
	Net Assets transferred in from Administrative Restructure	61	-	-	-
	Net Assets transferred out from Administrative Restructure	61	-	-	-
	Total Transactions with Owners Affecting Accumulated Funds		-	-	-
	Closing Balance		-	-	-
The above Statement of Changes in Equity on Behalf of the Territory should be read in conjunction with the accompanying notes.					

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’

Statement of Changes in Equity on Behalf of the Territory

For the Year Ended 30 June 2019

Reference		Note No.	Accumulated Funds Actual 2018 \$'000	Total Equity Actual 2018 \$'000
	Opening Balance		-	-
	Comprehensive Income			
AASB 101.106(d)(i)	Operating Surplus/(Deficit)		-	-
AASB 101.106(d)(ii)	Increase /(Decrease) in Asset Revaluation Surplus		-	-
	Other Comprehensive Income		-	-
AASB 101.106(a)	Total Comprehensive Income			
	Transfers to/(from) reserves		-	-
	Transactions Involving Owners Affecting Accumulated Funds			
	Capital Injections		-	-
	Capital (Distributions)		-	-
	Net Assets transferred in from Administrative Restructure	61	-	-
	Net Assets transferred out from Administrative Restructure	61	-	-
	Total Transactions Involving Owners Affecting Accumulated Funds		-	-
	Closing Balance		-	-
	This Statement should be read in conjunction with the accompanying notes.			

Reference	Commentary – Statement of Changes in Equity on Behalf of the Territory
	<p>Agencies must include a Statement of Changes in Equity on Behalf of the Territory regardless of whether there are any amounts against the line items in this Statement. In this case just the headings (bolded above) and not the line items can be included.</p> <p>Agencies are free to combine, where possible, the Statement of Changes in Equity onto one page. Agencies that have fair valued Territorial Property, Plant and Equipment may have an Asset Revaluation Surplus column to be included in the Statement of Changes in Equity on Behalf of the Territory.</p> <p>Budget The budget numbers appearing in the above statement are those published in the 2018-19 Budget Papers.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’

Cash Flow Statement on Behalf of the Territory

For the Year Ended 30 June 2019

Reference		Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
	Cash Flows from Operating Activities				
	Receipts				
	Cash from Government for Expenses on Behalf of the Territory		30,612	32,042	29,144
	Taxes, Fees and Fines		123,897	128,649	114,983
	Total Receipts from Operating Activities		154,509	160,691	144,127
	Payments				
	Grants and Purchased Services		30,823	28,971	28,458
	Transfer of Territory Receipts to the ACT Government		122,622	129,921	114,587
	Other		99	1,000	95
	Total Payments from Operating Activities		153,544	159,892	143,140
	Net Cash Inflows/(Outflows) from Operating Activities	62	965	799	987
	Net Cash Inflows/(Outflows) from Investing Activities		-	-	-
	Net Cash Inflows/(Outflows) from Financing Activities		-	-	-
	Net Increase /(Decrease) in Cash and Cash Equivalents		965	799	987
	Cash and Cash Equivalents at the Beginning of the Reporting Period		6,987	1,874	6,000
	Cash and Cash Equivalents at the End of the Reporting Period	62	7,952	2,673	6,987
	The above Cash Flow Statement on Behalf of the Territory should be read in conjunction with the accompanying notes.				

Reference	Commentary – Cash Flow Statement on Behalf of the Territory
	<p>Where agencies have investing and/or financing cash flows, details of these items must be disclosed in the Investing Activities and/or Financing Activities section within the Cash Flow Statement. Where there are no Investing or Financing items:</p> <ul style="list-style-type: none"> the Net Cash Inflows/(Outflows) from Investing Activities total line; and the Net Cash Inflows/(Outflows) from Financing Activities total line; <p>should still be disclosed as in the above example.</p> <p>Budget</p> <p>The budget numbers appearing in the above statement are those published in the relevant Budget Papers.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

‘Example Agency’ Territorial Statement of Appropriation For the Year Ended 30 June 2019

Reference		Original Budget 2019 \$'000	Total Appropriated 2019 \$'000	Appropriation Drawn 2019 \$'000	Appropriation on Drawn 2018 \$'000
AASB 1004.64(a)	Territorial				
	Expenses on Behalf of the Territory	32,042	32,122	30,612	29,144
	Capital Injections	-	-	-	-
	Total Territorial Appropriation	32,042	32,122	30,612	29,144
FMA Section 37A	This Statement should be read in conjunction with the accompanying notes.				
	Column Heading Explanations				
	The <i>Original Budget</i> column shows the amounts that appear in the Cash Flow Statement in the Budget Papers.				
	The <i>Total Appropriated</i> column is inclusive of all appropriation variations occurring after the Original Budget.				
FMA Section 37A	The <i>Appropriation Drawn</i> is the total amount, which was received by the Agency during the year in Appropriation. These amounts appear in the Cash Flow Statement on Behalf of the Territory.				
	Commentary – Territorial Statement of Appropriation				
	Where an agency has a material difference between ‘Total Appropriated’ and ‘Appropriation Drawn’ it should explain why there is a variance. Further, it is recommended that agencies provide explanatory details of significant approved appropriation variations (i.e. variance between the ‘Original Budget’ and ‘Total Appropriated’). A tabular presentation of the variance explanation similar to that shown in the Controlled Statement of Appropriation should be used if it would assist understanding of the reasons for the variance.				
	If a directorate receives an amount of territorial appropriation (Payment for Expenses on Behalf of the Territory or a Capital Injection) that is excess to its requirements, it may repay the excess amount or part of the excess amount to the territory banking account. The appropriation from which the excess was paid to the directorate is restored by the amount it repaid to the territory banking account. The balance of the appropriation, including the amount repaid, may be applied for the purposes for which it was appropriated.				
FMA Section 37A	Agencies should disclose appropriation amounts returned (if any) in a footnote to the ‘Appropriation Drawn’ in the Territorial Statement of Appropriation.				

‘Example Agency’ Financial Statements

TERRITORIAL NOTE INDEX

For the Year Ended 30 June 2019

Note	Territorial Note Index - list	Page
Note 49.	Significant Accounting Policies – Territorial	138
	Appendix A - Basis of Preparation of the Financial Statements	154
	Appendix B – Significant Accounting Policies	158
	Income Notes	
Note 50.	Payment for Expenses on Behalf of the Territory – Territorial	138
Note 51.	Taxes, Fees and Fines – Territorial	138
	Expenses Notes	
Note 52.	Grants and Purchased Services – Territorial	139
Note 53.	Transfer to Government – Territorial	140
Note 54.	Other Expenses – Territorial	140
Note 55.	Waivers, Impairment Losses and Write-offs - Territorial	140
	Assets Notes	
Note 56.	Cash and Cash Equivalents – Territorial	141
Note 57.	Receivables – Territorial	142
Note 58.	Other Assets – Territorial	143
	Liabilities Notes	
Note 59.	Payables – Territorial	143
Note 60.	Other Liabilities – Territorial	144
	Other Notes	
Note 61.	Disaggregated Income & Expense – Territorial	145
Note 62.	Restructure of Administrative Arrangements – Territorial	146
Note 63.	Cash Flow Reconciliation – Territorial	147
Note 64.	Financial Instruments – Territorial	148
Note 65.	Commitments – Territorial	150
Note 66.	Contingent Liabilities and Contingent Assets – Territorial	150
Note 67.	Events Occurring after Balance Date – Territorial	151
Note 68.	Related Party Disclosures – Territorial	151
Note 69.	Budgetary Reporting	151

Reference	Commentary – Territorial Note Index
	<p>Presentation of Notes</p> <p>It is not compulsory to have an index to the notes to the financial statements, however, it is recommended as this helps users to quickly access a particular note. Notes in the financial statements must be presented in a systematic manner and each item on a financial statement must be cross-referenced to any directly related information in the notes.</p> <p>Page numbers are used in the Models for ease of reference. Agencies are not required to include page numbers in the Note Index due to the difficulty in knowing what page numbers the financial statement will have in the Annual Report.</p> <p>The notes to the financial statements are to provide details of each class of income, expense, asset and liability. Each note should disclose all material line items within that class.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 49. SIGNIFICANT ACCOUNTING POLICIES – TERRITORIAL		
	All the Agency’s accounting policies are contained in the Appendices A and B referred to in Note 2 <i>Significant Accounting Policies</i> . The policies outlined in Note 2 Appendices A and B apply to both the Controlled and Territorial financial statements.		
Reference	NOTE 50. PAYMENT FOR EXPENSES ON BEHALF OF THE TERRITORY – TERRITORIAL		
	Under the <i>Financial Management Act 1996</i> , the Agency receives this appropriation to fund a number of expenses incurred on behalf of the Territory, the main one being the payment of grants to various non-government organisations (See Note 52 <i>Grants and Purchased Services - Territorial</i>).		
		2019	2018
		\$’000	\$’000
	Payment for Expenses on Behalf of the Territory	30,513	28,603
	Total Payment for Expenses on Behalf of the Territory	30,513	28,603
	NOTE 51. TAXES, FEES AND FINES – TERRITORIAL		
	Taxes		
	Motor Vehicle Registrations	73,977	71,873
	Drivers’ Licences	7,346	6,850
	Other Taxes	2,835	2,560
	Total Taxes	84,158	81,283
	Fees		
	Fees for Regulatory Services	17,226	15,755
	Other Fees	2,757	2,210
	Total Fees	19,983	17,965
	Fines		
	Traffic Fines	11,782	9,770
	Parking Fines	8,586	7,950
	Total Fines	20,368	17,720
	Total Taxes, Fees and Fines	124,509	116,968
ACT Disclosure Policy	Commentary – Note 51: Taxes, Fees and Fines – Territorial The break-up of Taxes, Fees and Fines shown here is an example only. As Taxes, Fees and Fines collected are generally unique to each agency, the break-up of this note disclosure will differ between agencies. Agencies will need to disclose relevant line items of Taxes, Fees and Fines that apply to them. It is ACT Disclosure policy that all material line items within Taxes, Fees and Fines be separately disclosed in this note.		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 52. GRANTS AND PURCHASED SERVICES – TERRITORIAL		
	<p>Under the <i>Financial Management Act 1996</i> payments to territory authorities not able to receive appropriations directly, can be made through an Agency’s territorial account, and are recorded as ‘Transfer Payments to ACT Government Agencies’.</p> <p>Grants are amounts provided, by the Agency, to ACT Government agencies and non-ACT Government agencies for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and the category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.</p>		
		2019	2018
		\$’000	\$’000
	Transfer Payments to ACT Government Agencies		
	‘Example Heritage Authority’	2,800	2,607
	‘Example Land Management Authority’	5,201	4,843
	Total Transfer Payments to ACT Government Agencies	8,001	7,450
	Recurrent Grants to Non-ACT Government Agencies		
	Environment Management Organisations	4,109	3,737
	Community Heritage Organisations	2,213	2,013
	Total Recurrent Grants to Non-ACT Government Agencies	6,322	5,750
	Capital Grants to Non-ACT Government Agencies		
	Environment Management Organisations	10,455	9,483
	Community Heritage Organisations	5,630	5,106
	Total Capital Grants to Non-ACT Government Agencies	16,085	14,589
	Total Grants and Purchased Services	30,408	27,789
AASB 1050.22	<p>Commentary – Note 52: Grants and Purchased Services – Territorial</p> <p>The breakup of grants and purchased services included here are of a general nature, as they will differ between each agency. Under AASB 1050 <i>Administered Items</i>, details of the broad categories of recipients and the amounts transferred to those recipients need to be disclosed in this note. Individual names of grant recipients are not required, however, an appropriate broad category description should be provided so that the users of the financial statements can understand the nature and amount of grants being administered by ‘Example Agency’. For example, the Model identifies a broad category titled ‘Environment Management Organisations’ rather than disclosing the numerous individual organisations which are in this category.</p>		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 53. TRANSFER TO GOVERNMENT – TERRITORIAL		
	<p>‘Transfer to Government’ represents the transfer of money, which the Agency has collected on behalf of the Territory, to Government. The money collected by the Agency on behalf of the Territory includes Commonwealth Government Grants, rates, taxes, fees and fines.</p>		
		2019 \$’000	2018 \$’000
	Payments to the Territory Banking Account	123,614	116,968
	Total Transfer to Government	123,614	116,968

	NOTE 54. OTHER EXPENSES – TERRITORIAL	
	Impairment Loss from Receivables	895714
	Refund of Taxes	65
	Other	9995
	Total Other Expenses	1,000814

	NOTE 55. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS – TERRITORIAL			
FMA Section 131 (1)(a)	Under Section 131 of the <i>Financial Management Act 1996</i> the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. The Treasurer waived loans owing to the Agency from third parties in this financial year.			
	The waivers, impairment losses and write-offs listed below have occurred during the reporting period for the Agency.			
		2019		2018
	No.	\$'000	No.	\$'000
Waivers				
Stimulus Waivers	2	10	2	11
Other Waivers	1	4	-	-
Total Waivers	3	14	2	11
Impairment Losses				
Impairment Loss on Receivables				
Trade Receivables		595		489
Other Trade Receivables		300		225
AASB 7.20(e) Total Impairment Loss on Receivables		895		714
Total Impairment Losses		895	2	714
Write-offs				
ACT Disclosure Policy Losses or Deficiencies in Public Monies	2	3	2	4
ACT Disclosure Policy Irrecoverable Debts	20	82	24	80
Total Write-offs	22	85	26	84
Total Waivers, Impairment Losses and Write-offs	25	994	28	809

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 55 Waivers, Impairment Losses and Write-offs – Territorial -Continued
	<p>Commentary – Note 55: Waivers, Impairment Losses and Write-Offs -Territorial</p> <p>A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Agency to recover the amount. The write-off of debts may occur for reasons other than waivers.</p> <p>FMA Section 131 (3) Section 131 of the FMA requires that a waiver relating to an amount payable to the Territory shall be reported in the notes to the financial statements of the relevant agency that relate to the year in which the right to payment was waived.</p> <p>ACT Disclosure Policy The disclosures required by this note are material by nature and disclosure is required regardless of the amount of the waiver.</p> <p>ACT Disclosure Policy If an agency has waivers associated with a government policy, then the note should provide details by policy type. Individual recipients of waivers should not be identified unless they have agreed to such disclosure.</p> <p>Losses or Deficiencies in Public Monies</p> <p>ACT Disclosure Policy The ‘Losses or Deficiencies in Public Monies’ line item will include a number of different items including, but not limited to, the following:</p> <ul style="list-style-type: none"> • decrease in monies due to fraud; • monies which cannot be accounted for; and • monies which have been lost. <p>Chief Minister’s Annual Report Directions The Chief Minister’s Annual Report Directions requires further disclosure of fraud in the Annual Report.</p> <p>AASB 7.35M-N,BH-J For contractual territorial receivables agencies should also develop an expected credit loss provision matrix for territorial receivables similar to the one shown at Note 23 <i>Receivables</i> in the Controlled Financial Statements.</p>

Reference	NOTE 56. CASH AND CASH EQUIVALENTS – TERRITORIAL																
	<table> <tr> <th></th><th>2019</th><th>2018</th></tr> <tr> <th></th><th>\$’000</th><th>\$’000</th></tr> <tr> <td>Cash on Hand</td><td>3</td><td>3</td></tr> <tr> <td>Cash at Bank</td><td>7,949</td><td>6,984</td></tr> <tr> <td>Total Cash and Cash Equivalents</td><td>7,952</td><td>6,987</td></tr> </table> <p>Under whole-of-government banking arrangements, interest is not earned on cash at bank held with the Territorial Bank Account.</p>		2019	2018		\$’000	\$’000	Cash on Hand	3	3	Cash at Bank	7,949	6,984	Total Cash and Cash Equivalents	7,952	6,987	
	2019	2018															
	\$’000	\$’000															
Cash on Hand	3	3															
Cash at Bank	7,949	6,984															
Total Cash and Cash Equivalents	7,952	6,987															

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 57. RECEIVABLES -TERRITORIAL					
			2019	2018		
			\$'000	\$'000		
	Current Receivables					
	Trade Receivables		6,499	6,392		
	Less: Allowance for Impairment Losses		(1,499)	(904)		
			5,000	5,488		
	Other Trade Receivables		2,198	1,733		
	Less: Allowance for Impairment Losses		(600)	(300)		
			1,598	1,433		
	Net GST Receivable		150	100		
	Other Current Receivables		366	326		
	Total Current Receivables		7,114	7,347		
	Total Receivables		7,114	7,347		
	Ageing of Receivables					
			Overdue			
	Not Overdue		Less than	Greater than 60	Total	
			30 Days	Days		
	\$'000		\$'000	\$'000	\$'000	
	2019					
	Not Impaired ¹					
	Receivables	5,610	1,382	69	53	7,114
	Impaired					
	Receivables	-	-	1,784	315	2,099
	2018					
	Not Impaired ¹					
	Receivables	5,413	1,583	190	161	7,347
	Impaired					
	Receivables	-	-	1,023	181	1,204
	1) 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables). The Agency does not hold any collateral for receivables that are overdue or determined to be impaired.					
	Reconciliation of the Allowance for Impairment Losses					
	Allowance for Impairment Losses at the Beginning of the Reporting Period		1,204	532		
	Additional Allowance Recognised During the Reporting Period		935	744		
	Reduction in Allowance from amounts Recovered During the Reporting Period		-	(42)		
	Reduction in Allowance from amounts Written off During the Reporting Period		(40)	(30)		
	Allowance for Impairment Losses at the End of the Reporting Period		2,099	1,204		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 57. RECEIVABLES – TERRITORIAL - CONTINUED		
		2019	2018
		\$'000	\$'000
ACT Accounting Policy	Classification of ACT Government/Non-ACT Government Receivables		
	Receivables with Non-ACT Government Entities		
	Net Trade Receivables	5,000	5,488
	Net Other Trade Receivables	1,598	1,433
	Net Goods and Services Tax Receivable	150	100
	Other Receivables	366	326
	Total Receivables with Non-ACT Government Entities	7,114	7,347
	Total Receivables	7,114	7,347
ACT Disclosure Policy	Commentary – Note 57: Receivables – Territorial		
	An agency is not required to include disclosures associated with ageing of their receivables where it has no receivables that are past due or impaired. They can simply state that ‘No receivables are past due or impaired.’		
	The agency has a net GST receivable. A net GST receivable will occur in almost all territorial financial statements as no GST is required to be remitted to the Australian Taxation Office for Payment for Expenses on Behalf of the Territory (EBT) funding or for taxes, fees and fines, however, agencies will receive input tax credits for grants and purchased services provided.		
	If a net GST payable arises then this amount would be disclosed at Note 58 60 Payables - Territorial rather than in this receivables note.		
	An agency shall disclose the amount of any impairment loss recognised for each class of financial asset (including receivables).		
	For contractual territorial receivables agencies should develop an expected credit loss provision matrix for territorial receivables similar to the one shown at Note 23 Receivables.		

	NOTE 58. OTHER ASSETS – TERRITORIAL		
	Current Other Assets		
	Prepayments	573	173
	Other	71	71
	Total Current Other Assets	644	244
	Total Other Assets	644	244

	NOTE 59. PAYABLES – TERRITORIAL		
	Current Payables		
	Trade Payables	6,290	6,150
	Other Payables	178	283
	Payable to the Territory Banking Account	7,892	6,900
	Total Current Payables	14,360	13,333
	Total Payables	14,360	13,333

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 59. PAYABLES – TERRITORIAL CONTINUED	2019 \$'000	2018 \$'000
ACT Disclosure Policy	Payables are Aged as Follows: Not Overdue 11,134 11,583 Overdue for Less than 30 Days 2,704 1,450 Overdue for 30 to 60 Days 522 300 Overdue for More than 60 Days - - Total Payables 14,360 13,333		
ACT Disclosure Policy	Classification of ACT Government/Non-ACT Government Payables Payables with Other ACT Government Agencies Payable to Territory Banking Account 7,892 6,900 Total Payables with Other ACT Government Agencies 7,892 6,900 Payables with Non-ACT Government Entities Trade Payables 6,290 6,150 Other Payables 178 283 Total Payables with Non-ACT Government Entities 6,468 6,433 Total Payables 14,360 13,333		
ACT Disclosure Policy	Commentary – Note 59: Payables – Territorial <p>An agency is not required to include disclosures associated with ageing of their payables where no payables are overdue. They can simply state that ‘No payables are overdue.’</p> <p>The agency has a net GST Receivable that is shown in Note 57 <i>Receivables - Territorial</i>. In most cases agencies will have a net GST Receivable. However, if a net GST Payable arises then this amount would be disclosed in this Payables note.</p>		
Government Procurement Act Section 44 & 45	<p>The <i>Government Procurement Act 2001</i> requires interest to be paid where a commercial account is not paid in full by the 25th day of the month after the month in which the payment is due. Therefore agencies should ensure accounts are paid before interest becomes payable.</p>		

	NOTE 60. OTHER LIABILITIES – TERRITORIAL		
	Current Other Liabilities Revenue Received in Advance 1,147 1,048 Provision for Refund of Taxes 203 197 Total Current Other Liabilities 1,350 1,245 Total Other Liabilities 1,350 1,245		

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 61. DISAGGREGATED INCOME AND EXPENSE – TERRITORIAL										
AASB 1050.7(a) ii & 7 (b) ii	The following table sets out the Agency’s Territorial Income and Expense disaggregated on an output class basis:										
		Output Class 1- Management of Land		Output Class 2 – Municipal Services		Output Class 3 – Environment and Heritage		General/ Not Attributable		Total	
		Actual 2019 \$’ 000	Actual 2018 \$’000	Actual 2019 \$’000	Actual 2018 \$’000	Actual 2019 \$’000	Actual 2018 \$’000	Actual 2019 \$’000	Actual 2018 \$’000	Actual 2019 \$’000	Actual 2018 \$’000
	Territorial Income										
	Payment for Expenses on Behalf of the Territory	-	-	-	-	30,513	28,603	-	-	30,513	28,603
	Taxes, Fees and Fines	2,757	2,210	121,752	114,758	-	-	-	-	124,509	116,968
	Total Territorial Income	2,757	2,210	121,752	114,758	30,513	28,603	-	-	155.022	145,571
	Territorial Expenses										
	Grants and Purchased Services	-	-	-	-	30,408	27,789	-	-	30,408	27,789
	Transfer to Government	2,737	2,210	120,877	114,758	-	-	-	-	123,614	116,968
	Other Expenses			901	719	-	-	99	95	1,000	814
	Total Territorial Expenses	2,737	2,210	121,778	115,477	30,408	27,789	99	95	155,022	145,571
Commentary – Note 61: Disaggregated Income & Expense – Territorial											
An agency may be responsible for levying and collecting taxes, fees and fines, paying grants and other transfer payments. These actions may result in income and expenses which the agency does not control (i.e. income and expenses on behalf of the Territory). AASB 1050 Administered Items requires Territorial income and expenses to shown by activity (output class) where they can be reliably attributed. Amounts not reliably attributable to an output class should also be shown. This note is only required where an Agency has more than 1 output class.											
AASB 1050 7(c) & (d)	A disaggregated disclosure note for territorial assets and liabilities is not required.										

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 62. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – TERRITORIAL																												
AASB 1004.57	<p>Restructures of Administrative Arrangements 2018-19</p> <p>On 7 January 2019, a restructuring of administrative arrangements occurred between ‘Example Agency’ and ABC Directorate involving a Heritage and Environment division. Please refer to <i>Note 39: Restructure of Administrative Arrangements</i> for details of this transfer</p> <p>The following table shows the territorial income and expenses associated with the Heritage and Environment division recognised by ‘Example Agency’ for the year ended 30 June 2019. It also shows the income and expenses relating to when the division belonged to ABC Directorate. These income and expense figures were supplied by ABC Directorate and as such have been relied upon by ‘Example Agency’. Finally, the table shows the total territorial income and expenses of the division for the whole financial year.</p> <table><tr><th></th><th>Amounts Relating to when Function was held by ABC Directorate July 2018 to Jan 2019 \$’000</th><th>Amounts Relating to when Function was held by ‘Example Agency’ Jan 2019 to June 2019 \$’000</th><th>Total 2019 \$’000</th></tr><tr><td>Income</td><td></td><td></td><td></td></tr><tr><td>Payment for Expenses on Behalf of the Territory</td><td>8, 217</td><td>8,033</td><td>16,250</td></tr><tr><td>Total Revenue</td><td>8,217</td><td>8,033</td><td>16,250</td></tr><tr><td>Expenses</td><td></td><td></td><td></td></tr><tr><td>Grants and Purchased Services</td><td>8,200</td><td>7,900</td><td>16,100</td></tr><tr><td>Total Expenses</td><td>8,200</td><td>7,900</td><td>16,100</td></tr></table> <p>Details of the Assets and Liabilities transferred are presented below.</p>		Amounts Relating to when Function was held by ABC Directorate July 2018 to Jan 2019 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ Jan 2019 to June 2019 \$’000	Total 2019 \$’000	Income				Payment for Expenses on Behalf of the Territory	8, 217	8,033	16,250	Total Revenue	8,217	8,033	16,250	Expenses				Grants and Purchased Services	8,200	7,900	16,100	Total Expenses	8,200	7,900	16,100
	Amounts Relating to when Function was held by ABC Directorate July 2018 to Jan 2019 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ Jan 2019 to June 2019 \$’000	Total 2019 \$’000																										
Income																													
Payment for Expenses on Behalf of the Territory	8, 217	8,033	16,250																										
Total Revenue	8,217	8,033	16,250																										
Expenses																													
Grants and Purchased Services	8,200	7,900	16,100																										
Total Expenses	8,200	7,900	16,100																										
AASB 1004.57	<p>Restructures of Administrative Arrangements 2016-17</p> <p>On 1 June 2018, a restructuring of administrative arrangements occurred between ‘Example Agency’ and XYZ Directorate involving a Heritage division. Please refer to <i>Note 39 Restructure of Administrative Arrangements</i> for details of this transfer.</p> <p>Income and Expenses</p> <p>The following table shows the territorial income and expense items associated with the Heritage division recognised by ‘Example Agency’ for the year ended 30 June 2018. It also shows the income and expenses relating to when the division belonged to XYZ Directorate. These income and expense figures were supplied by XYZ Directorate and as such have been relied upon by ‘Example Agency’. Finally, the table shows the total income and expenses of the division for the whole financial year.</p> <table><tr><th></th><th>Amounts Relating to when Function was held by the XYZ Directorate July 2017 to May 2018 \$’000</th><th>Amounts Relating to when Function was held by ‘Example Agency’ June 2018 to June 2018 \$’000</th><th>Total 2018 \$’000</th></tr><tr><td>Revenue</td><td></td><td></td><td></td></tr><tr><td>Payment for Expenses on Behalf of the Territory</td><td>1,612</td><td>147</td><td>1,759</td></tr><tr><td>Total Revenue</td><td>1,612</td><td>147</td><td>1,759</td></tr><tr><td>Expenses</td><td></td><td></td><td></td></tr><tr><td>Grants and Purchased Services</td><td>1,598</td><td>140</td><td>1,738</td></tr><tr><td>Total Expenses</td><td>1,598</td><td>140</td><td>1,759</td></tr></table>		Amounts Relating to when Function was held by the XYZ Directorate July 2017 to May 2018 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ June 2018 to June 2018 \$’000	Total 2018 \$’000	Revenue				Payment for Expenses on Behalf of the Territory	1,612	147	1,759	Total Revenue	1,612	147	1,759	Expenses				Grants and Purchased Services	1,598	140	1,738	Total Expenses	1,598	140	1,759
	Amounts Relating to when Function was held by the XYZ Directorate July 2017 to May 2018 \$’000	Amounts Relating to when Function was held by ‘Example Agency’ June 2018 to June 2018 \$’000	Total 2018 \$’000																										
Revenue																													
Payment for Expenses on Behalf of the Territory	1,612	147	1,759																										
Total Revenue	1,612	147	1,759																										
Expenses																													
Grants and Purchased Services	1,598	140	1,738																										
Total Expenses	1,598	140	1,759																										

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 62. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – TERRITORIAL CONTINUED		
	Assets and Liabilities		
	The territorial assets and liabilities transferred as part of the restructuring of administrative arrangements at the dates of transfer were as follows:		
		Transferred Amounts 2018-19 \$'000	Transferred Amounts 2017-18 \$'000
	Assets		
	Cash and Cash Equivalents	1,650	50
	Receivables	120	10
	Total Assets Transferred	1,770	60
	Liabilities		
	Payables	1,770	60
	Total Liabilities Transferred	1,770	60
	Total Net Assets Transferred	-	-

Reference	NOTE 63. CASH FLOW RECONCILIATION – TERRITORIAL																																												
	<p>(a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement on Behalf of the Territory to the Related Items in the Statement of Assets and Liabilities on Behalf of the Territory</p> <table><thead><tr><th></th><th>2019 \$'000</th><th>2018 \$'000</th></tr></thead><tbody><tr><td>Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory</td><td>7,952</td><td>6,987</td></tr><tr><td>Bank Overdraft</td><td>-</td><td>-</td></tr><tr><td>Cash at the End of the Reporting Period as Recorded in the Cash Flow Statement on behalf of the Territory</td><td>7,952</td><td>6,987</td></tr></tbody></table> <p>(b) Reconciliation of the Operating Surplus/(Deficit) to Net Cash Inflows from Operating Activities</p> <table><tbody><tr><td>Operating Surplus/(Deficit)</td><td>-</td><td>-</td></tr><tr><td>Add/(Less) Non-Cash Items</td><td>-</td><td>-</td></tr><tr><td>Cash Before Changes in Operating Assets and Liabilities</td><td>-</td><td>-</td></tr><tr><td colspan="3">Changes in Operating Assets and Liabilities</td></tr><tr><td>(Increase)/Decrease in Receivables</td><td>233</td><td>(62)</td></tr><tr><td>(Increase)/Decrease in Other Assets</td><td>(400)</td><td>(366)</td></tr><tr><td>Increase/(Decrease) in Payables</td><td>1,027</td><td>1,350</td></tr><tr><td>Increase/(Decrease) in Other Liabilities</td><td>105</td><td>65</td></tr><tr><td>Net Changes in Operating Assets and Liabilities</td><td>965</td><td>987</td></tr><tr><td>Net Cash Inflows from Operating Activities</td><td>965</td><td>987</td></tr></tbody></table>				2019 \$'000	2018 \$'000	Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	7,952	6,987	Bank Overdraft	-	-	Cash at the End of the Reporting Period as Recorded in the Cash Flow Statement on behalf of the Territory	7,952	6,987	Operating Surplus/(Deficit)	-	-	Add/(Less) Non-Cash Items	-	-	Cash Before Changes in Operating Assets and Liabilities	-	-	Changes in Operating Assets and Liabilities			(Increase)/Decrease in Receivables	233	(62)	(Increase)/Decrease in Other Assets	(400)	(366)	Increase/(Decrease) in Payables	1,027	1,350	Increase/(Decrease) in Other Liabilities	105	65	Net Changes in Operating Assets and Liabilities	965	987	Net Cash Inflows from Operating Activities	965	987
	2019 \$'000	2018 \$'000																																											
Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	7,952	6,987																																											
Bank Overdraft	-	-																																											
Cash at the End of the Reporting Period as Recorded in the Cash Flow Statement on behalf of the Territory	7,952	6,987																																											
Operating Surplus/(Deficit)	-	-																																											
Add/(Less) Non-Cash Items	-	-																																											
Cash Before Changes in Operating Assets and Liabilities	-	-																																											
Changes in Operating Assets and Liabilities																																													
(Increase)/Decrease in Receivables	233	(62)																																											
(Increase)/Decrease in Other Assets	(400)	(366)																																											
Increase/(Decrease) in Payables	1,027	1,350																																											
Increase/(Decrease) in Other Liabilities	105	65																																											
Net Changes in Operating Assets and Liabilities	965	987																																											
Net Cash Inflows from Operating Activities	965	987																																											
	<p>Commentary – Note 63: Cash Flow Reconciliation – Territorial</p> <p>Agencies must include the:</p> <ul style="list-style-type: none">• ‘Operating Surplus/(Deficit)’ line item;• ‘Add/(Less) Non-Cash Items’ line item; and• ‘Cash Before Changes in Operating Assets and Liabilities’ line item; <p>in the cash flow reconciliation regardless of whether there are figures against them.</p>																																												

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 64. FINANCIAL INSTRUMENTS – TERRITORIAL																																																				
	<p>Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 49 <i>Significant Accounting Policies - Territorial</i>.</p> <p>Interest Rate Risk</p> <p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>The Agency currently has all of its financial assets and financial liabilities held in non-interest bearing arrangements. This means that the Agency is not exposed to any movements in interest rates, and as such does not have any interest rate risk.</p> <p>A sensitivity analysis has not been undertaken for the interest rate risk of the Agency as it is not exposed to any movements in interest rates.</p> <p>Credit Risk</p> <p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency’s credit risk is limited to the amount of the financial assets held less any provision for losses. The Agency expects to collect all financial assets that are not past due or impaired. There is no collateral held as security for financial assets. As credit risk is managed by the Agency for receivables by undertaking an analysis of the concentration of credit risk to ensure it is not too high, and receivables are dispersed amongst a large number of debtors, there is no significant concentration of credit risk that has been identified by the Agency for Territorial financial assets.</p> <p>The Agency also manages the credit risk for receivables by undertaking an assessment of the credit worthiness of larger debtors. There has been no change in the Agency’s credit risk exposure since the previous reporting period.</p> <p>Liquidity Risk</p> <p>Liquidity risk is the risk that the Agency will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Agency ensures that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. Also, where necessary the Agency has the ability to request additional appropriation in order to meet its territorial payables. This ensures the Agency has enough liquidity to meet its emerging financial liabilities. See the maturity analysis below for further details of when financial assets and liabilities mature.</p> <p>The Agency’s exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.</p> <p>Price Risk</p> <p>Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Agency is not exposed to any price risk.</p> <p>Fair Value of Financial Assets and Liabilities</p> <p>The carrying amounts and fair values of financial assets and liabilities at balance date are:</p> <table> <tr> <th></th><th>Note No.</th><th>Carrying Amount 2019 \$’000</th><th>Fair Value 2019 \$’000</th><th>Carrying Amount 2018 \$’000</th><th>Fair Value 2018 \$’000</th></tr> <tr> <td colspan="6">Financial Assets</td></tr> <tr> <td>Cash and Cash Equivalents</td><td>56</td><td>7,952</td><td>7,952</td><td>6,987</td><td>6,987</td></tr> <tr> <td>Receivables</td><td>57</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> <tr> <td>Total Financial Assets</td><td></td><td>7,952</td><td>7,952</td><td>6,987</td><td>6,987</td></tr> <tr> <td colspan="6">Financial Liabilities</td></tr> <tr> <td>Payables</td><td>59</td><td>14,360</td><td>14,360</td><td>13,333</td><td>13,333</td></tr> <tr> <td>Total Financial Liabilities</td><td></td><td>14,360</td><td>14,360</td><td>13,333</td><td>13,333</td></tr> </table>						Note No.	Carrying Amount 2019 \$’000	Fair Value 2019 \$’000	Carrying Amount 2018 \$’000	Fair Value 2018 \$’000	Financial Assets						Cash and Cash Equivalents	56	7,952	7,952	6,987	6,987	Receivables	57	-	-	-	-	Total Financial Assets		7,952	7,952	6,987	6,987	Financial Liabilities						Payables	59	14,360	14,360	13,333	13,333	Total Financial Liabilities		14,360	14,360	13,333	13,333
	Note No.	Carrying Amount 2019 \$’000	Fair Value 2019 \$’000	Carrying Amount 2018 \$’000	Fair Value 2018 \$’000																																																
Financial Assets																																																					
Cash and Cash Equivalents	56	7,952	7,952	6,987	6,987																																																
Receivables	57	-	-	-	-																																																
Total Financial Assets		7,952	7,952	6,987	6,987																																																
Financial Liabilities																																																					
Payables	59	14,360	14,360	13,333	13,333																																																
Total Financial Liabilities		14,360	14,360	13,333	13,333																																																

AASB 132
AG12

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 64. FINANCIAL INSTRUMENTS – TERRITORIAL - CONTINUED								
AASB 7.34(a) & 39(a) & ACT Disclosure Policy	The following tables set out the Agency’s maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2019. All financial assets and liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.								
AASB 7.B11				Fixed Interest maturing in:					
			Weighted Average Interest Rate	Floating Interest Rate	1 Year or Less	Over 1 Years to 5	Over 5 Years	Non-Interest Bearing	Total
		Note No.	Rate	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2019								
	Financial Instruments								
	Financial Assets								
	Cash and Cash Equivalents	56		-	-	-	-	7,952	7,952
	Receivables	57		-	-	-	-	-	-
	Total Financial Assets			-	-	-	-	7,952	7,952
	Financial Liabilities								
	Payables	59		-	-	-	-	14,360	14,360
	Total Financial Liabilities			-	-	-	-	14,360	14,360
	Net Financial Assets/(Liabilities)			-	-	-	-	(6,408)	(6,408)
	2018								
	Financial Instruments								
	Financial Assets								
	Cash and Cash Equivalents	56		-	-	-	-	6,987	6,987
	Receivables	57		-	-	-	-	-	-
	Total Financial Assets			-	-	-	-	6,987	6,987
	Financial Liabilities								
	Payables	59		-	-	-	-	13,333	13,333
	Total Financial Liabilities			-	-	-	-	13,333	13,333
	Net Financial Assets/(Liabilities)			-	-	-	-	(6,346)	(6,346)

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	NOTE 64. FINANCIAL INSTRUMENTS – TERRITORIAL - CONTINUED	2019 \$'000	2018 \$'000
	Carrying Amount of Each Class of Financial Asset and Financial Liability:		
	Financial Assets		
	Loans and Receivables	-	-
	Financial Liabilities		
	Financial Liabilities Measured at Amortised Cost	14,360	13,333
	Gains on Each Class of Financial Asset and Financial Liability:		
	Gains on Financial Assets		
	Loans and Receivables	-	-
	Gains on Financial Liabilities		
	Financial Liabilities Measured at Amortised Cost	-	-
	Fair Value Hierarchy		
	‘Example Agency’ Territorial does not have any financial assets or financial liabilities on behalf of the Territory at fair value. As such no Fair Value Hierarchy disclosures have been made.		
	Commentary – Note 64. Financial Instruments - Territorial		
AASB 132.AG 12	Liabilities and assets that are not contractual (such as income taxes and GST receivables created as a result of statutory requirements imposed by governments), are not financial liabilities or financial assets. As such, non-contractual receivables are not included in the financial instruments note. Where there are non-contractual receivables, the total amount of receivables in the receivables note will not equal the receivables in the financial instruments note.		
ACT Disclosure Policy	Where an agency does not have any financial assets or financial liabilities maturing beyond the following financial year, it is not required to include a maturity analysis.		

NOTE 65. COMMITMENTS – TERRITORIAL		
Other Commitments		
Other Commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:		
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
Total Other Commitments	-	-
Commentary – Note 65: Commitments - Territorial		
If the agency has Territorial Commitments, then these commitments should be shown inclusive of GST, and the agency should include the line ‘All amounts shown in the commitment note are inclusive of GST’ at the bottom of its note.		
If there are no commitments to be reported the whole note should be deleted, as no nil disclosure is required.		

	NOTE 66. CONTINGENT LIABILITIES AND CONTINGENT ASSETS – TERRITORIAL
	As at 30 June 2019 there were four outstanding legal cases against ‘Example Agency’ involving refunds of approximately \$750,000 in municipal fees. ‘Example Agency’s’ legal advice is that these cases do not have reasonable prospects of success.

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE 67. EVENTS OCCURRING AFTER BALANCE DATE – TERRITORIAL
AASB 110.21(a)	On 1 July 2019, the Executive approved an administrative arrangement that involved restructuring the Agency by moving its land and planning division to ‘Receiving Directorate’. The movement of the land and planning division was undertaken because the function was more closely aligned with the existing functions of ‘Receiving Directorate’. The financial effect of the administrative arrangement is not reflected in the financial statements.
AASB 110.21(b)	The annual estimate of raising taxes, fees and fines for the Territory transferred between the Agency and ‘Receiving Directorate’ after balance date was \$2.8m

Reference	NOTE 68. RELATED PARTY DISCLOSURES - TERRITORIAL
	Refer to Note 47 Related Party Disclosures for model disclosure format.

Reference	NOTE 69. BUDGETARY REPORTING – TERRITORIAL					
		Actual 2018-19 \$’000	Original Budget¹ 2018-19 \$’000	Variance \$’000	Variance %	Variance Explanation
	Statement of Income and Expenses Behalf of The Territory Line Items					
	nil					[No major variances]
	Statement of Assets and Liabilities o Behalf of The Territory Line Items					
	Cash and Cash Equivalents	7,952	2,673	5,279	197.5	[Insert major variance explanation]
	Current Receivables	7,114	8,668	(1,554)	(17.9)	[Insert major variance explanation]
	Current Payables	14,360	10,867	3,493	32.1	[Insert major variance explanation]
	Statement of Changes in Equity on Behalf of the Territory					
	These line items are covered in other financial statements					
	Cash Flow Statement on Behalf of the Territory Line Items					
	Cash and Cash Equivalents at the Beginning of the Reporting Period	6,987	1,874	5,113	272.8	[Insert major variance explanation]
	¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.					
	Note: # in the Line Item Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.					

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Note 69. Budgetary Reporting – Territorial – Continued
	<p>Commentary Note 69 Budgetary Reporting – Territorial</p> <p>AASB 1055 <i>Budgetary Reporting</i> sets out the budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS). AASB 1055 does not apply to for-profit agencies. However, it is ACT Disclosure Policy that for-profit Territory Authorities also adopt AASB 1055 for reporting purposes. Disclosures under AASB 1055 are intended to provide users with information relevant to assessing the financial performance of an agency. The main user is considered to be the Legislative Assembly.</p> <p>When a directorate’s or territory authority’s budgeted financial statements are presented to the Legislative Assembly and are separately identified, that directorate or Territory Authority will need to disclose for the reporting period:</p> <ul style="list-style-type: none"> • The original budget figures as presented to the Legislative Assembly, in a form that is consistent with the agency’s annual financial statements; and • Explanations of major variances between actual amounts presented in the financial statements and the corresponding individual original budget amounts. <p>It is ACT Disclosure Policy that budgetary reporting be disclosed for territorial as well as controlled.</p> <p>Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period Budget Statements. These amounts are not adjusted to reflect revised budgets (resulting from supplementary appropriations or administrative arrangements or other instruments authorised under the provisions of the <i>Financial Management Act 1996</i>). Explanations associated with revised budgets, particularly administrative arrangement changes, are to be reflected in the Management Discussion and Analysis which provides a high level overview of the financial results of an entity and the factors underlying the development, performance and position of the entity’s business during the reporting period</p> <p>Under the provisions of AASB 1055, where the original budget is revised by a supplementary budget that is presented to the Legislative Assembly, the revised budget may be disclosed in the financial statements in addition to the original budget and might need to be referred to in explanations of major variances.</p> <p>The explanations of major variances required to be disclosed are those relevant to an assessment of the discharge of accountability and to an analysis of the performance of an entity, and should not merely focus on the numerical differences between original budget and actual amounts. They include high-level explanations of the causes of major variances rather than merely the nature of the variances.</p> <p>Variances from comparative budget information in respect of the previous period need not be disclosed.</p> <p>Variances for the Statement of Changes in Equity do not have to be disclosed because these line items are also contained in other financial statements.</p> <p>Explanations of major variances at the Output Class level are not required.</p>

‘EXAMPLE AGENCY’
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - TERRITORIAL
FOR THE YEAR ENDED 30 JUNE 2019

Reference	Commentary Note 69 Budgetary Reporting – Territorial continued
	<p>Definition of Major Variances</p> <p>Variances are considered to be major variances if both of the following criteria are met:</p> <p>(a) The line item is a significant line item: where either the line item actual amount accounts for <u>more than</u> 10% of the relevant associated category (Income, Expenses and Equity totals) or <u>more than</u> 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and</p> <p>(b) The variances (original budget to actual) are <u>greater than</u> plus (+) or minus (-) 10% of the budget for the financial statement line item.</p> <p>Explanations are required for line items only. Explanations are not required for totals. If a line item is a category in its own right (e.g. only one line item in the category) then criteria (a) is not applicable and an explanation is required if criteria (b) is met. Examples of where a line item is a category in its own right are “Share of Operating Profit from Joint Venture” and “Cash and Cash Equivalents” at the Beginning of the Reporting Period.</p> <p>The associated category for the line item is the grouping in the financial statements where the line item appears. A grouping will usually start with a bolded heading and end with a bolded total.</p> <p>The relevant bolded totals for these criteria are:</p> <p><i>Statement of Income and Expenses on Behalf of the Territory</i></p> <ul style="list-style-type: none"> • Income • Expenses <p><i>Statement of Assets and Liabilities on Behalf of the Territory</i></p> <ul style="list-style-type: none"> • Current Assets • Non-Current Assets • Current Liabilities • Non-Current Liabilities • Equity <p><i>Statement of Changes in Equity on Behalf of the Territory</i></p> <p>These line items are disclosed in other financial statements</p> <p><i>Cash Flow Statement on Behalf of the Territory</i></p> <ul style="list-style-type: none"> • Receipts from Operating Activities • Payments from Operating Activities • Receipts from Investing Activities • Payments from Investing Activities • Receipts from Financing Activities • Payments from Financing Activities <p>Not all the above bolded totals will be applicable to each agency.</p> <p>Agencies should provide to the Audit Office a work paper calculating all the variances of the financial statements, supporting which items have been disclosed as major variances. Work papers will also be required supporting the variance explanations.</p>

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The FMA and the *Financial Management Guidelines* issued under the Act, requires an agency’s financial statements to 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 Cash Flow Statement for the year;
- (v) a Statement of Appropriation for the year;
- (vi) an Operating Statement for each class of output for the year;
- (vii) the significant accounting policies adopted for the year; and
- (viii) Other statements as necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.

Reference: AASB 101.10(e), FMA 27(1) & (3), FMA 63(1) & (3), Financial Management (Periodic & Annual Financial Statements) Guidelines 2017

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

Reference: AASB 101.10(e), AASB 1054.7 & 9, FMA 27(2) & 63(2)

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except for assets held for sale, property, plant and equipment and financial instruments which are valued at fair value in accordance with (re)valuation policies applicable to the Agency during the reporting period

Reference: AASB 101.27, AASB 101.17(a)

CURRENCY

These financial statements are presented in Australian dollars, which is the Agency’s functional currency.

Reference: AASB 101.51(d)

INDIVIDUAL REPORTING ENTITY

The Agency is an individual reporting entity.

Reference: AASB 101.51(b)

CONTROLLED AND TERRITORIAL ITEMS

The Agency produces Controlled and Territorial financial statements. The Controlled financial statements include income, expenses, assets and liabilities over which the Agency has control. The Territorial financial statements include income, expenses, assets and liabilities that the Agency administers on behalf of the ACT Government, but does not control.

The purpose of the distinction between Controlled and Territorial is to enable an assessment of the Agency's performance against the decisions it has made in relation to the resources it controls, while maintaining accountability for all resources under its responsibility.

The basis of preparation described applies to both Controlled and Territorial financial statements except where specified otherwise.

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Agency for the year ended 30 June 2019 together with the financial position of the Agency as at 30 June 2019.

Reference: AASB 101.51(c)

COMPARATIVE FIGURES

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2018-19 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

Reference: FMA 27(2) & 63(2)

PRIOR YEAR COMPARATIVES

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

Reference: AASB 101.38

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

Reference: AASB 101.41

Example Agency has applied AASB 9 *Financial Instruments* retrospectively but has elected not to restate comparative information. Changes from the adoption of AASB 9 have been recognised against the opening equity at 1 July 2018.

Reference: AASB 9.7.2.15

ROUNDING

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

Reference: AASB 101.51(e) & 53

GOING CONCERN

As at 30 June 2019, 'Example Agency's current liabilities (\$58.266m) exceed its current assets (\$35,470m) by \$22,796m. However, this is not considered a liquidity risk as its cash needs are funded through appropriation by the ACT Government on a cash-needs basis. This is consistent with the whole-of-Government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

The 2018-19 financial statements have been prepared on a going concern basis as 'Example Agency' has been funded in 2019-20 Budget and the Budget Papers include forward estimates for 'Example Agency'.

Reference: ACT Treasury Directorate Finance Memorandum 2006/11
:AASB 101.25-26

APPENDIX A - COMMENTARY

The FMA requires the annual financial statements to include a statement of the accounting policies adopted by the agency and such other statements as are necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.

Reference: FMA 27(3)(c) & (d), FMA 63(3)(c)

AASB 101 *Presentation of Financial Statements* requires that significant accounting policies be presented in the notes to the financial statements. The significant accounting policies must include the measurement basis used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.

Reference: AASB 101.10(e), AASB 101.17

The notes must also include a statement that the financial statements are general-purpose financial statements and a statement as to whether the financial statements have been prepared in accordance with Australian Accounting Standards.

Reference: AASB 1054.7 & 9

In addition to the above-mandatory disclosure requirements, the commentary in the standards indicate that it may also be appropriate to indicate the relevant statutory and other requirements adopted in the preparation of the financial statements, such as compliance with the FMA. The notes should also disclose whether, for the purpose of preparing the financial statements, the agency is a for-profit or not-for-profit entity.

Reference: AASB 1054.8(a) & (b)

Where there is no accounting standard or accounting interpretation, the disclosures should focus on explaining why the policy applied ensures that relevant and reliable information is presented in the financial statements.

Reference: AASB 108.10

If a line item is not significant an agency may choose to further summarise or exclude the relevant note.

Items should only be referred to where the item is materially relevant to the Agency.

Reference: Model Financial Statement 1.6 Application –ACT Disclosure Policy

Commentary - Significant Accounting Judgements and Estimates

ASSETS AND LIABILITIES

AASB 101 requires all key assumptions concerning the future, that have a significant risk of causing material adjustments to carrying amounts of assets and liabilities within the next reporting period, to be disclosed. This disclosure will contain details of their nature and their carrying amounts as at the reporting date. The assumptions and other sources of estimation uncertainty disclosed in accordance with AASB 101.125 relate to the estimates that require management's most difficult, subjective or complex judgements.

Reference: AASB 101.125, AASB 101.127

OTHER JUDGEMENTS AND ESTIMATES

For other significant accounting judgements and estimates they will be specific to each agency (see Appendix B- Significant Accounting Policies – Notes for the Financial Statements and Appendix D - Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error).

Where an agency has made a specific significant accounting judgement or estimate this must be disclosed. For example the Superannuation Provision Accounting makes significant accounting estimates in relation to superannuation liability.

GOING CONCERN

When preparing financial statements, management shall make an assessment of the agency's ability to continue as a going concern. The general presumption for government agencies is that they will continue to perform their current functions and activities.

From time to time, the government may decide through an administrative arrangement change, or similar event, to move functions across agencies and/or and create new agencies (or more rarely cease an agency's activities or sell off an agency). Agencies should disclose where it is known they will cease to be a separate reporting entity, due to an administrative arrangements change, or similar event. An example disclosure would read "As a result of Administrative Arrangement 20X0 (No.1), notifiable instrument NI 20X0-XXX, announced on 30 May 20X0 'Example Agency' ceases as a separate reporting entity on 1 July 20X1. 'Example Agency's' functions were transferred to 'New Agency'

Reference: AASB 101. 25-26

APPENDIX B –SIGNIFICANT ACCOUNTING POLICIES

Appendix B – Significant Accounting Policies applies to both the Controlled and Territorial financial statements. Accounting policies specific to Territorial Authorities are listed below under the heading Territorial – Significant Accounting Policies.

SIGNIFICANT ACCOUNTING POLICIES – INCOME

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement.

Reference: AASB 118.9 & 35(a)

NOTE 4 - CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are recognised as revenue when the Agency gains control over the funding. Control over appropriated funds is normally obtained upon receipt of cash.

Reference: AASB 1004.32 & 37

NOTE 5 - USER CHARGES

SALE OF GOODS

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

Reference: AASB 118.14

RENDERING OF SERVICES

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

Reference: AASB 118.20

NOTE 6 - INTEREST

Interest revenue is recognised using the effective interest method.

Reference: AASB 118.29 & 30

NOTE 7 - DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT

Distribution revenue is received from investments with the Territory Banking Account. This is recognised on an accrual basis using data supplied by the Territory Banking Account.

Significant Accounting Policies – Income Continued

NOTE 8 - RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge are recorded as a revenue and expense in the Operating Statement at fair value. The revenue is separately disclosed under resources received free of charge, with the expense being recorded in the line item to which it relates. Goods and services received free of charge from ACT Government agencies are recorded as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recorded as donations. Services that are received free of charge are only recorded in the Operating Statement if they can be reliably measured and would have been purchased if not provided to the Agency free of charge.

Resources provided free of charge are recorded at their fair value in the expense line items to which they relate.

Reference: AASB 1004.44

NOTE 9 - OTHER REVENUE

DIVIDENDS

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

Reference: AASB 118.30(c)

RENTAL REVENUE

Revenue from the rental of investment properties is recognised by the Agency on a straight-line basis over the term of the lease.

REVENUE RECEIVED IN ADVANCE

Revenue received in advance is recognised as a liability (see Appendix A - Note 36 Other Liability).

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 12 - EMPLOYEE EXPENSES

Employee benefits include:

- Short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see Appendix B - Note 34 Employee Benefits if longer than 12 months) after the end of the annual reporting period in which the employees render the related services;
- Other long-term benefits such as long service leave and annual leave; and
- Termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

Reference: AASB 119.5 & 9

(See Appendix B – Note 34 Employee Benefits for accrued wages and salaries, and annual and long service leave).

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES - continued

NOTE 13 - SUPERANNUATION EXPENSES

Employees of 'Example Agency' will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) 'Example Agency' makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The "Example Agency" also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) "Example Agency" makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

Reference ACT Disclosure Policy, AASB 119.5(b) & 53

SUPERANNUATION LIABILITY RECOGNITION

For "Example Agency" employees who are members of the defined benefit CSS or PSS the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

NOTE 14 - SUPPLIES AND SERVICES

INSURANCE

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

REPAIRS AND MAINTENANCE

Maintenance expenses, which do not increase the service potential of an asset, are expensed.

OPERATING LEASES

Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES - continued

NOTE 15 - DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Reference: AASB 116.43 & 50

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

Leasehold improvements and plant and equipment under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

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

Reference: AASB 116.53

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

Class of Asset	Depreciation / Amortisation	Useful Life (Years)
Buildings	Straight Line	5-100
Leasehold Improvements	Straight Line	2-10
Plant and Equipment	Straight Line	2-20
Infrastructure	Straight Line	5-100
Externally Purchased Intangibles	Straight Line	2-5
Internal Generated Intangibles	Straight Line	2-5
Community and Heritage Assets	Straight Line	5-100

Land improvements are included with buildings.

Reference: AASB 116.73(b) & (c), AASB 138.118(a) & (b)

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

Reference: AASB 116.51

NOTE 17 - BORROWING COSTS

Borrowing costs are expensed in the period in which they are incurred.

Reference: AASB 123.Aus8.1 & Aus26.1, ACT Accounting Policy – Property Plant & Equipment

NOTE 19 - WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

WAIVERS

Debts are expensed during the year in which the right to payment was waived.

Reference: FMA 131 (3)

IMPAIRMENT LOSSES - ASSETS

Expense impairment losses of assets include: land, buildings, infrastructure, community and heritage assets, plant and equipment, leasehold improvements and intangible assets (see Appendix B - Note 27 Impairment of Assets).

IMPAIRMENT LOSSES AND WRITE-OFFS – RECEIVABLES

(See Note 23 Receivables.)

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT & NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

Reference: AASB 101.60 & 66

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF ASSETS

The Agency has made a significant estimate regarding the fair value of its assets. Land and buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure assets and some community and heritage assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

NOTE 22 - CASH AND CASH EQUIVALENTS

Cash includes cash at bank and cash on hand. Agency money held in the Territory Banking Account Cash Fund is classified as a Cash Equivalent. The 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. Bank overdrafts are included in cash and cash equivalents in the cash flow statement but not in the cash and cash equivalents line on the Balance Sheet.

Reference: AASB 107.6 & 46, AASB 7.21

NOTE 23 - RECEIVABLES

ACCOUNTS RECEIVABLES

Accounts receivable (including trade receivables and other trade receivables) are ~~initially recognised at fair value and are subsequently~~ measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement (see Appendix B - Note 19 Waivers, impairment losses and write-offs).

Reference: AASB 7.21

IMPAIRMENT LOSS – RECEIVABLES

The allowance for expected credit losses represents the amount of trade receivables and other trade receivables the Agency estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. An entity shall measure 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 (AASB 9.5.5.17).

Significant Accounting Policies – Assets Continued

NOTE 23 - IMPAIRMENT LOSS – RECEIVABLES - CONTINUED

The amount of the expected credit loss is recognised in the Operating Statement (see Appendix B - Note 19 Waivers, impairment losses and write-offs). The allowance for impairment losses are written off against the allowance account when 'Example Agency' ceases action to collect the debt when the cost recover debt is more than the debt is worth.

For trade receivables "Example Agency" applied the simplified approach under AASB 9, which uses a lifetime expected loss for all trade receivables.

A provision matrix is used to calculate the expected credit loss.

Where "Example Agency" 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 directly reducing the receivable against the loss allowance.

Reference: Model Financial Statements Guidelines: 1.6 Application - ACT Disclosure Policy refer Note 23, Appendix A and D, AASB 7.35F

LOANS RECEIVABLE

Loans receivable are home loans to members of the public and assist low income households in achieving home ownership. Loans receivable are normally at a fixed rate of interest and repaid as a monthly principal and interest repayment. The terms of the loans vary between recipients.

For loan receivables "Example Agency" applied the simplified approach under AASB 9, which uses a lifetime expected loss for all loan receivables. A provision matrix is used to calculate the expected credit loss.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – ALLOWANCE FOR IMPAIRMENT LOSSES

The Agency has made a significant estimate in the calculation of the allowance for impairment losses for receivables in the Financial Statements. This significant estimate is based on a number of categorisations of receivables and the use of an expected credit loss provision matrix. These categorisations are considered by management to be appropriate and accurate, based upon the pattern demonstrated in collecting receivables in the past financial years, general economic conditions and an assessment of both the current and the forecast direction of conditions at the reporting date.

NOTE 24 - INVESTMENTS

Short-term investments are held with the Territory Banking Account in a unit trust called the Cash Enhanced Portfolio. Long-term investments are held with the Territory Banking Account in a unit trust called the Fixed Interest Portfolio. The price of units in both these unit trust fluctuates in value. The net gain or loss on investments consists of the fluctuation in price of the unit trust between the end of last reporting period and the end of this reporting period. As well, any profit on the sale of units in the unit trust (the profit being the difference between the price at the end of last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

Reference: AASB 7.21, AASB 7.B5(e)

These short-term and long-term investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement (see Model Financial Statements - Note 18 Other Expenses or Note 10 Gains on Investments). Fair value is based on an underlying pool of investments, which have quoted market prices at the reporting date.

Reference: AASB 13.91

Significant Accounting Policies – Assets Continued

NOTE 25 - INVENTORIES

Inventories held for sale are valued at the lower of cost and net realisable value. Cost comprises the purchase price of inventories as well as transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost of inventories is assigned using the first-in, first-out/weighted average method.

Reference: AASB 102.36(a), AASB 102.9, AASB 102.25

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

Reference: AASB 102.Aus9.1

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential and recorded in the Operating Statement (see Model Financial Statements - Note 18 Other Expenses).

NOTE 26 - ASSETS HELD FOR SALE

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

Reference: AASB 5.6 & 7

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell (see Appendix B - Note 19 Waivers, impairment losses and write-offs). Assets held for sale are not depreciated.

Reference: AASB 5.15, 20 & 25

NOTE 27 - PROPERTY, PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at cost.

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

Reference: AASB 116.15, AASB 116.Aus 15.1, AASB 1004.BC28

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

Reference: AASB 116.23

Property, plant and equipment with a minimum value of <\$5,000> are capitalised.

MAJOR CYCLICAL MAINTENANCE - INFRASTRUCTURE ASSET

The Agency 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.

NOTE 27 - PROPERTY, PLANT AND EQUIPMENT - continued

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Property, plant and equipment are valued using the cost or revaluation model of valuation. Land, buildings, infrastructure assets, leasehold improvements and community and heritage assets are measured at fair value. Plant and equipment is measured at cost.

Reference: ACT Accounting Policy – Property Plant & Equipment

Land, buildings, infrastructure assets, leasehold improvements, and community and heritage assets are revalued every 3 years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, leasehold improvements and community and heritage 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.

Reference: AASB 116.31 & 34

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.

Reference: AASB 116.35(a)

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PROPERTY PLANT AND EQUIPMENT

The Agency has made a significant estimate in determining the useful lives of its PPE. The estimation of useful lives of PPE is based on the historical experience of similar assets and in some cases has been based on valuations provided by the 'XYZ Valuers'. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Disclosures concerning assets useful life (see Appendix B -Note 15 Depreciation and Amortisation).

IMPAIRMENT OF ASSETS

The Agency assesses, at each reporting date, 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.

Reference: AASB136.9 & 10

Any resulting impairment losses, for land, buildings, infrastructure, and community and heritage 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 in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement (see Model Financial Statements - Note 19 Waivers, impairment losses and write-offs).

Reference: AASB 136.9, 59 & 60

Impairment losses for plant and equipment, leasehold improvements and intangible assets are recognised in the Operating Statement (see Model Financial Statements - Note 19 Waivers, impairment losses and write-offs), 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.

Note 27 - Property, Plant and Equipment Continued

NOTE 28 - INVESTMENT PROPERTIES

Investment properties are measured at fair value. They are valued annually as at the end of the reporting period. Changes in fair values are recorded in the Operating Statement (see Model Financial Statements - Note 18 Other Expenses or Note 10 Gains on Investments). Investment properties are not depreciated

Reference: AASB 140.75(a) & (e), AASB 13.15

NOTE 29 - INTANGIBLE ASSETS

The Agency's intangible assets are comprised of internally generated and externally acquired software for internal use. Externally acquired software is recognised and capitalised when:

- (a) it is probable that the expected future economic benefits attributable to the software will flow to the Agency;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$50,000.

Reference: AASB 138.21 & 57, Model Financial Statements Guidelines: 1.5 6 Application – ACT Disclosure Policy

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.

Reference: AASB 138.118(a) & (b), Model Financial Statement Guidelines - 1.5 6 Application – ACT Disclosure Policy

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible Assets are measured at cost.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES - CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

Reference: AASB 101.60 & 69

NOTE 32 – PAYABLES

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

Reference: AASB 7.21

Payables include Trade Payables, Accrued Expenses and Other Payables.

Significant Accounting Policies – Liabilities Continued

NOTE 33 - INTEREST-BEARING LIABILITIES AND FINANCE LEASES

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

Reference: AASB 7.21, AASB 123.6(a)

FINANCE LEASES

Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments each being determined at the inception of the lease. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated over the shorter of the asset's useful life and lease term. Leased assets are depreciated on a straight-line basis. The depreciation is calculated after first deducting any residual values, which remain for each leased asset. Each lease payment is allocated between interest expense and reduction of the lease liability. Lease liabilities are classified as current and non-current.

Reference: AASB 7.21, AASB 116.53, AASB 117.6A, 8, 20 & 27, AASB 123.6

NOTE 34 EMPLOYEE BENEFITS

Employee Benefits are listed in Appendix B - Note 12 Employee Expenses.

WAGES & SALARIES

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

Reference: Model Financial Statements Guidelines - 1.5 [6](#) Application – ACT Disclosure Policy

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 related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period end, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Reference: Model Financial Statements Guidelines - 1.5 [6](#) Application – ACT Disclosure Policy

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. This financial year the rate used to estimate the present value of future:

- Annual leave payments is XX% (99.7% in the previous financial year);
- Payments for long service leave is XX% (100.9% in the previous financial year).

Reference: AASB 119.60, 66 & 156

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

Note 34 Employee Benefits - Annual and Long Service Leave Continued

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

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

Reference: AASB 101.69

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a 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 to qualify for long service leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

NOTE 36 OTHER LIABILITIES

REVENUE RECEIVED IN ADVANCE

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

Reference: AASB 101.77 & 78

SIGNIFICANT ACCOUNTING POLICIES - OTHER NOTES

NOTE 37 – EQUITY

EQUITY CONTRIBUTED BY THE ACT GOVERNMENT

Contributions made by the ACT Government, through its role as owner of the Agency are treated as contributions of equity.

Reference: AASB 1004.48, Interpretation 1038

Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

NOTE 37 – FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both;

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Reference: AASB 9.4.1.1

Note 37 Financial Instruments- Continued

Financial liabilities are measured at amortised cost.

Reference: AASB 9.4.2.1

NOTE 42 - INTEREST IN A JOINT VENTURE

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.

Reference: AASB11.14

JOINT VENTURE

'Example Agency' uses the equity method to account for its interest in its joint venture. 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 Example Agency's share of the profit or loss of the joint venture after the date of acquisition. The Example Agency'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. Adjustments to the carrying amount may also be necessary in the proportionate interest in the joint venture arising from changes in the joint venture's other comprehensive income including revaluation of property, plant and equipment. The Example Agency's share-of changes is recognised in other comprehensive income.

Reference: AASB 11.16, AASB 128.10

Gains and losses resulting from 'upstream' (joint venture to Example Agency) and 'downstream' (Example Agency to joint venture) transactions are eliminated to the extent of Example Agency's interest in the joint venture. However, unrealised losses are not eliminated to the extent that the transaction provides evidence of a reduction in the net realisable value or in the recoverable amount of the assets transferred. Contributions of non-monetary assets to a joint venture in exchange for an equity interest are also accounted for in accordance with these requirements.

Reference: AASB 128.28-30

JOINT OPERATIONS

The share of assets, liabilities, income and expenses of the jointly controlled operation has been incorporated in the financial statements of the Example Agency under the appropriate headings.

Reference: AASB 11.20

NOTE 48- BUDGETARY REPORTING

SIGNIFICANT JUDGEMENTS AND ESTIMATES – NOTE 48: BUDGET REPORTING

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

TERRITORIAL – SPECIFIC SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – SPECIFIC TO TERRITORIAL – INCOME

NOTE 50- PAYMENT FOR EXPENSES ON BEHALF OF THE TERRITORY – TERRITORIAL

The payment for expenses on behalf of the Territory is recognised on an accrual basis. Due to the nature of territorial accounting, the Statement of Assets and Liabilities on Behalf of the Territory includes (as applicable) liabilities to, and receivables from, the Territory Banking Account.

Reference: AASB 1050.7

NOTE 51- TAXES, FEES AND FINES – TERRITORIAL

Taxes are recognised as revenue at the time of payment. Fees are either recognised as revenue at the time of payment or when the fee is incurred. Fines are recognised as revenue on the issue of the relevant infringement notice. Where the fine attracts a penalty for late payment, the penalty amount is recognised as revenue on issue of the late payment notice.

Reference: AASB 1004.30

TERRITORIAL NOTES REFERENCED TO CONTROLLED NOTES

Note 55 Waivers, Impairment Losses and Write-offs – Territorial: see Appendix A: Note 19 Waivers, Impairment Losses and Write-offs.

Note 56 Cash and Cash Equivalents – Territorial: see Appendix A: Note 22 Cash and Cash Equivalents.

Note 57 Receivables – Territorial: see Appendix A: Note 23 Receivables.

Note 59 Payables – Territorial: see Appendix A: Note 32 Payables.

Note 69 Budget Reporting:– Territorial: see Appendix A: Note 49 Budget Reporting.

APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

Appendix C - impact of accounting standards issued but yet to be applied concerns both the Controlled and Territorial financial statements. Where specific to Territorial they are listed below under the heading Territorial.

Reference: AASB 108.30 & 31 applies to Appendix C - Impact of Accounting Standards Issued – Early Adopted and Yet to be Applied.

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

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

- AASB 15 *Revenue from Contracts with Customers* (application date 1 January 2018 for for-profit entities, 1 Jan 2019 for not-for-profit entities);

AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 *Construction Contracts* and AASB 118 *Revenue*. 'Example Agency' is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue. Some revenue may need to be deferred to a future reporting period if 'Example Agency' has received cash and has not met its associated performance obligations (this would create a liability until the performance obligations are met).

“'Example Agency' estimates the impact of these changes as XXXXXX” or 'Example Agency' will make a detailed assessment of the impact over the next 12 months.”

AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB for Not-for-Profit Entities* defers the effective date of AASB 15 for not-for-profit entities to 1 January 2019.

- AASB 16 *Leases* (application date 1 January 2019)

AASB 16 is the new standard for leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low. This will result in 'Example Agency' recognising a number of its operating leases as assets alongside the associated liability, rather than accounting for these as operating lease expenditure. The right-of-use asset will initially be recognised at cost and will give rise to a depreciation expense. The lease liability will initially be recognised as the present value of the lease payments during the term of the lease. Lease payments made will reduce this liability over time and also result in an interest expense.

'Example Agency' estimates the impact of these changes as XXXXXX” or 'Example Agency' will make a detailed assessment of the impact over the next 12 months.”

Accounting Standards Issued But Yet to be Applied - Continued

- AASB 1058 Income of Not-for-Profit Entities (application date 1 January 2019)

This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 *Revenue from Contracts with Customers*. These standards supersede all the income recognition requirements relating to private sector not-for-profit entities, and the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. 'Example Agency' has commenced consideration of the new revenue recognition requirements and has yet to finalise its assessment of their impact. Possible future impacts apparent at this time include:

- Grants received to construct non-financial assets controlled by 'Example Agency' will be recognised as a liability and subsequently recognised as revenue progressively as 'Example Agency' satisfies its performance obligations under the terms of the grant. Currently, such grants are recognised as revenue upfront;
- Other grants currently recognised as revenue upfront may be eligible to be recognised as progressively as the associated performance obligations are satisfied, if the performance obligations are enforceable and sufficiently specific 'Example Agency' has not yet evaluated its grant arrangements with the Australian Government Department of Benevolence as to whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will continue to be recognised as revenue (no change to current treatment).

'Example Agency' estimates the impact of these changes as XXXXXX" or 'Example Agency will make a detailed assessment of the impact over the next 12 months."

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 January 2018).

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 15. 'Example Agency' is assessing the potential impact of AASB 15.

- AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15 (application date 1 January 2018)

This standard deferred the application date of AASB 15 *Revenue from Contracts with Customers* to 1 January 2018. AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for Profit Entities* further defers the application date of AASB 15 for not-for-profit entities until 1 January 2019. "Example Agency' estimates the impact of these changes as XXXXXX" or 'Example Agency will make a detailed assessment of the impact over the next 12 months."

- AASB 2016-3 Amendments to Australian Accounting Standards- Clarifications to AASB 15 (application date 1 January 2018)

This standard clarifies the existing requirements of AASB 15. 'Example Agency' is not able to estimate the impact on its financial statements. "Example Agency' estimates the impact of these changes as XXXXXX" or 'Example Agency will make a detailed assessment of the impact over the next 12 months."

APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

Accounting Standards Issued But Yet to be Applied Continued

- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-profit Entities (application date 1 January 2017, which was the original mandatory effective date of AASB 15)

This standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by these entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. At this stage 'Example Agency' is not able to estimate the impact of AASB 15 on its financial statements and will make a more detailed assessment of the impact over the next 12 months.

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities [AASB 9 & 15] (application date 1 January 2019)

This standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those standards to particular transactions and other events. The amendments to AASB 9 address the initial measurement and recognition of non-contractual receivables arising from statutory requirements (including taxes, rates and fines). The amendments to AASB 15 address the following aspects of accounting for contracts with customers: identifying a contract with a customer; identifying performance obligations; and allocating the transaction price to performance obligations.

Example Agency' estimates the impact of these changes as XXXXXX" or 'Example Agency will make a detailed assessment of the impact over the next 12 months."

- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (application date 1 January 2018)

This standard defers the mandatory effective date (application date) of amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2022 instead of 1 January 2018. There is no material impact on Example Agency.

- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors [AASB 15 & 16] (application date 1 January 2019)

This standard amends AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases* to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors. There is no financial impact as "Example Agency" issues licences that are in the nature of taxes.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business [AASB 3] (application date 1 January 2020)

This standard amends AASB *Business Combinations* to clarify the definition of a business, assisting agencies to determine whether a transaction should be accounted for as a business combination or as an asset recognition.

There is no financial impact on 'Example Agency.'

APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

Accounting Standards Issued But Yet to be Applied Continued

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 2, 101, 108, 110, 134, 137, the *Framework*, and AASB Practice Statement 2] (application date 1 January 2020)

This standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101 and clarify the definition of material and its application across AASB Standards and other publications.

There is no financial impact on ‘Example Agency’

- AASB 2018-8 Amendments to Australian Accounting Standards – Right -of- Use Assets of Not-for-Profit Entities [AASB 1, AASB 16, AASB 117, 1049 & 1058 (application date 1 January 2019)]

AASB 1058 Income of Not-for-Profit Entities made amendments to AASB 16 to require not-for-profit agencies to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below market terms and conditions principally to enable the agency to further its objectives.

However the AASB has decided to provide a temporary option for not-for-profit agencies to not measure a class or classes of such right-of-use assets at initial recognition at fair value, since further guidance is expected to be developed to assist not-for-profit agencies in measuring right-of-use assets at fair value.

There is no financial impact on ‘Example Agency.’

APPENDIX C - COMMENTARY

The listing of standards and the associated commentary is to assist agencies to make the necessary disclosures. Agencies should make their own assessment on the impact and relevance of the standards listed to their financial statements, bearing in mind that they should only disclose those standards and amending standards that are expected to have a material impact on them or where they have not yet assessed their impact.

The Model does not contain a complete list of standards issued but not yet applicable. Instead it contains those standards not yet applicable which will most likely apply to most agencies (as at March 2019). This is because agencies do not have to include standards that would never apply to them (e.g. AASB 129 *Financial Reporting in Hyperinflationary Economies*). As such, most agencies will be able to simply use the list contained in the model note, disclosing only the standards that are expected to have a material impact on them or where they have not yet assessed the impact of a standard.

However, additional standards may be issued (which are applicable) between April and the end of June and therefore further standards may need to be included in the Notes. The Financial Framework Management and Insurance Branch will issue an updated Note disclosure in July to assist agencies in picking up additional standards issued in their Note disclosures. Agencies need to assess each new and amended standard issued but not yet applicable and disclose if their adoption is likely to have a significant impact. The ‘Example Agency’ impacts are indicative and agencies need to make their own assessment. Further guidance on this will be included in the Accounting Policy on *Treatment of AASB Standards issued which are not yet effective as at 30 June 2019* to be issued in July 2018. Agencies should review this policy in assessing the impact of standards that released but are not yet effective as at 30 June 2019 for disclosure in their 2018-19 financial statements.

APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

For the information of agencies, the additional standards issued but not yet applicable (as at March 2019 which are not disclosed in the Model are:

- AASB 17 *Insurance Contracts* (application date 1 January 2021);
- AASB 1059 *Service Concession Arrangements: Grantors** (application date 1 January 2020);

*This standard will impact a small number of ACT Government agencies.

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments* [AASB 1, AASB 128 & AASB 140] (application date 1 January 2019 for not-for-profit entities);
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments* [AASB 1] (application date 1 January 2019);
- AASB 2017-6 *Amendment to Australian Standards –Prepayment features with Negative Compensation* [AASB 9] application date 1 January 2019;
- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures* [AASB 128] (application date 1 January 2019);
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle* [AASB 3, AASB 11, AASB 112 & AASB 123] (application date 1 January 2019);
- AASB 2018-2 *Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement* [AASB 119] (application date 1 January 2019);
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements* [AASB 16 & AAASB 1058] (application date 1 January 2019);
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059* (application date 1 January 2019)
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (application date 1 Jan 2019 for-not-for-profit entities);and
- AASB Interpretation 23 *Uncertainty over Income Tax Treatments* (application date 1 Jan 2019).

Note, it is recommended that agencies review the above standards to ensure they do not apply to that agency.

APPENDIX D - CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATES, AND CORRECTION OF A PRIOR PERIOD ERROR

Appendix D the change in accounting policy, accounting estimates and correction of prior period error applies to both the Controlled and Territorial financial statements.

CHANGE IN ACCOUNTING ESTIMATES

‘Example Agency’ had the following changes in accounting estimates during the reporting period.

REVISION OF USEFUL LIVES AND RESIDUAL VALUES

‘Example Agency’ reviewed the useful lives and residual values of its property, plant and equipment at the end of the reporting period. This review resulted in the adjustment to the useful lives of some community and heritage assets and the increase of the residual value of some plant and equipment, for details see Note 15 Depreciation and Amortisation.

Reference : AASB 108.34 & 39

REVISION OF RESTRUCTURING PROVISION

‘Example Agency’ reviewed its provision for the restructuring of a maintenance division at the end of the reporting period. It was determined that the initial amount estimated for the dismantling and disposing of plant and equipment was overstated and as such has been reduced, for details see Note 35 *Other Provisions*.

CHANGE IN ACCOUNTING POLICY

Information provided below explains the impact of the adoption of AASB 9 on “Example Agency’s” financial statements.

Reference	
AASB 108.28 AASB 7.42Q	<p>Initial Application of Australian Accounting Standard - AASB 9 <i>Financial Instruments</i></p> <p>AASB 9 <i>Financial Instruments</i> replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i> for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.</p> <p>“Example Agency” applied AASB 9 prospectively with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, ‘Example Agency’ has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised in the opening Accumulated Funds.</p>

**APPENDIX D- CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION
PRIOR PERIOD ERROR**

Reference																																																																					
AASB 7,421-J	<p>The effect of adopting AASB 9 as at 1 July 2018 was, as follows:</p> <table><tr><td></td><td>At 1 July 2018</td></tr><tr><td></td><td>(\$000)</td></tr><tr><td>Assets</td><td></td></tr><tr><td>Trade Receivables (1, 2)</td><td>(8)</td></tr><tr><td>Total Assets</td><td>(8)</td></tr><tr><td>Total Adjustments on Equity</td><td></td></tr><tr><td>Accumulated Funds (1, 2)</td><td>(8)</td></tr></table> <p>The nature of these adjustments are described below:</p> <p>1. Classification and Measurement</p> <p>Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L) The classification is based on two criteria: ‘Example Agency’s’ business model for managing the assets; and whether the asset’s contractual cash flows represent ‘solely payments of principal and interest’ on the principal outstanding.</p> <p>The assessment of “Example Agency’s business model was made at the date of initial application, on 1 July 2018. The assessment of whether contractual cash flows on financial assets are comprised solely of principal and interest was made based on the facts and circumstances at the initial recognition of the assets.</p> <p>The classification and measurement requirements of AASB 9 did not have a significant impact on ‘Example Agency’. The following are the classification of ‘Example Agency’s’ financial assets under AASB 9:</p> <table><tr><th>Items</th><th>Business Model Held to collect principal and interest/sell</th><th>Solely for payment of Principal and Interest SPPI Test (basic lending characteristics)</th><th>Classification</th></tr><tr><td>Cash and Cash Equivalents</td><td>Held to collect</td><td>Yes</td><td>Amortised cost</td></tr><tr><td>Trade Receivables</td><td>Held to collect</td><td>Yes</td><td>Amortised cost</td></tr><tr><td>Accrued Revenue</td><td>Held to collect</td><td>Yes</td><td>Amortised cost</td></tr><tr><td>Loans Receivable</td><td>Held to collect</td><td>Yes</td><td>Amortised cost²</td></tr><tr><td>Investments with the TBA</td><td>Held to collect /& sell</td><td>No</td><td>FVTPL</td></tr></table> <p>In summary, upon the adoption of AASB 9, the Agency had the following required (or elected) reclassifications as at 1 July 2018:</p> <table><tr><td></td><td>AASB 139</td><td colspan="3">AASB 9</td></tr><tr><td></td><td>Amortised cost</td><td>Amortised cost</td><td>Fair value through OCI</td><td>Fair value through P/L</td></tr><tr><td></td><td>(\$000)</td><td>(\$000)</td><td>(\$000)</td><td>(\$000)</td></tr><tr><td>Receivables</td><td></td><td></td><td></td><td></td></tr><tr><td>Trade receivables*</td><td>18,981</td><td>18,972</td><td>-</td><td>-</td></tr><tr><td></td><td>18,981</td><td>18,972</td><td>-</td><td>-</td></tr></table> <p>*The change in carrying amount is a result of a reassessment of the impairment allowance. See the discussion on impairment below.</p>		At 1 July 2018		(\$000)	Assets		Trade Receivables (1, 2)	(8)	Total Assets	(8)	Total Adjustments on Equity		Accumulated Funds (1, 2)	(8)	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 Cash Equivalents	Held to collect	Yes	Amortised cost	Trade Receivables	Held to collect	Yes	Amortised cost	Accrued Revenue	Held to collect	Yes	Amortised cost	Loans Receivable	Held to collect	Yes	Amortised cost ²	Investments with the TBA	Held to collect /& sell	No	FVTPL		AASB 139	AASB 9				Amortised cost	Amortised cost	Fair value through OCI	Fair value through P/L		(\$000)	(\$000)	(\$000)	(\$000)	Receivables					Trade receivables*	18,981	18,972	-	-		18,981	18,972	-	-
		At 1 July 2018																																																																			
		(\$000)																																																																			
	Assets																																																																				
	Trade Receivables (1, 2)	(8)																																																																			
	Total Assets	(8)																																																																			
	Total Adjustments on Equity																																																																				
	Accumulated Funds (1, 2)	(8)																																																																			
	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 Cash Equivalents	Held to collect	Yes	Amortised cost																																																																	
Trade Receivables	Held to collect	Yes	Amortised cost																																																																		
Accrued Revenue	Held to collect	Yes	Amortised cost																																																																		
Loans Receivable	Held to collect	Yes	Amortised cost ²																																																																		
Investments with the TBA	Held to collect /& sell	No	FVTPL																																																																		
	AASB 139	AASB 9																																																																			
	Amortised cost	Amortised cost	Fair value through OCI	Fair value through P/L																																																																	
	(\$000)	(\$000)	(\$000)	(\$000)																																																																	
Receivables																																																																					
Trade receivables*	18,981	18,972	-	-																																																																	
	18,981	18,972	-	-																																																																	
AASB7.42P	<p>2 Impairment</p> <p>The adoption of AASB 9 has changed the Agency’s accounting for impairment losses for financial assets by replacing AASB 139’s incurred loss model with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Agency to recognise an allowance for ECLs for all financial assets other than those held at fair value through Profit and Loss.</p> <p>Upon adoption of AASB 9, the Agency recognised an additional impairment on the Agency’s Trade Receivables which resulted in an increase in the Accumulated Funds of \$191,000 as at 1 July 2018.</p>																																																																				

APPENDIX D- CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION PRIOR PERIOD ERROR

References	2 Impairment - continued		
	Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:		
	Impairment under AASB 139 at 30 June 2018 (\$000)	Remeasurement (\$000)	ECL under AASB 9 at 1 July 2018 (\$000)
Loans and receivables under AASB 139			
Financial assets at amortised cost under AASB 9	264	8	272
	264	8	272

APPENDIX D - COMMENTARY

CHANGE IN ACCOUNTING POLICY

For information concerning the treatment and disclosure of a Change in Accounting Policy please refer to the Model Supplement: *Presenting Restatements of Comparatives*.

CHANGES IN ACCOUNTING ESTIMATES

The effect of a change in an accounting estimate shall be recognised prospectively in the Operating Statement in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

Reference: AASB 108.36

Except to the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the reporting period of the change.

Reference: AASB 108.37

Agencies are required to disclose the nature and amount of a change in an accounting estimate that has an effect in the current reporting period or is expected to have an effect in future reporting periods, except for the disclosure of the effect on future reporting periods when it is impracticable to estimate that effect. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, that fact shall be disclosed.

Reference: AASB 108.39, AASB 108.40

For property, plant and equipment, disclosure of a change in an accounting estimate may arise from changes in estimates with respect to:

- residual values;
- the estimated costs of dismantling, removing or restoring items of property, plant and equipment;
- useful lives; and
- depreciation methods.

CORRECTION OF PRIOR PERIOD ERRORS

For information concerning the treatment and disclosure of a correction of a prior period error, please refer to the Model Supplement: *Presenting Restatements of Comparatives*.

**APPENDIX D- CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, AND CORRECTION
PRIOR PERIOD ERROR**

MODIFICATION

Agencies should modify this note to their particular requirements. For example, if an agency only has a change in accounting policy and no corrections of errors or change in accounting estimates, then only the section on changes in accounting policy is required. The note title should only reflect what the note contains. In the example above, there is only a Change in Accounting Estimates.

In the event that an agency has none of the items to report, then the note should be omitted in its entirety.