



2022-23  
FINANCIAL YEAR

CONSOLIDATED  
ANNUAL FINANCIAL  
STATEMENTS

Chief Minister, Treasury and Economic  
Development Directorate

October 2023

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of the ACT Legislative Assembly

#### Opinion

I have audited the Australian Capital Territory Government Consolidated Annual Financial Statements (Territory's financial statements) for the year ended 30 June 2023 which comprise the:

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

In my opinion, the Territory's financial statements:

- (i) present fairly, in all material respects, the Territory's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards and other mandatory financial reporting requirements in Australia.

#### Basis for opinion

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

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

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

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

The Treasurer and Under Treasurer are responsible for:

- preparing and fairly presenting the Territory's financial statements in accordance with the *Financial Management Act 1996* and complying with relevant Australian Accounting Standards and other mandatory financial reporting requirements in Australia;
- determining the internal controls necessary for the preparation and fair presentation of the Territory's financial statements so that they are free from material misstatements, whether due to error or fraud; and

- assessing the ability of the Territory to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the Territory's financial statements.

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

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

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

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

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

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

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



Michael Harris  
Auditor-General  
31 October 2023

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023  
STATEMENT OF RESPONSIBILITY BY THE TREASURER  
AND THE ACTING UNDER TREASURER**

**Statement of responsibility by the Treasurer**

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

It is my opinion that the attached financial statements for the year ended 30 June 2023 fairly reflect the financial operations of the Territory during the financial year and the financial position of the Territory at the end of the financial year.



Andrew Barr MLA  
Treasurer

Date: **27. 10. 2023**

**Statement of responsibility by the Acting Under Treasurer**

It is my opinion that the attached financial statements for the year ended 30 June 2023 have been prepared in accordance with Australian Accounting Standards and the requirements of the FMA. These accounts fairly reflect the financial operations of the Territory during the financial year and the financial position of the Territory at the end of the financial year.



Alison Playford  
Acting Under Treasurer  
Chief Minister, Treasury and Economic Development Directorate

Date: 27 October 2023

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY  
OPERATING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	General Government Sector			Total Territory		
		2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Revenue</b>							
Taxation revenue	8	2,562,395	2,457,853	2,404,711	2,510,973	2,406,625	2,353,794
Commonwealth grants revenue	9	3,166,597	2,991,783	2,951,529	3,168,161	2,991,783	2,952,872
Sales of goods and services							
Revenue from associates and joint ventures		0	0	0	157,234	70,892	135,801
Other sales of goods and services from contracts with customers	10	601,671	639,065	611,670	936,769	1,024,340	937,223
Investment revenue		157,211	169,690	137,595	157,211	169,690	137,595
Interest revenue		283,960	138,478	139,608	186,451	61,312	57,258
Dividend and income tax equivalents income	11	54,868	155,901	414,375	0	0	0
Other revenue							
Land revenue (value add component)		0	0	0	96,694	248,726	510,777
Other revenue		207,266	225,844	191,115	196,132	233,556	186,051
Gains from contributed assets		227,657	300,450	149,512	194,739	210,782	105,308
<b>Total revenue</b>		<b>7,261,625</b>	<b>7,079,064</b>	<b>7,000,115</b>	<b>7,604,364</b>	<b>7,417,706</b>	<b>7,376,679</b>
<b>Expenses</b>							
Employee expenses	12	2,777,716	2,654,457	2,695,413	3,006,005	2,876,598	2,918,484
Superannuation expenses							
Superannuation interest cost	13	425,834	412,372	302,379	425,834	412,372	302,379
Other superannuation expenses	13	486,857	489,190	552,283	508,662	514,847	572,089
Depreciation and amortisation		543,503	555,593	513,352	727,842	718,969	675,617
Interest expenses		315,391	319,154	250,458	334,164	335,319	264,437
Other operating expenses							
Supplies and services	14	1,327,829	1,333,256	1,231,710	1,603,113	1,642,282	1,495,163
Other operating expenses		451,032	320,148	312,206	455,247	337,872	442,991
Grants and purchased services	15	1,705,877	1,696,006	1,898,017	1,435,649	1,442,156	1,628,081
<b>Total expenses</b>		<b>8,034,039</b>	<b>7,780,176</b>	<b>7,755,818</b>	<b>8,496,516</b>	<b>8,280,415</b>	<b>8,299,241</b>
<b>UPF<sup>(a)</sup> net operating balance</b>		<b>(772,414)</b>	<b>(701,112)</b>	<b>(755,703)</b>	<b>(892,152)</b>	<b>(862,709)</b>	<b>(922,562)</b>
<b>Other economic flows - included in the Operating Statement</b>							
Dividends (market gains on land sales)		42,638	48,169	13,662	0	0	0
Land revenue (market gains on land sales)		0	0	0	62,744	72,049	20,463
Net land revenue (undeveloped land value)		1,427	11,727	9,784	2,254	11,907	11,186
Net gain/(loss) on sale/(disposal) of non-financial assets		(7,227)	(119)	99,510	(21,989)	(17,865)	112,046
Net gain/(loss) on financial assets or liabilities at fair value		418,956	231,739	(405,553)	419,034	231,839	(402,734)
Doubtful debts		(19,741)	(10,734)	(23,831)	(23,172)	(14,216)	(38,611)
<b>Operating result</b>		<b>(336,361)</b>	<b>(420,330)</b>	<b>(1,062,131)</b>	<b>(453,281)</b>	<b>(578,995)</b>	<b>(1,220,212)</b>
<b>Other economic flows - other comprehensive income</b>							
<b>Items that will not be subsequently reclassified to the operating result</b>							
Payments to ACT Government agencies		(105,231)	(150,764)	(139,979)	0	0	0
Transfer of assets to the Public Non-Financial Corporations (PNFC) sector		0	0	(10,954)	0	0	0
Superannuation actuarial gain		616,502	2,058,371	2,655,826	616,502	2,058,371	2,655,826
Other movements		(3,515)	(2,382)	32,022	(55,926)	(2,382)	32,622
Increase/(decrease) in the asset revaluation surplus		646,794	(190)	1,573,113	672,034	24,817	3,753,965
<b>Items that may be subsequently reclassified to the operating result</b>							
Increase/(decrease) in net assets of PNFC		(23,812)	24,436	2,019,551	0	0	0
<b>Total comprehensive result</b>		<b>794,377</b>	<b>1,509,141</b>	<b>5,067,448</b>	<b>779,329</b>	<b>1,501,811</b>	<b>5,222,201</b>
<b>Key fiscal aggregates (refer to Appendix A - Glossary)</b>							
<b>UPF net operating balance</b>		<b>(772,414)</b>	<b>(701,112)</b>	<b>(755,703)</b>	<b>(892,152)</b>	<b>(862,709)</b>	<b>(922,562)</b>
<b>less net acquisition of non-financial assets</b>							
Payments for non-financial assets		960,930	1,112,796	702,504	1,157,474	1,413,812	887,368
Sales of non-financial assets		(63,151)	(44,789)	(74,378)	(177,069)	(147,874)	(213,756)
Change in inventories		(15,144)	598	13,541	131,657	56,114	(65,036)
Depreciation and amortisation		(543,503)	(555,593)	(513,352)	(727,842)	(718,969)	(675,617)
Other movements in non-financial assets		108,347	187,093	45,607	83,507	100,216	17,605
<b>Total net acquisition of non-financial assets</b>		<b>447,479</b>	<b>700,105</b>	<b>173,922</b>	<b>467,727</b>	<b>703,299</b>	<b>(49,436)</b>
<b>Net borrowing</b>		<b>(1,219,893)</b>	<b>(1,401,217)</b>	<b>(929,625)</b>	<b>(1,359,879)</b>	<b>(1,566,008)</b>	<b>(873,126)</b>

Note: (a) Uniform presentation framework (refer to Appendix A - Glossary).

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY  
BALANCE SHEET  
AT 30 JUNE 2023**

	Note No.	General Government Sector			Total Territory		
		2022-23 Actual	2022-23 Budget	2021-22 Actual	2022-23 Actual	2022-23 Budget	2021-22 Actual
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
<b>Financial assets</b>							
Cash and deposits		2,374,197	2,038,250	3,132,491	2,731,804	2,267,077	3,526,362
Advances paid	19	2,023,095	1,962,329	1,933,373	86,130	90,964	77,435
Investments and loans	20	6,110,785	6,279,276	5,457,397	6,125,785	6,314,276	5,497,397
Receivables	21	817,573	1,035,882	874,568	662,789	803,484	755,074
Equity investments							
Investments in other public non-financial corporations		10,926,421	11,014,304	10,950,233	0	0	0
Investments accounted for using the equity method	20	20	0	20	1,042,731	1,008,956	992,181
<b>Total financial assets</b>		<b>22,252,091</b>	<b>22,330,041</b>	<b>22,348,082</b>	<b>10,649,239</b>	<b>10,484,757</b>	<b>10,848,449</b>
<b>Non-financial assets</b>							
<b>Produced assets</b>							
Property, plant and equipment	22	14,096,509	13,438,049	13,723,417	20,804,353	19,228,170	19,947,338
Investment properties		5,020	4,150	4,750	29,265	29,743	30,793
Intangibles	23	254,432	285,721	188,071	281,080	329,811	223,192
Inventories		40,233	42,514	55,377	480,022	421,154	348,365
Assets held for sale		17,894	21,582	20,297	45,121	42,540	49,032
Capital works-in-progress		1,211,455	1,285,191	835,907	1,440,277	1,542,451	1,063,478
<b>Non-produced assets</b>							
Property, plant and equipment	22	5,276,133	4,277,450	5,036,224	10,978,279	10,772,728	11,106,045
Biological assets		41,256	27,148	38,651	41,256	27,148	38,651
Other non-financial assets		9,899	11,511	2,029	9,899	11,375	2,029
<b>Total non-financial assets</b>		<b>20,952,831</b>	<b>19,393,316</b>	<b>19,904,723</b>	<b>34,109,552</b>	<b>32,405,120</b>	<b>32,808,923</b>
<b>Total assets</b>		<b>43,204,922</b>	<b>41,723,357</b>	<b>42,252,805</b>	<b>44,758,791</b>	<b>42,889,877</b>	<b>43,657,372</b>
<b>Liabilities</b>							
Advances received	24	45,354	45,354	49,649	81,586	81,586	89,949
<b>Borrowings</b>							
Lease liabilities	25	1,074,570	1,033,290	1,071,291	1,091,195	1,043,439	1,079,380
Other borrowings	26	9,569,521	10,131,914	9,214,122	9,869,416	10,409,200	9,508,360
Superannuation	27	10,565,392	9,175,262	10,872,463	10,565,392	9,175,326	10,872,463
Employee benefits	28	1,035,166	1,009,932	976,562	1,120,770	1,092,415	1,059,117
Other provisions		992,698	1,007,902	930,038	1,263,654	1,137,698	1,054,595
Payables and contract liabilities	29	337,654	314,615	345,606	500,903	468,117	503,048
Other liabilities		14,877	13,217	17,761	24,991	19,288	28,905
<b>Total liabilities</b>		<b>23,635,232</b>	<b>22,731,486</b>	<b>23,477,492</b>	<b>24,517,907</b>	<b>23,427,069</b>	<b>24,195,817</b>
<b>Net assets</b>		<b>19,569,690</b>	<b>18,991,871</b>	<b>18,775,313</b>	<b>20,240,884</b>	<b>19,462,808</b>	<b>19,461,555</b>
Equity in public non-financial corporations		10,926,421	11,014,304	10,950,233	0	0	0
Accumulated funds		(45,681)	1,321,980	(251,693)	3,661,912	4,918,882	3,396,145
Asset revaluation surplus		8,687,720	6,654,357	8,075,543	16,577,742	14,542,696	16,064,180
Other reserves		1,230	1,230	1,230	1,230	1,230	1,230
<b>Net worth</b>		<b>19,569,690</b>	<b>18,991,871</b>	<b>18,775,313</b>	<b>20,240,884</b>	<b>19,462,808</b>	<b>19,461,555</b>
<b>Key fiscal aggregates (refer to Appendix A - Glossary)</b>							
<b>Net financial worth</b>		(1,383,141)	(401,445)	(1,129,410)	(13,868,668)	(12,942,312)	(13,347,368)
<b>Net financial liabilities</b>		12,309,562	11,415,749	12,079,643	14,911,399	13,951,268	14,339,549
<b>Net debt (excluding superannuation related investments)</b>		5,690,310	6,524,890	4,752,613	7,607,420	8,456,095	6,517,307

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



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	General Government Sector			Total Territory		
	2022-23	2022-23	2021-22	2022-23	2022-23	2021-22
	Actual \$'000	Budget \$'000	Actual \$'000	Actual \$'000	Budget \$'000	Actual \$'000
<b>Opening equity</b>						
Opening equity in Public Non-Financial Corporations (PNFC)	10,950,233	10,989,868	8,930,677	0	0	0
Opening accumulated funds	(251,693)	(165,180)	(1,740,254)	3,396,145	3,417,623	1,800,617
Opening asset revaluation surplus	8,075,543	6,656,812	6,516,195	16,064,180	14,542,144	12,437,491
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
<b>Opening balance</b>	<b>18,775,313</b>	<b>17,482,730</b>	<b>13,707,848</b>	<b>19,461,555</b>	<b>17,960,997</b>	<b>14,239,338</b>
<b>Comprehensive income</b>						
<i>Included in accumulated funds:</i>						
Operating result for the period	(336,361)	(420,330)	(1,062,131)	(453,281)	(578,995)	(1,220,212)
Payments to ACT Government agencies	(105,231)	(150,764)	(139,979)	0	0	0
Transfer of assets to/(from) the PNFC sector	0	0	(10,954)	0	0	0
Superannuation actuarial gain	616,502	2,058,371	2,655,826	616,502	2,058,371	2,655,826
Other movements	(3,515)	(2,382)	32,022	(55,926)	(2,382)	32,622
<i>Included in equity in PNFC:</i>						
Increase/(decrease) in net assets of PNFC entities	(23,812)	24,436	2,019,551	0	0	0
<i>Included in the asset revaluation surplus:</i>						
Increase/(decrease) in the asset revaluation surplus	646,794	(190)	1,573,113	672,034	24,817	3,753,965
<b>Total comprehensive result</b>	<b>794,377</b>	<b>1,509,141</b>	<b>5,067,448</b>	<b>779,329</b>	<b>1,501,811</b>	<b>5,222,201</b>
<b>Other</b>						
Transfer to accumulated funds	34,617	2,265	13,765	158,472	24,265	127,275
Transfer from the asset revaluation surplus	(34,617)	(2,265)	(13,765)	(158,472)	(24,265)	(127,275)
<b>Total other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing equity</b>						
Closing equity in PNFC	10,926,421	11,014,304	10,950,233	0	0	0
Closing accumulated funds	(45,681)	1,321,980	(251,693)	3,661,912	4,918,882	3,396,145
Closing asset revaluation surplus	8,687,720	6,654,357	8,075,543	16,577,742	14,542,696	16,064,180
Closing other reserves	1,230	1,230	1,230	1,230	1,230	1,230
<b>Closing balance</b>	<b>19,569,690</b>	<b>18,991,871</b>	<b>18,775,313</b>	<b>20,240,884</b>	<b>19,462,808</b>	<b>19,461,555</b>

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	General Government Sector			Total Territory		
		2022-23 Actual	2022-23 Budget	2021-22 Actual	2022-23 Actual	2022-23 Budget	2021-22 Actual
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>							
<i>Cash receipts</i>							
Taxes received		2,375,726	2,336,796	2,165,860	2,323,229	2,285,133	2,118,639
Sales of goods and services from contracts with customers		847,207	638,205	791,215	1,362,700	1,345,691	1,673,946
Grants and contributions		3,156,981	2,996,870	2,990,847	3,158,369	2,995,901	2,992,336
Investment receipts		156,631	169,695	141,934	156,631	169,695	141,934
Interest receipts		243,945	117,583	131,415	172,681	56,302	61,601
Dividends and income tax equivalents		152,376	130,557	461,636	0	0	0
Other receipts		476,011	410,693	501,885	560,780	490,374	614,836
<b>Total receipts from operating activities</b>		<b>7,408,877</b>	<b>6,800,399</b>	<b>7,184,792</b>	<b>7,734,390</b>	<b>7,343,096</b>	<b>7,603,292</b>
<i>Cash payments</i>							
Payments for employees		(3,326,309)	(3,239,174)	(3,170,459)	(3,570,626)	(3,480,610)	(3,402,596)
Payments for goods and services		(1,412,120)	(1,381,873)	(1,239,709)	(1,667,533)	(1,670,061)	(1,501,426)
Grants/subsidies paid		(1,552,317)	(1,542,814)	(1,814,144)	(1,290,576)	(1,291,521)	(1,562,370)
Borrowing costs		(277,173)	(278,692)	(228,063)	(295,224)	(297,419)	(241,015)
Other payments		(556,504)	(450,341)	(521,459)	(756,629)	(650,734)	(690,599)
<b>Total payments from operating activities</b>		<b>(7,124,423)</b>	<b>(6,892,894)</b>	<b>(6,973,834)</b>	<b>(7,580,588)</b>	<b>(7,390,345)</b>	<b>(7,398,006)</b>
<b>Net cash inflows/(outflows) from operating activities</b>	18(b)	<b>284,454</b>	<b>(92,495)</b>	<b>210,958</b>	<b>153,802</b>	<b>(47,249)</b>	<b>205,286</b>
<b>Cash flows from investing activities</b>							
<i>Cash flows from investments in non-financial assets</i>							
Sales of non-financial assets		63,151	44,789	74,378	177,069	147,874	213,756
Payments for non-financial assets		(960,930)	(1,112,796)	(702,504)	(1,157,474)	(1,413,812)	(887,368)
<b>Net cash (outflows) from investments in non-financial assets</b>		<b>(897,779)</b>	<b>(1,068,007)</b>	<b>(628,126)</b>	<b>(980,405)</b>	<b>(1,265,938)</b>	<b>(673,612)</b>
<i>Cash flows from investments in financial assets for policy purposes</i>							
<i>Cash receipts</i>							
Repayment of loans		8,585	5,471	323	8,585	5,471	1,250
Capital receipts from government agencies		0	0	328,000	0	0	328,000
Dividends (market gains on land sales)		0	48,169	13,662	0	0	0
<b>Total receipts from investments in financial assets for policy purposes</b>		<b>8,585</b>	<b>53,640</b>	<b>341,985</b>	<b>8,585</b>	<b>5,471</b>	<b>329,250</b>
<i>Cash payments</i>							
Issue of loans		(105,037)	(103,000)	(13,524)	(112,163)	(103,000)	(14,451)
Capital payments to government agencies		(105,231)	(150,764)	(139,979)	0	0	0
<b>Total payments from investments in financial assets for policy purposes</b>		<b>(210,268)</b>	<b>(253,764)</b>	<b>(153,503)</b>	<b>(112,163)</b>	<b>(103,000)</b>	<b>(14,451)</b>
<b>Net cash inflows/(outflows) from investments in financial assets for policy purposes</b>		<b>(201,683)</b>	<b>(200,124)</b>	<b>188,482</b>	<b>(103,578)</b>	<b>(97,529)</b>	<b>314,799</b>
<i>Cash flows from investments in financial assets for liquidity purposes</i>							
Sales of investments		23,724	90,140	2,278	24,453	90,325	6,678
Payments for investments		(182,166)	(329,657)	(361,315)	(182,167)	(353,575)	(362,276)
<b>Net cash (outflows) from investments in financial assets for liquidity purposes</b>		<b>(158,442)</b>	<b>(239,517)</b>	<b>(359,037)</b>	<b>(157,714)</b>	<b>(263,250)</b>	<b>(355,598)</b>
<b>Net cash (outflows) from investing activities</b>		<b>(1,257,904)</b>	<b>(1,507,648)</b>	<b>(798,681)</b>	<b>(1,241,697)</b>	<b>(1,626,717)</b>	<b>(714,411)</b>

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
GENERAL GOVERNMENT SECTOR AND TOTAL TERRITORY  
STATEMENT OF CASH FLOWS - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	General Government Sector			Total Territory		
		2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Cash flows from financing activities</b>							
<i>Cash receipts</i>							
Borrowings		328,064	917,872	1,178,751	345,822	918,648	1,186,407
<b>Total receipts from financing activities</b>		<b>328,064</b>	<b>917,872</b>	<b>1,178,751</b>	<b>345,822</b>	<b>918,648</b>	<b>1,186,407</b>
<i>Cash payments</i>							
Borrowings		(60,965)	(21,872)	(6,859)	(20,711)	(32,861)	(19,772)
Repayment of lease liabilities – principal		(54,051)	(49,388)	(50,100)	(58,882)	(59,846)	(54,718)
<b>Total payments from financing activities</b>		<b>(115,016)</b>	<b>(71,260)</b>	<b>(56,959)</b>	<b>(79,593)</b>	<b>(92,707)</b>	<b>(74,490)</b>
<b>Net cash inflows from financing activities</b>		<b>213,048</b>	<b>846,612</b>	<b>1,121,792</b>	<b>266,229</b>	<b>825,941</b>	<b>1,111,917</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(760,402)</b>	<b>(753,531)</b>	<b>534,069</b>	<b>(821,666)</b>	<b>(848,025)</b>	<b>602,792</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>3,134,762</b>	<b>2,784,297</b>	<b>2,600,693</b>	<b>3,568,631</b>	<b>3,142,617</b>	<b>2,965,839</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	18(a)	<b>2,374,360</b>	<b>2,030,766</b>	<b>3,134,762</b>	<b>2,746,965</b>	<b>2,294,592</b>	<b>3,568,631</b>
<b>Key fiscal aggregates</b> (refer to Appendix A - Glossary)							
Net cash from operating activities		284,454	(92,495)	210,958	153,802	(47,249)	205,286
Investments in non-financial assets		(897,779)	(1,068,007)	(628,126)	(980,405)	(1,265,938)	(673,612)
<b>Cash deficit<sup>(a)</sup></b>		<b>(613,325)</b>	<b>(1,160,502)</b>	<b>(417,168)</b>	<b>(826,603)</b>	<b>(1,313,187)</b>	<b>(468,326)</b>

**Notes:** A positive number denotes a cash inflow, a bracket denotes a cash outflow.

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR  
OPERATING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023**

	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Revenue</b>			
Controlled recurrent payments	301,625	293,941	292,590
Commonwealth grants	7,790	9,351	5,241
Sales of goods and services revenue			
Revenue from associates and joint ventures	157,234	70,892	135,801
Other sales of goods and services from contracts with customers	414,671	457,514	401,267
Interest revenue	11,225	2,678	3,357
Other revenue			
Land revenue (value add component)	117,230	307,016	517,374
Other revenue	28,098	19,341	34,353
Gains from contributed assets	21,533	8,414	27,401
<b>Total revenue</b>	<b>1,059,406</b>	<b>1,169,147</b>	<b>1,417,384</b>
<b>Expenses</b>			
Employee expenses	232,251	227,816	228,615
Superannuation expenses	34,848	37,927	33,670
Depreciation and amortisation	184,339	163,376	162,265
Interest expenses	127,507	96,009	99,686
Other property expenses (income tax equivalents)	46,256	69,114	123,319
Other operating expenses			
Supplies and services	328,986	320,011	316,295
Other operating expenses	118,775	140,481	227,823
Grants and purchased services expenses	81,027	123,740	84,600
<b>Total expenses</b>	<b>1,153,989</b>	<b>1,178,474</b>	<b>1,276,273</b>
<b>UPF<sup>(a)</sup> net operating balance</b>	<b>(94,583)</b>	<b>(9,327)</b>	<b>141,111</b>
<b>Other economic flows - included in the Operating Statement</b>			
Land revenue (market gains on land sales)	62,744	72,049	20,463
Net gain/(loss) on sale/(disposal) of non-financial assets	(14,762)	(17,746)	12,536
Net gain on financial assets or liabilities at fair value	78	100	2,819
Doubtful debts	(3,431)	(3,482)	(14,780)
<b>Operating result</b>	<b>(49,954)</b>	<b>41,594</b>	<b>162,149</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be subsequently reclassified to the operating result</b>			
Other movements	(52,411)	0	600
Increase/(decrease) in the asset revaluation surplus	27,210	(16,245)	1,981,057
<b>Total comprehensive result</b>	<b>(75,155)</b>	<b>25,349</b>	<b>2,143,806</b>
<b>Key fiscal aggregates (refer to Appendix A - Glossary)</b>			
<b>UPF net operating balance</b>	<b>(94,583)</b>	<b>(9,327)</b>	<b>141,111</b>
<b>less net acquisition of non-financial assets</b>			
Payments for non-financial assets	248,506	359,306	201,011
Sales of non-financial assets	(113,918)	(103,085)	(139,378)
Change in inventories	146,801	55,516	(78,576)
Depreciation and amortisation	(184,339)	(163,376)	(162,265)
Other movements in non-financial assets	(35,820)	(86,877)	(40,202)
<i>Total net acquisition of non-financial assets</i>	<i>61,230</i>	<i>61,484</i>	<i>(219,410)</i>
<b>Net lending/(borrowing)</b>	<b>(155,813)</b>	<b>(70,811)</b>	<b>360,521</b>

Note: (a) Uniform presentation framework (refer to Appendix A - Glossary).

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR  
BALANCE SHEET  
AT 30 JUNE 2023**

	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	357,607	228,827	393,871
Investments and loans	15,000	35,000	40,000
Receivables	81,243	64,258	85,154
Equity investments	1,042,731	1,008,956	992,181
<b>Total financial assets</b>	<b>1,496,581</b>	<b>1,337,041</b>	<b>1,511,206</b>
<b>Non-financial assets</b>			
Produced assets			
Property, plant and equipment	6,707,844	5,790,121	6,223,921
Investment properties	24,245	25,593	26,043
Intangibles	26,648	44,090	35,121
Inventories	439,789	378,640	292,988
Assets held for sale	27,227	20,958	28,735
Capital works-in-progress	228,822	257,260	227,571
Non produced assets			
Property, plant and equipment	5,702,146	6,495,278	6,069,821
Other non-financial assets			
Deferred tax assets	24,162	18,105	22,281
<b>Total non-financial assets</b>	<b>13,180,883</b>	<b>13,030,045</b>	<b>12,926,481</b>
<b>Total assets</b>	<b>14,677,464</b>	<b>14,367,086</b>	<b>14,437,687</b>
<b>Liabilities</b>			
Advances received	1,973,197	1,907,597	1,896,238
Borrowings	299,895	277,286	294,238
Lease liabilities	16,625	10,149	8,089
Employee benefits	85,604	82,547	82,659
Other provisions	298,324	162,907	177,702
Payables and contract liabilities	203,894	200,538	207,951
Current tax liability	6,088	(14,180)	93,857
Deferred tax liability	759,474	574,049	670,641
Other liabilities	107,942	151,889	56,079
<b>Total liabilities</b>	<b>3,751,043</b>	<b>3,352,782</b>	<b>3,487,454</b>
<b>Net assets</b>	<b>10,926,421</b>	<b>11,014,304</b>	<b>10,950,233</b>
Accumulated funds	3,659,313	3,580,865	3,586,480
Asset revaluation surplus	7,267,108	7,433,439	7,363,753
<b>Net worth</b>	<b>10,926,421</b>	<b>11,014,304</b>	<b>10,950,233</b>
<b>Key fiscal aggregates (refer to Appendix A - Glossary)</b>			
<b>Net financial worth</b>	(2,254,462)	(2,015,741)	(1,976,248)
<b>Net debt</b>	1,917,110	1,653,919	1,470,456

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Opening equity</b>			
Opening accumulated funds	3,586,480	3,518,184	3,434,470
Opening asset revaluation surplus	7,363,753	7,471,684	5,496,207
<b>Opening balance</b>	<b>10,950,233</b>	<b>10,989,868</b>	<b>8,930,677</b>
<b>Comprehensive income</b>			
<i>Included in accumulated funds:</i>			
Operating result for the period	(49,954)	41,594	162,149
Other movements	(52,411)	0	600
<i>Included in the asset revaluation surplus:</i>			
Increase/(decrease) in the asset revaluation surplus	27,210	(16,245)	1,981,057
<b>Total comprehensive result</b>	<b>(75,155)</b>	<b>25,349</b>	<b>2,143,806</b>
<b>Other</b>			
Transfer to accumulated funds	123,855	22,000	113,510
Transfer from the asset revaluation surplus	(123,855)	(22,000)	(113,510)
<b>Total other</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions involving owners affecting accumulated funds</b>			
Capital injections <sup>(a)</sup>	105,231	150,764	139,979
Transfer of assets from the General Government Sector	0	0	10,954
Dividends approved	(53,888)	(151,677)	(275,188)
<b>Total transactions involving owners affecting accumulated funds</b>	<b>51,343</b>	<b>(913)</b>	<b>(124,255)</b>
<b>Closing equity</b>			
Closing accumulated funds	3,659,313	3,580,865	3,586,480
Closing asset revaluation surplus	7,267,108	7,433,439	7,363,753
<b>Closing balance</b>	<b>10,926,421</b>	<b>11,014,304</b>	<b>10,950,233</b>

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

(a) Further information can be found in the Statement of Appropriation note.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Cash flows from operating activities</b>			
<i>Cash receipts</i>			
Sales of goods and services from contracts with customers	618,150	852,521	981,123
Grants and contributions	302,955	303,290	294,872
Interest receipts	11,085	2,678	3,304
Other receipts	149,001	97,369	138,783
<b>Total receipts from operating activities</b>	<b>1,081,191</b>	<b>1,255,858</b>	<b>1,418,082</b>
<i>Cash payments</i>			
Payments for employees	(261,261)	(259,381)	(251,551)
Payments for goods and services	(313,712)	(369,604)	(313,957)
Grants/subsidies paid	(35,677)	(33,838)	(33,960)
Borrowing costs	(100,400)	(82,686)	(86,070)
Other payments	(296,456)	(300,173)	(261,306)
<b>Total payments from operating activities</b>	<b>(1,007,506)</b>	<b>(1,045,682)</b>	<b>(946,844)</b>
<b>Net cash inflows from operating activities</b>	<b>73,685</b>	<b>210,176</b>	<b>471,238</b>
<b>Cash flows from investing activities</b>			
<i>Cash flows from investments in non-financial assets</i>			
Sales of non-financial assets	113,918	103,085	139,378
Payments for non-financial assets	(248,506)	(359,306)	(201,011)
<b>Net cash (outflows) from investments in non-financial assets</b>	<b>(134,588)</b>	<b>(256,221)</b>	<b>(61,633)</b>
<b>Cash flows from investments in financial assets for policy purposes</b>			
<i>Cash receipts</i>			
Repayment of loans	0	0	927
Capital receipts from government agencies	105,231	150,764	139,979
<b>Total receipts from investments in financial assets for policy purposes</b>	<b>105,231</b>	<b>150,764</b>	<b>140,906</b>
<i>Cash payments</i>			
Issue of loan	(7,126)	0	(927)
Dividends (market gains on land sales)	0	(48,169)	(13,662)
<b>Total payments from investments in financial assets for policy purposes</b>	<b>(7,126)</b>	<b>(48,169)</b>	<b>(14,589)</b>
<b>Net cash inflows from investments in financial assets for policy purposes</b>	<b>98,105</b>	<b>102,595</b>	<b>126,317</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>			
Sales of investments	728	184	3,954
<b>Net cash inflows from investments in financial assets for liquidity purposes</b>	<b>728</b>	<b>184</b>	<b>3,954</b>
<b>Net cash inflows/(outflows) from investing activities</b>	<b>(35,754)</b>	<b>(153,442)</b>	<b>68,638</b>

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
PUBLIC NON-FINANCIAL CORPORATIONS SECTOR  
STATEMENT OF CASH FLOWS - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2023**

	2022-23 Actual \$'000	2022-23 Budget \$'000	2021-22 Actual \$'000
<b>Cash flows from financing activities</b>			
<i>Cash receipts</i>			
Advances received	99,595	776	20,974
<b>Total receipts from financing activities</b>	<b>99,595</b>	<b>776</b>	<b>20,974</b>
<i>Cash payments</i>			
Advances paid	(41,583)	(6,421)	(26,231)
Dividends paid	(20,990)	167	(270,932)
Repayment of lease liabilities - principal	(4,831)	(15,026)	(4,618)
Other financing	(131,386)	(130,724)	(190,346)
<b>Total payments from financing activities</b>	<b>(198,790)</b>	<b>(152,004)</b>	<b>(492,127)</b>
<b>Net cash (outflows) from financing activities</b>	<b>(99,195)</b>	<b>(151,228)</b>	<b>(471,153)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(61,264)</b>	<b>(94,494)</b>	<b>68,723</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>433,869</b>	<b>358,321</b>	<b>365,146</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>372,605</b>	<b>263,827</b>	<b>433,869</b>
<b>Key fiscal aggregates</b> (refer to Appendix A - Glossary)			
Net cash from operating activities	73,685	210,176	471,238
Net cash flows from investments in non-financial assets	(134,588)	(256,221)	(61,633)
Distributions paid	(152,376)	(130,557)	(461,278)
<b>Cash deficit<sup>(a)</sup></b>	<b>(213,279)</b>	<b>(176,602)</b>	<b>(51,673)</b>

**Notes:** A positive number denotes a cash inflow, a bracket denotes a cash outflow.

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

(a) Net cash surplus/(deficit) refers to the net cash received from operating activities less net sales and purchases of non-financial assets.



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
STATEMENT OF APPROPRIATION  
FOR THE YEAR ENDED 30 JUNE 2023**

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

Entity	Appropriation Act 2022-2023 \$'000	Neutral transfers between appropriations/ entities \$'000	Commonwealth grants variations \$'000	Treasurer's advance \$'000	Additional approved appropriations* \$'000	Total appropriated \$'000	Final appropriation drawn \$'000
<b>ACT Executive</b>							
Payments on behalf of the Territory	14,986	0	0	0	324	15,310	14,632
<b>ACT Gambling and Racing Commission</b>							
Controlled recurrent payments	5,628	0	0	0	69	5,697	5,628
<b>ACT Health Directorate</b>							
Controlled recurrent payments	286,567	11,570	0	4,000	17,015	319,152	312,048
Capital injection	89,190	(11,570)	0	0	5,730	83,350	65,185
Payments on behalf of the Territory	15,443	0	0	0	646	16,089	11,657
<b>ACT Integrity Commission</b>							
Controlled recurrent payments	6,869	0	0	0	55	6,924	5,553
Capital injection	1,121	0	0	0	0	1,121	146
<b>ACT Local Hospital Network</b>							
Controlled recurrent payments	1,006,645	0	0	19,952	54,824	1,081,421	1,050,818
<b>Auditor-General</b>							
Controlled recurrent payments	4,064	0	0	0	152	4,216	4,064
<b>Canberra Health Services</b>							
Capital injection	80,120	0	0	0	11,922	92,042	53,140
<b>Canberra Institute of Technology</b>							
Controlled recurrent payments	80,372	0	97	0	1,963	82,432	80,469
Capital injection	6,529	0	0	0	918	7,447	5,958
<b>Chief Minister, Treasury and Economic Development Directorate</b>							
Controlled recurrent payments	501,970	0	5,099	0	29,003	536,072	482,985
Capital injection	191,354	0	0	0	47,807	239,161	163,364
Payments on behalf of the Territory	111,985	0	0	0	4,323	116,308	83,783

\* Additional approved appropriations relate to appropriations under the *Appropriation Act 2022-23 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2022-23 (No 2)*; sections 16A payments for accrued employee entitlements; 16B transfer of undispersed 2021-22 appropriation from 2021-22 to 2022-23; 18E capital works advance; and 130(6)(c) act of grace payments under the *Financial Management Act 1996*.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
STATEMENT OF APPROPRIATION - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2023**

Entity	Appropriation Act 2022-2023	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>City Renewal Authority</b>							
Controlled recurrent payments	13,256	0	0	0	568	13,824	13,719
Capital injection	7,101	0	0	0	2,368	9,469	8,959
<b>Community Services Directorate</b>							
Controlled recurrent payments	236,302	0	0	0	24,382	260,684	253,604
Capital injection	4,873	0	0	0	4,578	9,451	4,048
Payments on behalf of the Territory	174,029	0	0	0	0	174,029	171,189
<b>Cultural Facilities Corporation</b>							
Controlled recurrent payments	10,204	0	0	0	141	10,345	10,204
Capital injection	4,713	0	0	0	927	5,640	2,012
<b>Education Directorate</b>							
Controlled recurrent payments	933,465	0	2,047	4,800	18,379	958,691	929,206
Capital injection	189,171	0	0	0	27,616	216,787	155,275
Payments on behalf of the Territory	346,575	0	8,122	0	1,837	356,534	349,080
<b>Electoral Commissioner</b>							
Controlled recurrent payments	4,282	0	0	0	39	4,321	3,470
Capital injection	608	0	0	0	35	643	425
<b>Environment, Planning and Sustainable Development Directorate</b>							
Controlled recurrent payments	169,533	0	41	0	4,203	173,777	149,564
Capital injection	32,548	0	0	0	19,653	52,201	30,550
Payments on behalf of the Territory	2,194	0	0	0	200	2,394	1,894
<b>Housing ACT</b>							
Controlled recurrent payments	61,543	0	125	0	2,600	64,268	64,268
Capital injection	114,204	0	0	0	0	114,204	80,380
<b>Icon Water Limited</b>							
Controlled recurrent payments	13,493	0	0	0	0	13,493	13,493

\* Additional approved appropriations relate to appropriations under the *Appropriation Act 2022-23 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2022-23 (No 2)*; sections 16A payments for accrued employee entitlements; 16B transfer of undispersed 2021-22 appropriation from 2021-22 to 2022-23; 18E capital works advance; and 130(6)(c) act of grace payments under the *Financial Management Act 1996*.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
STATEMENT OF APPROPRIATION - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2023**

Entity	Appropriation Act 2022-2023	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Independent Competition and Regulatory Commission</b>							
Controlled recurrent payments	598	0	0	0	35	633	598
<b>Justice and Community Safety Directorate</b>							
Controlled recurrent payments	417,438	(400)	445	0	16,473	433,956	411,102
Capital injection	43,169	0	0	0	5,431	48,600	29,503
Payments on behalf of the Territory	227,941	400	0	5,211	9,360	242,912	239,512
<b>Legal Aid Commission (ACT)</b>							
Controlled recurrent payments	17,126	0	512	0	282	17,920	17,638
<b>Major Projects Canberra</b>							
Controlled recurrent payments	39,512	0	0	0	563	40,075	35,654
Capital injection	350,158	0	0	0	57,111	407,269	392,344
<b>Office of the Legislative Assembly</b>							
Controlled recurrent payments	10,984	0	0	0	183	11,167	10,993
Capital injection	334	0	0	0	0	334	334
Payments on behalf of the Territory	9,564	0	0	0	282	9,846	9,116
<b>Office of the Work Health and Safety Commissioner</b>							
Controlled recurrent payments	11,294	0	0	0	693	11,987	11,760
Capital injection	158	0	0	0	410	568	170
<b>Public Trustee and Guardian</b>							
Controlled recurrent payments	2,483	0	0	0	68	2,551	2,483
<b>Superannuation Provision Account</b>							
Capital injection	347,908	0	0	0	0	347,908	347,908
<b>Transport Canberra and City Services Directorate</b>							
Controlled recurrent payments	481,181	764	0	14,293	11,998	508,236	491,097
Capital injection	220,853	(764)	658	0	35,688	256,435	148,389

\* Additional approved appropriations relate to appropriations under the *Appropriation Act 2022-23 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2022-23 (No 2)*; sections 16A payments for accrued employee entitlements; 16B transfer of undispersed 2021-22 appropriation from 2021-22 to 2022-23; 18E capital works advance; and 130(6)(c) act of grace payments under the *Financial Management Act 1996*.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
STATEMENT OF APPROPRIATION - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2023**

Entity	Appropriation Act 2022-2023	Neutral transfers between appropriations/ entities	Commonwealth grants variations	Treasurer's advance	Additional approved appropriations*	Total appropriated	Final appropriation drawn
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Sub totals for appropriation classes</b>							
Controlled recurrent payments	4,314,809	11,934	8,366	43,045	183,688	4,561,842	4,360,418
Capital injection	1,684,112	(12,334)	658	0	220,194	1,892,630	1,488,090
Payments on behalf of the Territory	902,717	400	8,122	5,211	16,972	933,422	880,863
Treasurer's advance	69,016	0	0	0	2,984	72,000	0
<b>Total appropriations</b>	<b>6,970,654</b>	<b>0</b>	<b>17,146</b>	<b>48,256</b>	<b>423,838</b>	<b>7,459,894</b>	<b>6,729,371</b>

\* Additional approved appropriations relate to appropriations under the *Appropriation Act 2022-23 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2022-23 (No 2)*; sections 16A payments for accrued employee entitlements; 16B transfer of undispersed 2021-22 appropriation from 2021-22 to 2022-23; 18E capital works advance; and 130(6)(c) act of grace payments under the *Financial Management Act 1996*.

The variances between the total appropriated and final appropriation drawn columns for 2022-23 are largely due to the following:

**Controlled recurrent payments:** The variation is largely due to undrawn appropriation in relation to the deferral of expenditure from 2022-23 to future years. These deferrals largely resulted from delays in progressing of projects and programs some of which included skill development grant programs, Future of Education Equity Fund, National School Chaplaincy National Partnership and Commonwealth Grant - Disaster Risk Reduction. The variation was also attributed to delays in finalising the Enterprise Agreement with payments now expected to be made in 2023-24.

**Capital injection:** The variation is largely due to the deferral of expenditure from 2022-23 to future years, the most significant of which related to capital works projects including School Maintenance and Infrastructure Upgrades, Kenny High School, Upgrading and Increasing School Capacity Project, Molonglo Enabling Works, Constructing the William Hovell Drive duplication, Road Safety Program, Material Recovery Facility, Supporting the transition to zero-emissions bus fleet, Monaro Highway upgrade, Roads to Recovery, Future bus network, Better buses to support the new bus network and numerous other lower valued capital works projects. The details of these deferrals are also discussed in the agencies' financial statements (Statement of Appropriation). The variance also resulted from underutilisation of additional funding provided for the Sustainable Household Scheme, lower than budgeted take up of land rent blocks under the Land Rent Scheme and revised allocations of Commonwealth grants for capital infrastructure projects.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**1 THE AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**

The Australian Capital Territory (the Territory) is a body politic established under the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)*. The Legislative Assembly for the ACT is elected on fixed four year terms with the next election due to be held in 2024. The Executive powers of the Territory are exercised by the Chief Minister and Ministers of the ACT Government appointed in accordance with that Act and drawn from the Members of the Legislative Assembly.

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

Financial administration and preparation of consolidated financial statements

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

**2 DISAGGREGATED INFORMATION**

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

**General Government Sector (GGS)**

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

**Public Non-Financial Corporations (PNFC)**

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**3 AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES**

**General Government Sector**

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

**Public Non-Financial Corporations**

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**4 BASIS OF PREPARATION**

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

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

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Statement of Cash Flows for the year;
- (v) a Statement of Appropriation for the year;
- (vi) the material accounting policies adopted for the year; and
- (vii) other statements as necessary to fairly reflect the financial operations of the Territory Government during the year and its financial position at the end of the year.

As required by the FMA, these general purpose financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Government accounting and disclosure policies.

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

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

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

**a) Compliance framework**

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

Compliance with AASB 1049 means that these statements are also consistent with the reporting requirements of the Uniform Presentation Framework (UPF) (refer to Appendix A - Glossary).

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

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

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**4 BASIS OF PREPARATION - CONTINUED**

**b) The reporting period**

These consolidated financial statements state the financial performance, changes in equity and cash flows of the Territory Government for the financial year ended 30 June 2023 together with the financial position of the Territory Government as at 30 June 2023.

**c) Budget figures**

To facilitate a comparison with the budget papers, as required by the FMA, budget information for 2022-23 has been presented in the financial statements. Budget numbers in the financial statements are the annual budget numbers that appear in the 2022-23 Budget papers.

The 2022-23 Budget papers were prepared in accordance with the requirements of AASB 1049 except for calculation of the 'Headline Net Operating Balance' in the budget papers which is not shown in the Operating Statement of this report as this calculation is not required under AASB 1049.

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

**d) Prior year comparatives**

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

The Territory has restated figures for 2021-22 receivables expected credit loss rate, intangible impairments and third party monies. Refer to Note 21: 'Receivables', Note 23: 'Intangibles', and Note 32: 'Third party monies'.

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

**e) Rounding**

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

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

**f) Basis of consolidation**

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

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

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

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



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**5 IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED**

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods. These standards have been assessed as not being relevant to the Territory or will have an immaterial financial impact on the Territory. However, the Territory is currently assessing whether AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities will have a material financial impact. AASB 2022-10 amends AASB 13 by adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets in the not-for-profit public sector which are not held primarily for their ability to generate net cash inflows. Specifically, for such an asset, this standard:

- (a) specifies that the entity is required to consider whether the asset's highest and best use differs from its current use only when, at the measurement date, it is:
  - (i) classified as held for sale or held for distribution to owners in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations; or
  - (ii) highly probable that the asset will be used for an alternative purpose to its current use;
- (b) clarifies that the asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capability of the asset to be used to provide needed goods or services to beneficiaries and the resulting cost of those goods or services;
- (c) specifies that, if both the market selling price of a comparable asset and some market participant data required to measure the fair value of the asset are not observable, an entity uses its own assumptions as a starting point in developing unobservable inputs and adjusts those assumptions to the extent that reasonably available information indicates that other market participants (including, but not limited to, other not-for-profit public sector entities) would use different data; and
- (d) provides guidance on how the cost approach is to be applied to measure the asset's fair value, including guidance on the nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence.

In addition, the Territory is also going to undertake a full assessment of the potential financial impact of AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments, AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector and AASB 17 Insurance Contracts.

**6 CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES**

**Correction of a Prior Period Error**

The Territory has undertaken corrections in relation to amounts reported as third party monies. Refer to note 32: 'Third party monies' for further information.

**7 NORTH CANBERRA HOSPITAL ACQUISITION**

The *Health Infrastructure Enabling Act 2023* (the Act) became effective from 3 July 2023. The Act includes provision for the Territory to acquire public hospital land at the Calvary Public Hospital Bruce site for the purpose of construction of a public hospital and enables the transition of the operation of the public hospital from Calvary to the Territory providing that any interests acquired under the Act are acquired on just terms.

Effective from this date the Calvary Public Hospital Bruce became known as the North Canberra Hospital.

The financial impacts of this acquisition are largely not yet recognised in the financial statements with relevant disclosures being included as appropriate under Australian Accounting Standards. Further information can be found in the following disclosures:

Note 31 'Contingencies, guarantees and indemnities' In relation to the payment of just terms compensation.

Note 38 'Events after the reporting period' In relation to obligations arising from the Act and the redirection of grants and purchased services funding from 2023-24 that would have been paid to the Calvary Public Hospital that will instead be redirected to funding operations of the North Canberra Hospital.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**REVENUE**

**DESCRIPTION AND MATERIAL ACCOUNTING POLICIES**

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

**AASB 15**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

- (1) identify the contract with the customer;
- (2) identify the performance obligations;
- (3) determine the transaction price;
- (4) allocate the transaction price; and
- (5) recognise revenue as or when control of the performance obligation is transferred to the customer.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Territory have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

**AASB 1058**

Where revenue streams are in the scope of AASB 1058, the Territory recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following specific recognition criteria must also be met before revenue is recognised:

**Land revenue**

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

Sales under the land rent scheme are recognised in the PNFC sector on settlement at an amount that would have been received if the sale had been a capital sum sale rather than a not for capital sum (rent lease) sale.

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

The Territory uses significant judgment to determine the value of revenue attributable to the 'value add component' and 'market gains' of land sales, in accordance with the ABS GFS Manual definition of transactions and other economic flows. Land revenue (undeveloped land value) is determined by independent valuation (through a panel of valuers) prior to the land sales transaction.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**DESCRIPTION AND MATERIAL ACCOUNTING POLICIES - CONTINUED**

Land revenue - continued

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

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

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

**8 TAXATION REVENUE**

Taxes are recognised as revenue at the time when an assessment is raised. Licence revenue, apart from short-term licenses (12 months or less) and low-value licenses (\$10,000 or less) are recognised consistent with the licence's performance obligations and is either recognised when the licence is issued or amortised over the licence term.

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Taxation Revenue</b>				
Duties	433,980	484,098	433,863	483,461
Payroll tax <sup>(a)</sup>	732,689	653,724	717,014	638,336
General rates <sup>(b)</sup>	736,635	673,542	715,766	652,933
Motor vehicle registration fees	170,069	161,525	170,069	161,525
Land tax <sup>(c)</sup>	184,264	157,771	184,264	157,771
Gambling taxes	87,937	73,685	87,937	73,685
Fire and emergency services levy	104,259	93,508	101,305	90,651
Utilities (network facilities) tax	48,720	42,634	37,116	31,386
Lease variation charge	24,052	27,585	24,052	27,585
Ambulance levy	27,744	26,778	27,744	26,778
Energy industry levy	4,597	3,819	4,597	3,819
Safer families levy	7,449	6,042	7,246	5,864
<b>Total taxation revenue</b>	<b>2,562,395</b>	<b>2,404,711</b>	<b>2,510,973</b>	<b>2,353,794</b>

**Notes:** (a) The increase is mainly due to employment growth and wage payments by businesses liable for payroll tax.

(b) The variance largely reflects an increasing number of properties subject to the general rates charge and increases in the unimproved value of land for existing properties.

(c) The variance largely reflects increases in unimproved land value and additional land tax compliance activities.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**9 COMMONWEALTH GRANTS**

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Commonwealth Grants</b>				
GST revenue grant <sup>(a)</sup>	1,748,875	1,498,240	1,748,875	1,498,240
ACT Municipal Services	42,451	41,700	42,451	41,700
National specific purpose and reform payments <sup>(b)</sup>	1,054,894	990,279	1,054,894	990,279
National partnership payments <sup>(c)</sup>	199,166	309,330	200,730	310,673
<i>Other grants:</i>				
Financial assistance grants for Local Government <sup>(d)</sup>	87,797	74,844	87,797	74,844
Other grants	33,414	37,136	33,414	37,136
<b>Total grants revenue</b>	<b>3,166,597</b>	<b>2,951,529</b>	<b>3,168,161</b>	<b>2,952,872</b>

**Notes:** (a) GST revenue grants represent the distribution of Goods and Services tax revenue collected by the Commonwealth Government and transferred to State and Territory Governments. The increase is mainly due to an increase in the size and share of GST pool funding for 2022-23.

(b) National specific purpose and reform grants are Commonwealth financial contributions to support delivery of services in specified sectors and are subject to conditions on expenditure. The Territory Government (through the General Government Sector) receives funding for healthcare, schools, skills and workforce development and affordable housing. This increase mainly reflects new funding received from the Commonwealth for the Social Housing Accelerator Payment and increases in ongoing National Skills and Workforce Development and National Schools Specific Performance Payments.

(c) National partnership payments are received to support the delivery of specified projects, to facilitate reforms or to reward jurisdictions that deliver on national reforms or achieve service delivery improvements. The decrease is mainly due to the wind-down of COVID-19 Business Support Grants and associated Commonwealth grants.

(d) Financial assistance grants for Local Government are received for the purpose of local government activities. As the Territory Government has responsibility for both state and municipal functions, these grants are paid directly to the Territory Government. This increase is mainly due to the early payment of the 2023-24 Commonwealth Financial Assistance Grant. This occurred across all jurisdictions nationally.

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**10 OTHER SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS**

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

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

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
Water, sewerage and other related services	0	0	275,079	271,862
Residential housing tenants and rental income	18,586	16,572	105,809	100,815
Health cross-border revenue <sup>(a)</sup>	126,537	128,952	126,537	128,952
Hospital and other health services <sup>(b)</sup>	93,084	140,892	93,084	140,892
Regulatory services <sup>(c)</sup>	180,439	168,660	148,128	138,276
Service receipts and fees <sup>(d)</sup>	183,025	156,594	188,132	156,426
<b>Total other sales of goods and services from contracts with customers</b>	<b>601,671</b>	<b>611,670</b>	<b>936,769</b>	<b>937,223</b>

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

(b) Hospital and other health services revenue relates to fees and charges for public hospital services, including patients who elect to be treated as private patients, and for community health services provided at community facilities such as health centres. The decrease is due to lower provision of medical consumables and personal protective equipment to third parties as well as a reduction in pathology activity in 2022-23. The supply of these items and pathology activity was higher during the COVID-19 pandemic in previous years.

(c) Regulatory services represent fees such as transport regulation, waste acceptance, road safety, building levies, development applications and water abstraction charge.

(d) Service receipts and fees include items such as venue and equipment hire, event management, sports match receipts, extension of time to build fees, capital linen revenue, merchandise sales, bus fares, fire safety certifier fees, parking fees and drivers' licences. The increase is attributed to higher revenue for the Canberra Theatre Centre.

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**11 DIVIDEND AND INCOME TAX EQUIVALENTS INCOME**

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

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
Dividends from public non-financial corporations <sup>(a)</sup>	11,250	261,526	0	0
Income tax equivalents from public non-financial corporations <sup>(b)</sup>	43,618	152,849	0	0
<b>Total dividend and income tax equivalents income</b>	<b>54,868</b>	<b>414,375</b>	<b>0</b>	<b>0</b>

**Notes:** (a) The decrease reflects a nil dividend return for ICON Water due to Large Scale Feed in Tariffs being excluded from the calculation of annual dividend returns and lower returns from the Suburban Land Agency reflective of decreased land sales in Taylor due to completion of the project and the impact of staged settlement timing in Whitlam (where significant settlement volumes were scheduled for the 2021-22 financial year).

(b) The decrease mainly reflects lower returns from the Suburban Land Agency as described above.

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**EXPENSES**

	General Government Sector		Total Territory	
	2022-23	2021-22	2022-23	2021-22
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
<b>12 EMPLOYEE EXPENSES</b>				
Wages and salaries	2,629,298	2,493,086	2,849,988	2,702,352
Long service leave and annual leave	148,418	202,327	156,017	216,132
<b>Total employee expenses<sup>(a)</sup></b>	<b>2,777,716</b>	<b>2,695,413</b>	<b>3,006,005</b>	<b>2,918,484</b>

**Note:** (a) The variance mainly reflects increased staffing associated with delivering new initiatives and addressing service delivery pressures. This increase is also attributed to Enterprise Bargaining outcomes.

**13 SUPERANNUATION EXPENSES**

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

- \* the present value of interest and service costs paid to the Commonwealth Superannuation Corporation (CSC) to cover the Territory Government's defined benefit obligation in relation to employee membership in the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS);
- \* payments made directly to CSC on behalf of employees who are members of the Public Sector Superannuation Scheme accumulation plan (PSSap);
- \* employer productivity payments made directly to CSC on behalf of members of the CSS and PSS; and
- \* payments made to other superannuation funds external to the ACT Government.

	General Government Sector		Total Territory	
	2022-23	2021-22	2022-23	2021-22
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
Superannuation interest cost <sup>(a)</sup>	425,834	302,379	425,834	302,379
Other superannuation expenses	486,857	552,283	508,662	572,089
<b>Total superannuation expenses<sup>(b)</sup></b>	<b>912,691</b>	<b>854,662</b>	<b>934,496</b>	<b>874,468</b>

Represented by:

Superannuation expenses (CSS and PSS)	648,667	612,225	648,667	612,225
Superannuation payment to CSC (for the PSSap)	14,810	13,180	15,531	13,830
Productivity benefit	14,057	13,823	14,994	14,824
Superannuation to other external providers, including fund of choice	235,157	215,434	255,304	233,589
<b>Total superannuation expenses<sup>(b)</sup></b>	<b>912,691</b>	<b>854,662</b>	<b>934,496</b>	<b>874,468</b>

**Notes:** (a) Superannuation interest cost is a component of total superannuation expense to the extent the liability is unfunded. 'Superannuation interest cost' does not represent an actual borrowing from employees and the breakdown of total superannuation expenses into 'superannuation interest cost' and 'other superannuation expenses' is simply for presentational and reporting purposes.

(b) The increase is mainly due to the adoption of revised financial assumptions in relation to the Territory's superannuation liability valuation.

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	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>14 SUPPLIES AND SERVICES</b>				
Communication, travel and staff development <sup>(a)</sup>	176,906	152,421	199,076	170,245
Materials, equipment and supplies	334,084	334,667	435,573	428,833
Property rental and occupancy expenses (including utilities)	42,629	46,267	36,346	39,350
Repairs and maintenance	209,505	202,894	284,036	289,773
Consultant fees, contractor payments and professional services <sup>(b)</sup>	321,065	267,368	371,562	308,142
Community policing	204,857	195,473	204,857	195,473
Service concession arrangements - service expenses	0	0	27,942	26,696
Other supplies and services	38,783	32,620	43,721	36,651
<b>Total supplies and services</b>	<b>1,327,829</b>	<b>1,231,710</b>	<b>1,603,113</b>	<b>1,495,163</b>

**Notes:** (a) The increase is mainly due to additional costs relating to ICT systems upgrades and maintenance services provided to the Territory's public hospitals and implementation of multiple ICT systems including the Digital Health Record and the Notifiable Diseases Management Systems.

(b) The increased consultant costs is mainly related to University of Canberra Hospital services and higher transporting and processing costs of recycling due to the need to process this interstate as a result of the fire at the Material Recoveries Facility in December 2022. The increase is also attributed to higher indexation and fuel costs for household kerbside and green waste collections.



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**15 GRANTS AND PURCHASED SERVICES**

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

Concessional loan discount expense represents the difference between the present value of concessional loan interest rates and the market value of these rates.

Government grants and purchased services expense comprised amounts relating to:

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
Grants to non-government schools	349,451	336,277	349,451	336,277
Grant payment (education and community services)	6,166	3,877	40,730	37,159
First home owners' grant	182	756	182	756
Capital grants <sup>(a)</sup>	73,365	10,406	73,365	10,406
Appropriation payments to agencies	91,480	84,205	0	0
Asset transfers to another entity <sup>(b)</sup>	117,082	101,074	109,004	84,872
Skills Canberra	29,154	24,615	29,154	24,615
Sport, recreation and VisitCanberra	22,523	19,052	22,523	19,052
COVID-19 business support grants <sup>(c)</sup>	0	359,573	0	359,573
Concessional loan discount expense <sup>(d)</sup>	21,164	0	21,164	0
Other current grants	56,614	65,128	56,648	65,088
<b>Total grants</b>	<b>767,181</b>	<b>1,004,963</b>	<b>702,221</b>	<b>937,798</b>
Purchase of transport services from Transport Canberra Operations	204,767	201,085	0	0
Purchase of health services from Calvary Hospital	287,880	276,960	287,880	276,960
Purchase of health services from other jurisdictions	14,167	17,523	14,167	16,334
Payments to non-government organisations (health and disability)	421,214	392,923	421,214	392,923
Other purchased services	10,668	4,563	10,167	4,065
<b>Total purchased services</b>	<b>938,696</b>	<b>893,054</b>	<b>733,428</b>	<b>690,282</b>
<b>Total grants and purchased services</b>	<b>1,705,877</b>	<b>1,898,017</b>	<b>1,435,649</b>	<b>1,628,081</b>

**Notes:** (a) The increase mainly reflects the extinguishment of the Territory's loan with Community Housing Canberra (CHC) in exchange for property, plant and equipment assets.

(b) The increase is due to the higher spot rate of Large Scale Generation Certificates at 30--June 2023 of \$54.50 compared to \$49.50 at 30 June 2022 which are surrendered to the Clean Energy Regulator to meet the Territory's 100 per cent renewable electricity target.

(c) The variance is due to the cessation of various COVID-19 support and grant programs.

(d) The variance is mainly due to a higher concessional loan discount expense associated with the Sustainable Household Scheme. In 2021-22, these expenses were recorded as Interest expenses but have been reclassified as grants in 2022-23 in accordance with ACT Accounting Policy.

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**16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS**

Waivers and Write-Offs

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

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

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

Write-offs also include the expensing of components of projects that are unable to be capitalised.

Impairment of assets

An impairment loss is the amount by which the carrying amount of an asset (or a cash-generating unit) exceeds its recoverable amount. The recoverable amount is the higher of 'fair value less the cost to sell' and its 'value in use'.

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

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

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

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

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**16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS - CONTINUED**

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Waivers</b>				
Stimulus waivers <sup>(a)</sup>	0	2,171	0	2,171
Other waivers	1,425	1,272	1,425	1,272
<b>Total waivers<sup>(b)</sup></b>	<b>1,425</b>	<b>3,443</b>	<b>1,425</b>	<b>3,443</b>
<b>Write-offs</b>				
Inventory write downs <sup>(c)</sup>	11,769	705	17,800	22,073
Receivables write-offs	2,161	2,687	5,187	3,939
Other write-offs <sup>(d)</sup>	47,903	346	44,279	362
<b>Total write-offs</b>	<b>61,833</b>	<b>3,738</b>	<b>67,266</b>	<b>26,374</b>
<b>Impairment of assets</b>				
<i>Impairment loss from receivables</i>				
Expected credit loss expense <sup>(e)</sup>	17,676	20,864	18,081	34,387
<b>Total impairment loss from receivables</b>	<b>17,676</b>	<b>20,864</b>	<b>18,081</b>	<b>34,387</b>
<i>Impairment loss from property, plant and equipment</i>				
Plant and equipment	722	132	726	133
<b>Total impairment loss from property, plant and equipment</b>	<b>722</b>	<b>132</b>	<b>726</b>	<b>133</b>
<i>Impairment loss from intangibles</i>				
Intangibles	3,591	0	3,591	1
<b>Total impairment loss from intangibles</b>	<b>3,591</b>	<b>0</b>	<b>3,591</b>	<b>1</b>
<i>Impairment loss from inventory</i>				
Inventory	0	0	0	122
<b>Total impairment loss from inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>122</b>
<b>Total impairment losses</b>	<b>21,989</b>	<b>20,996</b>	<b>22,398</b>	<b>34,643</b>
<b>Total waivers, impairment losses and write-offs</b>	<b>85,247</b>	<b>28,177</b>	<b>91,089</b>	<b>64,460</b>

**Notes:** (a) Stimulus waivers were recorded as reductions in revenue (mainly rent relief program introduced in response to the COVID-19 health emergency and none were recorded in 2022-23.

(b) There were 135 waivers approved in 2022-23 for both General Government Sector (GGS) (2021-22: 293) and the Territory (2021-22: 293). The decrease largely reflects the one-off nature of the Government's COVID-19 economic survival package.

(c) The increase is mainly due to the write down of COVID-19 Rapid Antigen Tests kits held in inventory following a reduction in the replacement purchase price.

(d) The increase is largely due to the expensing of components of the Human Resources Information Management Solution (HRIMS) that are no longer able to be capitalised.

(e) The decrease is mainly due to the write off of a receivable in 2022-23 based on a mediation outcome that resulted in the receivable not being recovered, which led to a decrease in expected credit losses and an increase in write-off expense in 2022-23 by the Suburban Land Agency.

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**17 ACT OF GRACE PAYMENTS**

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

There were 19 act of grace payments made by the General Government Sector (GGS) and the Territory (2021-22: 30) during the reporting period pursuant to Section 130 of the *Financial Management Act 1996* (FMA), totalling \$42,000 (2021-22: \$143,000).

Details of act of grace payments made can be found in the financial statements of the Chief Minister, Treasury and Economic Development Directorate (act of grace payments note).

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**ASSETS**

**FINANCIAL AND NON-FINANCIAL ASSETS**

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

**18 RECONCILIATION OF CASH FLOWS**

The 2021-22 comparative has been updated to reflect the presentation of items as represented in the current reporting period.

(a) Reconciliation of cash and cash equivalents at the end of the reporting period in the Balance Sheet to the Statement of Cash Flows.

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Cash and cash equivalents in the Balance Sheet</b>				
Cash and deposits	2,374,197	3,132,491	2,731,804	3,526,362
Short-term securities and other cash equivalents	163	2,107	15,161	42,107
<b>Cash and cash equivalents as recorded in the Statement of cash flows</b>	<b>2,374,360</b>	<b>3,134,598</b>	<b>2,746,965</b>	<b>3,568,469</b>

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

<b>Operating result</b>	<b>(336,361)</b>	<b>(1,062,131)</b>	<b>(453,281)</b>	<b>(1,220,212)</b>
<i>Add/(less) non-cash movements:</i>				
Depreciation and amortisation	543,503	513,352	727,842	675,617
Revaluation of non-financial assets	2,993	(9,467)	12,276	(12,736)
Bad debts	19,741	23,831	23,172	38,611
Net concessional loan interest	18,475	2,356	18,475	2,356
Accrued other interest	38,218	22,395	38,940	23,422
Capitalised distributions from associates and joint ventures	0	0	(122,360)	(49,801)
Waivers	1,425	3,443	1,425	3,443
Gains from contributed assets	(227,657)	(149,512)	(194,739)	(105,308)
Asset transfer to another entity	117,082	101,074	109,004	84,872
Assets required to be expensed	61,647	51,345	75,834	51,345
Transfers of inventory to property, plant and equipment	0	0	(5,091)	0
Other non-cash movements	(186)	(59,719)	(28,722)	(8,687)
<i>Add/(less) items classified as investing or financing:</i>				
Issue of Sustainable Household Scheme loans	105,037	14,512	105,037	14,512
Repayment of Sustainable Household Scheme Loans	(91,306)	(181)	(91,306)	(181)
(Gains)/losses on loose-fill asbestos insulation eradication scheme	(2,795)	(6,962)	(2,795)	(6,962)
Market gains on dividends and land sales	(42,638)	(13,662)	(62,744)	(20,463)
Net (gains)/losses on investments	(418,956)	405,553	(419,034)	402,734
Net (gains)/losses on disposal of non-current assets	4,234	(90,043)	9,713	(99,310)
<b>Cash before changes in operating assets and liabilities</b>	<b>(207,544)</b>	<b>(253,816)</b>	<b>(258,354)</b>	<b>(226,748)</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**18 RECONCILIATION OF CASH FLOWS - CONTINUED**

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<i>Change in operating assets and liabilities:</i>				
(Increase)/decrease in receivables	56,995	450,723	73,413	301,182
Receivable from Comcare classified as investing cash flows	0	(328,000)	0	(328,000)
(Increase)/decrease in inventories	15,144	(13,541)	(131,657)	65,036
Increase/(decrease) in payables and contract liabilities	(7,952)	20,775	(2,145)	50,593
Increase/(decrease) in employee benefits and provisions	430,695	333,714	580,143	334,460
(Increase)/decrease in non-cash provisions	0	0	(103,684)	3,642
Increase/(decrease) in other liabilities	(2,884)	1,103	(3,914)	5,121
<b>Net cash flows from operating activities</b>	<b>284,454</b>	<b>210,958</b>	<b>153,802</b>	<b>205,286</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**19 ADVANCES PAID**

Advances paid include loans made by the Territory Government (through the General Government Sector) to Icon Water Limited and loans issued under the Sustainable Household Scheme.

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
Current loans receivable	105,901	65,691	6,322	65,502
Non-current loans receivable	1,917,194	1,867,682	79,808	11,933
<b>Total advances paid</b>	<b>2,023,095</b>	<b>1,933,373</b>	<b>86,130</b>	<b>77,435</b>

**20 INVESTMENTS AND LOANS**

Initial recognition

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

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

Subsequent measurement

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

Derecognition

Investments are derecognised when the obligation specified in the contract is discharged or cancelled, transferred, or expired. Transaction costs for such investments are recognised directly in the Operating Statement.

Determination of fair value

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

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**20 INVESTMENTS AND LOANS - CONTINUED**

Determination of fair value - continued

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

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

Financial derivative instruments

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

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

	General Government Sector		Total Territory	
	2022-23 Actual	2021-22 Actual	2022-23 Actual	2021-22 Actual
Short-term securities		0	10,000	40,000
Government fixed interest bonds	1,671,880	1,640,960	1,671,880	1,640,960
Shares and equities	3,636,647	3,051,958	3,636,647	3,051,958
Investment in property and infrastructure trusts	796,365	752,478	796,365	752,478
Other current investments	1,999	8,107	6,999	8,107
<b>Total current investments <sup>(a)</sup></b>	<b>6,106,891</b>	<b>5,453,503</b>	<b>6,121,891</b>	<b>5,493,503</b>
<i>Non-current investments</i>				
Other non-current investments	3,894	3,894	3,894	3,894
<b>Total non-current investments</b>	<b>3,894</b>	<b>3,894</b>	<b>3,894</b>	<b>3,894</b>
<b>Total investments and loans</b>	<b>6,110,785</b>	<b>5,457,397</b>	<b>6,125,785</b>	<b>5,497,397</b>

**Note:** (a) The fair value of investments fluctuates year on year depending on the performance of the underlying financial investment exposures. The change in investment value is driven by higher market gains.



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**21 RECEIVABLES**

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

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

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

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

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

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**21 RECEIVABLES - CONTINUED**

	General Government Sector		Total Territory	
	2022-23	2021-22	2022-23	2021-22
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
<i>Current receivables</i>				
Trade receivables <sup>(a)</sup>	454,698	370,784	417,974	405,569
Right to receive infrastructure from land developers	0	0	8,013	7,313
Prepayments	35,273	40,748	46,707	52,881
Less: Expected credit loss allowance	(63,624)	(48,682)	(88,219)	(72,337)
<b>Net current trade receivables</b>	<b>426,347</b>	<b>362,850</b>	<b>384,475</b>	<b>393,426</b>
Accrued revenue <sup>(b)</sup>	126,810	194,729	110,307	83,666
Other current receivables <sup>(c)</sup>	179,519	200,766	72,181	149,128
<b>Total current receivables</b>	<b>732,676</b>	<b>758,345</b>	<b>566,963</b>	<b>626,220</b>
<i>Non-current trade receivables</i>				
Trade receivables	42,706	41,859	42,711	41,866
Prepayments	0	0	0	0
Less: Expected credit loss allowance	0	(320)	0	(320)
<b>Net non-current trade receivables</b>	<b>42,706</b>	<b>41,539</b>	<b>42,711</b>	<b>41,546</b>
Other receivables <sup>(d)</sup>	42,191	74,684	53,115	87,308
<b>Total non-current receivables</b>	<b>84,897</b>	<b>116,223</b>	<b>95,826</b>	<b>128,854</b>
<b>Total receivables</b>	<b>817,573</b>	<b>874,568</b>	<b>662,789</b>	<b>755,074</b>

**Note:** (a) The increase is mainly due to the deferral of dividend payments by the Suburban Land Agency to future years, higher tax revenue levied resulting from additional compliance activity and increased outstanding patient fees.

(b) The decrease in General Government Sector accrued revenue is largely due to a lower level of dividends and income tax equivalents accrued from the Suburban Land Agency associated with a lower land sales in 2022-23. A change in the dividend calculation methodology for Icon Water also reduced dividend receivables to nil.

(c) The decrease relates to back-adjustment payments for outstanding Cross Border Health receipts following the completion of prior year reconciliations.

(d) This decrease is due to the reclassification of deferred payroll tax from non-current to current in 2022-23.

	General Government Sector		Total Territory	
	2022-23	2021-22	2022-23	2021-22
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
<b>Reconciliation of the loss allowance for receivables</b>				
Expected credit loss allowance at the beginning of the reporting period	49,003	30,639	72,660	40,882
Less: Reduction in allowance from amounts recovered during the reporting period	(1,273)	(259)	(1,280)	(1,501)
Less: Reduction in allowance from amounts written-off during the reporting period	(1,667)	(612)	(3,893)	(754)
Expected credit loss expense	17,562	19,235	20,735	34,033
<b>Expected credit loss allowance at the end of the reporting period</b>	<b>63,624</b>	<b>49,003</b>	<b>88,219</b>	<b>72,660</b>

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**21 RECEIVABLES - CONTINUED**

**Expected credit loss allowance - General Government Sector**

	Overdue					Total
	Not Overdue	1-30 Days	31 to 60 Days	61 to 90 Days	> 91 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>30 June 2023</b>						
Expected credit loss rate (%)	1%	5%	9%	16%	26%	9%
Estimated total gross carrying amount at default	405,833	33,267	26,855	17,940	196,349	680,244
<b>Expected credit loss allowance</b>	<b>3,829</b>	<b>1,527</b>	<b>2,470</b>	<b>2,896</b>	<b>51,832</b>	<b>62,554</b>
<b>30 June 2022</b>						
Expected credit loss rate (%)	0%	4%	11%	20%	25%	9%
Estimated total gross carrying amount at default	433,026	33,955	21,852	15,922	217,703	722,456
<b>Expected credit loss allowance</b>	<b>1,405</b>	<b>1,423</b>	<b>2,394</b>	<b>3,250</b>	<b>54,340</b>	<b>62,813</b>

**Expected credit loss allowance - Total Territory**

	Overdue					Total
	Not Overdue	1-30 Days	31 to 60 Days	61 to 90 Days	> 91 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>30 June 2023</b>						
Expected credit loss rate (%) <sup>(a)</sup>	1%	5%	10%	43%	31%	13%
Estimated total gross carrying amount at default	357,202	39,326	29,380	35,232	211,787	672,927
<b>Expected credit loss allowance</b>	<b>3,829</b>	<b>1,812</b>	<b>2,907</b>	<b>15,285</b>	<b>65,201</b>	<b>89,034</b>
<b>30 June 2022</b>						
Expected credit loss rate (%) <sup>(b)</sup>	0%	4%	12%	20%	30%	10%
Estimated total gross carrying amount at default	468,935	38,001	24,291	16,737	246,371	794,333
<b>Expected credit loss allowance</b>	<b>1,405</b>	<b>1,612</b>	<b>2,926</b>	<b>3,274</b>	<b>73,187</b>	<b>82,403</b>

**Notes:** (a) The high allowance for impairment loss for 61-90 days reflects the challenging environment Housing ACT tenants face in the current and foreseeable future to pay for recoverable repairs and maintenance.

(b) The total expected credit loss rate for 30 June 2022 has been restated from 5 per cent to 10 per cent to correct a publication error identified in 2021-22.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT**

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

**Land** is defined as the ground, including the soil covering and any associated surface waters. Land includes leasehold land held by the Territory Government and other land such as that associated with the Territory Government's educational and health facilities, and includes land under roads. It excludes land under infrastructure and land held as community assets (e.g. public nature reserves).

**Buildings** are structures that have a roof and walls which stand permanently in one place. These structures are separately identifiable from the land they are constructed upon and as such do not include this land. Buildings include office buildings, warehouses, hospitals, school buildings, community health centres, other clinical and corporate facilities, emergency service facilities, courts and land improvements. Land improvements include parking lots, retaining walls, and landscaping adjoining a building. Service concession building assets are included within the building asset class. This includes the Public Private Partnership arrangement for the Light Rail building being included as a service concession asset. Right-of-use building assets are not included in the building asset class.

**Right-of-Use Buildings** are leased structures and land improvements that are separately identifiable from the land they are constructed upon. Right-of-use buildings include the court-house and adjacent parking lot that are part of the Public-Private Partnership arrangement, and the specialised depot building.

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

**Plant and Equipment** are tangible assets like machinery, apparatus, appliances, containers, implements or tools that are used to produce goods or assist in providing services to the community. Plant and equipment tend to be smaller and more mobile in nature than other types of property, plant and equipment like buildings, roads and land. Plant and Equipment includes mobile plant, water tanks, air conditioning and heating systems, office and computer equipment, furniture and fittings, motor vehicles, earth moving machinery, light rail vehicles (rolling stock), light rail maintenance equipment, and other mechanical and electronic equipment. Service concession plant and equipment assets are included in the plant and equipment asset class. Right-of-use plant and equipment are not included in the plant and equipment asset class.

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

**Heritage and community assets.** Heritage assets refer to assets that have unique cultural, historical, geographical, scientific, and/or environmental attributes and that the Government intends to preserve indefinitely because of those attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage assets held include artwork, museums and some library collections, historical buildings, and memorials. Community assets are those assets that are provided primarily for general community use or services. Community assets held include public parks and gardens, public sporting reserves, public nature reserves, shelters and land under infrastructure.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

Acquisition and recognition of property, plant and equipment

Property, plant and equipment is initially recorded at cost. Property, plant and equipment acquired at no or minimal cost is recorded at fair value as at the date of acquisition. Right-of-use assets are also measured at cost on initial recognition, where cost comprises the initial amount of the lease liability, initial direct costs, prepaid lease payments less any lease incentives received. However, the Territory Government initially recognises service concession assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*.

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.

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

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

Measurement of property, plant and equipment after initial recognition

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

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

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

Major cyclical maintenance - infrastructure assets

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

Valuation of non-current assets

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

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

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

Revaluation

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

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

Impairment of assets

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

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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

Depreciation and useful life

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

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

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

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

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

Class of Asset	Depreciation/ Amortisation	Useful Life (years)
Buildings <sup>(a)</sup>	Straight-line	2-100
Leasehold improvements	Straight-line	1-40
Plant and equipment	Straight-line	1-126
Infrastructure	Straight-line	3-150
Heritage and community assets <sup>(b)</sup>	Straight-line	1-100

**Note:** (a) Land improvements are included with buildings.

(b) The following heritage assets held by Cemeteries and Crematoria Authority have an indefinite useful life - Woden Caretakers Cottage and Offices/Visitors Rooms in Woden Cemetery.

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

Land under roads

Significant judgement has been made in determining the fair value of land under roads. The Valuer General has issued a guidance note on the valuation method applicable for land under roads. This guidance states that 'Statutory Land Value' is the most feasible and efficient base for valuing land under roads.

In applying this statutory land value method, the fair value for land under roads is measured on an unimproved rateable land valuation basis. A value per square metre of land is estimated by dividing the total unimproved value of rateable land in the Territory by the total area of the Territory.

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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

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

The following table shows the movement in each class of Property, Plant and Equipment during 2022-23.

	Land	Service concession land assets	Buildings	Service concession building assets	Right of use buildings	Plant and equipment	Service concession plant and equipment assets	Right of use plant and equipment	Leasehold improvements	Infrastructure assets	Service concession infrastructure assets	Heritage and community assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>5,029,726</b>	<b>0</b>	<b>4,133,690</b>	<b>0</b>	<b>802,665</b>	<b>287,891</b>	<b>0</b>	<b>28,016</b>	<b>146,353</b>	<b>8,130,254</b>	<b>0</b>	<b>201,046</b>	<b>18,759,641</b>
Additions	46,654	0	186,585	0	45,085	102,934	0	13,260	37,653	85,741	0	6,302	524,214
Assets classified as held for sale	(1,354)	0	0	0	0	0	0	0	0	0	0	0	(1,354)
Revaluation adjustments	281,872	0	343,569	0	0	3,711	0	173	4,321	21,640	0	(4,428)	650,858
Depreciation	(826)	0	(147,146)	0	(53,479)	(62,856)	0	(12,175)	(12,901)	(202,371)	0	(2,963)	(494,717)
Assets transferred	(4,861)	0	4,674	0	(3,308)	213	0	0	0	18,009	0	(751)	13,976
Disposals	(67,330)	0	(4,828)	0	0	(2,384)	0	(365)	(253)	(7,551)	0	(500)	(83,211)
Impairment Losses Recognised in the Operating Statement	0	0	(1,816)	0	0	(12)	0	0	0	12	0	0	(1,816)
Other Movements/Reclassifications	(7,749)	0	(936)	0	(12)	(13,546)	0	(1,246)	1,877	19,508	0	7,155	5,051
<b>Balance at 30 June 2023<sup>(a)</sup></b>	<b>5,276,132</b>	<b>0</b>	<b>4,513,792</b>	<b>0</b>	<b>790,951</b>	<b>315,950</b>	<b>0</b>	<b>27,663</b>	<b>177,050</b>	<b>8,065,242</b>	<b>0</b>	<b>205,861</b>	<b>19,372,642</b>

**Carrying amount at the end of the reporting period is represented by:**

Gross Book Value	5,313,928	0	4,571,792	0	0	798,588	0	0	217,457	8,371,781	0	207,742	19,481,288
Accumulated Depreciation	(37,796)	0	(56,109)	0	0	(482,546)	0	0	(40,406)	(301,254)	0	(1,881)	(919,992)
Accumulated Impairment Losses	0	0	(1,891)	0	0	(92)	0	0	0	(5,285)	0	0	(7,268)
Carrying Amount of Right of use Assets	0	0	0	0	790,951	0	0	27,663	0	0	0	0	818,614

The following table shows the movement in each class of property, plant and equipment during 2021-22.

	Land	Service concession land assets	Buildings	Service concession building assets	Right of use buildings	Plant and equipment	Service concession plant and equipment assets	Right of use plant and equipment	Leasehold improvements	Infrastructure assets	Service concession infrastructure assets	Heritage and community assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	<b>4,201,261</b>	<b>0</b>	<b>4,029,648</b>	<b>0</b>	<b>804,462</b>	<b>238,998</b>	<b>0</b>	<b>27,777</b>	<b>121,087</b>	<b>7,447,093</b>	<b>0</b>	<b>249,803</b>	<b>17,120,128</b>
Additions	26,687	0	227,274	0	45,590	83,266	0	15,798	36,429	146,416	0	4,154	585,614
Assets classified as held for sale	(5,758)	0	0	0	0	0	0	0	0	0	0	0	(5,758)
Revaluation adjustments	866,798	0	19,726	0	0	7,394	0	0	(94)	737,587	0	(51,276)	1,580,135
Depreciation	(1,156)	0	(152,934)	0	(47,386)	(54,263)	0	(14,934)	(11,811)	(186,395)	0	(2,618)	(471,497)
Assets transferred	(6,901)	0	120	0	0	0	0	0	0	6,636	0	1,366	1,221
Disposals	(60,258)	0	0	0	0	(4,466)	0	(909)	(171)	(759)	0	0	(66,563)
Impairment Losses Recognised in the Operating Statement	0	0	(31)	0	0	(190)	0	0	0	(904)	0	0	(1,125)
Other Movements/Reclassifications	9,050	0	9,886	0	0	17,152	0	286	914	(19,420)	0	(383)	17,485
<b>Balance at 30 June 2022</b>	<b>5,029,726</b>	<b>0</b>	<b>4,133,690</b>	<b>0</b>	<b>802,665</b>	<b>287,891</b>	<b>0</b>	<b>28,016</b>	<b>146,353</b>	<b>8,130,254</b>	<b>0</b>	<b>201,046</b>	<b>18,759,641</b>

**Carrying amount at the end of the reporting period is represented by:**

Gross Book Value	5,067,315	0	4,403,063	0	0	755,126	0	0	180,625	8,264,344	0	203,195	18,873,668
Accumulated Depreciation	(37,589)	0	(268,891)	0	0	(467,156)	0	0	(34,272)	(128,662)	0	(2,149)	(938,719)
Accumulated Impairment Losses	0	0	(482)	0	0	(79)	0	0	0	(5,428)	0	0	(5,989)
Carrying Amount of Right of use Assets	0	0	0	0	802,665	0	0	28,016	0	0	0	0	830,681

**Note:** (a) The increase is mainly due to revaluations of the Territory's property, plant and equipment largely due to increased land demand and higher construction and material costs.



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Reconciliation of property, plant and equipment - Total Territory**

The following table shows the movement in each class of Property, Plant and Equipment during 2022-23.

	Land	Service concession land assets	Buildings	Service concession building assets	Right of use buildings	Plant and equipment	Service concession plant and equipment assets	Right of use plant and equipment	Leasehold improvements	Infrastructure assets	Service concession infrastructure assets	Heritage and community assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>10,710,103</b>	<b>389,443</b>	<b>6,305,727</b>	<b>272,785</b>	<b>804,847</b>	<b>419,847</b>	<b>164,149</b>	<b>34,186</b>	<b>147,773</b>	<b>11,128,981</b>	<b>467,544</b>	<b>207,998</b>	<b>31,053,383</b>
Additions	61,132	10,567	301,572	33,238	45,085	106,480	0	25,824	37,693	148,250	0	18,795	788,636
Assets classified as held for sale	(84,168)	(6,017)	(15,983)	(1,038)	0	0	0	0	0	0	0	0	(107,206)
Revaluation adjustments	29,222	(27,996)	375,546	19,045	0	10,403	60,967	173	4,358	228,434	75,900	(10,737)	765,315
Depreciation	(826)	0	(207,832)	(9,033)	(54,570)	(77,379)	(6,116)	(15,254)	(13,228)	(272,520)	(9,972)	(3,347)	(670,077)
Assets transferred	(4,971)	0	4,499	0	(3,308)	213	0	0	0	18,009	0	(751)	13,691
Disposals	(67,726)	0	(14,260)	(172)	0	(2,446)	0	(365)	(253)	(7,551)	0	(500)	(93,273)
Impairment Losses Recognised in the Operating Statement	0	0	3,672	0	0	(16)	0	0	0	12	0	0	3,668
Other Movements/Reclassifications	1,248	15,267	(9,989)	9,247	(12)	(13,622)	1	(1,246)	1,907	19,256	0	6,440	28,497
<b>Balance at 30 June 2023<sup>(a)</sup></b>	<b>10,644,014</b>	<b>381,264</b>	<b>6,742,952</b>	<b>324,072</b>	<b>792,042</b>	<b>443,478</b>	<b>219,000</b>	<b>43,318</b>	<b>178,251</b>	<b>11,262,871</b>	<b>533,472</b>	<b>217,898</b>	<b>31,782,632</b>

**Carrying amount at the end of the reporting period is represented by:**

Gross Book Value	10,681,810	381,264	6,819,121	325,921	0	944,609	219,000	0	220,177	4,682	533,472	0	20,130,056
Accumulated Depreciation	(37,796)	0	(72,035)	(1,849)	0	(501,039)	0	0	(41,926)	11,685,106	0	0	11,030,461
Accumulated Impairment Losses	0	0	(4,134)	0	0	(92)	0	0	0	(426,917)	0	0	(431,143)
Carrying Amount of Right of use Assets	0	0	0	0	792,042	0	0	43,318	0	0	0	217,898	1,053,258

The following table shows the movement in each class of property, plant and equipment during 2021-22.

	Land	Service concession land assets	Buildings	Service concession building assets	Right of use buildings	Plant and equipment	Service concession plant and equipment assets	Right of use plant and equipment	Leasehold improvements	Infrastructure assets	Service concession infrastructure assets	Heritage and community assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	<b>8,807,929</b>	<b>271,158</b>	<b>5,866,653</b>	<b>224,626</b>	<b>807,974</b>	<b>382,264</b>	<b>170,267</b>	<b>36,639</b>	<b>122,842</b>	<b>10,029,476</b>	<b>466,073</b>	<b>258,647</b>	<b>27,444,551</b>
Additions	32,727	3,084	281,202	1,623	45,590	87,807	0	16,978	36,440	222,703	11,385	4,154	743,693
Assets classified as held for sale	(106,929)	(990)	(23,331)	(550)	0	0	0	0	0	0	0	0	(131,800)
Revaluation adjustments	2,057,408	94,714	393,106	45,067	0	7,394	0	0	(94)	1,142,405	0	(51,276)	3,688,724
Depreciation	(1,156)	0	(202,637)	(7,190)	(48,716)	(68,839)	(6,118)	(18,663)	(12,157)	(246,763)	(9,914)	(2,618)	(624,771)
Disposals	(60,327)	0	(5,595)	0	0	(4,466)	0	(1,052)	(171)	(759)	0	0	(72,370)
Impairment Losses Recognised in the Operating Statement	(138)	0	(35)	0	0	(308)	0	0	0	(904)	0	(526)	(1,911)
Other Movements/Reclassifications	(19,412)	21,477	(3,638)	9,209	0	15,994	0	286	914	(17,177)	0	(383)	7,270
<b>Balance at 30 June 2022</b>	<b>10,710,103</b>	<b>389,443</b>	<b>6,305,727</b>	<b>272,785</b>	<b>804,847</b>	<b>419,847</b>	<b>164,149</b>	<b>34,186</b>	<b>147,773</b>	<b>11,128,981</b>	<b>467,544</b>	<b>207,998</b>	<b>31,053,383</b>

**Carrying amount at the end of the reporting period is represented by:**

Gross Book Value	10,747,692	389,443	6,599,993	277,985	0	920,778	176,376	0	183,676	11,374,081	487,202	210,995	31,368,221
Accumulated Depreciation	(37,589)	0	(286,053)	(5,200)	0	(500,852)	(12,227)	0	(35,903)	(239,672)	(19,658)	(2,997)	(1,140,151)
Accumulated Impairment Losses	0	0	(8,213)	0	0	(79)	0	0	0	(5,428)	0	0	(13,720)
Carrying Amount of Right of use Assets	0	0	0	0	804,847	0	0	34,186	0	0	0	0	839,033

**Note:** (a) The increase is mainly due to revaluations of the Territory's property, plant and equipment largely due to increased land demand and higher construction and material costs.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**FAIR VALUE HIERARCHY**

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

- \* Level 1 - quoted prices (unadjusted) in active markets for identical assets that the Territory Government can access at the measurement date;
- \* Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and
- \* Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Territory Government's property, plant and equipment at fair value and information about the fair value hierarchy at 30 June 2023 and for the prior reporting period is provided below.

<b>General Government Sector - 2022-23</b>	<b>Classification according to the fair value hierarchy</b>			
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Property, plant and equipment at fair value</b>				
Land	0	4,703,911	570,346	<b>5,274,257</b>
Buildings <sup>(a)</sup>	0	270,966	4,242,826	<b>4,513,792</b>
Plant and Equipment	0	4,993	83,257	<b>88,250</b>
Leasehold Improvements	0	0	172,875	<b>172,875</b>
Infrastructure Assets	0	4,599	8,060,643	<b>8,065,242</b>
Heritage and Community Assets	0	42,576	163,278	<b>205,854</b>
<b>Total property, plant and equipment at fair value</b>	<b>0</b>	<b>5,027,045</b>	<b>13,293,225</b>	<b>18,320,270</b>

<b>General Government Sector - 2021-22</b>	<b>Classification according to the fair value hierarchy</b>			
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Property, plant and equipment at fair value</b>				
Land	0	4,484,857	541,640	<b>5,026,497</b>
Buildings <sup>(a)</sup>	0	298,157	3,835,533	<b>4,133,690</b>
Plant and Equipment	0	2,936	96,250	<b>99,186</b>
Leasehold Improvements	0	0	143,160	<b>143,160</b>
Infrastructure Assets	0	2,470	8,127,784	<b>8,130,254</b>
Heritage and Community Assets	0	42,048	158,991	<b>201,039</b>
<b>Total property, plant and equipment at fair value</b>	<b>0</b>	<b>4,830,468</b>	<b>12,903,358</b>	<b>17,733,826</b>

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

**FAIR VALUE HIERARCHY - CONTINUED**

<b>Total Territory - 2022-23</b>	<b>Classification according to the fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property, plant and equipment at fair value</b>				
Land	0	10,038,699	603,440	<b>10,642,139</b>
Service Concession Land Assets	0	381,264	0	<b>381,264</b>
Buildings <sup>(a)</sup>	0	2,456,655	4,286,297	<b>6,742,952</b>
Service Concession Building Assets	0	231,997	92,075	<b>324,072</b>
Plant and Equipment	0	5,134	209,487	<b>214,621</b>
Service Concession Plant and Equipment Assets	0	0	219,000	<b>219,000</b>
Leasehold Improvements	0	0	173,120	<b>173,120</b>
Infrastructure Assets	0	1,160	11,257,029	<b>11,258,189</b>
Service Concession Infrastructure Assets	0	0	533,472	<b>533,472</b>
Heritage and Community Assets	0	47,755	169,694	<b>217,449</b>
<b>Total property, plant and equipment at fair value</b>	<b>0</b>	<b>13,162,664</b>	<b>17,543,614</b>	<b>30,706,278</b>

<b>Total Territory - 2021-22</b>	<b>Classification according to the fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property, plant and equipment at fair value</b>				
Land	0	10,132,140	574,734	<b>10,706,874</b>
Service Concession Land Assets	0	389,443	0	<b>389,443</b>
Buildings <sup>(a)</sup>	0	2,428,358	3,877,369	<b>6,305,727</b>
Service Concession Building Assets	0	192,187	80,598	<b>272,785</b>
Plant and Equipment	0	3,178	226,926	<b>230,104</b>
Service Concession Plant and Equipment Assets	0	0	164,149	<b>164,149</b>
Leasehold Improvements	0	0	143,371	<b>143,371</b>
Infrastructure Assets	0	848	11,127,255	<b>11,128,103</b>
Service Concession Infrastructure Assets	0	0	467,544	<b>467,544</b>
Heritage and Community Assets	0	42,068	165,481	<b>207,549</b>
<b>Total property, plant and equipment at fair value</b>	<b>0</b>	<b>13,188,222</b>	<b>16,827,427</b>	<b>30,015,649</b>

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

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

**FAIR VALUE HIERARCHY - CONTINUED**

**Valuation techniques, inputs and processes**

Level 2 valuation techniques and inputs

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

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

Level 3 valuation techniques and inputs

Valuation technique: Land where there is no active market or significant restrictions is valued through the market approach.

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

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

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

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**FAIR VALUE HIERARCHY - CONTINUED**

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

	Land	Buildings	Service Concession Building Assets	Plant and Equipment	Service Concession Plant and Equipment Assets	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Total
2022-23	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair value at the beginning of the reporting period</b>	<b>541,640</b>	<b>3,835,533</b>	<b>0</b>	<b>96,250</b>	<b>0</b>	<b>143,160</b>	<b>8,127,784</b>	<b>0</b>	<b>158,991</b>	<b>12,903,358</b>
Additions	17,018	185,904	0	12,692	0	36,285	85,741	0	6,122	<b>343,762</b>
Revaluation increments/(decrements) recognised in Operating Statement	0	13,744	0	0	0	(109)	(6,118)	0	(6,287)	<b>1,230</b>
Revaluation increments recognised in other comprehensive income	55,397	254,447	0	3,255	0	4,486	27,756	0	4,085	<b>349,426</b>
Transfers to level 2/3	(43,363)	28,445	0	(1,798)	0	0	0	0	1,153	<b>(15,563)</b>
Impairment losses recognised in the Operating Statement	0	(1,700)	0	(12)	0	0	0	0	0	<b>(1,712)</b>
Reversal of Impairment Losses Recognised in the Operating Statement	0	0	0	0	0	0	12	0	0	<b>12</b>
Impairment losses recognised in other comprehensive income	0	(116)	0	0	0	0	0	0	0	<b>(116)</b>
Depreciation	(826)	(145,882)	0	(12,004)	0	(11,562)	(202,297)	0	(2,964)	<b>(375,535)</b>
Acquisition/(disposal) of assets	480	(207)	0	(546)	0	(112)	10,460	0	(2,967)	<b>7,108</b>
Other movements/reclassifications	0	72,657	0	(14,580)	0	726	17,305	0	5,144	<b>81,252</b>
<b>Fair value at the end of the reporting period</b>	<b>570,346</b>	<b>4,242,826</b>	<b>0</b>	<b>83,257</b>	<b>0</b>	<b>172,875</b>	<b>8,060,643</b>	<b>0</b>	<b>163,278</b>	<b>13,293,225</b>

	Land	Buildings	Service Concession Building Assets	Plant and Equipment	Service Concession Plant and Equipment Assets	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Total
2021-22	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair value at the beginning of the reporting period</b>	<b>499,962</b>	<b>3,738,580</b>	<b>0</b>	<b>72,024</b>	<b>0</b>	<b>117,347</b>	<b>7,445,433</b>	<b>0</b>	<b>245,617</b>	<b>12,118,965</b>
Additions	4,783	229,906	0	12,123	0	36,152	153,052	0	5,318	<b>441,334</b>
Assets Classified as Held for Sale	(4,286)	0	0	0	0	0	0	0	0	<b>(4,286)</b>
Revaluation increments/(decrements) recognised in Operating Statement	0	(2,710)	0	0	0	0	0	0	0	<b>(2,710)</b>
Revaluation increments recognised in other comprehensive income	(2,252)	12,504	0	7,394	0	0	736,651	0	(88,885)	<b>665,412</b>
Transfers to level 2	35,530	(554)	0	0	0	0	0	0	0	<b>34,976</b>
Impairment losses recognised in the Operating Statement	0	(31)	0	(64)	0	0	(904)	0	0	<b>(999)</b>
Depreciation	(1,156)	(151,850)	0	(11,637)	0	(11,132)	(186,322)	0	(2,346)	<b>(364,443)</b>
Other movements/reclassifications	9,059	9,687	0	16,410	0	793	(20,126)	0	(714)	<b>15,109</b>
<b>Fair value at the end of the reporting period</b>	<b>541,640</b>	<b>3,835,533</b>	<b>0</b>	<b>96,250</b>	<b>0</b>	<b>143,160</b>	<b>8,127,784</b>	<b>0</b>	<b>158,991</b>	<b>12,903,358</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**FAIR VALUE HIERARCHY - CONTINUED**

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

	Land	Buildings	Service Concession Building Assets	Plant and Equipment	Service Concession Plant and Equipment Assets	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022-23</b>										
<b>Fair value at the beginning of the reporting period</b>	<b>574,734</b>	<b>3,877,369</b>	<b>80,598</b>	<b>226,926</b>	<b>164,149</b>	<b>143,371</b>	<b>11,127,255</b>	<b>467,544</b>	<b>165,481</b>	<b>16,827,427</b>
Additions	17,018	188,553	0	15,705	0	36,285	143,565	0	7,885	<b>409,011</b>
Revaluation increments/(decrements) recognised in Operating Statement	0	13,744	0	0	0	(109)	(7,607)	0	(6,372)	<b>(344)</b>
Revaluation increments recognised in other comprehensive income	55,397	255,541	13,198	9,946	60,968	4,523	236,039	75,900	4,282	<b>715,794</b>
Transfers to level 2/3	(43,363)	28,445	0	(1,798)	0	0	878	0	1,153	<b>(14,685)</b>
Impairment losses recognised in the Operating Statement	0	(1,700)	0	(12)	0	0	0	0	0	<b>(1,712)</b>
Reversal of impairment losses recognised in the Operating Statement	0	0	0	0	0	0	12	0	0	<b>12</b>
Impairment losses recognised in other comprehensive income	0	(116)	0	0	0	0	0	0	0	<b>(116)</b>
Depreciation	(826)	(147,990)	(1,721)	(26,092)	(6,117)	(11,595)	(272,443)	(9,972)	(3,348)	<b>(480,104)</b>
Acquisition/(disposal) of assets	480	(207)	0	(608)	0	(82)	10,460	0	(2,967)	
Other movements/reclassifications	0	72,657	0	(14,580)	0	726	18,870	0	3,579	<b>81,252</b>
<b>Fair value at the end of the reporting period</b>	<b>603,440</b>	<b>4,286,297</b>	<b>92,075</b>	<b>209,487</b>	<b>219,000</b>	<b>173,120</b>	<b>11,257,029</b>	<b>533,472</b>	<b>169,694</b>	<b>17,543,614</b>
	Land	Buildings	Service Concession Building Assets	Plant and Equipment	Service Concession Plant and Equipment Assets	Leasehold Improvements	Infrastructure Assets	Service Concession Infrastructure Assets	Heritage and Community Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021-22</b>										
<b>Fair value at the beginning of the reporting period</b>	<b>525,430</b>	<b>3,786,902</b>	<b>82,319</b>	<b>213,147</b>	<b>170,267</b>	<b>117,585</b>	<b>10,020,920</b>	<b>466,073</b>	<b>252,531</b>	<b>15,635,175</b>
Additions	4,783	230,375	0	16,131	0	36,152	228,461	11,385	5,318	<b>532,605</b>
Assets Classified as Held for Sale	(4,286)	0	0	0	0	0	0	0	0	<b>(4,286)</b>
Revaluation increments/(decrements) recognised in Operating Statement	0	(2,710)	0	0	0	0	0	0	0	<b>(2,710)</b>
Revaluation increments recognised in other comprehensive income	4,999	11,449	0	7,394	0	0	1,141,469	0	(88,885)	<b>1,076,426</b>
Transfers to level 2	35,530	(554)	0	0	0	0	0	0	0	<b>34,976</b>
Impairment losses recognised in the Operating Statement	0	(31)	0	(64)	0	0	(904)	0	0	<b>(999)</b>
Impairment losses recognised in other comprehensive income	0	(26)	0	0	0	0	0	0	0	<b>(26)</b>
Depreciation	(1,156)	(153,942)	(1,721)	(25,565)	(6,118)	(11,159)	(246,452)	(9,914)	(2,770)	<b>(458,797)</b>
Other movements/reclassifications	9,434	5,905	0	15,882	0	793	(16,239)	0	(714)	<b>15,061</b>
<b>Fair value at the end of the reporting period</b>	<b>574,734</b>	<b>3,877,369</b>	<b>80,598</b>	<b>226,926</b>	<b>164,149</b>	<b>143,371</b>	<b>11,127,255</b>	<b>467,544</b>	<b>165,481</b>	<b>16,827,427</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**23 INTANGIBLES**

The Territory Government has internally generated and externally purchased software. The internally generated software includes the patient administration system, and finance system software, while externally purchased software includes human resource management and communications software. Other intangibles include large-scale generation certificates held by the Environment, Planning and Sustainable Development Directorate.

Externally acquired software is recognised and capitalised when:

- (i) it is probable that the expected future economic benefits that are attributable to the software will flow to the Territory Government;
- (ii) the cost of the software can be measured reliably; and
- (iii) the acquisition cost is equal to or exceeds \$50,000.

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

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

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

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

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

In 2022-23, the Territory surrendered 2,200,993 certificates.

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Computer software</b>				
<i>Internally generated software</i>				
Computer software at cost	278,938	185,105	279,164	185,185
Less: accumulated amortisation	137,371	132,478	137,398	132,518
Less: accumulated Impairment Losses	0	704	0	704
<b>Total internally generated software</b> <sup>(a) (c)</sup>	<b>141,567</b>	<b>51,922</b>	<b>141,766</b>	<b>51,962</b>
<i>Externally purchased software</i>				
Computer software at cost	163,447	126,898	227,441	191,629
Less: accumulated amortisation	118,309	65,685	157,001	96,340
Less: Accumulated Impairment Losses	190	0	190	0
<b>Total externally purchased software</b> <sup>(b) (c)</sup>	<b>44,948</b>	<b>61,213</b>	<b>70,250</b>	<b>95,289</b>
<b>Total computer software</b>	<b>186,515</b>	<b>113,135</b>	<b>212,016</b>	<b>147,251</b>
<b>Other Intangibles</b>				
<i>Externally purchased other intangibles</i>				
Other intangible assets at cost	67,917	74,935	69,064	75,940
<b>Total externally purchased other intangibles</b>	<b>67,917</b>	<b>74,935</b>	<b>69,064</b>	<b>75,940</b>
<b>Total other intangibles</b>	<b>67,917</b>	<b>74,935</b>	<b>69,064</b>	<b>75,940</b>
<b>Total intangible assets</b>	<b>254,432</b>	<b>188,071</b>	<b>281,080</b>	<b>223,192</b>

**Notes:** (a) The increase in internally generated software is mainly due to the completion of several computer software development projects during the year including the Digital Health Record.

(b) The decrease in externally purchased software is largely due to the continued amortisation of software over its useful life.

(c) The prior year comparative for computer software at cost and accumulated amortisation has been updated to correct an error. This change does not impact the total of internally generated software for 2021-22.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**23 INTANGIBLES - CONTINUED**

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

The following table shows the movement of each class of intangible assets held by the GGS during 2022-23.

	Internally generated software \$'000	Externally purchased software \$'000	Externally purchased other intangibles \$'000	Total intangible assets \$'000
<b>Balance at 1 July 2022</b>	<b>51,922</b>	<b>61,213</b>	<b>74,935</b>	<b>188,071</b>
Additions	110,536	10,561	109,004	<b>230,101</b>
Disposals	(11,656)	(31,477)	(121,055)	<b>(164,188)</b>
Amortisation	(21,263)	(21,657)	0	<b>(42,920)</b>
Impairment Losses Recognised in the Operating Statement	(102)	(856)	0	<b>(958)</b>
Revaluation increments	0	0	5,033	<b>5,033</b>
Amortisation write back for asset disposals	11,514	30,624	0	<b>42,138</b>
Other changes	619	(3,463)	0	<b>(2,844)</b>
<b>Balance at 30 June 2023</b>	<b>141,567</b>	<b>44,948</b>	<b>67,917</b>	<b>254,432</b>

The following table shows the movement of each class of intangible assets held by the GGS during 2021-22.

	Internally generated software \$'000	Externally purchased software \$'000	Externally purchased other intangibles \$'000	Total intangible assets \$'000
<b>Balance at 1 July 2021</b>	<b>56,828</b>	<b>61,053</b>	<b>59,366</b>	<b>177,247</b>
Additions	22,534	16,461	84,872	<b>123,867</b>
Disposals	0	(1,103)	(107,398)	<b>(108,501)</b>
Amortisation	(25,974)	(15,764)	0	<b>(41,738)</b>
Impairment Losses Recognised in the Operating Statement	(1,467)	0	0	<b>(1,467)</b>
Revaluation increments	0	0	38,094	<b>38,094</b>
Other changes	0	568	0	<b>568</b>
<b>Balance at 30 June 2022</b>	<b>51,922</b>	<b>61,213</b>	<b>74,935</b>	<b>188,071</b>



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**23 INTANGIBLES - CONTINUED**

**Reconciliation of intangible assets - Total Territory**

The following table shows the movement of each class of intangible assets held by the Territory Government during 2022-23.

	Internally generated software	Externally purchased software	Externally purchased other intangibles	Total intangible assets
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>51,962</b>	<b>95,289</b>	<b>75,940</b>	<b>223,192</b>
Additions	110,722	10,561	109,146	<b>230,429</b>
Disposals	(11,656)	(31,870)	(121,055)	<b>(164,581)</b>
Amortisation	(21,290)	(30,038)	0	<b>(51,328)</b>
Impairment Losses Recognised in the Operating Statement	(102)	(856)	0	<b>(958)</b>
Revaluation increments	0	0	5,033	<b>5,033</b>
Amortisation write back for asset disposals	11,514	30,624	0	<b>42,138</b>
Other changes	619	(3,463)	0	<b>(2,844)</b>
<b>Balance at 30 June 2023</b>	<b>141,766</b>	<b>70,250</b>	<b>69,064</b>	<b>281,080</b>

The following table shows the movement of each class of intangible assets held by the Territory Government during 2021-22.

	Internally generated software	Externally purchased software	Externally purchased other intangibles	Total intangible assets
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	<b>56,894</b>	<b>102,348</b>	<b>59,901</b>	<b>219,143</b>
Additions	22,534	17,626	84,872	<b>125,032</b>
Disposals	0	(1,103)	(107,398)	<b>(108,501)</b>
Amortisation	(26,001)	(24,000)	0	<b>(50,001)</b>
Impairment Losses Recognised in the Operating Statement	(1,467)	(148)	0	<b>(1,615)</b>
Revaluation increments	0	0	38,564	<b>38,564</b>
Other changes	0	568	0	<b>568</b>
<b>Balance at 30 June 2022</b>	<b>51,962</b>	<b>95,289</b>	<b>75,940</b>	<b>223,192</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
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**LIABILITIES**

**24 ADVANCES RECEIVED**

Advances received are loans issued to the Territory Government by the Commonwealth Government for policy purposes, which includes the provision of housing to the community under the Commonwealth State Housing Agreement and the provision of home loans to low income members of the public to assist with home ownership.

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
Current advances from the Commonwealth Government	4,490	4,296	8,355	8,364
Non-current advances from the Commonwealth Government	40,864	45,353	73,231	81,585
<b>Total advances received</b>	<b>45,354</b>	<b>49,649</b>	<b>81,586</b>	<b>89,949</b>

**25 LEASE LIABILITIES**

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

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

**Territory Government as a lessee**

The Territory Government has leases over a range of assets including land and buildings and IT equipment and has elected not to adopt AASB 16 for leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

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

This involves an assessment of whether:

- \* the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
- \* the Territory Government has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- \* the Territory Government has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The Territory Government has elected not to separate non-lease components from lease components for leases.

**Lease accounting**

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSEE - CONTINUED**

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

Where the lease liability is remeasured, the right of use asset is adjusted to reflect the remeasurement or is recorded in the Operating statement if the carrying amount of the right of use asset has been reduced to zero.

Exemptions to lease accounting

The Territory Government has elected to apply the exemptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. A threshold of \$10,000 has been applied to determine if an underlying asset is a low value asset.

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

Extension options

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

There are no potential future lease payments which are not included in lease liabilities as the Territory Government has assessed that the exercise of future options is reasonably certain.

Right of use assets

The right of use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right of use asset is depreciated over the lease term on a straight line basis and assessed for impairment.

Details on right of use assets are shown at Note 22: 'Property, plant and equipment'.

Terms and conditions of leases

Building leases	The Territory Government has 33 non-cancellable leases for office buildings with lease terms of up to 30 years (28 as at 30 June 2022).
Motor vehicles	The Territory Government has numerous motor vehicle leases with lease terms of two to twelve years.
ICT and office equipment	The Territory Government has numerous ICT and office equipment leases with lease terms of three to ten years with no renewal options. Lease payments are fixed and not subject to increases throughout the lease term.
	Where the value of leased assets is low the exemption has been used to account for the expense through the Operating Statement as incurred.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSEE - CONTINUED**

**Lease liabilities - General Government Sector**

The maturity analysis of lease liabilities at 30 June 2023 based on contractual undiscounted cash flows is shown in the table below.

	<b>&lt;1 year \$'000</b>	<b>1 - 5 years \$'000</b>	<b>&gt;5 years \$'000</b>	<b>Total undiscounted lease liabilities \$'000</b>	<b>Lease liabilities included in the Balance Sheet \$'000</b>
	73,501	254,812	945,286	<b>1,273,599</b>	1,074,571

The maturity analysis of lease liabilities at 30 June 2022 based on contractual undiscounted cash flows is shown in the table below.

	<b>&lt;1 year \$'000</b>	<b>1 - 5 years \$'000</b>	<b>&gt;5 years \$'000</b>	<b>Total undiscounted lease liabilities \$'000</b>	<b>Lease liabilities included in the Balance Sheet \$'000</b>
	65,889	226,649	956,661	<b>1,249,199</b>	1,071,291

**Lease liabilities - Total Territory**

The maturity analysis of lease liabilities at 30 June 2023 based on contractual undiscounted cash flows is shown in the table below.

	<b>&lt;1 year \$'000</b>	<b>1 - 5 years \$'000</b>	<b>&gt;5 years \$'000</b>	<b>Total undiscounted lease liabilities \$'000</b>	<b>Lease liabilities included in the Balance Sheet \$'000</b>
	77,087	266,331	947,001	<b>1,290,419</b>	1,091,195

The maturity analysis of lease liabilities at 30 June 2022 based on contractual undiscounted cash flows is shown in the table below.

	<b>&lt;1 year \$'000</b>	<b>1 - 5 years \$'000</b>	<b>&gt;5 years \$'000</b>	<b>Total undiscounted lease liabilities \$'000</b>	<b>Lease liabilities included in the Balance Sheet \$'000</b>
	70,065	230,716	956,681	<b>1,257,461</b>	1,079,380

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSEE - CONTINUED**

**Operating Statement - General Government Sector**

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

	<b>2022-23</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation on right of use assets	63,193	60,332
Interest on lease liabilities	17,589	28,313
Variable lease payments based on usage not included in the lease liability	1,261	0
Expenses relating to short term leases	4,889	4,543
Expenses relating to low value leases	5,062	3,424

**Operating Statement - Total Territory**

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

	<b>2022-23</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation on right of use assets	67,303	64,832
Interest on lease liabilities	17,827	28,668
Variable lease payments based on usage not included in the lease liability	1,261	11
Expenses relating to short term leases	4,889	4,612
Expenses relating to low value leases	5,062	3,743

**Statement of Cash Flows - General Government Sector**

The amounts recognised in the statement of cash flows relating to leases where the GGS is a lessee are shown below.

	<b>2022-23</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>
Total cash outflow of leases	60,708	50,100

**Statement of Cash Flows - Total Territory**

The amounts recognised in the statement of cash flows relating to leases where the Territory Government is a lessee are shown below.

	<b>2022-23</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>
Total cash outflow of leases	75,949	65,164

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSOR**

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

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

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

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

Description	Type	Lease type
The GGS leases office accommodation to other public trading enterprise government agencies and commercial and community organisations. These leases have been classified as operating leases as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	Office accommodation	Operating
The GGS leases ICT equipment to other public non-financial corporation government agencies. These leases have been classified as operating leases as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	ICT equipment	Operating
Commercial property owned by the Territory Government and leased to ActewAGL with a non-cancellable period of 15 years. This lease has been classified as a operating lease as the lease arrangement does not substantially transfer risk and rewards of ownership to the lessee.	Investment property	Operating

**Operating leases**

Where leases have been classified as operating leases, the underlying assets are included as property, plant and equipment in the Balance Sheet (refer Note 22).

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

**Operating leases - General Government Sector**

	2022-23 Actual \$'000	2021-22 Actual \$'000
Lease income (excluding variable lease payments not dependent on an index or rate)	12,577	10,319
Lease income relating to variable lease payments not dependent on an index or a rate	143	-
<b>Total income relating to operating leases</b>	<b>12,720</b>	<b>10,319</b>

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

	2022-23 Actual \$'000	2021-22 Actual \$'000
>1 year	11,333	10,192
Between 1 -5 years	12,646	9,079
Greater than 5 years	19,005	12,689
<b>Total</b>	<b>42,984</b>	<b>31,960</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**25 LEASE LIABILITIES - TERRITORY GOVERNMENT AS A LESSOR - CONTINUED**

**Operating leases - Total Territory**

	<b>2022-23</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>
Lease income (excluding variable lease payments not dependent on an index or rate)	10,071	8,149
Lease income relating to variable lease payments not dependent on an index or a rate	143	-
<b>Total income relating to operating leases</b>	<b>10,214</b>	<b>8,149</b>

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

	<b>2022-23</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>
>1 year	7,958	10,252
Between 1 -5 years	8,515	6,647
Greater than 5 years	18,916	11,621
<b>Total</b>	<b>35,389</b>	<b>28,520</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**26 OTHER BORROWINGS**

Interest-bearing liabilities

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

Borrowings also include financial derivatives. For more information on derivatives, refer to Note 20: 'Investments and loans'.

Borrowing costs

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<i>Current borrowings</i>				
Banks and financial institutions	0	621	0	621
Bonds and bills	683,527	1,101,533	683,527	1,101,533
Service concession arrangements financial liability	0	0	11,736	11,095
<b>Total current borrowings</b>	<b>683,527</b>	<b>1,102,154</b>	<b>695,263</b>	<b>1,113,249</b>
<i>Non-current borrowings</i>				
Bonds and bills	8,885,994	8,111,968	8,902,746	8,111,968
Service concession arrangements financial liability	0	0	271,407	283,143
<b>Total non-current borrowings</b>	<b>8,885,994</b>	<b>8,111,968</b>	<b>9,174,153</b>	<b>8,395,111</b>
<b>Total other borrowings<sup>(a)</sup></b>	<b>9,569,521</b>	<b>9,214,122</b>	<b>9,869,416</b>	<b>9,508,360</b>

**Note:** (a) The increase is reflective of a higher level of borrowings to support the Territory's prevailing cash flow requirements.

**27 SUPERANNUATION**

Superannuation

The Territory Government recognises its superannuation liability in respect of current and former employees who are members of Commonwealth Government defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). The total superannuation liability represents the estimated financial obligation of the Territory to make payments to the Commonwealth Government in respect of superannuation arising from Territory Government employment. Membership of the CSS closed to new Territory Government employees from 1 July 1990 with new employees assuming membership of the PSS until 30 June 2005.

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

The CSS and PSS are types of defined benefit superannuation schemes, in which some or all of the benefits payable to members are defined in advance according to a set of formulas which are linked to factors such as years of service, final average salary and level of individual member contribution over time. The defined benefit liability is determined on an annual basis. The annual liability determination incorporates updates to salary and membership data as at the reporting date, financial and demographic assumptions, and the relevant discount rate as required. A more comprehensive triennial actuarial review, which incorporates a full assessment of all the financial and demographic assumptions, is conducted every three years. The employer financed component of entitlements is unfunded and is not required to be paid until a member receives their benefit entitlement. As the employer financial obligations may be settled many years in the future, the estimated financial obligation is measured on a discounted basis. The ultimate cost of the financial obligation will be influenced by many factors and actuarial assumptions of future events are required to measure the liability and expense.

The Territory Government recognises actuarial gains and losses by applying the direct to equity method under Australian Accounting Standard AASB 119: 'Employee Benefits'.



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**27 SUPERANNUATION - CONTINUED**

The Territory has applied significant judgments based on information provided by Willis Towers Watson (appointed actuary) in estimating the CSS/PSS defined benefit employer superannuation liability as at 30 June 2023. The estimated liability for these benefits requires consideration of both financial assumptions including salary inflation, CPI and discount rate as well as demographic assumptions including the number of active contributors, deferred beneficiaries and pensioners, experience of employee resignations, retrenchment and retirement, experience of employee death and invalidity, longevity, and final retirement benefit stream election (lump sum, pension or both).

The carrying amount of the estimated superannuation liability is based on estimates and assumptions of future events. The actuarial assumptions are unbiased, being neither imprudent nor excessively conservative, and are the best estimates of the variables that will determine the ultimate cost of providing post-employment benefits.

Data

The estimate of the superannuation liability incorporates Territory Government employee CSS/PSS membership data at 30 June 2023. Commonwealth Superannuation Corporation supplied at 30 June 2022 those members who are currently employed by the Territory Government (Group A) and those members who are not currently employed by the Territory Government (Group B).

As the Commonwealth Superannuation Corporation is unable to provide membership data at 30 June 2023 in time for the valuation of the estimated superannuation liability at 30 June 2023, the valuation estimate incorporates membership data at 30 June 2022, but projected forward to 30 June 2023. This allows for projected service and salaries at 30 June 2023, expected exits over the 2022-23 financial year, actual crediting rates on member and productivity accounts to 30 June 2023, as well as actual pension indexation rates.

Method

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

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

Limitations in salary and membership data

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

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

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

Demographic assumptions

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

<u>Financial assumptions</u>	<b>2023</b>	<b>2022</b>
Discount rate	4.40%	3.90%
Salary increase	3.00%	3.00%
CPI	2.50%	2.50%

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**27 SUPERANNUATION - CONTINUED**

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

Sensitivity:

The following sensitivity analysis is based off the liability valuation at 30 June 2023, which incorporated a discount rate of 4.40 per cent, and the liability valuation at 30 June 2022, which incorporated a discount rate of 3.9 per cent.

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

Liability valuation sensitivity analysis as at 30 June 2023

	Increase in assumption \$'000	Decrease in assumption \$'000
<b>Financial assumptions</b>		
Discount rate (+/- 1 per cent)	(1,482,000)	1,883,000
CPI (+/- 1 per cent)	1,437,000	(1,193,000)
Salary inflation (+/- 1 per cent)	371,000	334,000
<b>Demographic assumptions</b>		
PSS pensioner election rate (+/- 10 per cent)	229,000	(229,000)

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Superannuation liability at the beginning of the reporting period</b>	<b>10,872,463</b>	<b>13,229,720</b>	<b>10,872,463</b>	<b>13,230,825</b>
Expense accrued during the period for CSS/PSS superannuation expense	648,422	612,011	648,422	612,011
Other superannuation expenses	264,269	242,651	286,074	262,457
<b>Superannuation expense</b>	<b>912,691</b>	<b>854,662</b>	<b>934,496</b>	<b>874,468</b>
Less: actuarial gain from actuarial review	616,502	2,655,826	616,502	2,655,826
Less: payments during the reporting period for superannuation	603,260	556,093	625,065	577,004
<b>Superannuation liability at the end of the reporting period</b>	<b>10,565,392</b>	<b>10,872,463</b>	<b>10,565,392</b>	<b>10,872,463</b>
Represented by:				
Current estimated employee superannuation liability	382,097	347,913	382,097	347,913
Non-current estimated employee superannuation liability	10,183,295	10,524,550	10,183,295	10,524,550
<b>Total superannuation liabilities<sup>(a)</sup></b>	<b>10,565,392</b>	<b>10,872,463</b>	<b>10,565,392</b>	<b>10,872,463</b>

**Note:** (a) The decrease mainly reflects a change in the defined benefit superannuation liability valuation as a result of the actuarial liability valuation using a higher discount rate assumption of 4.4 per cent, compared to 3.9 per cent at 30 June 2022.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**28 EMPLOYEE BENEFITS**

Employee benefits

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

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

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period, when the employees render the service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual and long service leave are estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. Annual leave liabilities are estimated on the assumption that they will be wholly settled within three years. At 30 June 2023, the rate used to estimate the value of future payments for long service leave is 93.0 per cent for not-for-profit agencies (95.3 per cent at 30 June 2022). The amount used to estimate the future payments of annual leave is 98.2 per cent for not-for-profit agencies at 30 June 2023 (101.8 per cent at 30 June 2022).

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

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

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

Significant judgments have been applied in estimating the annual and long service leave liabilities given the Territory uses a present value factor, a probability factor and an on-cost factor in measuring these liabilities. These factors are based on an actuarial review which is undertaken once every three by the Australian Government Actuary. The latest assessment was undertaken in December 2021, with the next review expected to be undertaken by late 2024.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**28 EMPLOYEE BENEFITS - CONTINUED**

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Employee benefits</b>				
<i>Current employee benefits</i>				
Accrued wages and salaries <sup>(a)</sup>	112,948	74,280	122,255	80,703
Annual leave	374,146	386,325	401,750	415,539
Long service leave	442,487	444,689	484,053	485,925
Other employee benefits <sup>(b)</sup>	53,160	18,779	56,275	19,954
<b>Total current employee benefits</b>	<b>982,741</b>	<b>924,073</b>	<b>1,064,333</b>	<b>1,002,121</b>
<i>Non-current employee benefits</i>				
Long service leave	52,401	52,172	56,413	56,679
Other	24	317	24	317
<b>Total non-current employee benefits</b>	<b>52,425</b>	<b>52,489</b>	<b>56,437</b>	<b>56,996</b>
<b>Total employee benefits</b>	<b>1,035,166</b>	<b>976,562</b>	<b>1,120,770</b>	<b>1,059,117</b>
<b>Estimated amount payable within 12 months</b>				
Accrued wages and salaries	112,948	73,356	122,255	79,780
Annual leave	214,646	209,935	231,863	229,252
Sick leave	0	0	1,227	1,150
Long service leave	39,607	54,923	58,707	78,256
Other employee benefits	53,184	19,733	55,138	19,758
<b>Total employee benefits payable within 12 months</b>	<b>420,385</b>	<b>357,947</b>	<b>469,190</b>	<b>408,196</b>
<b>Estimated amount payable after 12 months</b>				
Annual leave	159,500	176,390	169,822	186,287
Long service leave	455,281	442,226	481,759	464,635
<b>Total employee benefits payable after 12 months</b>	<b>614,781</b>	<b>618,615</b>	<b>651,581</b>	<b>650,921</b>
<b>Total employee benefits</b>	<b>1,035,166</b>	<b>976,562</b>	<b>1,120,771</b>	<b>1,059,117</b>

**Notes:** (a) The increase is mainly due to the impact of back payment of salaries under the revised Enterprise Agreements (EA).

(b) The increase is mainly due to the one-off Cost of Living payment to eligible employees which will be paid upon commencement of the EAs.

The General Government Sector had approximately 24,457 full time equivalent employees (FTEs) as at 30 June 2023 (23,471 FTEs as at 30 June 2022). The Territory had approximately 26,448 FTEs as at 30 June 2023 (25,044 FTEs as at 30 June 2022).

**29 PAYABLES AND CONTRACT LIABILITIES**

Payables

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**29 PAYABLES AND CONTRACT LIABILITIES - CONTINUED**

Payables - Continued

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<i>Current payables</i>				
Trade payables	73,776	50,097	90,020	61,149
Accrued expenses	209,373	233,706	254,201	288,109
GST liability	(48)	1,542	(9)	7,596
Revenue received in advance	6,668	11,866	8,694	12,941
Other payables	17,493	26,354	56,359	66,278
	<b>307,262</b>	<b>323,565</b>	<b>409,265</b>	<b>436,073</b>
<i>Non current payables</i>				
Other payables	0	0	0	0
<b>Total payables</b>	<b>307,262</b>	<b>323,565</b>	<b>409,265</b>	<b>436,073</b>
<b>Payables are aged as follows:</b>				
Not overdue	294,119	320,390	396,117	432,322
Overdue for less than 30 days	7,794	2,751	7,794	2,779
Overdue for 30 to 60 days	2,301	117	2,297	396
Overdue for more than 60 days	3,048	307	3,057	576
<b>Total payables</b>	<b>307,262</b>	<b>323,565</b>	<b>409,265</b>	<b>436,073</b>

Contract liabilities

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

Contract liabilities arising from contracts with customers

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

Contract liabilities arising from assets being constructed or acquired which will be controlled by the Territory Government

Contract liabilities relate to funds received in advance in relation to water and sewerage capital contributions.

	General Government Sector		Total Territory	
	2022-23 Actual	2021-22 Actual	2022-23 Actual	2021-22 Actual
Revenue recognised that was included in the contract liability balance at the beginning of the reporting period	22,041	27,807	66,975	68,121
<b>Split of payables and contract liabilities</b>				
Current payables (without contract liabilities)	307,262	323,565	409,265	436,073
<b>Total payables (without contract liabilities)</b>	<b>307,262</b>	<b>323,565</b>	<b>409,265</b>	<b>436,073</b>
Current contract liabilities	30,392	22,041	91,638	66,975
<b>Total contract liabilities</b>	<b>30,392</b>	<b>22,041</b>	<b>91,638</b>	<b>66,975</b>
<b>Total payables and contract liabilities</b>	<b>337,654</b>	<b>345,606</b>	<b>500,903</b>	<b>503,048</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**30 COMMITMENTS**

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

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

**CAPITAL COMMITMENTS**

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

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
	<b>Payable:</b>			
Within one year	775,915	578,133	950,348	700,116
Later than one year but not later than five years	400,329	283,468	514,151	339,277
Later than five years	0	6,797	0	20,427
<b>Total property, plant and equipment capital commitments<sup>(a)</sup></b>	<b>1,176,244</b>	<b>868,398</b>	<b>1,464,499</b>	<b>1,059,820</b>

**Note:** (a) The increase is mainly due to the commitments relating to design and construction of the John Gorton Drive and Molonglo River Bridge Crossing projects, procurement of 90 battery electric buses, construction work on the North Gungahlin High School, detailed design and construction of the Light Rail Stage 2 project, construction of the Canberra Institute of Technology Woden campus and the commencement of the redevelopment of Canberra Theatre.

**PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS**

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

*PPP Commitments Relating to Non-Service Concession Arrangement*

During 2015, the Territory entered into a PPP arrangement which will run for 25 years and therefore expires in August 2043. The arrangement involves a private sector consortium financing, constructing, maintaining and operating the ACT Law Court facilities. The Territory will make service payments over the life of the arrangement, intended to cover the costs incurred by the consortium. There are no extension rights included under the arrangement. At the end of the arrangement, the buildings will become Territory assets. Further details on the commitments associated with the ACT Law Court facilities can be found in Note 23 'Capital and Other Expenditure Commitments' of the Justice and Community Safety Directorate financial statements.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**30 COMMITMENTS - CONTINUED**

**PUBLIC PRIVATE PARTNERSHIP (PPP) COMMITMENTS - CONTINUED**

*PPP Commitments Relating to Service Concession Arrangement*

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

Service Concession Arrangement Commitments relate to the operational expenditure the Territory is required to make to Canberra Metro over the remaining term of the service concession arrangement relating to the PPP arrangement for the Canberra Light Rail Project.

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Payable:</b>				
Within one year	24,314	23,913	58,405	55,323
Later than one year but not later than five years	120,930	97,078	265,563	238,781
Later than five years	454,553	389,678	924,278	896,424
<b>Total public private partnership commitments<sup>(a)</sup></b>	<b>599,797</b>	<b>510,669</b>	<b>1,248,246</b>	<b>1,190,528</b>

**Notes:** (a) The increase largely reflects additional services that have been committed to by the Territory for the ACT Courts and ACT Civil and Administrative Tribunal.

GST exclusive amounts of PPP commitments were disclosed in the 2021-22 Consolidated Annual Financial Statements. PPP commitments have been disclosed on a GST inclusive basis from 2022-23. The comparative figures have been restated accordingly.

**OTHER COMMITMENTS**

These commitments include contracts for the ACT Policing agreement, National Disability Insurance Scheme contribution, investment capital subscription agreements, superannuation investments, economic development grant programs, repairs and maintenance, grants and purchased services to Non-Government Organisations and, software licences and ICT support and maintenance. Other commitments also include non-cancellable operating lease commitments relating to lease arrangements for government office buildings.

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Payable:</b>				
Within one year	977,624	830,303	1,082,481	836,526
Later than one year but not later than five years	1,482,481	1,036,009	1,542,376	1,043,411
Later than five years	466,642	503,271	491,910	503,271
<b>Total other commitments<sup>(a)</sup></b>	<b>2,926,747</b>	<b>2,369,583</b>	<b>3,116,767</b>	<b>2,383,208</b>

**Note:** (a) The increase largely reflects the new ACT Policing Purchasing Agreement with the Australian Federal Police.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**31 CONTINGENCIES, GUARANTEES AND INDEMNITIES**

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

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

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

	General Government Sector		Total Territory	
	2022-23	2021-22	2022-23	2021-22
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
<i>Contingent liabilities</i>				
Land restoration	72,483	66,386	72,483	66,386
Personal injury claims	35,124	21,748	35,124	21,748
Taxation related claims	451	2,351	451	2,351
Public liability claims	21,503	14,461	21,573	14,801
Economic loss claims	6,556	24,816	6,906	26,196
Loose-Fill Asbestos Insulation Eradication Scheme	0	142	0	142
Professional development training funds	8,295	0	8,295	0
<b>Total contingent liabilities</b>	<b>144,412</b>	<b>129,904</b>	<b>144,832</b>	<b>131,624</b>
<i>Contingent assets</i>				
Loose-Fill Asbestos Insulation Eradication Scheme	0	411	0	411
<b>Total contingent assets</b>	<b>0</b>	<b>411</b>	<b>0</b>	<b>411</b>

Contingent liabilities of the GGS and the Total Territory as at 30 June 2023 include:

*Land restoration*: the Territory Government manages 183 sites that contain contaminated materials. The contamination includes fuel tanks, sheep dips, chemical contaminations, asbestos and other hazardous materials. Remediation of these sites is contingent on various factors.

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

*Taxation related claims*: the Territory Government has a number of claims related to outstanding objections associated with payroll tax and duties and unclaimed lottery prize monies relating to winning prizes which remain unclaimed. The Territory also has a GST contingent liability which is offset by a contingent asset.

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

*Calvary acquisition just terms compensation*: The Territory has contingent liabilities as a result of the enactment of the *Health Infrastructure Enabling Act 2023* associated with the payment of compensation relating to the acquisition of the Calvary Public Hospital Bruce by the Territory, including the public hospital land and other assets, any mortgage or other interest in the land or other assets, and other matters including termination of the network agreement, termination of contracts, any redundancies payable to employees and anything else prescribed by regulation. An estimate of the value of the possible compensable just terms could not be made at 30 June 2023 given negotiations were still underway at the time of finalising these financial statements and an amount has not been included above.

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



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**31 CONTINGENCIES, GUARANTEES AND INDEMNITIES - CONTINUED**

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

**32 THIRD PARTY MONIES**

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<i>Third party monies held in trust by the Territory</i>				
ACT Long Service Leave Authority	56,367	25,799	56,367	25,799
Rental Bonds Board <sup>(a)</sup>	106,402	184,986	106,402	184,986
Default Insurance Fund <sup>(b)</sup>	46,269	41,394	46,269	41,394
Nominal Defendant Insurance Fund <sup>(b)</sup>	39,245	37,228	39,245	37,228
Road User Services Trust	4,942	6,686	4,942	6,686
Health Private Practice Fund	70,226	66,297	70,226	66,297
Public Trustee Common Fund <sup>(c)</sup>	490,066	445,443	490,066	445,443
Other third party monies <sup>(d),(e)</sup>	97,978	48,600	97,978	48,600
<b>Total monies held in trust</b>	<b>911,495</b>	<b>856,433</b>	<b>911,495</b>	<b>856,433</b>

**Notes:** (a) The decrease is mainly due to the removal of a duplication of balances and transactions associated with the Rental Bonds Trust.

(b) Third party monies have been included for the Default Insurance Fund and Nominal Defendant Insurance Fund from 2022-23. The 2021-22 comparative has been updated.

(c) The variance is due to an overall increase in the number and value of net assets held for all clients.

(d) The increase mainly relates to higher value unconditioned undertakings received in 2022-23 on major construction contracts of the Canberra Hospital expansion and John Gorton Drive and Molonglo River Bridge Crossing.

(e) The funds held in the Canberra Ticketing bank account are no longer reported as third party monies from 2022-23 as these funds are now recognised in the relevant financial statement line items.

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**33 RELATED PARTY DISCLOSURES**

A related party is a person that controls or has significant influence over the Territory Government, or is a member of the Key Management Personnel (KMP), where individually or jointly they have controlling interests.

The related parties of the Territory are the Cabinet Ministers compensated by the ACT Executive; and the Head of Service compensated by the Chief Minister, Treasury and Economic Development Directorate. The Territory had 12 KMP in 2022-23 (2021-22: 12). Compensation is set out below.

	2022-23	2021-22
	\$'000	\$'000
Cabinet Ministers and Head of Service	3,875	3,779
<b>Total compensation</b>	<b>3,875</b>	<b>3,779</b>

**34 INTEREST IN JOINT ARRANGEMENTS**

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

Joint ventures

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

Joint operations

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

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

General Government Sector (GGS)

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

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**34 INTEREST IN JOINT ARRANGEMENTS - CONTINUED**

Total Territory

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

The Suburban Land Agency represents the Territory Government in the West Belconnen Joint Venture with:

- a) Reid & Stevens Pty Limited;
- b) Corkhill Bros Pty Limited; and
- c) Riverview Developments (ACT) Pty Ltd.

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Share of joint operation profit:</b>				
Revenue	97	76	529,708	516,915
Expenses	177	159	376,298	381,317
<b>Operating profit</b>	<b>(80)</b>	<b>(83)</b>	<b>153,410</b>	<b>135,598</b>
<b>Summarised Balance Sheet</b>				
Current assets	26	50	283,661	226,059
Non-current assets	4,040	3,494	865,849	809,396
<b>Total assets</b>	<b>4,066</b>	<b>3,544</b>	<b>1,149,510</b>	<b>1,035,455</b>
Current liabilities	11	1	153,913	153,857
Non-current liabilities	0	0	50,771	48,199
<b>Total liabilities</b>	<b>11</b>	<b>1</b>	<b>204,684</b>	<b>202,056</b>
<b>Total net assets</b>	<b>4,055</b>	<b>3,543</b>	<b>944,826</b>	<b>833,399</b>
<b>Share of joint operation commitments</b>				
Capital and other commitments	0	0	12,157	28,266
<b>Total share of joint venture commitments</b>	<b>0</b>	<b>0</b>	<b>12,157</b>	<b>28,266</b>

**35 ECONOMIC DEPENDENCY**

The Australian Capital Territory is a body politic established under the *Australian Capital Territory (Self-Government) Act 1988 (Cwlth)* and the ACT Executive (the Government) was vested with financial independence under that Act. Commonwealth Government funding accounts for approximately 43 per cent of the Territory's revenue (refer to Note 9: 'Commonwealth Grants').

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

The Territory has no economic dependency on any other party.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**36 THE TERRITORY GOVERNMENT'S CREDIT RATING**

The Territory holds a AA+ credit rating (outlook stable) assigned by Standard & Poor's Rating Services (AAA rating 2021-22).

The current ACT rating of 'AA+' and 'A-1+' is based on the information presented in the 2023-24 ACT Budget. Long-term ratings are assigned on a rating scale of AAA through to D. Short-term ratings are assigned on a rating scale of A-1 through to D.

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

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

- \* Institutional frameworks, assessments of economy, financial management, budgetary performance, liquidity, and debt burden

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

**37 AUDITOR'S REMUNERATION**

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

The amounts included in the table below represent the full amounts paid by the General Government Sector (GGS) and the Total Territory for audits undertaken during 2022-23. The specific amounts below are not consolidated into expenses of the GGS or the Territory as they are internal transactions between Government agencies and the ACT Audit Office.

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<i>Audit services paid or payable</i>				
Financial audits (fees for service)	3,885	3,709	4,756	4,417
Other services (direct appropriation funded)	1,032	864	1,032	864
<b>Total Auditor's remuneration</b>	<b>4,917</b>	<b>4,573</b>	<b>5,788</b>	<b>5,281</b>

The ACT Audit Office paid \$13,725 including GST for the independent audit of its own 2022-23 financial statements (2021-22: \$13,725 including GST).

No other services were provided by the ACT Audit Office.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
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**38 EVENTS AFTER THE REPORTING PERIOD**

North Canberra Hospital Acquisition

On 3 July 2023, the Calvary Public Hospital Bruce transitioned to Canberra Health Services and was renamed the North Canberra Hospital. This took effect due to the enactment of the *Health Infrastructure Enabling Act 2023* (the Act).

The Act provides for the Territory to continue operating the hospital and requires the provision of compensation on a just terms basis to persons from whom an interest is acquired, including the public hospital land and other assets, any mortgage or other interests in the land or other assets, and other matters including termination of the network agreement, termination of contracts, any redundancies payable to employees and anything else prescribed by regulation.

At the time of finalising the 2022-23 financial statements, negotiations to confirm just terms compensation were ongoing, so the financial effect associated with the acquisition and/or transfer of net assets are yet to be determined and not included in the financial statements.

The estimated 2023-24 impact on the Territory's Operating Statement includes increases to revenue, associated expenses relating to the delivery of health services any the impact of just terms compensation. From 2023-24, Grants and Purchased Services that would have been paid to the Calvary Public Hospital (\$288 million in 2022-23) will be redirected to Canberra Health Services.

The total value of net assets transferred to the Territory after the reporting period will include the impact of waiving accounts payable owed to the Territory. All land and buildings transferred to the Territory will be revalued. Given Calvary Public Hospital Bruce records land and building assets at cost, the revaluation is likely to result in a sizeable increment being recorded. Net assets (or liabilities) transferred to the Territory without an equivalent value of compensation in return will result in a gain (or loss) being recorded.

Other

There were five potential participants who had not yet been accepted into the Lifetime Care and Support Scheme as at 30 June 2023. At the date of signing of the financial statements one potential participant had been accepted into the LTCS Scheme. An estimated average cost for the relevant injury and age of the five potential participants has been included (on a partial basis to allow for the probability of their acceptance into the scheme) as a provision.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS**

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

Financial assets are those that derive value because of a contractual claim. The Territory Government's financial assets comprise of cash and deposits, advances paid, receivables and financial investments.

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

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

The most significant investments and cash and deposits of the GGS and Territory are the investments and cash held by the Territory Banking Account. A significant portion of these investments are maintained for the purpose of managing the Territory's employee superannuation liability. For further information on investments and loans, refer to Note 20 'Investments and Loans'.

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

The following represents the classification of the Territory Government's financial assets:

Items	Business model held to collect principal and interest/sell	Solely for payment of principal and interest SPPI test (basic lending characteristics)	Classification
Cash and deposits	Held to collect	Yes	Amortised cost
Loans	Held to collect	Yes	Amortised cost
Investment	Held to collect /& sell	No	Fair value through profit and loss

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

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

Interest rate risk

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

Sensitivity analysis is performed on cash at bank, directly held debt securities, variable rate loans provided to other agencies and short-term variable rate borrowings.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

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

	Fixed rate instruments		Variable rate instruments	
	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000
Financial assets	704,250	649,690	2,557,142	3,182,479
<b>Net exposure before the effect of derivatives</b>	<b>704,250</b>	<b>649,690</b>	<b>2,557,142</b>	<b>3,182,479</b>

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

The table below demonstrates 'reasonably possible' sensitivity to a 0.5 per cent (2021-22: 0.5 per cent) on cash at bank and directly held debt securities and the impact on profit or loss and equity. Had interest rates been lower or higher at reporting date, and all other variables were held constant, the results would have improved/(deteriorated) as follows:

	Fixed rate instruments		Variable rate instruments	
	+0.5 per cent \$'000	-0.5 per cent \$'000	+0.5 per cent \$'000	-0.5 per cent \$'000
<b>2022-23</b>				
Financial assets	(3,521)	3,521	12,786	(12,786)
<b>Net (decrease)/increase</b>	<b>(3,521)</b>	<b>3,521</b>	<b>12,786</b>	<b>(12,786)</b>
<b>2021-22</b>				
Financial assets	(3,248)	3,248	15,912	(15,912)
<b>Net (decrease)/increase</b>	<b>(3,248)</b>	<b>3,248</b>	<b>15,912</b>	<b>(15,912)</b>

Price risk and inflation risk

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

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

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

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

	2022-23 \$'000	2021-22 \$'000
<b>Price risk</b>		
<b>Investment assets</b>		
Fixed income	313,732	313,703
Equities	3,586,377	3,024,292
Property	401,418	440,911
Infrastructure	395,415	310,851
<b>Total exposure</b>	<b>4,696,942</b>	<b>4,089,757</b>
<b>Inflation risk</b>		
Financial assets (inflation linked bonds)	772,001	730,132
Financial liabilities (inflation linked bonds)	771,554	729,733
<b>Net exposure</b>	<b>447</b>	<b>399</b>

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

<b>General Government Sector and Total Territory</b>				
<b>30 June 2023</b>	<b>% increase in index</b>		<b>% decrease in index</b>	
	<b>Profit/ (loss) impact</b>	<b>Equity impact</b>	<b>Profit/ (loss) impact</b>	<b>Equity impact</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Investment assets</b>				
Fixed income (+/-6%)	18,824	18,824	(18,824)	(18,824)
Equities (+/-14-20%)	546,888	546,888	(546,888)	(546,888)
Property (+/-8%)	32,113	32,113	(32,113)	(32,113)
Infrastructure (+/-10%)	39,542	39,542	(39,542)	(39,542)
Inflation Rate (+/-1%)	186	186	(186)	(186)

<b>General Government Sector and Total Territory</b>				
<b>30 June 2022</b>	<b>% increase in index</b>		<b>% decrease in index</b>	
	<b>Profit/ (loss) impact</b>	<b>Equity impact</b>	<b>Profit/ (loss) impact</b>	<b>Equity impact</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Investment assets</b>				
Fixed income (+/- 4%)	18,822	18,822	(18,822)	(18,822)
Equities (+/-14-20%)	465,479	465,479	(465,479)	(465,479)
Property (+/-8%)	35,272	35,272	(35,272)	(35,272)
Infrastructure (+/-10%)	31,086	31,086	(31,086)	(31,086)
Inflation Rate (+/-1%)	175	175	(175)	(175)



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

Currency risk

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

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

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

Currency as at 30 June 2023 General Government Sector and Total Territory	Cash	Assets at fair value through profit or loss	Other assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AUD	57,542	3,615,836	31,141	3,704,519	23,903	291,185	315,088	3,389,431
USD	14,486	1,819,772	2,897	1,837,155	961	3,447	4,408	1,832,747
JPY	2,987	305,377	3,385	311,749	444	2,738	3,182	308,567
EUR	2,676	228,394	2,257	233,327	354	1,885	2,239	231,088
GBP	841	101,757	479	103,077	6	331	337	102,740
Other	2,021	235,450	3,636	241,107	56	106	162	240,945
<b>Total A\$'000</b>	<b>80,553</b>	<b>6,306,586</b>	<b>43,795</b>	<b>6,430,934</b>	<b>25,724</b>	<b>299,692</b>	<b>325,416</b>	<b>6,105,518</b>

Currency as at 30 June 2022 General Government Sector and Total Territory	Cash	Assets at fair value through profit or loss	Other assets	Total assets	Financial liabilities at fair value through profit or loss	Other liabilities	Total liabilities	Net assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AUD	38,920	3,195,797	37,509	3,272,226	53,766	44,707	98,473	3,173,753
USD	27,934	1,477,363	2,199	1,507,496	129	223	352	1,507,144
JPY	5,864	244,262	3,013	253,139	538	0	538	252,601
EUR	3,234	202,472	2,485	208,191	21	0	21	208,170
GBP	1,929	93,851	516	96,296	2	0	2	96,294
Other	2,383	202,165	3,002	207,550	26	0	26	207,524
<b>Total A\$'000</b>	<b>80,264</b>	<b>5,415,910</b>	<b>48,724</b>	<b>5,544,898</b>	<b>54,482</b>	<b>44,930</b>	<b>99,412</b>	<b>5,445,486</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

Sensitivity disclosure analysis

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

<b>30 June 2023</b> <b>General Government Sector and</b> <b>Total Territory</b>	<b>(+/- impact) 12%</b>	
	<b>Profit/ (loss) impact</b>	<b>Equity impact</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Currency</b>		
USD	16,578	16,578
EUR	10,254	10,254
JPY	9,252	9,252
GBP	2,410	2,410
Other	1,826	1,826
<b>Total increase/(decrease)</b>	<b>40,320</b>	<b>40,320</b>

<b>30 June 2022</b> <b>General Government</b> <b>Sector and Total</b> <b>Territory</b>	<b>(+/- impact) 12%</b>	
	<b>Profit/ (loss) impact</b>	<b>Equity impact</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Currency</b>		
USD	17,503	17,503
EUR	10,601	10,601
JPY	9,989	9,989
GBP	2,825	2,825
Other	1,775	1,775
<b>Total increase/(decrease)</b>	<b>42,693</b>	<b>42,693</b>

Credit risk

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

The maximum exposure to credit risk is limited to the carrying amount of the cash and cash equivalents and investments of the Territory. The main concentration of credit risk arises from the Territory's direct exposure to investments in fixed income (debt) securities. For the purposes of sensitivity analysis, exposure to credit risk is performed on securities directly held by the Territory at reporting date.

In relation to investments of the Territory, financial dealings are only undertaken with appropriately rated counterparties. The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the Territory's financial investment assets. No investment assets were impaired at 30 June 2023 (30 June 2022: nil).

The Territory also has an exposure to credit risk in relation to concessional loans issued under the Sustainable Household Scheme (SHS). Under the SHS, zero-interest loans of up to \$15,000 are issued, with repayment terms of up to 10 years, to households and not-for-profit community organisations to assist with the upfront costs of investing in energy efficient building upgrades and zero emissions vehicles. This is limited to one loan product per borrower.

Credit risk in relation to SHS loans receivable is limited to the total value of loans issued, less repayments made to date. As at 30 June 2023, the balance of SHS loans issued since the beginning of the scheme was \$116.5 million (\$16.1 million as at 30 June 2022), with an associated receivable of \$86.8 million (\$13.5 million as at 30 June 2022).

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

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

General Government Sector and Total Territory	Credit quality				Total \$'000
	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	
<b>30 June 2023</b>					
<b>Directly held</b>					
Debt instruments	715,310	318,481	400,351	123,741	<b>1,557,883</b>
<b>Total</b>	<b>715,310</b>	<b>318,481</b>	<b>400,351</b>	<b>123,741</b>	<b>1,557,883</b>
<b>30 June 2022</b>					
<b>Directly held</b>					
Debt instruments	705,466	255,827	217,345	126,267	<b>1,304,905</b>
<b>Total</b>	<b>705,466</b>	<b>255,827</b>	<b>217,345</b>	<b>126,267</b>	<b>1,304,905</b>

Liquidity risk

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

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

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

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

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

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

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

30 June 2023	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
General Government Sector	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-Derivatives</b>					
Payables	153,631	153,631	0	0	<b>307,262</b>
Interest-bearing liabilities (current/non-current)	195,611	803,555	3,979,273	6,271,588	<b>11,250,027</b>
Estimated superannuation liabilities	95,524	286,572	2,264,388	25,759,239	<b>28,405,723</b>
<b>Total non-derivatives</b>	<b>444,766</b>	<b>1,243,758</b>	<b>6,243,661</b>	<b>32,030,827</b>	<b>39,963,012</b>
<b>Derivatives</b>					
Net settled derivatives (interest rate swaps and futures)	23,830	(847)	(7,904)	(14,705)	<b>374</b>
<b>Total derivatives</b>	<b>23,830</b>	<b>(847)</b>	<b>(7,904)</b>	<b>(14,705)</b>	<b>374</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

Liquidity risk - continued

<b>30 June 2022</b>	<b>Less than 3</b>	<b>3-12</b>	<b>1-5 years</b>	<b>&gt; 5</b>	<b>Total</b>
<b>General Government Sector</b>	<b>months</b>	<b>months</b>		<b>years</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-derivatives</b>					
Payables	161,783	161,783	0	0	323,565
Interest-bearing liabilities (current/non-current)	8,577	1,312,965	2,777,990	6,946,573	11,046,105
Estimated superannuation liabilities	86,977	260,931	2,060,127	25,521,238	27,929,273
<b>Total non-derivatives</b>	<b>257,337</b>	<b>1,735,679</b>	<b>4,838,117</b>	<b>32,467,811</b>	<b>39,298,943</b>
<b>Derivatives</b>					
Net settled derivatives (interest rate swaps and futures)	(64,702)	(419)	(4,134)	(14,870)	(84,125)
<b>Total derivatives</b>	<b>(64,702)</b>	<b>(419)</b>	<b>(4,134)</b>	<b>(14,870)</b>	<b>(84,125)</b>
<hr/>					
<b>30 June 2023</b>	<b>Less than 3</b>	<b>3-12</b>	<b>1-5 years</b>	<b>&gt; 5</b>	<b>Total</b>
<b>Total Territory</b>	<b>months</b>	<b>months</b>		<b>years</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-derivatives</b>					
Payables	204,633	204,633	0	0	409,265
Interest-bearing liabilities (current/non-current)	195,611	803,555	3,979,273	6,271,588	11,250,027
Estimated superannuation liabilities	95,524	286,572	2,264,388	25,759,239	28,405,723
<b>Total non-derivatives</b>	<b>495,768</b>	<b>1,294,760</b>	<b>6,243,661</b>	<b>32,030,827</b>	<b>40,065,015</b>
<b>Derivatives</b>					
Net settled derivatives (interest rate swaps and futures)	23,830	(847)	(7,904)	(14,705)	374
<b>Total derivatives</b>	<b>23,830</b>	<b>(847)</b>	<b>(7,904)</b>	<b>(14,705)</b>	<b>374</b>
<hr/>					
<b>30 June 2022</b>	<b>Less than 3</b>	<b>3-12</b>	<b>1-5 years</b>	<b>&gt; 5</b>	<b>Total</b>
<b>Total Territory</b>	<b>months</b>	<b>months</b>		<b>years</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Derivatives</b>					
Payables	218,037	218,037	0	0	436,073
Interest-bearing liabilities (current/non-current)	8,577	1,312,965	2,777,990	6,946,573	11,046,105
Estimated superannuation liabilities	86,977	260,931	2,060,127	25,521,238	27,929,273
<b>Total non-derivatives</b>	<b>313,591</b>	<b>1,791,933</b>	<b>4,838,117</b>	<b>32,467,811</b>	<b>39,411,451</b>
<b>Derivatives</b>					
Net settled derivatives (interest rate swaps and futures)	(64,702)	(419)	(4,134)	(14,870)	(84,125)
<b>Total derivatives</b>	<b>(64,702)</b>	<b>(419)</b>	<b>(4,134)</b>	<b>(14,870)</b>	<b>(84,125)</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

Categorisation of financial assets and liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

<b>General Government Sector</b>	<b>2022-23</b>		<b>2021-22</b>	
	<b>Carrying amount</b>	<b>Net fair value</b>	<b>Carrying amount</b>	<b>Net fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and deposits <sup>(a)</sup>	2,374,197	2,374,197	3,132,491	3,132,491
Advances paid	2,023,095	1,980,530	1,933,373	1,935,629
Investments and loans <sup>(b)</sup>	6,110,785	6,110,785	5,457,397	5,457,397
Receivables <sup>(c)</sup>	782,300	782,300	833,820	833,820
Equity investments in other public sector entities	10,926,421	10,926,421	10,950,233	10,950,233
<b>Total financial assets</b>	<b>22,216,798</b>	<b>22,174,233</b>	<b>22,307,314</b>	<b>22,309,570</b>
<b>Financial liabilities</b>				
Advances received	45,354	45,354	49,649	49,649
Borrowings	9,569,521	8,880,494	9,214,122	8,598,577
Payables	307,262	307,262	323,565	323,565
Other liabilities	14,877	14,877	17,761	17,761
<b>Total financial liabilities</b>	<b>9,937,014</b>	<b>9,247,987</b>	<b>9,605,097</b>	<b>8,989,552</b>
<b>Net financial assets</b>	<b>12,279,784</b>	<b>12,926,246</b>	<b>12,702,217</b>	<b>13,320,018</b>
<b>Total Territory</b>				
	<b>Carrying amount</b>	<b>Net fair value</b>	<b>Carrying amount</b>	<b>Net fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and deposits <sup>(a)</sup>	2,731,804	2,731,804	3,526,362	3,526,362
Advances paid	86,130	86,130	77,435	77,435
Investments and loans <sup>(b)</sup>	6,125,785	6,125,785	5,497,397	5,497,397
Receivables <sup>(c)</sup>	627,641	627,641	649,312	649,312
Investments accounted for using the equity method	1,042,731	1,042,731	992,181	992,181
<b>Total financial assets</b>	<b>10,614,091</b>	<b>10,614,091</b>	<b>10,742,687</b>	<b>10,742,687</b>
<b>Financial liabilities</b>				
Advances received	81,586	81,586	89,949	89,949
Borrowings	9,869,416	9,180,389	9,508,360	8,892,815
Payables	409,265	409,265	436,073	436,073
Other liabilities	24,991	24,991	28,905	28,905
<b>Total financial liabilities</b>	<b>10,385,258</b>	<b>9,696,231</b>	<b>10,063,287</b>	<b>9,447,742</b>
<b>Net financial assets</b>	<b>228,833</b>	<b>917,860</b>	<b>679,400</b>	<b>1,294,945</b>

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

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
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**39 FINANCIAL INSTRUMENTS - CONTINUED**

Fair value hierarchy

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

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

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

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

<b>30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets and liabilities at fair value</b>				
<b>Financial assets</b>				
Investment assets	3,531,680	2,225,640	288,146	<b>6,045,466</b>
<b>Financial liabilities</b>				
Agencies investment deposits	0	6,104,894	0	<b>6,104,894</b>
<b>Assets and liabilities for which fair values are disclosed</b>				
<b>Financial assets</b>				
Loans and receivables	0	2,486,571	0	<b>2,486,571</b>
<b>Financial liabilities</b>				
Interest bearing liabilities	0	8,926,679	0	<b>8,926,679</b>
<b>Net assets/(liabilities)</b>	<b>3,531,680</b>	<b>(10,319,362)</b>	<b>288,146</b>	<b>(6,499,536)</b>
<hr/>				
<b>30 June 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets and liabilities at fair value</b>				
<b>Financial assets</b>				
Investment assets	2,756,370	2,311,639	293,419	<b>5,361,428</b>
<b>Financial liabilities</b>				
Agencies investment deposits	0	5,445,486	0	<b>5,445,486</b>
<b>Assets and liabilities for which fair values are disclosed</b>				
<b>Financial assets</b>				
Loans and receivables	0	2,541,603	0	<b>2,541,603</b>
<b>Financial liabilities</b>				
Interest bearing liabilities	0	8,647,606	0	<b>8,647,606</b>
<b>Net assets/(liabilities)</b>	<b>2,756,370</b>	<b>(9,239,850)</b>	<b>293,419</b>	<b>(6,190,061)</b>

Fair value measurement

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

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

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**39 FINANCIAL INSTRUMENTS - CONTINUED**

Fair value measurement - continued

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

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

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

Valuation process for level 3 valuations

Investments of unlisted trust and limited partnerships are recorded at redemption value per unit as reported by their respective investment managers. In the absence of quoted values, securities are valued using appropriate valuation techniques as reasonably determined by the investment manager. The investment manager performs monthly, quarterly and annual valuations.

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

Level 3 reconciliations

<b>30 June 2023</b>	<b>Listed securities</b>	<b>Unit trusts</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2022</b>	<b>15</b>	<b>293,403</b>
Purchases during year	0	0
Sales during year	0	0
Settlements during the year	0	16,450
Transfers into Level 3	0	0
Total gains/(losses)	1	(21,724)
<b>Balance at 30 June 2023</b>	<b>16</b>	<b>288,128</b>

  

<b>30 June 2022</b>	<b>Listed securities</b>	<b>Unit trusts</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2021</b>	<b>0</b>	<b>234,274</b>
Purchases during year	0	5,510
Sales during year	0	0
Settlements during the year	0	20,846
Transfers into Level 3	15	0
Total gains/(losses)	0	32,774
<b>Balance at 30 June 2022</b>	<b>15</b>	<b>293,403</b>

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**40 EXPENSES AND ASSETS BY FUNCTION**

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

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

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

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

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

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

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

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

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

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

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



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**40 EXPENSES AND ASSETS BY FUNCTION - CONTINUED**

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
01 General public services <sup>(a)</sup>	1,567,945	1,264,377	1,559,219	1,255,323
03 Public order and safety	664,451	614,367	664,128	613,494
04 Economic affairs <sup>(b)</sup>	204,009	560,651	196,806	553,319
05 Environmental protection <sup>(c)</sup>	306,646	179,454	421,991	286,330
06 Housing and community amenities	82,955	74,288	272,910	370,281
07 Health	2,226,972	2,211,264	2,225,052	2,206,822
08 Recreation, culture and religion	260,150	246,252	269,344	252,338
09 Education	1,742,230	1,658,147	1,739,897	1,651,381
10 Social protection	515,963	467,150	630,090	592,039
11 Transport	462,718	479,868	517,079	517,914
<b>Total expenses</b>	<b>8,034,039</b>	<b>7,755,818</b>	<b>8,496,516</b>	<b>8,299,241</b>

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

	General Government Sector		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
01 General public services	21,664,669	21,710,367	10,587,549	10,580,779
03 Public order and safety	704,961	679,566	697,686	676,322
04 Economic affairs	2,192,922	2,097,961	253,542	239,867
05 Environmental protection	418,676	417,121	2,359,909	2,239,141
06 Housing and community amenities	102,858	87,800	3,527,861	3,230,188
07 Health	2,088,940	1,781,797	2,057,937	1,768,492
08 Recreation, culture and religion	1,751,872	1,708,775	1,747,125	1,706,736
09 Education	2,985,711	2,645,768	3,213,395	2,852,351
10 Social protection <sup>(d)</sup>	469,417	528,510	8,679,924	9,056,083
11 Transport	10,824,896	10,595,140	11,653,435	11,307,413
<b>Total assets</b>	<b>43,204,922</b>	<b>42,252,805</b>	<b>44,778,363</b>	<b>43,657,372</b>

**Notes:** (a) The increase largely reflects higher superannuation interest cost due to updated financial assumptions in estimating the defined benefit employer superannuation liability and higher interest on borrowings.

(b) The decrease is mainly due to the high amount of COVID-19 business support grants in 2021-22 and the reclassification of the surrender of large scale generation certificates from the economic affairs category to environmental protection.

(c) The increase is mainly due to the reclassification of the surrender of large scale generation certificates from the economic affairs category to environmental protection.

(d) The decrease largely reflects a revaluation decrement of the Territory's public housing portfolio.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED OPERATING STATEMENT BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Revenue</b>								
Controlled recurrent payments	0	0	301,625	292,590	(301,625)	(292,590)	0	0
Taxation revenue	2,562,395	2,404,711	0	0	(51,422)	(50,917)	2,510,973	2,353,794
Commonwealth grants	3,166,597	2,951,529	7,790	5,241	(6,226)	(3,898)	3,168,161	2,952,872
Sales of goods and services								
Revenue from associates and joint ventures	0	0	157,234	135,801	0	0	157,234	135,801
Other sales of goods and services from contracts with customers	601,671	611,670	414,671	401,267	(79,573)	(75,714)	936,769	937,223
Investment revenue	157,211	137,595	0	0	0	0	157,211	137,595
Interest revenue	283,960	139,608	11,225	3,357	(108,734)	(85,707)	186,451	57,258
Dividend and income tax equivalents income	54,868	414,375	0	0	(54,868)	(414,375)	0	0
Other revenue								
Land revenue (value-add component)	0	0	117,230	517,374	(20,536)	(6,597)	96,694	510,777
Other revenue	207,266	191,115	28,098	34,353	(39,232)	(39,417)	196,132	186,051
Gains from contributed assets	227,657	149,512	21,533	27,401	(54,451)	(71,605)	194,739	105,308
<b>Total revenue</b>	<b>7,261,625</b>	<b>7,000,115</b>	<b>1,059,406</b>	<b>1,417,384</b>	<b>(716,667)</b>	<b>(1,040,820)</b>	<b>7,604,364</b>	<b>7,376,679</b>
<b>Expenses</b>								
Employee expenses	2,777,716	2,695,413	232,251	228,615	(3,962)	(5,544)	3,006,005	2,918,484
Superannuation expenses								
Superannuation interest cost	425,834	302,379	0	0	0	0	425,834	302,379
Other superannuation expense	486,857	552,283	34,848	33,670	(13,043)	(13,864)	508,662	572,089
Depreciation and amortisation	543,503	513,352	184,339	162,265	0	0	727,842	675,617
Interest expense	315,391	250,458	127,507	99,686	(108,734)	(85,707)	334,164	264,437
Other property expenses (income tax equivalents)	0	0	46,256	123,319	(46,256)	(123,319)	0	0
Other operating expenses								
Supplies and services	1,327,829	1,231,710	328,986	316,295	(53,702)	(52,842)	1,603,113	1,495,163
Other operating expenses	451,032	312,206	118,775	227,823	(114,560)	(97,038)	455,247	442,991
Grants and purchased services	1,705,877	1,898,017	81,027	84,600	(351,255)	(354,536)	1,435,649	1,628,081
<b>Total expenses</b>	<b>8,034,039</b>	<b>7,755,818</b>	<b>1,153,989</b>	<b>1,276,273</b>	<b>(691,512)</b>	<b>(732,850)</b>	<b>8,496,516</b>	<b>8,299,241</b>
<b>UPF net operating balance</b>	<b>(772,414)</b>	<b>(755,703)</b>	<b>(94,583)</b>	<b>141,111</b>	<b>(25,155)</b>	<b>(307,970)</b>	<b>(892,152)</b>	<b>(922,562)</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED OPERATING STATEMENT BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Other economic flows - included in the operating result</b>								
Dividends (market gains on land sales)	42,638	13,662	0	0	(42,638)	(13,662)	0	0
Land revenue (market gains on land sales)	0	0	62,744	20,463	0	0	62,744	20,463
Net land revenue (undeveloped land value)	1,427	9,784	0	0	827	1,402	2,254	11,186
Net gain/(loss) on sale of non-financial assets	(7,227)	99,510	(14,762)	12,536	0	0	(21,989)	112,046
Net gain/(loss) on financial assets or liabilities at fair value	418,956	(405,553)	78	2,819	0	0	419,034	(402,734)
Doubtful debts	(19,741)	(23,831)	(3,431)	(14,780)	0	0	(23,172)	(38,611)
<b>Operating result</b>	<b>(336,361)</b>	<b>(1,062,131)</b>	<b>(49,954)</b>	<b>162,149</b>	<b>(66,966)</b>	<b>(320,230)</b>	<b>(453,281)</b>	<b>(1,220,212)</b>
<b>Other economic flows - other comprehensive income</b>								
<b>Items that will not be subsequently reclassified to operating statement</b>								
Payments to ACT Government agencies	(105,231)	(139,979)	0	0	105,231	139,979	0	0
Transfer of assets to the public non-financial corporations (PNFC) sector	0	(10,954)	0	0	0	10,954	0	0
Superannuation actuarial gain	616,502	2,655,826	0	0	0	0	616,502	2,655,826
Other movements	(3,515)	32,022	(52,411)	600	0	0	(55,926)	32,622
Increase in asset revaluation surplus	646,794	1,573,113	27,210	1,981,057	(1,970)	199,795	672,034	3,753,965
<b>Items that may be subsequently reclassified to operating statement</b>								
Increase/(decrease) in net assets of PNFC	(23,812)	2,019,551	0	0	23,812	(2,019,551)	0	0
<b>Total comprehensive result</b>	<b>794,377</b>	<b>5,067,448</b>	<b>(75,155)</b>	<b>2,143,806</b>	<b>60,107</b>	<b>(1,989,053)</b>	<b>779,329</b>	<b>5,222,201</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED OPERATING STATEMENT BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Key fiscal aggregates</b>								
<b>UPF net operating balance</b>	<b>(772,414)</b>	<b>(755,703)</b>	<b>(94,583)</b>	<b>141,111</b>	<b>(25,155)</b>	<b>(307,970)</b>	<b>(892,152)</b>	<b>(922,562)</b>
<b>less net acquisition of non-financial assets</b>								
Payments for non-financial assets	960,930	702,504	248,506	201,011	(51,962)	(16,147)	1,157,474	887,368
Sales of non-financial assets	(63,151)	(74,378)	(113,918)	(139,378)	0	0	(177,069)	(213,756)
Change in inventories	(15,144)	13,541	146,801	(78,576)	0	(1)	131,657	(65,036)
Depreciation and amortisation	(543,503)	(513,352)	(184,339)	(162,265)	0	0	(727,842)	(675,617)
Other movements in non-financial assets	108,347	45,607	(35,820)	(40,202)	10,980	12,200	83,507	17,605
<i>Total net acquisition of non-financial assets</i>	<i>447,479</i>	<i>173,922</i>	<i>61,230</i>	<i>(219,410)</i>	<i>(40,982)</i>	<i>(3,948)</i>	<i>467,727</i>	<i>(49,436)</i>
<b>Net lending/(borrowing)</b>	<b>(1,219,893)</b>	<b>(929,625)</b>	<b>(155,813)</b>	<b>360,521</b>	<b>15,827</b>	<b>(304,022)</b>	<b>(1,359,879)</b>	<b>(873,126)</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED BALANCE SHEET BY SECTOR  
AT 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
<b>Financial assets</b>								
Cash and deposits	2,374,197	3,132,491	357,607	393,871	0	0	2,731,804	3,526,362
Advances paid	2,023,095	1,933,373	0	0	(1,936,965)	(1,855,938)	86,130	77,435
Investments and loans	6,110,785	5,457,397	15,000	40,000	0	0	6,125,785	5,497,397
Receivables	817,573	874,568	81,243	85,154	(236,027)	(204,648)	662,789	755,074
Equity investments								
Investments in other public non-financial corporations	10,926,421	10,950,233	0	0	(10,926,421)	(10,950,233)	0	0
Investments accounted for using the equity method	20	20	1,042,731	992,181	(20)	(20)	1,042,731	992,181
<b>Total financial assets</b>	<b>22,252,091</b>	<b>22,348,082</b>	<b>1,496,581</b>	<b>1,511,206</b>	<b>(13,099,433)</b>	<b>(13,010,839)</b>	<b>10,649,239</b>	<b>10,848,449</b>
<b>Non-financial assets</b>								
Produced assets								
Property, plant and equipment	14,096,509	13,723,417	6,707,844	6,223,921	0	0	20,804,353	19,947,338
Investment properties	5,020	4,750	24,245	26,043	0	0	29,265	30,793
Intangibles	254,432	188,071	26,648	35,121	0	0	281,080	223,192
Inventories	40,233	55,377	439,789	292,988	0	0	480,022	348,365
Assets held for sale	17,894	20,297	27,227	28,735	0	0	45,121	49,032
Capital works-in-progress	1,211,455	835,907	228,822	227,571	0	0	1,440,277	1,063,478
Non produced assets								
Property, plant and equipment	5,276,133	5,036,224	5,702,146	6,069,821	0	0	10,978,279	11,106,045
Biological assets	41,256	38,651	0	0	0	0	41,256	38,651
Other non-financial assets								
Deferred tax assets	0	0	24,162	22,281	(24,162)	(22,281)	0	0
Other non-financial assets	9,899	2,029	0	0	0	0	9,899	2,029
<b>Total non-financial assets</b>	<b>20,952,831</b>	<b>19,904,723</b>	<b>13,180,883</b>	<b>12,926,481</b>	<b>(24,162)</b>	<b>(22,281)</b>	<b>34,109,552</b>	<b>32,808,923</b>
<b>Total assets</b>	<b>43,204,922</b>	<b>42,252,805</b>	<b>14,677,464</b>	<b>14,437,687</b>	<b>(13,123,595)</b>	<b>(13,033,120)</b>	<b>44,758,791</b>	<b>43,657,372</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED BALANCE SHEET BY SECTOR  
AT 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Liabilities</b>								
Advances received	45,354	49,649	1,973,197	1,896,238	(1,936,965)	(1,855,938)	81,586	89,949
Borrowings								
Lease liabilities	1,074,570	1,071,291	16,625	8,089	0	0	1,091,195	1,079,380
Other borrowings	9,569,521	9,214,122	299,895	294,238	0	0	9,869,416	9,508,360
Superannuation	10,565,392	10,872,463	0	0	0	0	10,565,392	10,872,463
Employee benefits	1,035,166	976,562	85,604	82,659	0	(104)	1,120,770	1,059,117
Other provisions	992,698	930,038	298,324	177,702	(27,368)	(53,145)	1,263,654	1,054,595
Payables	337,654	345,606	203,894	207,951	(40,645)	(50,509)	500,903	503,048
Other liabilities								
Current tax liability	0	0	6,088	93,857	(6,088)	(93,857)	0	0
Deferred tax liability	0	0	759,474	670,641	(759,474)	(670,641)	0	0
Other liabilities	14,877	17,761	107,942	56,079	(97,828)	(44,935)	24,991	28,905
<b>Total liabilities</b>	<b>23,635,232</b>	<b>23,477,492</b>	<b>3,751,043</b>	<b>3,487,454</b>	<b>(2,868,368)</b>	<b>(2,769,129)</b>	<b>24,517,907</b>	<b>24,195,817</b>
<b>Net assets</b>	<b>19,569,690</b>	<b>18,775,313</b>	<b>10,926,421</b>	<b>10,950,233</b>	<b>(10,255,227)</b>	<b>(10,263,991)</b>	<b>20,240,884</b>	<b>19,461,555</b>
Equity in public non-financial corporations	10,926,421	10,950,233	0	0	(10,926,421)	(10,950,233)	0	0
Accumulated funds	(45,681)	(251,693)	3,659,313	3,586,480	48,280	61,358	3,661,912	3,396,145
Asset revaluation surplus	8,687,720	8,075,543	7,267,108	7,363,753	622,914	624,884	16,577,742	16,064,180
Other reserves	1,230	1,230	0	0	0	0	1,230	1,230
<b>Net worth</b>	<b>19,569,690</b>	<b>18,775,313</b>	<b>10,926,421</b>	<b>10,950,233</b>	<b>(10,255,227)</b>	<b>(10,263,991)</b>	<b>20,240,884</b>	<b>19,461,555</b>
<b>Key fiscal aggregates</b>								
<b>Net financial worth</b>	(1,383,141)	(1,129,410)	(2,254,462)	(1,976,248)	(10,231,065)	(10,241,710)	(13,868,668)	(13,347,368)
<b>Net financial liabilities</b>	12,309,562	12,079,643	0	0	2,601,837	2,259,906	14,911,399	14,339,549
<b>Net debt (excluding superannuation related investments)</b>	5,690,310	4,752,613	1,917,110	1,470,456	0	294,238	7,607,420	6,517,307

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Opening equity</b>								
Opening equity in public non-financial corporations (PNFC)	10,950,233	8,930,677	0	0	(10,950,233)	(8,930,677)	0	0
Opening accumulated funds	(251,693)	(1,740,254)	3,586,480	3,434,475	61,358	106,396	3,396,145	1,800,617
Opening asset revaluation surplus	8,075,543	6,516,195	7,363,753	5,496,207	624,884	425,089	16,064,180	12,437,491
Opening other reserves	1,230	1,230	0	0	0	0	1,230	1,230
<b>Opening balance</b>	<b>18,775,313</b>	<b>13,707,848</b>	<b>10,950,233</b>	<b>8,930,677</b>	<b>(10,263,991)</b>	<b>(8,399,187)</b>	<b>19,461,555</b>	<b>14,239,338</b>
<b>Comprehensive income</b>								
<i>Included in accumulated funds:</i>								
Operating result for the period	(336,361)	(1,062,131)	(49,954)	162,149	(66,966)	(320,230)	(453,281)	(1,220,212)
Payments to ACT government agencies	(105,231)	(139,979)	0	0	105,231	139,979	0	0
Transfer of assets to the PNFC sector	0	(10,954)	0	0	0	10,954	0	0
Superannuation actuarial gain	616,502	2,655,826	0	0	0	0	616,502	2,655,826
Other movements	(3,515)	32,022	(52,411)	600	0	0	(55,926)	32,622
<i>Included in equity in PNFC:</i>								
Increase/(decrease) in net assets of PNFC	(23,812)	2,019,551	0	0	23,812	(2,019,551)	0	0
<i>Included in the asset revaluation surplus:</i>								
Increase in the asset revaluation surplus	646,794	1,573,113	27,210	1,981,057	(1,970)	199,795	672,034	3,753,965
<b>Total comprehensive income/(deficit)</b>	<b>794,377</b>	<b>5,067,448</b>	<b>(75,155)</b>	<b>2,143,806</b>	<b>60,107</b>	<b>(1,989,053)</b>	<b>779,329</b>	<b>5,222,201</b>
<b>Other</b>								
Transfer to accumulated funds	34,617	13,765	123,855	113,510	0	0	158,472	127,275
Transfer from the asset revaluation surplus	(34,617)	(13,765)	(123,855)	(113,510)	0	0	(158,472)	(127,275)
<b>Total other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Transactions involving owners affecting accumulated funds</b>								
Capital injections	0	0	105,231	139,979	(105,231)	(139,979)	0	0
Capital distributions	0	0	0	0	0	0	0	0
Transfer of assets from the General Government Sector	0	0	0	10,954	0	(10,954)	0	0
Dividends approved	0	0	(53,888)	(275,188)	53,888	275,188	0	0
<b>Total transactions involving owners affecting accumulated funds</b>	<b>0</b>	<b>0</b>	<b>51,343</b>	<b>(124,255)</b>	<b>(51,343)</b>	<b>124,255</b>	<b>0</b>	<b>0</b>
<b>Closing equity</b>								
Closing equity in PNFC	10,926,421	10,950,233	0	0	(10,926,421)	(10,950,233)	0	0
Closing accumulated funds	(45,681)	(251,693)	3,659,313	3,586,480	48,280	61,358	3,661,912	3,396,145
Closing asset revaluation surplus	8,687,720	8,075,543	7,267,108	7,363,753	622,914	624,884	16,577,742	16,064,180
Closing other reserves	1,230	1,230	0	0	0	0	1,230	1,230
<b>Closing balance</b>	<b>19,569,690</b>	<b>18,775,313</b>	<b>10,926,421</b>	<b>10,950,233</b>	<b>(10,255,227)</b>	<b>(10,263,991)</b>	<b>20,240,884</b>	<b>19,461,555</b>



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED STATEMENT OF CASH FLOWS BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>								
<i>Cash receipts</i>								
Taxes received	2,375,726	2,165,860	0	0	(52,497)	(47,221)	2,323,229	2,118,639
Sales of goods and services from contracts with customers	847,207	791,215	618,150	981,123	(102,657)	(98,392)	1,362,700	1,673,946
Grants and contributions	3,156,981	2,990,847	302,955	294,872	(301,567)	(293,383)	3,158,369	2,992,336
Investment receipts	156,631	141,934	0	0	0	0	156,631	141,934
Interest receipts	243,945	131,415	11,085	3,304	(82,349)	(73,118)	172,681	61,601
Dividends and income tax equivalents	152,376	461,636	0	0	(152,376)	(461,636)	0	0
Other receipts	476,011	501,885	149,001	138,783	(64,232)	(25,832)	560,780	614,836
<b>Total receipts from operating activities</b>	<b>7,408,877</b>	<b>7,184,792</b>	<b>1,081,191</b>	<b>1,418,082</b>	<b>(755,678)</b>	<b>(999,582)</b>	<b>7,734,390</b>	<b>7,603,292</b>
<i>Cash payments</i>								
Payments for employees	(3,326,309)	(3,170,459)	(261,261)	(251,551)	16,944	19,414	(3,570,626)	(3,402,596)
Payments for goods and services	(1,412,120)	(1,239,709)	(313,712)	(313,957)	58,299	52,240	(1,667,533)	(1,501,426)
Grants/subsidies paid	(1,552,317)	(1,814,144)	(35,677)	(33,960)	297,418	285,734	(1,290,576)	(1,562,370)
Borrowing costs	(277,173)	(228,063)	(100,400)	(86,070)	82,349	73,118	(295,224)	(241,015)
Other payments	(556,504)	(521,459)	(296,456)	(261,306)	96,331	92,166	(756,629)	(690,599)
<b>Total payments from operating activities</b>	<b>(7,124,423)</b>	<b>(6,973,834)</b>	<b>(1,007,506)</b>	<b>(946,844)</b>	<b>551,341</b>	<b>522,672</b>	<b>(7,580,588)</b>	<b>(7,398,006)</b>
<b>Net cash inflows/(outflows) from operating activities</b>	<b>284,454</b>	<b>210,958</b>	<b>73,685</b>	<b>471,238</b>	<b>(204,337)</b>	<b>(476,910)</b>	<b>153,802</b>	<b>205,286</b>
<b>Cash flows from investing activities</b>								
<i>Cash flows from investments in non-financial assets</i>								
Sales of non-financial assets	63,151	74,378	113,918	139,378	0	0	177,069	213,756
Payments for non-financial assets	(960,930)	(702,504)	(248,506)	(201,011)	51,962	16,147	(1,157,474)	(887,368)
<b>Net cash inflows/(outflows) from investments in non-financial assets</b>	<b>(897,779)</b>	<b>(628,126)</b>	<b>(134,588)</b>	<b>(61,633)</b>	<b>51,962</b>	<b>16,147</b>	<b>(980,405)</b>	<b>(673,612)</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED STATEMENT OF CASH FLOWS BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Cash flows from investments in financial assets for policy purposes</b>								
<i>Cash receipts</i>								
Repayment of loans	8,585	323	0	927	0	0	8,585	1,250
Capital receipts from government agencies	0	328,000	105,231	139,979	(105,231)	(139,979)	0	328,000
Dividends (market gains on land sales)	0	13,662	0	0	0	(13,662)	0	0
<b>Total receipts from investment in financial assets for policy purposes</b>	<b>8,585</b>	<b>341,985</b>	<b>105,231</b>	<b>140,906</b>	<b>(105,231)</b>	<b>(153,641)</b>	<b>8,585</b>	<b>329,250</b>
<i>Cash payments</i>								
Issue of loans	(105,037)	(13,524)	(7,126)	(927)	0	0	(112,163)	(14,451)
Capital payments to government agencies	(105,231)	(139,979)	0	0	105,231	139,979	0	0
Dividends (market gains on land sales)	0	0	0	(13,662)	0	13,662	0	0
<b>Total payments from investment in financial assets for policy purposes</b>	<b>(210,268)</b>	<b>(153,503)</b>	<b>(7,126)</b>	<b>(14,589)</b>	<b>105,231</b>	<b>153,641</b>	<b>(112,163)</b>	<b>(14,451)</b>
<b>Net cash inflows/(outflows) from investments in financial assets for policy purposes</b>	<b>(201,683)</b>	<b>188,482</b>	<b>98,105</b>	<b>126,317</b>	<b>0</b>	<b>0</b>	<b>(103,578)</b>	<b>314,799</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>								
Sales of investments	23,724	2,278	728	3,954	1	446	24,453	6,678
Payments for investments	(182,166)	(361,315)	1	0	(2)	(961)	(182,167)	(362,276)
<b>Net cash inflows/(outflows) from investments in financial assets for liquidity purposes</b>	<b>(158,442)</b>	<b>(359,037)</b>	<b>729</b>	<b>3,954</b>	<b>(1)</b>	<b>(515)</b>	<b>(157,714)</b>	<b>(355,598)</b>
<b>Net cash inflows/(outflows) from investing activities</b>	<b>(1,257,904)</b>	<b>(798,681)</b>	<b>(35,754)</b>	<b>68,638</b>	<b>51,961</b>	<b>15,632</b>	<b>(1,241,697)</b>	<b>(714,411)</b>

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT  
CONSOLIDATED STATEMENT OF CASH FLOWS BY SECTOR  
FOR THE YEAR ENDED 30 JUNE 2023**

**41 DISAGGREGATED SECTOR INFORMATION - CONTINUED**

	General Government Sector		Public Non-Financial Corporations		Eliminations		Total Territory	
	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000	2022-23 Actual \$'000	2021-22 Actual \$'000
<b>Cash flows from financing activities</b>								
<i>Cash receipts</i>								
Borrowings	328,064	1,178,751	99,595	20,974	(81,837)	(13,318)	345,822	1,186,407
<b>Total receipts from financing activities</b>	<b>328,064</b>	<b>1,178,751</b>	<b>99,595</b>	<b>20,974</b>	<b>(81,837)</b>	<b>(13,318)</b>	<b>345,822</b>	<b>1,186,407</b>
<i>Cash payments</i>								
Borrowings	(60,965)	(6,859)	(41,583)	(26,231)	81,837	13,318	(20,711)	(19,772)
Repayment of lease liabilities - principal	(54,051)	(50,100)	(4,831)	(4,618)	0	0	(58,882)	(54,718)
Dividends paid	0	0	(20,990)	(270,932)	20,990	270,932	0	0
Other financing	0	0	(131,386)	(190,346)	131,386	190,346	0	0
<b>Total payments from financing activities</b>	<b>(115,016)</b>	<b>(56,959)</b>	<b>(198,790)</b>	<b>(492,127)</b>	<b>234,213</b>	<b>474,596</b>	<b>(79,593)</b>	<b>(74,490)</b>
<b>Net cash inflows/(outflows) from financing activities</b>	<b>213,048</b>	<b>1,121,792</b>	<b>(99,195)</b>	<b>(471,153)</b>	<b>152,376</b>	<b>461,278</b>	<b>266,229</b>	<b>1,111,917</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(760,402)</b>	<b>534,069</b>	<b>(61,264)</b>	<b>68,723</b>	<b>0</b>	<b>0</b>	<b>(821,666)</b>	<b>602,792</b>
<b>Cash and cash equivalents at the beginning of reporting period</b>	<b>3,134,762</b>	<b>2,600,693</b>	<b>433,869</b>	<b>365,146</b>	<b>0</b>	<b>0</b>	<b>3,568,631</b>	<b>2,965,839</b>
<b>Cash and cash equivalents at the end of reporting period</b>	<b>2,374,360</b>	<b>3,134,762</b>	<b>372,605</b>	<b>433,869</b>	<b>0</b>	<b>0</b>	<b>2,746,965</b>	<b>3,568,631</b>
<b>Key fiscal aggregates</b>								
Net cash from operating activities	284,454	210,958	73,685	471,238	(204,337)	(476,910)	153,802	205,286
Investments in non-financial assets	(897,779)	(628,126)	(134,588)	(61,633)	51,962	16,147	(980,405)	(673,612)
Distributions paid	0	0	(152,376)	(461,278)	152,376	461,278	0	0
<b>Cash surplus (+)/deficit (-)</b>	<b>(613,325)</b>	<b>(417,168)</b>	<b>(213,279)</b>	<b>(51,673)</b>	<b>1</b>	<b>515</b>	<b>(826,603)</b>	<b>(468,326)</b>

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**42 RECONCILIATIONS TO ABS GFS MEASURES**

<b>GFS net operating balance:</b>	<p>In the Public Non-Financial Corporations (PNFC) sector, dividend payments are classified as expense in the GFS measure of the net operating balance.</p> <p>Expenses related to Light Rail Stage 2 are reclassified in the GFS measure from the General Government Sector (GGS) to the PNFC Sector due to the GFS concept of there being a single economic owner for the entire life of a project. On completion, this asset is transferred from the GGS to the PNFC for operations.</p>
<b>GFS net lending/(borrowing):</b>	<p>In the PNFC, dividend payments are classified as expense in the GFS measure of the net operating balance which forms part of net lending/(borrowing).</p>
<b>GFS net worth:</b>	<p>In the General Government Sector and Total Territory the GFS measure excludes provisions relating to remediation of waste sites and the loose-fill asbestos insulation eradication scheme.</p> <p>In all sectors the GFS measure excludes finance leases recognised under AASB 16 and maintains a distinction between finance and operating leases.</p>
<b>GFS net financial worth:</b>	<p>In the General Government Sector and Total Territory the GFS measure excludes provisions relating to remediation of waste sites and the loose-fill asbestos insulation eradication scheme.</p> <p>In all sectors the GFS measure excludes finance leases recognised under AASB 16 and maintains a distinction between finance and operating leases.</p>

**43 SERVICE CONCESSION ARRANGEMENTS**

The Territory adopted Australian Accounting Standard AASB 1059: 'Service Concession Arrangements: Grantor' (AASB 1059) for the first time for annual reporting periods beginning on or after 1 January 2020. This has resulted in the Territory changing its accounting policy in relation to service concession arrangements. The standard applies to arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services. An arrangement within the scope of this standard typically involves an operator constructing the assets used to provide the public service or upgrading the assets (for example, by increasing their capacity), and operating and maintaining the assets for a specified period of time.

The Territory currently has two types of arrangements that fall within scope of AASB 1059. Current arrangements are consolidated as part of the Public Non-Financial Corporations and Total Territory financial statements.

Housing Asset Assistance Program (HAAP)

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

These assets are measured at current replacement cost on initial recognition or reclassification. After initial recognition or reclassification, they are measured at fair value in accordance with AASB 116: 'Property, Plant and Equipment'. Service concession assets are depreciated over their useful lives.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

Light Rail Service Concession Arrangement

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

These assets were allocated to the relevant service concession arrangement categories under Property, Plant and Equipment. Lease Liabilities have been classified as Interest-bearing liabilities and are now recognised as Other borrowings.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**44 VARIANCE EXPLANATIONS - 2022-23 Actual compared to 2022-23 Budget**

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

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

	<b>2022-23 Actual \$'000</b>	<b>2022-23 Budget \$'000</b>	<b>Variance \$'000</b>	<b>Variance %</b>
<b>Interest revenue</b>	283,960	138,478	145,482	105%
This increase is mainly due to interest earned on cash at bank associated with higher interest rates and market conditions, higher loan interest from ICON Water in relation to inflation-linked loans and higher interest on investments. The variance is also attributed to interest revenue received on the ACT Civil and Administrative Tribunal trust.				
<b>Dividend and income tax equivalents income</b>	54,868	155,901	(101,033)	65%
Lower dividend and income tax equivalents income is largely due to lower returns from the Suburban Land Agency reflective of delays in West Belconnen Joint Venture land sales due to the timing of reductions in the Environmental Clearance Zone and property market conditions including higher interest rates and increased home building costs. The decrease also reflects a nil dividend return for ICON Water due to Large Scale Feed in Tariffs being excluded from the calculation of annual dividend returns.				
<b>Gains from contributed assets</b>	227,657	300,450	(72,793)	-24%
This variance is mainly due to a lower value of assets transferred to the Transport Canberra and City Services Directorate from the Suburban Land Agency and private developers.				
<b>Net gain/(loss) on financial assets or liabilities at fair value</b>	418,956	231,739	187,217	-81%
This variance is largely due to higher investment gains associated with an increase in market valuations mainly due to gains on share markets.				
<b>Superannuation actuarial gain/(loss)</b>	616,502	2,058,371	(1,441,869)	-70%
The variance is due to the latest annual defined benefit superannuation liability valuation review and changes in the financial assumptions for the 2022-23 year end superannuation liability valuation.				
<b>Increase/(decrease) in asset revaluation reserve surplus</b>	646,794	(190)	646,984	#
This variance is mainly due to revaluations of the Territory's property, plant and equipment including infrastructure assets, sportsgrounds and open public spaces, land and buildings largely due to increased land demand and construction and material costs.				

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**44 VARIANCE EXPLANATIONS - 2022-23 Actual compared to 2022-23 Budget**

	<b>2022-23 Actual \$'000</b>	<b>2022-23 Budget \$'000</b>	<b>Variance \$'000</b>	<b>Variance %</b>
<b>Increase/(decrease) in net assets of PNFC</b>	(23,812)	24,436	(48,248)	197%
This variance is primarily due to revaluation decrements of the public housing portfolio reflecting a slowing of the ACT Property Market. This decrement is partially offset by increased valuations of water, sewerage and light rail assets.				
<b>Cash and deposits</b>	2,374,197	2,038,250	335,947	16%
The variance in cash and deposits largely reflects the operational and liquidity needs of the Territory.				
<b>Receivables</b>	817,573	1,035,882	(218,309)	21%
This decrease is attributed to a nil dividend return for ICON Water due to Large Scale Feed in Tariffs being excluded from the calculation of annual dividend returns and reduced income tax equivalent payments from the Suburban Land Agency due to a lower operating result largely due to lower sales in the West Belconnen Joint Venture, and a lower level outstanding Cross Border Health receipts following multiple prior year reconciliations being completed.				
<b>Intangibles</b>	254,432	285,721	(31,289)	-11%
This variance is largely due to the expensing of components of the Human Resources Information Management Solution (HRIMS) that are no longer able to be capitalised.				
<b>Superannuation</b>	10,565,392	9,175,262	1,390,130	15%
The variance is due to updated financial assumptions applied by the Superannuation Provision Account's actuary (Willis Towers Watson) in estimating the defined benefit employer superannuation liability as at 30 June 2023.				

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY**

**KEY FISCAL AGGREGATES**

**Net Debt**

The sum of deposits held, advances received and borrowings minus the sum of cash and deposits, advances paid, investments, loans, and placements. Net debt is a useful measure to assess the overall strength of the Government's fiscal position. A positive position indicates that cash reserves and investments are lower than gross liabilities placing a call on future revenues to service these liabilities. A negative position indicates that cash reserves and investments are greater than gross liabilities. The ACT measure of net debt excludes the impact of superannuation related investments.

**Net Financial Liabilities**

Net financial liabilities take into account unfunded superannuation liabilities and provides a broader measure of debt than net debt. Net financial liabilities are calculated as total liabilities less financial assets (such as cash reserves and investments). It takes into account all non-equity financial assets but excludes the value of equity held by the General Government Sector (GGS) in public corporations.

**Net Financial Worth**

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

**Net Increase/(Decrease) in Cash Held**

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

**Net Lending/(Borrowing)**

The financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position, and a negative result reflects a net borrowing position.

**Net Operating Balance**

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

**Net Worth**

Defined as total assets less total liabilities. It is an economic measure of wealth and reflects the contribution of jurisdictions to the wealth of Australia.



**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**OTHER DEFINITIONS**

**Australian Bureau of Statistics (ABS)**

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

**Australian Bureau of Statistics GFS Manual**

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

**Cash Surplus/(Deficit)**

The net cash received from operating activities less net sales and purchases of non-financial assets. A cash surplus indicates there was sufficient cash generated from operations to more than cover the net outlay of capital purchases. This measure is located at the bottom of the consolidated harmonised cash flow statement.

**Concessional Loan**

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

**Contract Asset**

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

**Contract Liability**

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

**Controlled Recurrent Payment**

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**Current Assets**

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

- it is expected to be realised or is intended for sale or consumption in the Territory entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting 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.

**Current Liabilities**

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

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

**Debt**

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

***Financial Management Act 1996 (FMA)***

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

**General Government Sector (GGS)**

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

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**Government Finance Statistics (GFS)**

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

**Harmonised Financial Statements**

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

**Lease Liabilities**

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

**Lessee**

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

**Lessor**

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

**Materiality**

Materiality is the concept of establishing the importance of financial data. In general, an item of information is material if its omission, non-disclosure or misstatement would cause the financial statements to mislead users when making evaluations or decisions. The size or nature of the item, or a combination of both, could be a determining factor in whether it is material.

**National Partnership Payment (NPP)**

A NPP is a Commonwealth payment to the States and Territories within the scope of the IGA-FFR, in respect of a National Partnership Agreement, to support the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**National Specific Purpose Payment (SPP)**

A Commonwealth financial contribution to support State and Territory delivery of services in a particular sector within the scope of the IGA-FFR. There is currently only one National SPP which is associated with the National Agreement on Skills and Workforce Development.

**Non-Financial Non-Produced Assets**

Non-Financial Non-Produced Assets refers to assets held by producers mainly for the purpose of production that have not themselves been produced. They mainly include land and subsoil assets such as mineral deposits; non-cultivated biological resources and water resources such as virgin forests, fishing grounds and natural water resources; and intangible non-produced assets such as patents, copyrights, and goodwill.

**Non-Financial Assets**

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

**Non-Financial Produced Assets**

Non-Financial Produced Assets refers to assets created by a production process and held by producers mainly for the purposes of production; includes produced assets, such as buildings (including dwellings), infrastructure (eg railways, roads, tunnels, airports and dams), plant and equipment, cultivated assets (eg livestock, vineyards and orchards), intangible assets (eg computer software), inventories (including materials, supplies, defence weapon platforms, works in progress, finished goods and goods for resale), and valuables (eg precious metals and stones and antiques).

**Operating Leases**

Operating leases are leasing arrangements where all substantial risks and rewards incidental to ownership of a leased asset effectively remain with the lessor (the owner of the asset) rather than passing to the lessee (which would make it a finance lease).

**Other Economic Flows**

For the whole of government harmonised operating statement, other economic flows defined as changes in the volume or value of assets and liabilities that do not result from transactions and include changes in the value of assets from revaluations, non-financial asset sales and non-mutual bad debts written off.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**Public Private Partnerships (PPP)**

Public Private Partnerships are a form of infrastructure procurement that involve high levels of risk transfer to the private sector and high levels of integrated delivery including:

- design;
- construction;
- maintenance;
- operations; and
- financing.

PPPs provide the Territory with additional delivery and financing options to support large infrastructure. Under the PPP model, the contractor is incentivised to achieve on-time, on-budget delivery as payments do not commence until the asset is commissioned.

PPPs involve integrated maintenance and operations over extended periods of time resulting in the preservation of an asset's condition throughout its life. Whole-of-life asset costs are improved through integrated service delivery as a design feature. PPPs can offer savings over traditional procurement.

**Public Non-Financial Corporations (PNFCs)**

This is an ABS categorisation of certain public sector agencies. It comprises government-controlled corporations and quasi-corporations mainly engaged in the production of market goods and/or non-financial services.

**Revenue from Contracts with Customers**

An entity's revenue recognised by agreeing with a customer to create obligations to transfer goods or services that are an output of the entity's ordinary activities in exchange for consideration.

**Right of Use Asset**

A right of use asset is the lessee's right to use an asset over the contracted term of a lease. The rights, obligations, risks and benefits of assets under lease contracts may differ substantially from corresponding assets that are owned outright. Lease ROU assets are a distinct grouping of assets.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**Service Concession Arrangements**

Service Concession Arrangements are typically contracts between a grantor (the ACT Government) and an operator where a private operator provides public services related to a service concession asset on behalf of the public sector grantor for a specified period of time and manages at least some of those services.

The service concession arrangement is effective in the reporting period between a grantor and an operator in which:

- the operator has a right of access to the service concession asset(s) to provide public services on behalf of the grantor for a specified period of time;
- the operator is responsible for at least some of the management of the public services provided through the asset and does not merely act as an agent on behalf of the grantor; and
- the operator is compensated for its services over the period of the service concession arrangement.

A grantor is the ACT Government agency that grants the right to access the service concession asset to the operator. An operator is the entity that has a right of access to the service concession asset to provide public services (AASB 1059 Appendix A).

**Total Comprehensive Income**

A measure of the total change in value of the Territory entity during a financial year arising from revenue, expenses, and both realised and unrealised movements in the valuation of assets and liabilities. Total comprehensive result is equivalent to the increase or decrease in Net Assets during the financial year.

**Total Territory**

The Total Territory includes transactions with external parties by the General Government Sector and Public Non-Financial Corporations.

**Treasurer's Advance**

Funds available under section 18 of the *Financial Management Act 1996* for payments where there is an immediate requirement for the payment and the payment is not provided for, or is insufficiently provided for, by an appropriation.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**APPENDIX A – GLOSSARY – CONTINUED**

**Trust Money**

Money that a Territory entity holds in trust on behalf of a third party. Trust money is money deposited with the Territory pending the completion of a transaction or the determination of a dispute and that may become repayable to the depositor or payable to the Territory or anyone else. It can also be money that is paid into a territory court for possible repayment to the payee or a third party because of any Act, order, instruction or authority. Trust money is money that belongs to or is owing to any person and is collected by the Territory because of an agreement between the Territory and that person or unclaimed money that is owing to or belongs to anyone and is deposited with the Territory.

**Underlying Asset**

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

**Uniform Presentation Framework (UPF)**

By agreement between the Commonwealth Government and the States and Territories, each jurisdiction presents financial information on a UPF basis in their budget papers, and in mid-year budget updates and in budget outcome reporting. The primary objective of the UPF is to ensure that the Commonwealth, State and Territory governments provide a common ‘core’ of financial information in their budget papers to enable direct comparisons of each government’s budget and financial results. The UPF is based on the harmonised whole of government reporting standard.