



**AADP 301 ACT ACCOUNTING
DISCLOSURE PAPER
ON ACCOUNTING FOR CHANGES IN
ACCOUNTING POLICY AND
ACCOUNTING ESTIMATES CORRECTION
OF PRIOR PERIOD ERRORS AND
RECLASSIFICATIONS**

Chief Minister, Treasury and Economic Development
Directorate

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1. INTRODUCTION

1.1 APPLICATION

1.1.1 Purpose

This ACT Accounting Disclosure Paper addresses the accounting and disclosure of changes in accounting policy, changes in accounting estimates, the correction of prior period errors, and reclassifications.

This paper applies to an agency where:

- they are applying a change in an accounting policy;
- they have changed an accounting estimate;
- they have a prior period error that is being corrected; or
- they have chosen to restate their comparatives for any other reason (such as a reclassification of line items due to the fact that it is considered more useful to readers etc).

An agency with a change in an accounting estimate should also refer to Note 4 '*Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications*' as appearing in the 2025-26 Model Financial Statements, as it includes an example of the disclosures required in such instances.

There is no intention that the ACT Accounting Disclosure Paper will replicate the Accounting Standards. Consequently, agencies should ensure that they have a thorough understanding of the content of the standards before reading and applying relevant ACT Accounting Policies.

1.1.2 Application Date

This ACT Accounting Disclosure Paper (version six) applies from June 2026. The previous version (version five) of this disclosure paper is applicable up until the release date of version six of this policy. For agencies whose financial year ends on 30 June, this version of the disclosure paper is first applicable to financial years ending on or after 30 June 2026. For agencies whose financial year ends on 31 December, this version of the disclosure paper is first applicable to financial years ending on or after 31 December 2026. See Table 1 at the end of the paper for the historical versions of this disclosure paper.

1.1.3 Agencies Covered by this Policy

This disclosure paper applies to all ACT Government Agencies, that is, all directorates and territory authorities.

1.1.4 Contact

If you have any questions regarding this disclosure paper, contact the FRF Branch to obtain further clarification. Contact details are listed on the ACT Accounting website: <https://www.treasury.act.gov.au/accounting/>.

1.1.5 Application of Policy

Requirements of this disclosure paper are included in **bold** text, with un-bolded text being background information/commentary.

2. MATERIALITY CONSIDERATIONS

2.1 ASSESSING MATERIALITY

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial reports make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual agency's financial report. For more guidance in relation to materiality see Section 1.2 of the 2025-26 Model Financial Statements.

Agencies should assess the materiality of any change in accounting policy, change in accounting estimate, prior period error, and reclassification. Agencies are to apply their professional judgement when assessing all quantitative or qualitative considerations to indicate whether any situations, or parts thereof, are considered material individually and in aggregate over time. Assessing whether information is quantitatively material should be done by considering the size of the impact of the transaction, other event or condition against measures of the agency's financial position, financial performance and cash flows. The agency makes this assessment by considering not only the size of the impact it recognises in its primary financial statements but also any unrecognised items that could ultimately affect primary users' overall perception of the agency's financial position, financial performance and cash flows (e.g. contingent liabilities or contingent assets). Qualitative factors are characteristics of an agency's transactions, other events or conditions, or of their context, that, if present, make information more likely to influence the decisions of the primary users of the agency's financial statements.

Where one part of the restatement is considered material, then the whole restatement is considered material and must be applied in an appropriate manner with the appropriate disclosures being made. For example, when there is an error which impacts an agency's Long Service Leave (LSL) Expense and LSL Liability, and the error is judged to be material when looking at the amount of the LSL Liability but is not judged to be material based on the amount of the LSL Expense, the whole transaction (i.e. LSL Expense and the LSL Liability) is deemed to be material.

Reference: AASB 108.5, AASB 101.7, AASB Framework for the Preparation and Presentation of Financial Statements.QC11 and Practice Statement 2.

2.2 TYPES OF IMMATERIAL PRIOR PERIOD ERRORS

'Immaterial Prior Period Errors' can impact on the comparative year:

- Operating Result;
- Net Assets;
- Total Equity; or
- Net increase/decrease in cash and cash equivalents.

For example, in the current financial year it is discovered that there were 10 out of 1,500 employees of 'Burley Griffin Agency' that were accidentally left out of the LSL Liability calculation at the end of the prior financial year. This resulted in the LSL Liability and LSL Expense being understated by \$0.050m. In this case the Operating Result, Net Assets and Total Equity of 'Burley Griffin Agency' would have been lower by \$0.050m in the comparative year if not for the error.

However, some Immaterial Prior Period Errors will not have an impact on any of the four balances outlined above and will only impact on prior year disclosures.

For example, it was discovered in the current year that an amount of \$0.030m was included in the 'Gains from the Sale of Assets' line item in the 'Gains from Disposals, Derecognition and Remeasurement of Assets' Note, but

should have been included in the 'Gains Arising from the Contribution of Assets' line item in the 'Grants and Contributions Income' note in the prior year's financial statements. This error was determined to be immaterial. Given this amount was simply included in the incorrect line item and incorrect note, it had no impact on the Operating Statement, Net Assets or Total Equity of 'Burley Griffin Agency' in the prior year and also did not result in a net increase or decrease in cash and cash equivalents.

Materiality should be considered when applying Sections 3, 4, 5 and 6 of this disclosure paper.

Reference: ACT Disclosure Policy

3. CHANGES IN ACCOUNTING POLICY

3.1 OVERVIEW OF CHANGES IN ACCOUNTING POLICY

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an agency in preparing and presenting financial statements.

Reference: AASB 108.5

Changes in an agency's accounting policies shall be made when:

- it is required by an Australian Accounting Standard; or
- it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the agency's financial position, financial performance or cash flows.

Generally, changes in accounting policies arise from three sources which are as follows:

- the initial application of an Australian Accounting Standard which contains specific transitional provisions in relation to how to account for a change(s) in accounting policy;
- the initial application of an Australian Accounting Standard which does not have specific transitional provisions in relation to how to account for a change(s) in accounting policy; and
- voluntary changes in accounting policies.

Reference: AASB 108.14

The following examples do not represent changes in accounting policy:

- the application of an accounting policy for transactions, other events or conditions, that differ in substance from those previously occurring; and
- the application of a new accounting policy for transactions, other events or conditions, that did not occur previously or were immaterial.

Reference: AASB 108.16

Changes in accounting policy can relate to recognition, measurement and presentation:

- Recognition – e.g. an agency can change its capitalisation threshold (see example below);
- Measurement – e.g. an agency can change the measurement basis of property, plant and equipment from cost to fair value (and vice versa); and
- Presentation – e.g. an agency can change the classification of an item within the operating statement, balance sheet or statement of cash flows.

An example of a change in accounting policy is where an agency decides to change its property, plant and equipment capitalisation threshold as this is a policy decision that determines the amount which is expensed and

the amount that is capitalised. An agency might decide to reduce its capitalisation threshold from \$5,000 to \$2,000 as it considers that this is more appropriate for the recording and tracking of its assets. This would have the effect of increasing assets and reducing expenses.

3.2 ACCOUNTING TREATMENT FOR CHANGES IN ACCOUNTING POLICY

An agency shall account for a change in accounting policy resulting from the initial application of an Australian Accounting Standard in accordance with the specific transitional provisions, if any, in that Australian Accounting Standard. In the absence of any transitional provisions, or in the case where an agency voluntarily changes accounting policies, the change shall be applied retrospectively (where material).

Reference: AASB 108.19(a)(b)

Retrospective application is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.

Reference: AASB 108.5

When either initially applying an Australian Accounting Standard that does not include specific transitional provisions, or where a voluntary change in accounting policy is made, they are to be accounted for retrospectively (where material) by adjusting the opening balance of each affected component of equity for the earliest prior period presented and also by restating the comparative information.

References: AASB 108.19(a)(b), AASB 108.22

If it is impracticable for the agency to identify the effects of changing an accounting policy, AASB 108 requires that the new accounting policy be applied to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which application is practicable.

Reference: AASB 108.24

Applying a requirement is impracticable when the agency cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:

- (a) the effects of the retrospective application or retrospective restatement are not determinable;
- (b) the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or
- (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that:
 - (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and
 - (ii) would have been available when the financial statements for that prior period were authorised for issue from other information.

Reference: AASB 108.5

3.3 DISCLOSURE REQUIREMENTS FOR CHANGES IN ACCOUNTING POLICY

3.3.1 Disclosure Requirements for Material Changes in Accounting Policy

Where an agency makes a Change in Accounting Policy in the current financial year and this change has a material impact on the agency's current or prior periods, then that agency's comparatives are required to be restated and appropriate disclosure made on the face of the financial statements¹ and in the notes. In addition, material Changes in Accounting Policy are required to be separately disclosed in Note 4 '*Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications*'.

To assist in determining whether a Change in Accounting Policy is material refer to Section 2 of this policy paper.

Disclosure requirements for Changes in Accounting Policy that are due to the initial application of an Australian Accounting Standard and disclosure requirements that relate to a Voluntary Change in Accounting Policy are each separately outlined below.

3.3.1.1 Initial Application of an Australian Accounting Standard

When initial application of an Australian Accounting Standard has a material effect on the current reporting period or any prior reporting period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have a material effect on future periods, an agency shall disclose:

- the title of the Australian Accounting Standard;
- when applicable, that the change in accounting policy is made in accordance with its transitional provisions;
- the nature of the change in accounting policy;
- when applicable, a description of the transitional provisions;
- when applicable, the transitional provisions that might have an effect on future periods;
- for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;
- the amount of the adjustment relating to periods before those presented, to the extent practicable; and
- if retrospective application required by AASB 108.19(a) or (b) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Financial statements of subsequent periods need not repeat any of these disclosures.

Reference: AASB 108.28

3.3.1.2 Voluntary Changes

When a voluntary change in accounting policy has a material effect on the current period or any prior period, or would have a material effect on that period except that it is impracticable to determine the amount of the adjustment, or might have a material effect on future periods, agencies shall disclose:

- the nature of the change;

¹ If the material change in accounting policy affect financial years before the most recent reporting period presented on the balance sheet, then a third balance sheet column should be disclosed.

- the reasons why applying the new accounting policy provides reliable and more relevant information;
- the amount of any adjustment for the current period and each prior period for each financial statement line item affected;
- the amount of the adjustment relating to prior reporting periods; and
- if retrospective application is impracticable for a particular reporting period or for prior reporting periods, a description of:
 - the circumstances that led to that condition; and
 - how, and from when, the change in accounting policy has been applied.

Financial statements of subsequent periods need not repeat any of these disclosures.

Reference: AASB 108.29

3.3.2 Disclosure Requirements for Immaterial Changes in Accounting Policy

If an agency changes an accounting policy in the current financial year and the impact is immaterial, the agency can choose to (but is not required to) adjust the most recent comparative year in the financial statements and related notes so they show what the results would have been had the new policy applied in that prior period.

Where an agency chooses to restate an immaterial change in accounting policy, this will involve restating only the impacted line items in the comparative figures, and therefore does not involve a full retrospective restatement and as such a separate Note 4 '*Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications*' Disclosure should not be made. Where an agency chooses to restate the most recent comparative figures, it is recommended that a brief explanation of the Change in Accounting Policy also be included in the affected statements and notes.

To assist in determining whether a Change in Accounting Policy is immaterial refer to Section 2 of this policy paper.

Reference: ACT Disclosure Policy

4. CORRECTION OF PRIOR PERIOD ERRORS

4.1 OVERVIEW OF PRIOR PERIOD ERRORS

Prior period errors are omissions from, and misstatements in, the agency's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Reference: AASB 108.5

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with Australian Accounting Standards if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an agency's financial position, financial performance or cash flows. Potential current reporting period errors discovered in that reporting period are corrected before the financial statements are authorised for issue. However, material

errors are sometimes not discovered until a subsequent period, and these material prior period errors are corrected in the comparative information presented in the financial statements for that subsequent reporting period.

Reference: AASB 108.41

Where a prior period error is identified, materiality should be assessed based on the guidance in Section 2 above.

Where a prior period issue relates solely to presentation or classification and does not arise from mistake or error in using information available at the time, agencies should consider whether the matter represents a reclassification rather than a prior period error (refer to Section 6).

Reference: ACT Disclosure Policy

4.2 ACCOUNTING TREATMENT FOR PRIOR PERIOD ERRORS

Under AASB 108, an agency must retrospectively correct a material prior period error(s) in the first financial statement authorised for issue after the discovery by:

- **restating the comparative amounts for the reporting period(s) presented when the error(s) occurred; or**
- **if the error occurred before the earliest prior reporting period presented, restating the opening balances of assets, liabilities, and equity for the earliest prior period presented.**

Reference: AASB 108.42 (a) & (b)

A material prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of an error on comparative information the agency shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the agency shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Reference: AASB 108.43, AASB 108.44 & AASB 108.45

See Section 3.2 of this disclosure paper for guidance in relation to when the effect of an error is considered to be impracticable to determine.

4.3 DISCLOSURE REQUIREMENTS FOR PRIOR PERIOD ERRORS

4.3.1 Disclosure Requirements for Material Prior Period Errors

Where a material prior period error has occurred, an agency's comparatives are required to be restated and appropriate disclosure made on the face of the financial statements² and in the notes. In addition, material prior period errors are required to be separately disclosed in Note 4 'Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications'.

In order to disclose the correction of a material prior period error(s), an agency must disclose the following:

² If the material error occurs before the prior reporting period presented on the balance sheet, then a third balance sheet column should be disclosed. See Section 7.1 for further information, and Appendix A for an example of a third balance sheet column.

- the nature of the prior period error(s);
- for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- the amount of the correction at the beginning of the earliest prior period presented; and
- if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Financial statements of subsequent periods need not repeat any of these disclosures.

Reference: AASB 108.49

To assist in determining whether a correction of a prior period error is material refer to Section 2 of this policy paper.

For an example disclosure of a 'Correction of a Material Prior Period Error', see [Appendix A](#) to [Appendix C](#) of this disclosure paper.

4.3.2 Disclosure Requirements for Immaterial Prior Period Errors

Where an Immaterial Prior Period Error is discovered, agencies can choose to (but are not required to) correct the error. Where an agency chooses to correct the error this should be undertaken in the financial statements and accounting system (e.g. Oracle) in the current financial year. As such, no adjustment or disclosure needs to be made to the comparative figures.

For example, in the current year (e.g. 2025-26) it was discovered that a \$15,000 printing invoice from May 2025 was not recorded as an expense or as a payable in the prior financial year (e.g. 2024-25). In this example, the error will impact/change the comparative Operating Result, Net Assets and Total Equity, however it is considered immaterial. So the agency does not restate the prior period comparative figures (i.e. increase printing expenses and increase trade payables by \$15,000) in the current year financial statements, but instead records the \$15,000 as an expense and a payable in the current financial year through the finance system when the error is discovered. When the payment is made in the current year the payable is removed from the finance system.

Where an Immaterial Prior Period Error only impacts disclosures (i.e. there is no change to the operating statement, net assets, total equity or cash/cash equivalents), agencies can choose to (but are not required to) adjust the most recent comparative year in the agency's financial statements on the face of the relevant Financial Statements and in the relevant notes.

Where an agency chooses to adjust its comparative figures, this will involve restating only the impacted line items in the comparative figures, and should not involve a full retrospective restatement and does not require inclusion in a separate Note 4 *Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications* Disclosure. Where the most recent comparative figures are adjusted, a brief explanation of the Immaterial Prior Period Error should also be included in the affected statements and notes along with the fact that the prior period figures have been adjusted. See [Appendix D](#) of this paper for an example disclosure of correcting this type of Immaterial Prior Period Error.

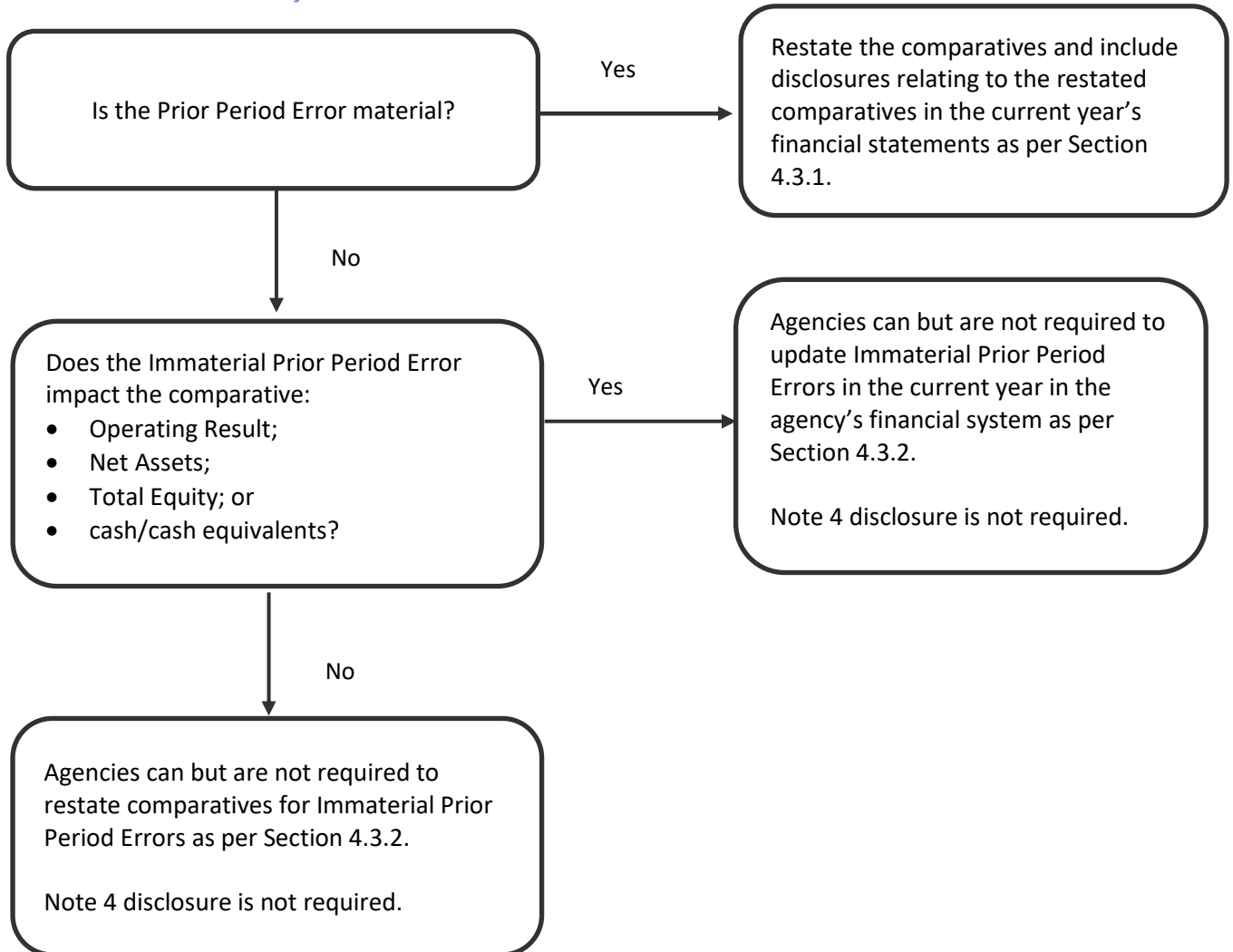
To assist in determining whether a correction of a prior period error is immaterial refer to Section 2 of this policy paper.

Reference: ACT Disclosure Policy

4.4 ASSESSMENT OF PRIOR PERIOD ERRORS

The following flow chart shows the steps that agencies should go through when determining how to account for various types of prior period errors.

Flow Chart 1 – Treatment of a Prior Period Error



5. CHANGES IN ACCOUNTING ESTIMATES

5.1 OVERVIEW OF CHANGES IN ACCOUNTING ESTIMATES

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.

Estimation involves judgements based on the latest available, reliable information. For example, estimates may be required of:

- expected credit loss allowance;
- inventory obsolescence;

- the fair value of financial assets or financial liabilities; and
- the useful lives of, or expected pattern of consumption of the future economic benefits embodied in, depreciable assets.

When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate.

Reference: AASB 108.5, AASB 108.32 and AASB 108.35

An example of a change in accounting estimate is where an agency reviews the useful lives and residual values of its property, plant and equipment and determines that both the useful life and residual value of some of these assets need to be changed as this represents the best current assessment of the period in which the future economic benefits of these assets will be consumed.

This needs to be distinguished from the situation where an agency has made an assessment of the useful life of an item of property, plant and equipment and then has failed to depreciate the asset based on this useful life. In this case this would be considered an error. For example, if it is assessed that a bridge has a useful life of 100 years however it has accidentally been depreciated based on a useful life of only 50 years then this would be considered an error.

Agencies should also be aware that AASB 116 para 51 states that a change in depreciation method is considered to be a change in accounting estimate rather than a change in accounting policy.

5.2 ACCOUNTING TREATMENT FOR CHANGES IN ACCOUNTING ESTIMATES

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

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

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. For example, a change in a loss allowance for expected credit losses affects only the current period's profit or loss and therefore is recognised in the current period. However, a change in the estimated useful life of, or the expected pattern of consumption of the future economic benefits embodied in a depreciable asset affects depreciation expense for the current period and for each future period during the asset's remaining useful life.

Reference: AASB 108.36 and AASB 108.38

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

Reference: AASB 108.37

Prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events and conditions from the date of the change in estimate, i.e. from the point of the change onwards and not retrospectively. As such, a change in an accounting estimate does not cause any restatements to be made of comparatives.

Reference: AASB 108.38

5.3 DISCLOSURE REQUIREMENTS FOR CHANGES IN ACCOUNTING ESTIMATES

5.3.1 Disclosure Requirements for Material Changes in Accounting Estimates

Agencies are required to disclose the nature and amount of a material change in an accounting estimate that has an effect in the current reporting period or is expected to have an effect in future reporting periods, except for the disclosure of the effect on future reporting periods when it is impracticable to estimate that effect.

If the amount of the effect in future periods is not disclosed because estimating it is impracticable, that fact shall be disclosed.

Reference: AASB 108.39, AASB 108.40

Agencies with material changes in accounting estimates are required to make disclosures in the notes directly impacted by the Change in Accounting Estimates as well as making disclosures in Note 4 '*Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications*'. The Note 4 disclosure should outline the notes impacted by the reclassification along with a reference to the fact that users can obtain further information from those notes. See the 2025-26 Model Financial Statements for examples of the disclosures required.

Reference: ACT Disclosure Policy

5.3.2 Disclosure Requirements for Immaterial Changes in Accounting Estimates

Agencies are not required to disclose the nature and amount of an immaterial change in accounting estimate, however, have discretion to do so in the note(s) to which the change relates where this provides readers with useful information.

Where agencies do disclose immaterial changes in accounting estimates, they should not include any disclosure in Note 4 '*Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications*'.

Reference: ACT Disclosure Policy

6. RECLASSIFICATIONS

6.1 OVERVIEW OF RECLASSIFICATIONS

From time to time, an agency will present their information in a different manner to how it was classified in prior years. Agencies are only allowed to do this if the changed presentation provides information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue so that comparability is not impaired. Agencies are also allowed to present their information in a different manner where required by an Australian Accounting Standard.

Reference: AASB 101.45 and AASB 101.46

A reclassification for the purpose of this paper means that an agency will present their information in a different manner to how it was classified/disclosed in prior years. Reclassifications in this sense do not result in changes

to the Operating Result, Net Assets or Total Equity of an Agency, but rather involves moving the disclosure of line items within the financial statements.

Reference: ACT Disclosure Policy

6.2 ACCOUNTING TREATMENT FOR RECLASSIFICATIONS

If a reclassification occurs in the current period, an agency should reclassify comparative amounts to maintain the comparability across periods, unless reclassification in prior periods is impracticable.

Reclassifications do not result from a change in accounting policy or a correction of a prior period error, but is still subject to the disclosure requirements as mentioned below.

Reference: AASB 101.41

6.3 DISCLOSURE REQUIREMENTS FOR RECLASSIFICATIONS

6.3.1 Disclosure Requirements for Material Reclassifications

Where an agency decides to make a material reclassification, an agency's comparatives are required to be restated and appropriate disclosure made on the face of the relevant financial statements and in the relevant notes.

When the agency reclassifies comparative amounts, the agency shall disclose:

- the nature of the reclassification;
- the amount of each item or class of items that is reclassified; and
- the reason for the reclassification.

Reference: AASB 101.41

When it is impracticable to reclassify comparative amounts, an agency shall disclose:

- the reason for not reclassifying the amounts; and
- the nature of the adjustments that would have been made if the amounts had been reclassified.

Reference: AASB 101.42

A brief description of a material reclassification is required to be separately disclosed in Note 4 'Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications'.

The brief description in Note 4 only needs to be a sentence or two highlighting that a material reclassification has been made in the financial statements, the reason why it has occurred and the statements/notes impacted by the reclassification along with a reference to the fact that users can obtain further information from these statements/notes. Only a brief explanation is needed in Note 4 given most of the information about the reclassification should be included in the impacted statements/notes.

To assist in determining whether a reclassification is material refer to Section 2 of this policy paper.

Reference: ACT Disclosure Policy

6.3.2 Disclosure Requirements for Immaterial Reclassifications

Where an agency decides to make an immaterial reclassification, the most recent comparative year in the agency's financial statements should be adjusted on the face of the relevant Financial Statements and in the relevant notes.

Agencies do not need a separate Note 4 'Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications' disclosure. Where the most recent comparative figures are adjusted, a brief explanation of the reclassification should be included in the affected statements and notes. See **Appendix E** of this paper for an example disclosure of an immaterial Reclassification.

To assist in determining whether a reclassification is immaterial refer to Section 2 of this policy paper.

Reference: ACT Disclosure Policy

7. FURTHER REQUIREMENTS/CONSIDERATIONS

In addition to the individual disclosure requirements mentioned in each case above, the following requirements also apply to each case of restatement where applicable.

7.1 ADDITIONAL BALANCE SHEET AND NOTE REQUIREMENTS

When an agency applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements (e.g. due to an error) or when it reclassifies items in its financial statements, and the adjustment has a material effect on the information in the balance sheet, it shall present, as a minimum, three balance sheets as at:

- **the end of the current financial period (i.e. 30 June 2026);**
- **the end of the preceding financial period (i.e. 30 June 2025); and**
- **the beginning of the preceding financial period (i.e. 1 July 2024 which is the same as 30 June 2024).**

The agency will also need to disclose the information contained in Section 6.3.1 'Disclosure Requirements for Material Reclassifications' of this paper as well as the relevant disclosure requirements in AASB 108 (outlined in Section 3.3.1 'Disclosure Requirements for Material Changes in Accounting Policy' and Section 4.3.1 'Disclosure Requirements for Material Prior Period Error'). However, related notes need only be presented for the end of the current period and the end of the preceding period.

Reference: AASB 101.40A-40D

Where a retrospective restatement has no impact on the second comparative year figures (i.e. the 2024 figures) then a column for the second comparative year is not required to be disclosed and a brief statement to that effect should be included in the Financial Statements. An example of wording that could be used for this brief statement is as follows:

“Burley Griffin Agency’ has made a retrospective restatement due to [a change in accounting policy/correction of prior period error/other reclassification], however, as this change only affected the 2025 financial year no column for the 2024 financial year has been provided.”

An agency must disclose a figure against each line item (where applicable) in the second comparative column (i.e. the 2024 column) of the balance sheet, rather than simply disclosing those line items that have been restated.

7.2 ADDITIONAL STATEMENT OF CHANGES IN EQUITY REQUIREMENTS

Each component of equity in the Statement of Changes in Equity must be separately restated in accordance with AASB 108.

Reference: AASB 101.106(b)

Retrospective adjustments and retrospective restatements are not changes in equity but they are adjustments to the opening balance of retained earnings, except when an Australian Accounting Standard requires retrospective adjustment of another component of equity. The statement of changes in equity needs to disclose the total adjustment to each component of equity resulting from changes in accounting policies and, separately, from corrections of errors.

These adjustments are disclosed for each prior period and the beginning of the period.

Reference: AASB 101.110

8. PROCESS

When a situation is identified, which may lead to a restatement of comparatives to be made, the following process should be followed:

1. Step 1 - clearly identify the situation arising (See Section 8.1.1 below);
2. Step 2 - determine what type of restatement will be required (i.e. correction of an error / change in accounting policy / reclassification) (See Section 8.1.2 below);
3. Step 3 - work out materiality impact and the financial statement line items affected and what period the restatements will affect (See Section 8.1.3 below);
4. Step 4 - if material, prepare appropriate disclosure for Note 4 and Other Notes (See Section 8.1.4 below). If immaterial, determine the appropriate treatment; and
5. Step 5 – adjust financial statements where necessary with restated figures and additional disclosures (See Section 8.1.5 below).

8.1 EXAMPLE OF PROCESS – CORRECTION OF A MATERIAL ERROR³

8.1.1 Identify the Situation

On 1 February 2022, 'Burley Griffin Agency' received Land, Buildings and Plant and Equipment from XYZ Directorate, as part of an Administration Arrangement (AA). These assets were acquired at no cost and taken up at the carrying amount of the transferor, given the assets were held at fair value by the transferor and were used for the same purpose by the transferee. Only some items were recorded in the books of 'Burley Griffin Agency' at the date of the transfer, with 5 buildings (valued at \$25,000,000) and the corresponding land (valued at \$15,000,000) not taken up by mistake. On 30 June 2023, the buildings and land were revalued and their fair value was determined to be \$30,000,000 and \$23,500,000 respectively. However, the fair value of the buildings and land was not taken up in the books of 'Burley Griffin Agency' at that date.

8.1.2 Determine Type of Restatement

Error

The example situation has given rise to errors in the financial statements because there was a failure to use reliable information that was available when the financial statements were being prepared. This oversight has caused misstatements in certain line items.

³ Rounding has been applied to simplify the example. Agencies should not apply rounding in the same manner to their calculations and financial statements.

Therefore, comparatives, depending on the materiality of the prior period error, may need to be restated retrospectively in order to correct the misstatements, which appeared in the 2024-25 Financial Statements, and prevent them from being carried forward into the 2025-26 Financial Statements.

8.1.3 Materiality Impact and Financial Statement Line Items Affected

In order to assess materiality, the agency needs to determine, amongst other qualitative considerations, the effect it has on each financial statement line item for any period it effects.

For this purpose, refer to **Appendix C** for calculations supporting how the effect on the line items below were calculated.

For the purpose of this example, this error is considered to be material. Therefore, this error requires full retrospective disclosure in the 2025-26 Financial Statements.

1 July 2024 Opening Comparative

As this error was made in a reporting period prior to the comparative period (i.e. 2024-25), the Balance Sheet opening balances as at 1 July 2024 were restated, in accordance with AASB 101 *Presentation of Financial Statements*, as follows:

- Property, plant and equipment was increased by \$52,000,000 to record the land and buildings that were not previously recorded in the Agency's Balance Sheet. This increase to property, plant and equipment was as follows:
 - land by \$23,500,000;
 - buildings by \$30,000,000; and
 - accumulated depreciation on the buildings by \$1,500,000.
- Accumulated funds were increased by \$36,700,000.
- Asset revaluation surplus was increased by \$15,300,000, which was made up as follows:
 - an increase of \$8,500,000 for the Asset Revaluation Surplus for Land; and
 - an increase of \$6,800,000 for the Asset Revaluation Surplus for Buildings.

30 June 2025 Comparatives

In addition, this error was still uncorrected in the 2024-25 Financial Statements, and therefore, similar adjustments are required to be made to the balance sheet items in the 2025 comparative column. Therefore, this has resulted in the restatement of the following line items for the year ended 30 June 2025:

- Property, plant and equipment was increased by \$50,500,000 to record the land and buildings that were not previously recorded in the Agency's Balance Sheet and movement in depreciation. This increase to property, plant and equipment was as follows:
 - land by \$23,500,000;
 - buildings by \$30,000,000; and
 - accumulated depreciation on the buildings by \$3,000,000 (\$1,500,000 for 2024 and \$1,500,000 for 2025).
- Accumulated funds were increased by \$35,200,000 (\$36,700,000 increase 2024, and \$1,500,000 decrease 2025).

- Asset revaluation surplus was increased by \$15,300,000, which was made up as follows:
 - an increase of \$8,500,000 for the asset revaluation surplus for land; and
 - an increase of \$6,800,000 for the asset revaluation surplus for buildings.

In addition to these items, the following adjustments to the operating statement are made:

- depreciation was increased by \$1,500,000;
- operating result was decreased by \$1,500,000.

8.1.4 Appropriate Disclosure for Note 4 and Other Notes

Refer to **Appendix B** for Example Note Disclosures showing how this Error should be disclosed.

Colours

Items appearing in the disclosures coloured **blue** are additional disclosures or 2024 figures that are required to be inserted.

Items appearing in the disclosures coloured **red** are 2025 figures that have been restated.

Note that all items in an agency’s financial statements should appear in the one font colour, and only appear differently in this ACT Accounting Disclosure Paper to allow agencies to understand the differences arising from a restatement of comparatives.

The restatements, caused by this error, require disclosures to the following notes:

Notes which are always affected when any material restatement of comparative disclosures are required		
Note Title	Disclosures [Refer to corresponding numbered box appearing on the disclosure in Appendix B]	Disclosure information to include
Note 4. ‘Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications’	1. Description of the error;	As in step 1 outlined in Section 8.1.1 above
	2. Line items affected;	As in step 3 outlined in Section 8.1.3 above
	3. Restatement of comparative year (2025) <ul style="list-style-type: none"> ○ Operating Statement (Extract) ○ Balance Sheet (Extract) ○ Statement of Changes in Equity (Extract) 	As in step 3 outlined in Section 8.1.3 above
	4. Restatement of opening balance for the comparative year (2024) <ul style="list-style-type: none"> ○ Balance Sheet (Extract) 	As in step 3 outlined in Section 8.1.3 above
Note affected by this example only		
Note Title	Disclosures [Refer to corresponding numbered box appearing on the disclosure in Appendix B]	Disclosure information to include
Note 19. ‘Property, Plant and Equipment’	5. Restated comparative figures (2025)	As in step 3 outlined in Section 8.1.3 above

Most disclosures concerning material restatements will be presented within an agency’s financial statements in Note 4 ‘Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications’.

8.1.5 Adjust Financial Statements to Include Restated Amounts and Additional Disclosures

Refer to **Appendix A** for example adjusted financial statements showing how this error and the associated adjustments have affected the financial statements.

Colours

Items appearing in the disclosures coloured **blue** are additional disclosures or 2024 figures that are required to be inserted.

Items appearing in the disclosures coloured **red** are 2025 figures that have been restated.

Note that all items in an agency’s financial statements should appear in the one font colour, and only appear differently in this ACT Accounting Disclosure Paper to allow agencies to understand the differences arising from a restatement of comparatives.

Statement Title	Disclosures [Refer to corresponding numbered box appearing on the disclosure in Appendix A]	Information to include
Operating Statement	6. Restate 2025 figures as necessary.	Using numbers calculated in step 3 (Section 8.1.3 above)
Balance Sheet	7. Restate any 2025 figures as necessary.	Using numbers calculated in step 3 (Section 8.1.3 above)
	8. Add additional comparative column which includes all 2024 balances. Note that all line items need to be stated, even though only Note 19 <i>Property, Plant and Equipment</i> has been altered (in this example).	Using prior year published financial statements where lines have not been altered and numbers calculated in step 3 (Section 8.1.3 above) for lines which have been altered.
	9. Include a footnote to the column indicating that for further information the user can refer to note 4.	
Statement of Changes in Equity	10. Include additional opening balance restatement section.	Additional Disclosure (See Appendix A).
	11. Restate individual items (i.e. ‘Operating Result’ for this example).	Using numbers calculated in step 3 (Section 8.1.3 above)

APPENDIX A: RESTATED FINANCIAL STATEMENTS – MATERIAL ERROR

'Burley Griffin Agency' Operating Statement For the Year Ended 30 June 2026

Reference		Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Restated Actual 2025 \$'000
	Income				
AASB 101.85	Controlled Recurrent Payments	#	300,711	298,244	290,599
AASB 101.85 AASB 1058.26(c) AASB 15.113(a)	Sales of Goods and Services from Contracts with Customers	5	29,650	22,467	27,016
AASB 1058.26(a), (b)	Grants and Contributions Income	6	12,025	11,116	11,610
	Investment Revenue	7	5,016	4,223	3,160
AASB 101.82(a)	Interest Revenue	7	4,776	2,687	3,180
AASB 101.98(c),(d)	Gains from Disposals, Derecognition and Remeasurement of Assets	8	1,970	2,689	2,630
AASB 101.85	Other Income	9	20,942	13,438	25,704
AASB 101.85	Total Income		375,090	354,864	363,899
AASB 101.85	Expenses				
AASB 101.85 & 102	Employee Expenses	10	86,706	87,192	83,246
AASB 101.85 & 102	Supplies and Services	11	110,750	92,045	108,018
AASB 101.85 & 102	Depreciation and Amortisation	19,21	97,039	98,089	95,564
AASB 101.85 & 102	Grants and Purchased Services	12	72,348	73,665	62,928
AASB 101.85 & 102	Cost of Goods Sold and Distributed	17	13,713	12,113	9,329
AASB 101.82 (b)	Borrowing Costs	13	1,411	1,416	1,749
AASB 101.85 & 102	Other Expenses	14	14,817	8,530	7,669
AASB 101.85	Total Expenses		396,784	373,050	368,503
AASB 101.82 (c)	Share of Operating Profit from Joint Venture accounted for using the Equity Method	33	4,104	5,110	6,831
AASB 101.81A(a)	Operating Result		(17,590)	(13,076)	2,227
AASB 101.85	Other Comprehensive Income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
AASB 101.82A(a)(i)	Increase/(Decrease) in Asset Revaluation Surplus	19	27,396	18,847	182,058
AASB 101.82A(b)(i)	Increase/(Decrease) in Asset Revaluation Surplus attributable to Joint Ventures	33	2,500	-	2,000
	Total Other Comprehensive Result		29,896	18,847	184,058
AASB 101.81(A)(c)	Total Comprehensive Result		12,306	5,771	186,285

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

Refer to the Statement of Appropriation.

APPENDIX A: RESTATED FINANCIAL STATEMENTS – MATERIAL ERROR

'Burley Griffin Agency' Balance Sheet As at 30 June 2026

8. restated opening balance column

Reference	Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Restated Actual 2025 \$'000	Restated Actual ¹ 2024 \$'000
AASB 101.60		Current Assets			
AASB 101.54(i)	15	19,879	10,029	8,471	2,904
AASB 101.54 (d)	15	23,777	21,191	7,013	8,101
AASB 101.54 (h)	16	6,267	3,080	2,596	2,028
AASB 15.105	16	3,979	1,052	919	989
AASB 101.54 (g)	17	1,852	2,284	1,965	2,165
AASB 101.54 (j)	18	5,021	1,100	750	177
AASB 101.55	22	2,164	4,650	2,312	2,465
AASB 101.55		62,939	43,386	24,026	18,829
AASB 101.60		Non-Current Assets			
AASB 101.54 (d)	15	1,711	3,842	1,141	311
AASB 101.54 (h)	16	25,221	16,979	16,385	14,197
AASB 15.105	16	16,979	12,334	13,377	14,011
AASB 101.54(g)	17	57,159	42,753	31,963	34,221
AASB 101.54 (e)	33	84,340	80,329	73,581	60,595
AASB 101.54 (a)	19	3,980,177	3,961,551	4,001,397	3,811,034
AASB 101.54 (b)	20	29,344	28,543	25,751	18,190
AASB 101.54 (c)	21	3,635	11,918	10,720	10,820
AASB 101.55	22	413	294	625	822
AASB 101.55		4,198,979	4,158,543	4,174,940	3,964,201
AASB 101.55		4,261,918	4,201,929	4,198,966	3,983,030
AASB 101.60		Current Liabilities			
AASB 101.54 (k)	23	10,108	15,682	10,360	10,174
AASB 101.55	23	5,102	6,877	5,153	5,001
AASB 101.54(m)	24	384	314	428	272
AASB 16.47(b)	25	2,800	2,451	2,855	2,694
AASB 101.54 (l)	26	30,437	22,009	22,486	18,917
AASB 101.54 (l)	27	5,194	2,243	1,246	-
AASB 101.55	28	9,379	11,896	5,820	4,282
AASB 101.55		63,404	61,472	48,348	41,340
AASB 101.60		Non-Current Liabilities			
AASB 101.54 (k)	23	2,581	3,997	2,582	2,543
AASB 101.55	23	2,240	3,878	2,388	2,499
AASB 101.54(m)	24	7,740	9,083	8,676	10,619
AASB 16.47(b)	25	4,200	5,010	4,283	4,042
AASB 101.54 (l)	26	1,123	721	798	585
AASB 101.54 (l)	27	1,732	1,154	416	-
AASB 101.55	28	407	214	255	225
AASB 101.55		20,023	24,057	19,398	20,513
AASB 101.55		83,427	85,529	67,746	61,853
AASB 101.55		4,178,491	4,116,400	4,131,220	3,921,177
AASB 101.55		Equity			
		308,123	285,145	300,123	310,076
		3,484,770	3,487,015	3,490,625	3,470,432
		246,113	219,985	216,217	32,159
		139,485	124,255	124,255	108,510
		4,178,491	4,116,400	4,131,220	3,921,177

7. restated figures in red

9. footnote for additional column

1) See Note 4 for details.

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

APPENDIX A: RESTATED FINANCIAL STATEMENTS – MATERIAL ERROR

‘Burley Griffin Agency’ Statement of Changes in Equity For the Year Ended 30 June 2026

Reference	Note No.	Contributed Equity Actual 2026 \$'000	Accumulated Funds Actual 2026 \$'000	Asset Revaluation Surplus Actual 2026 \$'000	Other Reserves Actual 2026 \$'000	Total Equity Actual 2026 \$'000	Total Equity Original Budget 2026 \$'000
		300,123	3,490,625	216,217	124,255	4,131,220	4,068,675
		Comprehensive Income					
AASB 101.106(d)(i)		-	(17,590)	-	-	(17,590)	(13,076)
AASB 101.106(d)(ii)		-	-	29,896	-	29,896	18,847
		-	-	-	-	-	-
AASB 101.106 (a)		-	(17,590)	29,896	-	12,306	5,771
		Transfers to/(from) reserves					
		-	(15,230)	-	15,230	-	-
		Transactions Involving Owners Affecting Accumulated Funds					
AASB 101.106 (d)(iii)	#	13,500	-	-	-	13,500	15,952
AASB 101.106 (d)(iii)		(5,500)	-	-	-	(5,500)	(5,000)
AASB 101.106 (d)(iii) AASB 1004.48	29	-	29,195	-	-	29,195	30,050
AASB 101.106 (d)(iii) AASB 1004.49	29	-	(10,000)	-	-	(10,000)	(10,000)
AASB 101.106(d)(iii)		-	8,000	-	-	8,000	10,952
AASB 101.107 AASB 101.106 (d)(iii)		-	(230)	-	-	(230)	-
		8,000	26,965	-	-	34,965	41,954
		308,123	3,484,770	246,113	139,485	4,178,491	4,116,400

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

Refer to the Statement of Appropriation.

APPENDIX B: NOTE DISCLOSURES – MATERIAL ERROR

‘Burley Griffin Agency’ Statement of Changes in Equity - Continued For the Year Ended 30 June 2026

Reference	10. opening balance restatement section	Contributed Equity Actual 2025 \$'000	Accumulated Funds Actual 2025 \$'000	Asset Revaluation Surplus Actual 2025 \$'000	Other Reserves Actual 2025 \$'000	Total Equity Actual 2025 \$'000
	Note No.					
		310,076	3,433,732	16,859	108,510	3,869,177
AASB 101.106 (b)						
AASB 101.106 (b)	4	-	-	-	-	-
AASB 101.106 (b)	4	-	36,700	15,300	-	52,000
		310,076	3,470,432	32,159	108,510	3,921,177
AASB 101.106(d)(i)		-	2,227	-	-	2,227
AASB 101.106(d)(ii)		-		184,058	-	184,058
		-	-	-	-	-
AASB 101.106 (a)		-	2,227	184,058	-	186,285
		-	(15,745)	-	15,745	-
AASB 101.106 (d)(iii)	#	7,500	-	-	-	7,500
AASB 101.106 (d)(iii)		(17,453)	-	-	-	(17,453)
AASB 101.106 (d)(iii) AASB 1004.48	29	-	43,894	-	-	43,894
AASB 101.106 (d)(iii) AASB 1004.49	29	-	-	-	-	-
		-	(9,953)	-	-	(9,953)
AASB 101.107 AASB 101.106 (d)(iii)		-	(230)	-	-	(230)
		(9,953)	33,711	-	-	23,758
		300,123	3,490,625	216,217	124,255	4,131,220

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

Refer to the Statement of Appropriation.

APPENDIX B: NOTE DISCLOSURES – MATERIAL ERROR

Reference

NOTE 4. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, CORRECTION OF A PRIOR PERIOD ERROR AND RECLASSIFICATIONS

Correction of Prior Period Errors

1. description of error

AASB 108.49 (a)

On 1 February 2022, the Agency received Land, Buildings and Plant and Equipment from XYZ Directorate, as part of an Administration Arrangement (AA). These assets were acquired at no cost and taken up at the carrying amount of the transferor, given the assets were held at fair value by the transferor and were used for the same purpose by the transferee. Only some items were recorded in the books of the Agency at the date of the transfer, with 5 buildings (valued at \$25,000,000) and the corresponding land (valued at \$15,000,000) not being taken up by mistake. On 30 June 2023, these buildings and land were revalued and their fair value was determined to be \$30,000,000 and \$23,500,000 respectively. However, the fair value of the buildings and land were not taken up in the books of 'Burley Griffin Agency' at that date.

AASB 108.49 (b)(i) & (c)

As this error was made in a reporting period prior to the comparative period, the Balance Sheet balances as at 30 June 2024 were restated as follows:

- Property, plant and equipment was increased by \$52,000,000 to record the land and buildings that were not previously recorded in the Agency's Balance Sheet. This increase to property, plant and equipment was as follows:
 - land by \$23,500,000;
 - buildings by \$30,000,000; and
 - accumulated depreciation on the buildings by \$1,500,000.
- Accumulated funds were increased by \$36,700,000.
- Asset revaluation surplus was increased by \$15,300,000, which was made up as follows:
 - an increase of \$8,500,000 for the asset revaluation surplus for land; and
 - an increase of \$6,800,000 for the asset revaluation surplus for buildings.

2. line items affected and by how much

In addition, the balance sheet balances were still understated as at 30 June 2025, so this error resulted in the restatement of the following line items for the year ended 30 June 2025:

- land by \$23,500,000;
- buildings by \$30,000,000; and
- accumulated depreciation on the buildings by \$3,000,000 (\$1,500,000 for 2024 and \$1,500,000 for 2025).
- Accumulated funds were increased by \$35,200,000.
- Asset revaluation surplus was increased by \$15,300,000, which was made up as follows:
 - an increase of \$8,500,000 for the asset revaluation surplus for land; and
 - an increase of \$6,800,000 for the asset revaluation surplus for buildings.
- Depreciation was increased by \$1,500,000.
- Operating result was decreased by \$1,500,000.

APPENDIX B: NOTE DISCLOSURES – MATERIAL ERROR

Reference

AASB 108.28 & 29

NOTE 4. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, CORRECTION OF A PRIOR PERIOD ERROR AND RECLASSIFICATIONS - CONTINUED

30 June 2025 Comparative year

3. Restatement of comparative year figures

Financial Statement Line Item / Balance Affected	Note	Actual 2025 \$'000	Change in Acc. Policy Adj \$'000	Correction of Error Adj \$'000	Restated Actual 2025 \$'000
Operating Statement (Extract)					
Expenses					
Depreciation and Amortisation	19,21	94,064	-	1,500	95,564
Total Expenses		367,003	-	1,500	368,503
Operating Result		3,727	-	(1,500)	2,227
Balance Sheet (Extract)					
Non-Current Assets					
Property, Plant and Equipment	19	3,950,897	-	50,500	4,001,397
Total Non-Current Assets		4,124,440	-	50,500	4,174,940
Total Assets		4,148,466	-	50,500	4,198,966
Net Assets		4,080,720	-	50,500	4,131,220
Equity					
Accumulated Funds		3,455,425	-	35,200	3,490,625
Asset Revaluation Surplus		200,917	-	15,300	216,217
Total Equity		4,080,720	-	50,500	4,131,220
Statement of Changes in Equity (Extract)					
Operating Result		3,727	-	(1,500)	2,227

Last year's published Financial Statement 2025 figures

If an agency has no changes in accounting policy or prior period error adjustments, the corresponding column may be deleted. It is only shown here in this example to indicate layout if needed.

Figures now appearing in 2025 comparative column in this year's financial statements.

APPENDIX B: NOTE DISCLOSURES – MATERIAL ERROR

Reference	NOTE 4. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES, CORRECTION OF A PRIOR PERIOD ERROR AND RECLASSIFICATIONS - CONTINUED					
	Restatement of Financial Statement as a Result of Change in Accounting Policy and Correction of an Error					
				4. restatement of comparative year opening balances		
	1 July 2024 (Comparative year opening balances)					
Last year's published Financial Statement 2024 figures	Financial Statement Line Item /	Note	Actual 2024 \$'000	Change in Acc. Policy Adj	Correction of Error Adj \$'000	Restated Actual 2024 \$'000
	Balance Sheet (Extract)					
	Non-Current Assets					
	Property, Plant and Equipment	19	3,759,034	-	52,000	3,811,034
	Total Non-Current Assets		3,912,201	-	52,000	3,964,201
	Total Assets		3,931,030	-	52,000	3,983,030
	Net Assets		3,869,177	-	52,000	3,921,177
	Equity					
	Accumulated Funds		3,433,732	-	36,700	3,470,432
	Asset Revaluation Surplus		16,859	-	15,300	32,159
	Total Equity		3,869,177	-	52,000	3,921,177

If an agency has no changes in accounting policy or prior period error adjustments, the corresponding column may be deleted. It is only shown here in this example to indicate layout if needed.

APPENDIX B: NOTE DISCLOSURES – MATERIAL ERROR

NOTE 19. PROPERTY, PLANT AND EQUIPMENT

Reference	Reconciliation of Property, Plant and Equipment - 2025-26									
	Land \$'000	Buildings \$'000	Right-of-Use Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Right-of-Use Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage and Community Assets \$'000	Capital Works in Progress \$'000	Total \$'000
AASB 116.73 (e)	Carrying Amount at the Beginning of the Reporting Period (Restated- see Note 4)									
	31,411	62,049	5,069	5,958	6,455	2,767	3,457,034	129,139	301,515	4,001,397
AASB 116.73 (e) (i) AASB 16.53 (h)	6,400	4,064	1,756	600	5,682	-	-	-	14,699	33,201
AASB 116.73 (e) (ii) AASB 116.73 (e) (iv)	-	-	-	-	(5,318)	-	-	-	-	(5,318)
AASB 116.73 (e) (iv)	8,660	12,776	-	-	-	-	-	7,610	-	29,046
AASB 116.73 (e) (iv)	-	(1,650)	-	-	-	-	-	-	-	(1,650)
AASB 116.73 (e) (vii) AASB 16.53 (a) AASB 116.73 (e) (ix)	-	(1,733)	(475)	(752)	(1,470)	(630)	(85,889)	(5,650)	-	(96,599)
AASB 116.73 (e) (ix) AASB 116.73 (e) (ix)	1,640	1,260	-	-	-	-	-	15,640	-	18,540
AASB 116.73 (e) (ix) AASB 116.73 (e) (ix)	3,120	1,560	-	-	-	-	-	(871)	-	3,809
AASB 116.73 (e) (v)	-	-	-	-	-	-	32,250	-	(32,250)	-
AASB 116.73 (e) (v)	-	-	-	-	(950)	-	-	-	-	(950)
AASB 116.73 (e) (vi)	-	-	-	-	-	-	-	-	-	-
AASB 16.53	-	-	-	-	-	-	-	-	-	-
AASB 116.73 (e) (ix)	(1,092)	(600)	-	-	1,523	-	-	(1,130)	-	(1,299)
AASB 116.73 (e)	Carrying Amount at the End of the Reporting Period									
	50,139	77,726	6,350	5,806	5,922	2,137	3,403,395	144,738	283,964	3,980,177
	Carrying Amount at the End of the Reporting Period, is represented by:									
AASB 116.73(a) & (d)	50,139	85,947	7,628	10,152	15,888	5,800	5,209,131	173,399	283,964	5,842,048
AASB 116.73(d)	-	(6,017)	(1,278)	(4,346)	(8,586)	(3,663)	(1,805,736)	(28,661)	-	(1,858,287)
AASB 116.73(d)	-	(2,204)	-	-	(1,380)	-	-	-	-	(3,584)
	Carrying Amount at the End of the Reporting Period									
	50,139	77,726	6,350	5,806	5,922	2,137	3,403,395	144,738	283,964	3,980,177

5. restated 2026 figures

APPENDIX B: NOTE DISCLOSURES – MATERIAL ERROR

Appendix B: Note Disclosures – Note 19. Property, Plant and Equipment – Continued

Reference	Reconciliation of Property, Plant and Equipment - 2024-25	Land \$'000	Buildings \$'000	Right-of-Use Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Right-of-Use Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage and Community Assets \$'000	Capital Works in Progress \$'000	Total \$'000
AASB 116.73 (e)	Carrying Amount at the Beginning of the Reporting Period (Restated- see Note 4)	24,608	53,973	4,504	5,863	5,097	3,613	3,330,135	97,502	285,739	3,811,034
AASB 116.73 (e) (i)	Additions	1,548	4,039	15	665	4,022	-	-	-	44,194	54,483
AASB 116.53(h)	Assets Classified as Held for Sale	-	-	-	-	(2,050)	-	-	-	-	(2,050)
AASB 116.73 (e) (ii)	Revaluation Increment/(Decrement)	-	-	-	-	-	-	182,612	-	-	182,612
AASB 116.73 (e) (iv)	Impairment Losses Recognised in Other Comprehensive Income	-	(554)	-	-	-	-	-	-	-	(554)
AASB 116.73 (e) (vii)	Depreciation	-	(1,578)	(325)	(570)	(1,794)	(846)	(84,131)	(4,120)	-	(93,364)
AASB 116.73 (e) (ix)	Acquisition/(Disposal) through Administrative Restructuring	3,205	5,875	-	-	-	-	-	31,048	-	40,128
AASB 116.73 (e) (ix)	Acquisition/(Disposal) from Transfers	2,821	925	-	-	-	-	-	5,510	-	9,256
AASB 116.73(e)(ix)	Capital Works in Progress Completed and Transferred to another class of Property, Plant and Equipment	-	-	-	-	-	-	28,418	-	(28,418)	-
AASB 116.73 (e) (v)	Impairment Losses Recognised in the Operating Result	-	-	-	-	(430)	-	-	-	-	(430)
AASB 116.73 (e) (vi)	Reversal of Impairment Losses Recognised in the Operating Result	-	-	-	-	-	-	-	-	-	-
AASB 16.53	Changes in right-of-use assets due to changes in lease liability	-	-	875	-	-	-	-	-	-	875
AASB 116.73 (e) (ix)	Other Movements	(771)	(631)	-	-	1,610	-	-	(801)	-	(593)
AASB 116.73 (e)	Carrying Amount at the End of the Reporting Period	31,411	62,049	5,069	5,958	6,455	2,767	3,457,034	129,139	301,515	4,001,397
AASB 116.73(a) &(d)	Carrying Amount at the End of the Reporting Period, is represented by:										
AASB 116.73(d)	Gross Book Value	31,411	66,887	5,872	9,552	14,001	5,800	5,176,881	152,150	301,515	5,764,069
AASB 116.73(d)	Accumulated Depreciation	-	(4,284)	(803)	(3,594)	(7,116)	(3,033)	(1,719,847)	(23,011)	-	(1,761,688)
AASB 116.73(d)	Accumulated Impairment Losses	-	(554)	-	-	(430)	-	-	-	-	(984)
	Carrying Amount at the End of the Reporting Period	31,411	62,049	5,069	5,958	6,455	2,767	3,457,034	129,139	301,515	4,001,397
										2026	2025
										\$'000	\$'000
	Reconciliation of Depreciation and Amortisation Amounts from the Notes to the Amount on the Face of the Operating Statement										
	Depreciation Expense (from Note 19 <i>Property, Plant and Equipment</i> above)									96,599	93,364
	Amortisation Expense (from Note 21 <i>Intangible Assets</i>)									440	2,200
	Total Depreciation and Amortisation Expense on the Operating Statement									97,039	95,564

APPENDIX C: CALCULATIONS – MATERIAL ERROR

Calculations

Illustrative Calculation of a Prior Period Error

In order to demonstrate the calculations behind the disclosures made in Note 4, further data is provided below. This data is not required to be disclosed in order to satisfy AASB 108, however it will demonstrate the level of analysis which may be required in order to restate any comparative figures.

Financial Statement Line Item / Balance Affected	2025 \$'000	Balance Adjustment	2024 \$'000	2023 \$'000	2022 \$'000
	Ref		Ref	Ref	Ref
Effect on Expenses					
Depreciation and Amortisation	1,500 (h)		1,500 (g)	1,300 (d)	500 (c)
Effect on Operating Result	(1,500)		(1,500)	(1,300)	(500)
Effect on Assets					
Land	23,500	23,500	23,500	23,500 (e)	15,000 (a)
Buildings	30,000	30,000	30,000	30,000 (f)	25,000 (b)
Accumulated Depreciation	(3,000) (h)	(1,500)	(1,500) (g)	- (f)	(500) (c)
Total Effect on Assets	50,500	52,000	52,000	53,500	39,500
Effect on Equity					
Accumulated Funds	35,200	36,700	36,700	38,200	39,500
Asset Revaluation Surplus - Buildings	6,800	6,800	6,800	6,800 (f)	-
Asset Revaluation Surplus - Land	8,500	8,500	8,500	8,500 (e)	-
Total Effect on Equity	50,500	52,000	52,000	53,500	39,500

Value on Transfer

(a) On 1 February 2022, the Land had a book value of \$15,000,000 and had an indefinite useful life.

(b) On 1 February 2022, the Buildings had a book value of \$25,000,000 and had a useful life of 20 years.

Depreciation Notes and Calculations

(c) Depreciation for 2022 is $\$25,000,000 / 20 \text{ years} / 12 \text{ months} \times 5 \text{ months} = \$520,833$ (rounded to $\$500,000^4$)

(d) Depreciation for 2023 (prior to revaluation) is $\$25,000,000 / 20 \text{ years} = \$1,250,000$ pa (rounded to $\$1,300,000^3$)

(g) Depreciation for 2024 (post revaluation) is $\$30,000,000 / 20 \text{ years} = \$1,500,000$ pa

(h) Depreciation for 2025 (post revaluation) is $\$30,000,000 / 20 \text{ years} = \$1,500,000$ pa

⁴ Rounding has been applied to simplify the example. Agencies should not apply rounding in the same manner to their calculations and financial statements.

APPENDIX C: CALCULATIONS – MATERIAL ERROR

Revaluations

(e) On 30 June 2023, the land was revalued. The fair value was assessed at \$23,500,000 with an indefinite useful life. Prior to revaluation the book value was \$15,000,000. Therefore, an Asset Revaluation Surplus of \$8,500,000 has been raised.

(f) On 30 June 2023, the building was revalued. The fair value was assessed at \$30,000,000 with a remaining useful life of 20 years. Prior to revaluation, the book value was \$23,200,000. Therefore, an Asset Revaluation Surplus of \$6,800,000 has been raised.

This calculation is provided in order to work out all restated amounts that need to appear in the statements and associated notes. However, this part is not required to be disclosed in the financial statements.

Illustrative Calculation of a Prior Period Error - Continued						
	2025			2024		
	Published Financial Statements \$'000	Adjustment \$'000	Restated Actual \$'000	Published Financial Statements \$'000	Adjustment \$'000	Restated Actual \$'000
Land and Buildings						
Land at Fair Value ^a	7,911	23,500	31,411	1,108	23,500	24,608
Total Land Assets at Fair Value	7,911	23,500	31,411	1,108	23,500	24,608
Buildings at Fair Value ^b	36,887	30,000	66,887	26,402	30,000	56,402
Less: Accumulated Depreciation	(1,284)	(3,000)	(4,284)	(929)	(1,500)	(2,429)
Less: Accumulated Impairment Losses	(554)	-	(554)	-	-	-
Total Buildings at Fair Value	35,049	27,000	62,049	25,473	28,500	53,973
Right-of-Use Buildings at Cost	5,872	-	5,872	5,259	-	5,259
Less: Accumulated Depreciation	(803)	-	(803)	(755)	-	(755)
Less: Accumulated Impairment Losses	-	-	-	-	-	-
Total Right-of-use Buildings at Cost	5,069	-	5,069	4,504	-	4,504
Total Land and of Buildings	48,029	50,500	98,529	31,085	52,000	83,085
Leasehold Improvements						
Leasehold Improvements at Fair Value	9,552	-	9,552	8,887	-	8,887
Less: Accumulated Depreciation	(3,594)	-	(3,594)	(3,024)	-	(3,024)
Less: Accumulated Impairment Losses	-	-	-	-	-	-
Total Leasehold Improvements at Fair Value	5,958	-	5,958	5,863	-	5,863
Plant and Equipment						
Plant and Equipment at Cost	14,001	-	14,001	11,133	-	11,133
Less: Accumulated Depreciation	(7,116)	-	(7,116)	(6,036)	-	(6,036)
Less: Accumulated Impairment Losses	(430)	-	(430)	-	-	-
Total Plant and Equipment at Cost	6,455	-	6,455	5,097	-	5,097

APPENDIX C: CALCULATIONS – MATERIAL ERROR

	2025			2024		
	Published Financial Statements \$'000	Adjustment \$'000	Restated Actual \$'000	Published Financial Statements \$'000	Adjustment \$'000	Restated Actual \$'000
Right-of-Use Plant and Equipment						
Right-of-Use Plant and Equipment at Cost	5,800	-	5,800	5,636	-	5,636
Less: Accumulated Depreciation	(3,033)	-	(3,033)	(2,023)	-	(2,023)
Less: Accumulated Impairment Losses	-	-	-	-	-	-
Total Right-of-use Plant and Equipment at Cost	2,767	-	2,767	3,613	-	3,613
Infrastructure Assets						
Infrastructure Assets at Fair Value	5,176,881	-	5,176,881	4,965,851	-	4,965,851
Less: Accumulated Depreciation	(1,719,847)	-	(1,719,847)	(1,635,716)	-	(1,635,716)
Less: Accumulated Impairment Losses	-	-	-	-	-	-
Total Infrastructure Assets at Fair Value	3,457,034	-	3,457,034	3,330,135	-	3,330,135
Heritage and Community Assets						
Heritage and Community Assets at Fair Value ^c	152,150	-	152,150	116,393	-	116,393
Less: Accumulated Depreciation	(23,011)	-	(23,011)	(18,891)	-	(18,891)
Less: Accumulated Impairment Losses	-	-	-	-	-	-
Total Heritage and Community Assets at Fair Value	129,139	-	129,139	97,502	-	97,502
Capital Works in Progress						
Capital Works in Progress at Cost	301,515	-	301,515	285,739	-	285,739
Less: Accumulated Impairment Losses	-	-	-	-	-	-
Total Capital Works in Progress at Cost	301,515	-	301,515	285,739	-	285,739
Total Property, Plant and Equipment	3,950,897	50,500	4,001,397	3,759,034	52,000	3,811,034
Total Non-Current Assets	4,124,440	50,500	4,174,940	3,912,201	52,000	3,964,201
Total Assets	4,148,466	50,500	4,198,966	3,931,030	52,000	3,983,030
Net Assets	4,080,720	50,500	4,131,220	3,869,177	52,000	3,921,177
Equity						
Contributed Assets	300,123	-	300,123	310,076	-	310,076
Accumulated Funds	3,455,425	35,200	3,490,625	3,433,732	36,700	3,470,432
Asset Revaluation Surplus	200,917	15,300	216,217	16,859	15,300	32,159
Other Reserves	124,255	-	124,255	108,510	-	108,510
Total Equity	4,080,720	50,500	4,131,220	3,869,177	52,000	3,921,177

APPENDIX C: CALCULATIONS – MATERIAL ERROR

	2025			2024		
	Published Financial Statements \$'000	Adjustment \$'000	Restated Actual \$'000	Published Financial Statements \$'000	Adjustment \$'000	Restated Actual \$'000
	Depreciation					
Buildings	78	1,500	1,578	N/A	-	N/A
Right-of-Use Buildings	325	-	325	N/A	-	N/A
Infrastructure Assets	84,131	-	84,131	N/A	-	N/A
Plant and Equipment	1,794	-	1,794	N/A	-	N/A
Right-of-Use Plant and Equipment	846	-	846	N/A	-	N/A
Heritage and Community Assets	4,120	-	4,120	N/A	-	N/A
Leasehold Improvements	570	-	570	N/A	-	N/A
Total Depreciation	91,864	1,500	93,364	N/A	-	N/A
Amortisation						
Intangible Assets	2,200	-	2,200	N/A	-	N/A
Total Amortisation	2,200	-	2,200	N/A	-	N/A
Total Depreciation and Amortisation	94,064	1,500	95,564	N/A	-	N/A

APPENDIX D: EXAMPLE DISCLOSURE OF AN IMMATERIAL ERROR

Incorrect Recognition of a Separate Asset Class

The five step process outlined in Section 8 of this paper has been applied in this example.

Step 1 Identify the Situation

In this example, 'Burley Griffin Agency' recognised a separate asset class for 'Land Improvements' in its 2024-25 financial statements. When preparing its 2025-26 Financial Statements 'Burley Griffin Agency' realised that 'Land Improvements' should have been included in the 'Building' Asset Class in accordance with its own accounting policy (which is based on the ACT Government Accounting Policy set by Treasury). The ACT Government Accounting Policy states that there are ten classes of Property, Plant and Equipment in the ACT Government including Land, Buildings, Right-of-Use Buildings, Leasehold Improvements, Plant and Equipment, Right-of-Use Plant and Equipment, Infrastructure Assets, Right-of-Use Infrastructure Assets, Heritage and Community Assets and Capital Works in Progress. To correct this error in 'Burley Griffin Agency's' 2025-26 Financial Statements, the 'Land Improvements' asset class has been removed and these figures included in the building asset class within Note 19 'Property, Plant and Equipment'.

Step 2 Determine type of Restatement

Error

In this example the situation has given rise to errors in the financial statements because there was a failure to correctly follow 'Burley Griffin Agency's' own accounting policy that was in place when the financial statements were being prepared. This oversight has caused an incorrect disclosure of information.

Step 3 Materiality Impact and Financial Statement line items affected

In order to assess materiality, the agency needs to determine, amongst other qualitative considerations, the effect it has on each financial statement line item for any period it effects.

Given the small amount of Land Improvements, this is considered to be an immaterial error. Further, this error only involved the separate disclosure of a Land Improvements Asset Class instead of correctly including land improvements in the Building Asset Class (i.e. the figures themselves were correct and correctly included against each relevant line item in this note disclosure and did not impact on the operating result, net assets or total equity of the agency). Therefore, in this example 'Burley Griffin Agency' may adjust the prior period disclosure to maintain comparability of periods. In this example, 'Burley Griffin Agency' has chosen to adjust the comparative year and include an explanation regarding the restatement in Note 19 *Property, Plant and Equipment*.

Step 4 Appropriate Disclosure for Note 4 and Other Notes

Given this is an immaterial error, a Note 4 'Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications' disclosure should not be included for this error. The restatement in this example can be seen in the extract from Note 19 'Property, Plant and Equipment' below.

Colours

Items appearing in the disclosures coloured **red** are 2025 figures that have been restated. The column in **red strikethrough** was included in the 2024-25 financial statements, however this column has been deleted with all the figures in it now being included in the building column in red text in the 2025-26 financial statements.

APPENDIX D: EXAMPLE DISCLOSURE OF AN IMMATERIAL ERROR

Note that all items in an agency’s financial statements should appear in the one font colour and no strikethrough, and only appears differently in this ACT Accounting Disclosure Paper to allow agencies to understand the differences arising from a restatement of comparatives.

The restatements, caused by this error, are to the following note:

Various notes affected by this example only		
Note Title	Disclosures [Refer to corresponding numbered box appearing on the disclosure below]	Disclosure information to include
Note 19. <i>Property, Plant and Equipment</i>	<ol style="list-style-type: none"> 1. Reclassify comparative figures (2025). 2. Removal of the ‘Land Improvements’ Asset Class from the 2025-26 Financial Statements. 3. Explanation of the immaterial error. 	As outlined in step 3.

Step 5 Adjust financial statements to include restated amounts and additional disclosures

In this example there were no adjustments required to the face of the Financial Statements.

APPENDIX D: EXAMPLE DISCLOSURE OF AN IMMATERIAL ERROR

1. The figures in red text in the 'Buildings' column have been restated and now include all figures relating to Land Improvements.

Reconciliation of Property, Plant and Equipment – 2024-25

2. The 'Land Improvements' column that appeared in the 2024-25 financial statements has been deleted from the 2025-26 Financial Statements.

	Land \$'000	Land Improvements \$'000	Buildings \$'000	ROU Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	ROU Plant and Equipment \$'000	Infrastructure Assets \$'000	Heritage/ Community Assets \$'000	Capital Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	24,608	2,123	53,973	4,504	5,863	5,097	3,613	3,330,135	97,502	285,739	3,811,034
Additions	1,548	532	4,039	15	665	4,022	-	-	-	44,194	54,483
Assets Classified as Held for Sale	-	-	-	-	-	(2,050)	-	-	-	-	(2,050)
Revaluation Increment/(Decrement)	-	-	-	-	-	-	-	182,612	-	-	182,612
Impairment Losses Recognised in Other Comprehensive Income	-	-	(554)	-	-	-	-	-	-	-	(554)
Depreciation	-	(205)	(1,578)	(325)	(570)	(1,794)	(846)	(84,131)	(4,120)	-	(93,364)
Acquisition/(Disposal) through Administrative Restructuring	3,205	487	5,875	-	-	-	-	-	31,048	-	40,128
Acquisition/(Disposal) from Transfers	2,821	-	925	-	-	-	-	-	5,510	-	9,256
Capital Works in Progress Completed and Transferred to another class of Property, Plant and Equipment	-	-	-	-	-	-	-	28,418	-	(28,418)	-
Impairment Losses Recognised in the Operating Result	-	-	-	-	-	(430)	-	-	-	-	(430)
Reversal of Impairment Losses Recognised in the Operating Result	-	-	-	-	-	-	-	-	-	-	-
Changes in right-of-use assets due to changes in lease liability	-	-	-	875	-	-	-	-	-	-	875
Other Movements	(771)	-	(631)	-	-	1,610	-	-	(801)	-	(593)
Carrying Amount at the End of the Reporting Period	31,411	2,937	62,049	5,069	5,958	6,455	2,767	3,457,034	129,139	301,515	4,001,397
Carrying Amount at the End of the Reporting Period, is represented by:											
Gross Book Value	31,411	3,960	66,887	5,872	9,552	14,001	5,800	5,176,881	152,150	301,515	5,764,069
Accumulated Depreciation	-	(1,023)	(4,284)	(803)	(3,594)	(7,116)	(3,033)	(1,719,847)	(23,011)	-	(1,761,688)
Accumulated Impairment Losses	-	-	(554)	-	-	(430)	-	-	-	-	(984)
Carrying Amount at the End of the Reporting Period	31,411	2,937	62,049	5,069	5,958	6,455	2,767	3,457,034	129,139	301,515	4,001,397

Reconciliation of Depreciation and Amortisation Amounts from the Notes to the Amount on the Face of the Operating Statement

Depreciation Expense (from Note 19 *Property, Plant and Equipment* above)

Amortisation Expense (from Note 21 *Intangible Assets*)

Total Depreciation and Amortisation Expense on the Operating Statement

	2026 \$'000	2025 \$'000
Depreciation Expense	96,599	93,364
Amortisation Expense	440	2,200
Total	97,039	95,564

In the 2024-25 financial statements 'Burley Griffin Agency' included Land Improvements as a separate asset class. However, in this year's financial statements 'Burley Griffin Agency' has removed the 'Land Improvement' column and included land improvement figures in the building asset class in accordance with its accounting policy. As such, the figures disclosed in the building asset class column in the above table now include land improvements.

3. Paragraph explaining the restatement of figures between the 2024-25 and the 2025-26 Financial Statements.

APPENDIX E: EXAMPLE DISCLOSURE OF RECLASSIFICATIONS

Reclassify Disclosure of Restructure Fund Receipts

The five step process outlined in Section 8 of this paper has been applied in this example.

Step 1 Identify the Situation

In this example, 'Burley Griffin Agency' disclosed 'Restructure Fund Receipts' as 'Other Income' (Other Gains) in their 2024-25 financial statements. However, when preparing its 2025-26 financial statements 'Burley Griffin Agency' considered that it would be more helpful to users of the financial statements to disclose 'Restructure Fund Receipts' as 'Grants and Contributions Income' (Other Grants and Contributions).

Step 2 Determine type of Restatement

Reclassification

In this example the situation has given rise to a reclassification in the financial statements because 'Burley Griffin Agency' considered that one of its disclosures should be changed to enhance the understandability of the financial statements. This change does not involve a change in accounting policy or an error.

Step 3 Materiality Impact and Financial Statement line items affected

In order to assess materiality, the agency needs to determine, amongst other qualitative considerations, the effect it has on each financial statement line item for any period it effects.

Given the relatively small value in the Restructure Fund Receipts line item this is considered to be an immaterial change. Therefore, it is recommended but not required that 'Burley Griffin Agency' adjusts the prior period comparative year to maintain comparability of periods. In this example, 'Burley Griffin Agency' has chosen to reclassify the comparative period amount in order to maintain the comparability of periods. In this example 'Restructure Fund Receipts' are now included in Note 6 'Grants and Contributions Income' under the 'Other Grants and Contributions' heading rather than in Note 9 'Other Income' under the 'Other Gains' heading.

'Burley Griffin Agency' has included an explanation regarding the reclassification.

Step 4 Appropriate Disclosure for Note 4 and Other Notes

This reclassification does not require a Note 4 'Change in Accounting Policy and Accounting Estimates, Correction of a Prior Period Error and Reclassifications' disclosure. The restatement in this example can be seen in the extract from the Operating Statement, Note 6 'Grants and Contributions Income' and Note 9 'Other Income' below.

Colours

Figures appearing in **red** are 2025 figures that have been restated. The line item coloured **red** relates to the Restructure Fund Receipts that have been moved to Note 6 'Grants and Contributions Income' in the 2025-26 Financial Statements. The line item in **red-strikethrough** relates to the Restructure Fund

APPENDIX E: EXAMPLE DISCLOSURE OF RECLASSIFICATIONS

Receipts that have been moved from the 2024-25 prior year comparatives in Note 9 ‘Other Income’ to Note 6 ‘Grants and Contributions Income’.

Note that all items in an agency’s financial statements should appear in the one font colour, and only appears differently in this ACT Accounting Disclosure Paper to allow agencies to understand the differences arising from the reclassification.

In order to explain this change, a paragraph has been included in the Operating Statement and in both Notes. Where an agency decides to restate comparatives of a similar reclassification in their financial statements, it is recommended that an explanation of the restatement is also included.

The reclassification is to the following notes:

Various notes affected by this example only		
Note Title	Disclosures [Refer to corresponding numbered box appearing in the disclosure in Appendix E]	Disclosure information to include
Note 6 ‘Grants and Contributions Income’	<ol style="list-style-type: none"> The entire ‘Restructure Fund Receipts’ line item has been moved, along with the related figures from the ‘Other Income’ Note to the ‘Grants and Contributions Income’ Note. Explanation of the reclassification. 	As outlined in step 3
Note 9 ‘Other Income’	<ol style="list-style-type: none"> The entire ‘Restructure Fund Receipts’ line item has been moved, along with the related figures from the ‘Other Income’ Note to the ‘Grants and Contributions Income’ Note. Explanation of the reclassification. 	As outlined in step 3

Step 5 Adjust financial statements to include restated amounts and additional disclosures

In this example the figures included against the ‘Grants and Contributions Income’ line item and the ‘Other Income’ line item on the face of the Operating Statement need to be updated, as outlined below:

Statements affected by this example		
Statement Title	Disclosures [Refer to corresponding numbered box appearing in the disclosure in Appendix E]	Disclosure information to include
Operating Statement	<ol style="list-style-type: none"> Restate 2025 figures as necessary. Explanation of the reclassification. 	As outlined in step 3

APPENDIX E: EXAMPLE DISCLOSURE OF RECLASSIFICATIONS

'Burley Griffin Agency' Operating Statement For the Year Ended 30 June 2026

Reference		Note No.	Actual 2026 \$'000	Original Budget 2026 \$'000	Actual 2025 \$'000
	Income				
AASB 101.85	Controlled Recurrent Payments	#	300,711	298,244	290,599
AASB 101.85 AASB 1058.26(c) AASB 15.113(a)	Sales of Goods and Services from Contracts with Customers	5	29,650	22,467	27,016
AASB 1058.26(a), (b)	Grants and Contributions Income	6	73,878	65,922	64,378
	Investment Revenue	7	5,016	4,223	3,160
AASB 101.82(a)	Interest Revenue	7	4,776	2,687	3,180
AASB 101.98(c),(d)	Gains from Disposals, Derecognition and Remeasurement of Assets	8	1,970	2,689	2,630
AASB 101.85	Other Income	9	20,942	13,438	25,704
AASB 101.85	Total Income		436,943	409,670	416,667
	Expenses				
AASB 101.85	Employee Expenses	10	86,706	87,192	83,246
AASB 101.85 & 102	Supplies and Services	11	110,750	92,045	108,018
AASB 101.85 & 102	Depreciation and Amortisation	19,21	97,039	98,089	95,564
AASB 101.85 & 102	Grants and Purchased Services	12	72,348	73,665	62,928
AASB 101.85 & 102	Cost of Goods Sold and Distributed	17	13,713	12,113	9,329
AASB 101.82 (b)	Borrowing Costs	13	1,411	1,416	1,749
AASB 101.85 & 102	Other Expenses	14	14,817	8,530	7,669
AASB 101.85	Total Expenses		396,784	373,050	368,503
AASB 101.82 (c)	Share of Operating Profit from Joint Venture accounted for using the Equity Method	33	4,104	5,110	6,831
AASB 101.81A(a)	Operating Result		44,263	41,730	54,995
AASB 101.85	Other Comprehensive Income <i>Items that will not be reclassified subsequently to profit or loss</i>				
AASB 101.82A(a)(i)	Increase/(Decrease) in Asset Revaluation Surplus	19	27,396	18,847	182,058
AASB 101.82A(b)(i)	Increase/(Decrease) in Asset Revaluation Surplus attributable to Joint Ventures	33	2,500	-	2,000
AASB 101.81A(b)	Total Other Comprehensive Result		29,896	18,847	184,058
AASB 101.81(A)(c)	Total Comprehensive Result		74,159	60,577	239,053

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

Refer to the Statement of Appropriation.

In the 2024-25 Financial Statements 'Burley Griffin Agency' disclosed 'Restructure Fund Receipts' in the 'Other Income' line item. However, in this year's financial statements 'Burley Griffin Agency' has moved the 'Restructure Fund Receipts' to the 'Grants and Contributions Income' line item. This is because 'Burley Griffin Agency' considers that it is more helpful to users of the financial statements to disclose 'Restructure Fund Receipts' as a Grant/Contribution given it better reflects the nature of the revenue.

6. Paragraph explaining the change between the 2024-25 and the 2025-26 Financial Statements.

APPENDIX E: EXAMPLE DISCLOSURE OF RECLASSIFICATIONS

Note 6. Grants and Contributions Income

	2026 \$'000	2025 \$'000
Resources Received Free of Charge		
Legal Services	3,456	3,125
Financial Services provided by Shared Services	5,102	4,289
Human Resources Services provided by Shared Services	3,183	2,850
Record Management Services provided by the Territory Records Office	2,854	2,579
Investigation Services provided by the Professional Standards Unit	2,312	2,055
Information and Communication Technology services provided by the Digital Canberra	3,777	3,386
Project Management Services provided by Infrastructure Canberra	4,658	4,003
Total Resources Received Free of Charge	25,342	22,287
Other Grants and Contributions Income		
Concessional Loan Discount Income	1,530	1,450
Grants with Sufficiently Specific Performance Obligations	11,799	10,216
Grants without Sufficient Performance Obligations	12,878	10,997
Grants to Acquire or Construct Assets to be Controlled by the Agency	9,754	8,577
Donations	1,522	1,502
Gain Arising from the Contribution of Assets	6,216	5,422
Donations of Property, Plant and Equipment	1,953	1,612
Restructure Fund Receipts	1,513	1,012
Volunteer Services – External Volunteers	1,371	1,303
Total Other Grants and Contributions Income	48,536	42,091
Total Grants and Contributions Income	73,878	64,378

1. This Line Item has been moved from the 'Other Income' Note to the 'Grants and Contributions Income' Note.

In the 2024-25 Financial Statements 'Burley Griffin Agency' disclosed 'Restructure Fund Receipts' (\$1.012m) under Note 9 'Other Income'. However, in this year's financial statements 'Burley Griffin Agency' has moved the 'Restructure Fund Receipts' line item to this note. This is because 'Burley Griffin Agency' considers that it is more helpful to users of the financial statements to disclose 'Restructure Fund Receipts' as a Grant/Contribution given it better reflects the nature of the revenue.

2. Paragraph explaining the change between the 2024-25 and the 2025-26 Financial Statements.

APPENDIX E: EXAMPLE DISCLOSURE OF RECLASSIFICATIONS

Note 9. Other Income

	2026 \$'000	2025 \$'000
Other Revenue		
Revenue from Service Concession Arrangements	13,544	15,845
Insurance Recoveries from the ACT Insurance Authority	825	800
Other Revenue	576	559
Total Other Revenue	14,945	17,204
Other Gains		
Reversal of Asset Revaluation Decrements Previously Expensed	1,530	-
Restructure Fund Receipts	1,513	1,012
Recognition of Assets Previously Written Off	2,799	5,216
Other	1,668	3,284
Total Other Gains	5,997	8,500
Total Other Income	20,942	25,704

3. This Line Item has been moved from the 'Other Income' Note to the 'Grants and Contributions Income' Note.

In the 2024-25 Financial Statements 'Burley Griffin Agency' disclosed 'Restructure Fund Receipts' (\$1.012m) in this note. However, in this year's financial statements 'Burley Griffin Agency' has moved the 'Restructure Fund Receipts' line item to Note 6 'Grants and Contributions Income'. This is because 'Burley Griffin Agency' considers that it is more helpful to users of the financial statements to disclose 'Restructure Fund Receipts' as a Grant/Contribution given it better reflects the nature of the revenue.

4. Paragraph explaining the change between the 2024-25 and the 2025-26 Financial Statements.

AADP 301 - Accounting for Changes in Accounting Policy and Accounting Estimates, Correction of Prior Period Errors and Reclassifications

Table 1 – Historical Versions of the Changes in Accounting Policy and Accounting Estimates, Correction of Prior Period Errors and Reclassifications Disclosure Paper

Version	Date	Author	Revision notes
1.0	May 2019	Financial Reporting and Framework Branch	First release
2.0	June 2020	Financial Reporting and Framework Branch	Second release
3.0	July 2022	Financial Reporting and Framework Branch	Third release
4.0	June 2023	Financial Reporting and Framework Branch	Fourth release
5.0	June 2024	Financial Reporting and Framework Branch	Fifth release
6.0	June 2026	Financial Reporting and Framework Branch	Sixth release



Chief Minister, Treasury and Economic
Development Directorate

June 2026